

Section Nine

GOVERNMENT FINANCE

This section presents statistics relating to the American Samoa Government revenue and expenditure.

In 2002, American Samoa Government adopted GASB Statement No. 34. It is a reporting approach established by Governmental Accounting Standards Board to enforce new requirements and a new reporting model for the annual financial reports of state and local governments. Its primary purpose is to develop annual financial reports for easier interpretations and understanding of government funding. GASB No. 34 has technically changed the format of the financial statements in contrast to the previous years. This had made financial data incompatible for analytical purposes. Therefore, it is difficult to evaluate the financial trends from previous years to 2002.

In FY 2004, the American Samoa Government collected revenue of \$188.9 million, while total expenditure amounted to \$192.4 million, resulting in a current deficit of \$3.5 million. In FY 2003, the government collected \$197.9 million and with total expenditure of \$170.7 million yielded a FY 2003 surplus of \$27.2 million. Like the FY 2003 surplus, the fiscal year-end surpluses 2001 (\$1.8 million) and 2002 (\$31.0 million) were attributed to funds received from insurance claims/proceeds and tobacco settlement. Despite the surplus trends and favorable financial conditions of the government since 2001, ASG accumulated a cumulative deficit of \$5.9 million at the end of fiscal year 2004. Historically and since 1992, ASG has accumulated a financial deficit that reached \$39 million in 1997 and somewhat dropped to \$22 million by the end of fiscal year 2001. End of FY 2002 for the first time in 10 years, government finances were in the surplus. Now after 2004, the government again is in the red.

Government spent its money on General Government operations (32.2 percent or \$62 million) followed by Education/Culture (27.9 percent or \$53.6 million) and another \$37.1 million (19 percent) on Health/Recreation.

Table 9.1. COMBINED OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES & EXPENDABLE TRUST FUNDS: FY2004

| Subject | Total | Governmental Fund Types | | | |
|---|-------------|-------------------------|------------|--------------|------------------------|
| | | General | Grants | Debt Service | Non-Major Governmental |
| Total Revenues | 188,877,568 | 85,707,412 | 84,735,236 | 5,881,558 | 12,553,362 |
| Taxes | 54,841,157 | 52,676,310 | - | 2,164,847 | - |
| Licenses and Permits | 1,398,718 | 1,398,718 | - | - | - |
| Intergovernmental | 113,960,653 | 20,133,564 | 84,120,981 | - | 9,706,108 |
| Charges for Services | 7,710,281 | 3,746,672 | 519,799 | 1,430,345 | 2,013,465 |
| Fines and Fees | 2,249,387 | 2,132,437 | - | 116,950 | - |
| Interdepartmental | 4,980,834 | 4,980,834 | - | - | - |
| Tobacca Settlement Proceeds | 966,144 | - | - | 966,144 | - |
| Miscellaneous | 2,770,394 | 638,877 | 94,456 | 1,203,272 | 833,789 |
| Total Expenditures | 192,421,535 | 89,035,709 | 85,019,204 | 4,000,273 | 14,366,349 |
| General Government | 61,874,455 | 37,086,962 | 16,222,598 | 4,066 | 8,560,829 |
| Education and Culture | 53,628,589 | 26,484,268 | 27,144,321 | - | - |
| Economic Development | 9,987,688 | 4,452,789 | 5,534,899 | - | - |
| Health and Welfare | 37,103,729 | 9,016,407 | 28,087,322 | - | - |
| Public Safety | 12,809,992 | 6,498,460 | 6,311,532 | - | - |
| Public Works | 7,215,355 | 5,496,823 | 1,718,532 | - | - |
| Capital Improvements | 5,805,520 | - | - | - | 5,805,520 |
| Principal | 2,360,000 | - | - | 2,360,000 | - |
| Interest | 1,636,207 | - | - | 1,636,207 | - |
| Excess (deficiency) of revenues over expenditures | (3,543,967) | (3,328,297) | (283,968) | 1,881,285 | (1,812,987) |
| Other financing sources (uses): | | | | | |
| Transfers In | 5,894,635 | 2,777,235 | 283,968 | - | 2,833,432 |
| Transfer Out | (8,266,084) | (5,488,849) | - | (2,777,235) | - |
| Total other financing sources (uses) | (2,371,449) | (2,711,614) | 283,968 | (2,777,235) | 2,833,432 |
| Changes in fund balances | (5,915,416) | (6,039,911) | - | (895,950) | 1,020,445 |
| Fund balances (deficits), beginning of year | 43,236,519 | 31,747,623 | 712,258 | 7,397,202 | 3,379,436 |
| Change in Reserve for Inventory | 505,552 | - | 505,552 | - | - |
| Fund balances, end of year | 37,826,655 | 25,707,712 | 1,217,810 | 6,501,252 | 4,399,881 |

NOTE: Data for FY2005 are not available.

