



2020 ANNUAL REPORT

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An Overview of FY 2020

The purpose of this annual public report on the Territory's revenues is twofold. Firstly, it ensures that the Territory is consistently monitoring its revenues and expenditures to allow for proactive responses to unanticipated changes or emerging trends. Secondly, this report lends credibility to the Government's efforts at increasing transparency of the Territory's finances. It is the Office of Management and Budget's (OMB) belief that the government is accountable to its taxpayers to use revenues collected in an efficient and effective manner. This report provides taxpayers with the information they need to hold the government to this standard.

This annual report contains an overview of the Territory's actual collection of General Fund revenues for FY 2020, as compared to FY 2019 and a view of FY 2020 expenditures by quarter. This report will highlight any notable trends as well as some initial insight into the impact of the economic consequences imposed by the COVID-19 pandemic during Governor Albert Bryan's Executive Order for a "Safer At Home" Phase. During this phase, the Governor enforced that non-essential businesses to remain open, bars to close, restaurants to only provide to-go orders as well as hotel reservation systems to remain closed; until Sept.19, 2020. With two quarters remaining during the fiscal year after the executive order, the territory expected to experience a huge decline with revenues and an increase in expenditures to assist with the new Covid-19 safety protocols: not only in comparison to FY 2019, but overall. As the territory continued to balance the new norm of Covid-19, the pace of collections was surprisingly good. The territory managed to surpass FY 2019 collections in three out of five major general fund categories for St. Thomas/St. John and four out of five for St. Croix.

For FY 2020, the Territory saw an overall increase of 4% in Total Operating Income. Specifically, Total Taxes increased by 6%, however, Total Other Revenues decreased by 23%. The most notable increase was seen in Miscellaneous Revenue at 727%, Real Property at 33% and Gross Receipts at 11%. By contrast the most notable reductions were Excise Tax at 88%, Stamp Tax at 62% and Corporate Franchise at 46%. With assistance of CARES Act and GVI Stimulus Funds, Total Revenues in the General Fund increased by 13% at the end of the fourth quarter. The Total Revenues as of September FY2020 was \$1B compared to \$957.9M for FY2019. From a cash flow perspective, at the end of the fourth quarter FY_2020, specifically the week ended October 2, 2020, the Territory had a negative cash flow of \$7 million and a positive cash balance of \$155.8 million with 58 days cash on hand.

The information provided in this report is the most accurate available as of the date of composition. Furthermore, the report does not purport to be audited financial statements and as such, the numbers are preliminary and subject to change. The information provided here are not final. For final numbers, please refer to the Financial Audit Report from the Department of Finance.

This annual report will focus entirely on the performance of the major revenue and expenditure categories for the General Fund. For all other major funds, a listing of the fund balance and legislative authority establishing those funds can be found in the Budget Book published on OMB's website. Subsequent iteration of the report will endeavor to include analysis of collections beyond the General Fund and a comparable exploration of the Territory's expenditures from said funds. The major revenue categories explored here are Real Property, Individual Income, Corporate Income, Excise Tax and Gross Receipts. These revenue streams have historically been the most significant contributors to the General Fund. Revenues outside operating income is considered to the extent they provide a complete picture of the Territory's General Fund collections; specifically, the transfers to the General Fund.



FY 2020 Financial Revenue

Detail of Financial Revenue

General Fund Revenue Detail	FY 2020 Legislative Appropriation	FY 2020 Preliminary Actuals
Income Taxes		
Individual Income	\$453,000,000	\$455,507,770
Corporate Income	\$63,100,000	\$68,700
Total Income Taxes	\$451,100,000	\$455,046,619
Other Taxes		
Real Property	\$61,700,000	\$54,872,425
Payment in lieu of Taxes	-	-
Trade & Excise	3,100,000	\$1,884,636
Gross Receipts	280,000,000	\$258,600,163
Inheritance Tax	3,600	-
FSC Franchise	-	-
Corporate Franchise	3,400,000	\$1,511,233
Stamp Tax	13,230,000	\$5,332,302
Total Other Taxes	371,433,600	\$322,200,759
Other Revenues		
Malpractice Insurance	\$4,500	\$4,254
Licenses	\$3,700,000	\$3,939,227
Fees & Permits	\$8,500,000	\$5,709,995
Lime Tree (Refinery)	\$14,000,000	-
Lime Tree Terminal Fee	\$12,000,000	\$8,119,136
Franchise Fees	-	\$764,110
U.S. Customer Duties	-	\$3,346,181
All Other	\$4,100,000	\$16,714,618
Miscellaneous Service Charge	\$1,800,000	\$1,249,490
Total Other Revenues	\$44,104,500	\$39,847,011
Total Gross Revenue*	\$931,638,100	\$885,857,412

*Does not include Refund, Transfers In, Transfers Out, Revenues from Anticipated Projects or Other Financing Sources

