



Government of the United States Virgin Islands

Agreed-Upon Procedures Report
Gross Receipts Tax Collections
Quarter Ended March 31, 2020

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Independent Accountant's Report

To the Commissioner
Department of Finance
Government of the United States Virgin Islands

We have performed the procedures enumerated below, which were agreed to by management of the Government of the United States Virgin Islands (the Government), solely to assist you in evaluating the Government's assertion that the Government's gross receipts tax collections for the quarter ended March 31, 2020, are accurate and complete. The Government is responsible for its gross receipts tax collections records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We read Sections 43, 44, and 45 of Subtitle 1 of Title 33 of the Virgin Islands' Code, applicable to the imposition and collection of gross receipts taxes.
2. We obtained the monthly gross receipts tax collections for the quarter ended March 31, 2020, from the monthly "Unaudited General Fund Statement of Revenue" prepared by the Revenue Audit Division of the Government's Department of Finance.
3. We obtained from management of the Government, the First Bank (the Collecting Agent) account statements, which include deposits of the monthly gross receipts tax revenue collected for each of the three months in the quarter ended March 31, 2020.
4. For the quarter ended March 31, 2020, we obtained the "General Fund Daily Distribution Worksheets" prepared by the Revenue Audit Division of the Government's Department of Finance. We then added the total daily gross receipts tax collections as presented in the "General Fund Daily Distribution Worksheets" for each of the three months in the quarter ended March 31, 2020, and compared the sum of those amounts to the monthly gross receipts tax collections as presented in the monthly "Unaudited General Fund Statement of Revenue" reports and observed the following:



Gross Receipts Tax Collections

<i>Month 2020</i>	Unaudited General Fund Statement of Revenue	General Fund Daily Distribution Worksheets	Difference
January	\$ 26,159,837	\$ 26,234,912	\$ (75,075)
February	21,045,309	21,121,238	(75,929)
March	22,935,372	23,064,839	(129,467)
	\$ 70,140,518	\$ 70,420,989	\$ (280,471)

The Government has represented that the differences observed between the sum of the total daily gross receipts tax collections as presented in the "General Fund Daily Distribution Worksheets" and the monthly gross receipts tax collections presented in the "Unaudited General Fund Statement of Revenue" are due to checks returned by the banks for non-sufficient funds (NSF) that are reflected in the "Unaudited General Fund Statement of Revenue" as a reduction in the gross receipts tax collections. We compared the resulting differences presented in the above table to the total monthly NSF checks per the First Bank monthly statements, and observed the following:

<i>Month 2020</i>	Total Difference From Above	Returned Checks Deposited in First Bank	Returned Checks Erroneously Reflected in the "Unaudited General Fund Statement of Revenue"	Difference Unidentified by the Government
January	\$ (75,075)	\$ (75,075)	\$ -	\$ -
February	(75,929)	(54,624)	(23,962)	2,657
March	(129,467)	(129,467)	-	-
	\$ (280,471)	\$ (259,166)	\$ (23,962)	\$ 2,657

- For the quarter ended March 31, 2020, we compared the total daily gross receipts taxes collected as presented in the "General Fund Daily Distribution Worksheets" with the amounts deposited in First Bank (the Collecting Agent) as per the bank statements. Identified differences are documented in procedure No. 6.



6. We compared the total of the daily gross receipts tax collections, as derived from procedure No. 4, per the "General Fund Daily Distribution Worksheets" to the total amounts deposited in the First Bank gross receipts tax collections bank account, for each of the three months in the quarter ended March 31, 2020, and observed the following:

<i>Month 2020</i>	General Fund Daily Distribution Worksheets	First Bank Account Statements	Difference
January	\$ 26,234,912	\$ 26,186,573	\$ 48,339
February	21,121,238	21,110,298	10,940
March	23,064,839	23,136,390	(71,551)
	\$ 70,420,989	\$ 70,433,261	\$ (12,272)

The Government has represented that the differences observed between the totals of the daily gross receipts tax collections per the "General Fund Daily Distribution Worksheets" and the bank statements were caused by the following:

<i>Description</i>	January Amount
Interest earned during January 2020	\$ 1,252
Amounts not related to gross receipts tax deposited in the First Bank account that are pending to be withdrawn and deposited to the correct bank account	33,718
Gross receipts tax erroneously deposited in a different bank account, which are pending to be withdrawn and deposited to the First Bank account	(83,309)
Total difference identified	(48,339)
Total difference reported	48,339
Difference unidentified by the Government	\$ -



<i>Description</i>	February Amount
Interest earned during February 2020	\$ 1,490
Amounts not related to gross receipts tax deposited in the First Bank account that are pending to be withdrawn and deposited to the correct bank account	25,592
Gross receipts tax erroneously deposited in a different bank account, which are pending to be withdrawn and deposited to the First Bank account	(38,022)
Total difference identified	(10,940)
Total difference reported	10,940
Difference unidentified by the Government	\$ -

<i>Description</i>	March Amount
Interest earned during March 2020	\$ 1,976
Amounts not related to gross receipts tax deposited in the First Bank account that are pending to be withdrawn and deposited to the correct bank account	85,348
Gross receipts tax erroneously deposited in a different bank account, which are pending to be withdrawn and deposited to the First Bank account	(15,773)
Total difference identified	71,551
Total difference reported	(71,551)
Difference unidentified by the Government	\$ -



We were not engaged to, and did not, conduct an examination or a review, the objectives of which would be the expression of an opinion or limited assurance on the Government's assertion. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Government of the United States Virgin Islands, the Virgin Islands Public Finance Authority, and ACA Financial Guaranty Corporation, and is not intended to and should not be used by anyone other than these specified parties.

BDO USA, LLP

May 13, 2020