SOURCE: Department of Treasury, Territory of American Samoa Basic Financial Statements, Year ended September 30, 2004 report

Table 9.1a. COMBINED OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES & EXPENDABLE TRUST FUNDS: FY2003

| Subject | Total | Governmental Fund Types | | | |
|---|-------------|-------------------------|-------------|--------------|------------------------|
| | | General | Grants | Debt Service | Non-Major Governmental |
| Total Revenues | 197,937,045 | 108,756,747 | 74,344,285 | 6,354,855 | 8,481,158 |
| Taxes | 50,982,945 | 49,016,848 | - | 1,966,097 | - |
| Licenses and Permits | 1,331,549 | 1,331,549 | - | - | - |
| Intergovernmental | 97,530,861 | 18,365,421 | 73,386,822 | - | 5,778,618 |
| Charges for Services | 8,666,185 | 3,598,145 | 917,632 | 1,957,634 | 2,192,774 |
| Fines and Fees | 1,631,126 | 1,509,159 | - | 121,967 | - |
| Interdepartmental | 4,404,945 | 4,404,945 | - | - | - |
| Insurance Proceeds | 30,000,000 | 30,000,000 | - | - | - |
| Tobacca Settlement Proceeds | 1,130,421 | - | - | 1,130,421 | - |
| Miscellaneous | 2,259,013 | 530,680 | 39,831 | 1,178,736 | 509,766 |
| Total Expenditures | 170,748,872 | 85,253,678 | 73,811,021 | 4,171,367 | 7,512,806 |
| General Government | 53,752,148 | 38,200,367 | 15,268,898 | 7,371 | 275,512 |
| Education and Culture | 46,412,300 | 23,486,811 | 22,925,489 | - | - |
| Economic Development | 10,216,382 | 4,140,774 | 6,075,608 | - | - |
| Health and Welfare | 31,053,192 | 7,783,450 | 23,269,742 | - | - |
| Public Safety | 10,908,073 | 6,259,275 | 4,648,798 | - | - |
| Public Works | 7,005,487 | 5,383,001 | 1,622,486 | - | - |
| Capital Improvements | 7,237,294 | - | - | - | 7,237,294 |
| Principal | 2,472,278 | - | - | 2,472,278 | - |
| Interest | 1,691,718 | - | - | 1,691,718 | - |
| Excess (deficiency) of revenues over expenditures | 27,188,173 | 23,503,069 | 533,264 | 2,183,488 | 968,352 |
| Other financing sources (uses): | | | | | |
| Tobacco Loan Proceeds | 3,050,000 | 3,050,000 | - | - | - |
| Transfers In | 1,989,139 | 1,939,139 | - | - | 50,000 |
| Transfer Out | (2,842,636) | (903,497) | (1,220,292) | (500,000) | (218,847) |
| Total other financing sources (uses) | 2,196,503 | 4,085,642 | (1,220,292) | (500,000) | (168,847) |
| Changes in fund balances | 29,384,678 | 27,588,713 | (687,028) | 1,683,488 | 799,505 |
| Fund balances (deficits), beginning of year (as restated) | 15,233,174 | 4,158,910 | 2,780,619 | 5,713,714 | 2,579,931 |
| Change in Reserve for Inventory | (1,381,333) | | (1,381,333) | | |
| Fund balances, end of year | 43,236,519 | 31,747,623 | 712,258 | 7,397,202 | 3,379,436 |

SOURCE: Department of Treasury, Territory of American Samoa Basic Financial Statements, Year ended September 30, 2003 report

Table 9.2. REVENUES, EXPENDITURES, AND OTHER FINANCIAL SOURCES: FY2000 TO 2004

| Function | 2004 | 2003 | 2002 | 2001 |
|-----------------------------------|-------------|-------------|-------------|--------------|
| (In Millions) | | | | |
| Revenue All Sources | 188,877,568 | 197,937,045 | 211,530,940 | 173,822,080 |
| Expenditure All Sources | 192,421,535 | 170,748,872 | 180,541,130 | 172,740,194 |
| Surplus (Deficit) - Current ops | (3,543,967) | 27,188,173 | 30,989,810 | 1,081,886 |
| Other Financial Sources (Uses) | (2,371,449) | 2,196,503 | 734,881 | 4,953,273 |
| Tobacco loan proceeds | - | 3,050,000 | - | 13,107,339 |
| Sales of fixed assets | - | - | - | - |
| Operating Transfers In | 5,894,635 | 1,989,139 | 2,224,258 | 1,600,000 |
| Operating Transfers Out | (8,266,084) | (2,842,636) | (3,932,038) | (13,403,484) |
| Residual Equity Transfer In | - | - | - | - |
| Residual Equity Transfer Out | - | - | - | - |
| Proceeds of Notes Payable | - | - | - | - |
| Retirement Loan Proceeds | - | - | - | - |
| 2000 Bonds | - | - | - | - |
| Loan Proceeds | - | - | 2,442,661 | 3,649,418 |
| Fema Notes | - | - | - | - |
| Surplus (Deficit) All Sources | (5,915,416) | 29,384,676 | 31,724,691 | 6,035,159 |
| Fund Balance (Deficit)-Beginning | 43,236,517 | 15,233,174 | 16,491,517 | 28,274,626 |
| Prior Period Adjustment | - | - | - | - |
| Changes in Reserves for Inventory | 505,552 | 1,381,333 | - | - |
| Equity Transfer - LBJ | - | - | - | - |
| Equity Transfer - ASTCA | - | - | - | - |
| Residual Equity Transfer | - | - | - | - |
| Fund Balance (Deficit)-Ending | 37,826,653 | 43,236,517 | 15,233,174 | (22,239,467) |

NOTE: Data for FY2005 are not available.

SOURCE: Department of Treasury, Comprehensive Annual Financial Report

Table 9.3. GENERAL GOVERNMENTAL REVENUES BY SOURCE
(GOVERNMENTAL FUND TYPES): FY2000 TO FY2004

| Function | 2004 | 2003 | 2002 | 2001 | 2000 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| (Revenues In millions) | | | | | |
| Revenues | 188,877,568 | 197,937,045 | 211,530,940 | 173,822,080 | 130,861,629 |
| Taxes | 54,841,157 | 50,982,945 | 55,430,564 | 28,400,302 | 26,841,138 |
| Licenses & Permits | 1,398,718 | 1,331,549 | 826,293 | 652,510 | 632,533 |
| Insurance claim/proceeds | - | 30,000,000 | 40,000,000 | 46,131,562 | - |
| Intergovernmental | 113,960,653 | 97,530,861 | 95,366,789 | 84,503,976 | 84,995,765 |
| Charges for services | 7,710,281 | 8,666,185 | 9,983,174 | 4,763,100 | 5,383,033 |
| Fines & Fees | 2,249,387 | 1,631,126 | 1,777,983 | 1,514,349 | 1,526,976 |
| Interdepartmental | 4,980,834 | 4,404,945 | 4,405,110 | 3,965,960 | 4,022,174 |
| Tobacco Settlement Proceeds | 966,144 | 1,130,421 | 1,173,890 | - | - |
| Deficit reduction | - | - | - | 2,980,847 | 3,269,801 |
| Miscellaneous | 2,770,394 | 2,259,013 | 2,567,137 | 909,474 | 4,190,209 |
| Local Revenue Collection | 68,969,937 | 64,870,818 | 70,585,151 | 39,220,582 | 41,843,690 |
| US Federal Grants/Assistance | 118,941,487 | 101,935,806 | 99,771,899 | 88,469,936 | 89,017,939 |
| Insurance Claims/Tobacco Proceeds | 966,144 | 31,130,421 | 41,173,890 | 46,131,562 | - |

NOTE: Data for FY2005 are not available.

SOURCE: Department of Treasury, Comprehensive Annual Financial Report

Table 9.4. FUNCTIONAL EXPENDITURES FOR ALL GOVERNMENTAL FUNDS BY
CATEGORY: FY2000 TO FY2004
(Expenditures in millions)

| Function | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|
| Total | 192,422 | 170,747 | 152,206 | 189,840 | 152,547 | 128,852 | 124,422 |
| General Government | 61,874 | 53,752 | 55,759 | 75,791 | 31,242 | 38,227 | 40,361 |
| Public Safety | 12,810 | 10,908 | 9,481 | 9,737 | 9,619 | 8,358 | 7,952 |
| Public Works | 7,215 | 7,005 | 14,098 | 11,021 | 5,093 | 5,644 | 6,361 |
| Health and Recreation | 37,104 | 31,053 | - | 25,306 | 20,096 | 19,566 | 17,815 |
| Health and Welfare | - | - | 2,684 | - | - | - | - |
| Education and Culture | 53,629 | 46,412 | 51,291 | 43,644 | 47,378 | 40,714 | 39,747 |
| Economic Development | 9,988 | 10,216 | 11,449 | 10,475 | 5,859 | 5,557 | 7,322 |
| Capital Projects | 5,806 | 7,237 | 7,444 | 9,296 | 10,494 | 7,014 | 2,534 |
| Debt Service | 3,996 | 4,164 | - | 4,570 | 22,766 | 3,772 | 2,330 |
| Principal | - | - | 2,478 | - | - | - | - |
| Interest | - | - | 1,700 | - | - | - | - |
| Percentage Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| General Government | 32.2 | 31.5 | 36.6 | 39.9 | 20.5 | 29.7 | 32.4 |
| Public Safety | 6.7 | 6.4 | 6.2 | 5.1 | 6.3 | 6.5 | 6.4 |
| Public Works | 3.7 | 4.1 | 9.3 | 5.8 | 3.3 | 4.4 | 5.1 |
| Health and Recreation | 19.3 | 18.2 | - | 13.3 | 13.2 | 15.2 | 14.3 |
| Health and Welfare | - | - | 1.8 | - | - | - | - |
| Education and Culture | 27.9 | 27.2 | 33.7 | 23.0 | 31.1 | 31.6 | 31.9 |
| Economic Development | 5.2 | 6.0 | 7.5 | 5.5 | 3.8 | 4.3 | 5.9 |
| Capital Projects | 3.0 | 4.2 | 4.9 | 4.9 | 6.9 | 5.4 | 2.0 |
| Debt Service | 2.1 | 2.4 | - | 2.4 | 14.9 | 2.9 | 1.9 |
| Principal | - | - | 1.6 | - | - | - | - |
| Interest | - | - | 1.1 | - | - | - | - |

NOTE: Data for FY2005 are not available.

SOURCE: Department of Treasury, Comprehensive Annual Financial Report

Table 9.5. GENERAL FUND EXPENDITURES BY FUNCTION: FY2000 TO FY2004

| Function | 2004 | 2003 | 2002 | 2001 | 2000 |
|-----------------------|--------|-----------|-----------|-----------|--------|
| (In millions) | | | | | |
| Total Expenditures | 89,035 | 85,253 | 91,711 | 71,018 | 49,288 |
| General Government | 37,087 | 38,200 3/ | 45,528 2/ | 37,811 1/ | 14,366 |
| Public Safety | 6,498 | 6,259 | 5,872 | 5,228 | 5,842 |
| Public Works | 5,497 | 5,383 | 5,478 | 4,842 | 4,812 |
| Health and Recreation | 9,016 | 7,783 | 8,729 | 2,217 | 2,272 |
| Education and Culture | 26,484 | 23,487 | 3,701 | 17,475 | 18,346 |
| Economic Development | 4,453 | 4,141 | 22,403 | 3,445 | 3,650 |

NOTE: 1/ Includes payment of contingent attorney fees of \$20,759,202 and \$23,218,714 repayment to federal agencies as a result of an insurance settlement.

2/ Includes payment of contingent attorney fees of \$18,000,000 related to an insurance settlement of punitive damages.

3/ Includes the payment of contingent attorney fees of \$13,500,000 as a result of an insurance settlement.

Data for FY2005 are not available.

SOURCE: Department of Treasury, Comprehensive Annual Financial Report

Table 9.6. GENERAL FUND REVENUES BY SOURCE: FY2000 TO FY2004

| Function | 2004 | 2003 | 2002 | 2001 | 2000 |
|------------------------|--------|-----------|-----------|-----------|--------|
| (In millions) | | | | | |
| Total Revenue | 85,707 | 108,756 | 121,330 | 74,095 | 57,220 |
| Taxes | 52,676 | 49,016 | 53,275 | 26,390 | 30,111 |
| Licenses and Permits | 1,399 | 1,331 | 826 | 653 | 633 |
| Intergovernmental, DOI | 20,134 | 18,365 | 15,286 | 14,872 | 15,099 |
| Charges for Services | 3,747 | 3,598 | 4,675 | 3,282 | 3,997 |
| Fines and fees | 2,132 | 1,509 | 1,653 | 1,514 | 1,527 |
| Interdepartmental | 4,981 | 4,404 | 4,405 | 3,966 | 4,022 |
| Miscellaneous Revenues | 638 | 30,533 3/ | 41,210 2/ | 23,418 1/ | 1,831 |

NOTE: 1/ Insurance Claims of \$22,912,848 for Hurricane Val Settlement included in Miscellaneous.

2/ Insurance proceeds of \$40,000,000 for punitive damages from Hurricane Val Settlement included in Miscellaneous.

3/ Insurance proceeds of \$30,000,000 for post judgement interest from Hurricane Val Settlement included in Miscellaneous.

Data for FY2005 is not available.

SOURCE: Department of Treasury, Comprehensive Annual Financial Report.