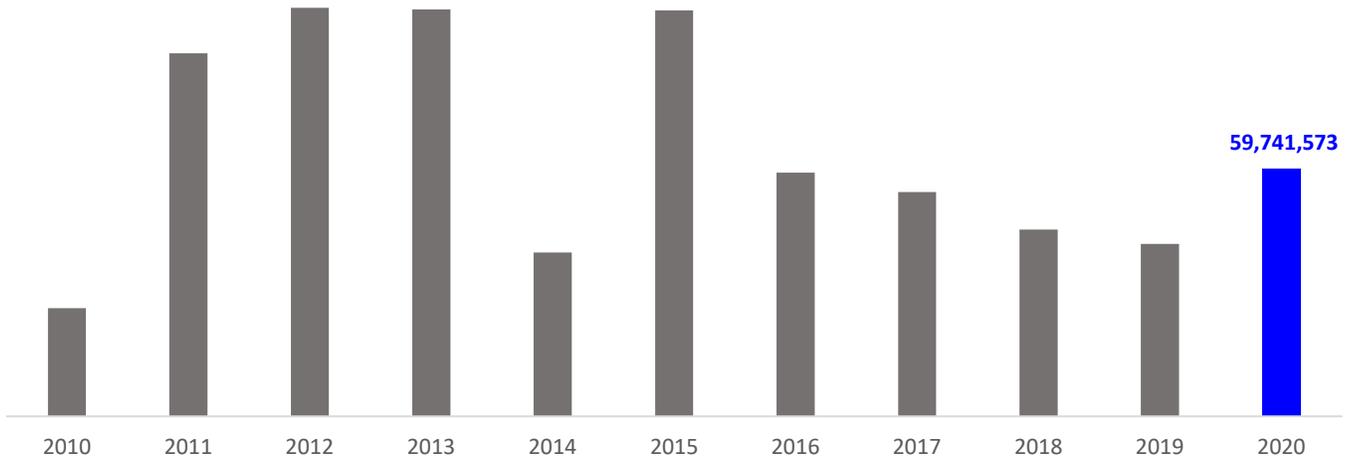
Revenue Summary by Category

Revenue Summary by Category	FY 2020 Legislative Appropriation	FY 2020 Preliminary Actuals
Income Taxes	451,100,000	455,046,619
Other Taxes	371,433,600	322,200,759
Other Revenues	44,104,500	39,847,011
Transfers In	59,381,911	53,755,583
Transfers Out	(81,600,000)	(84,402,128)
Other Financing Sources	24,500,000	1,198,810
Total Gross Revenues*	931,638,100	885,857,412
Total Net Revenues	868,920,011	787,646,654

*Does not include Refund, Transfers In, Transfers Out, Revenues from Anticipated Projects or Other Financing Sources

General Fund Revenue (5) Major Categories

Real Property (2010-2020)



Real Property

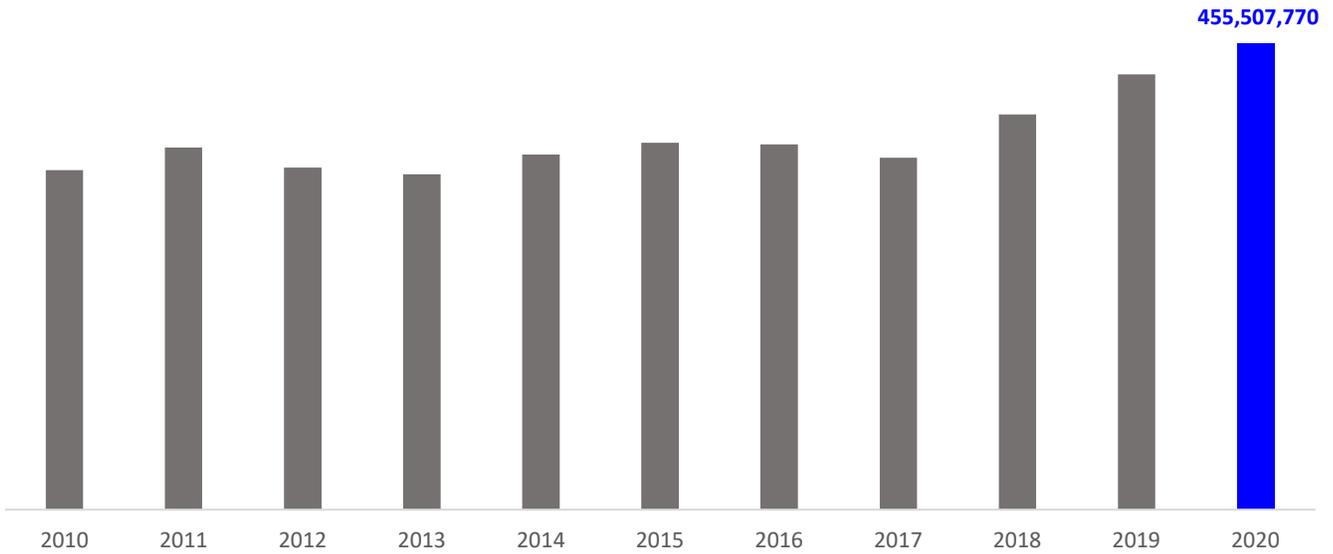
St. Thomas/St. John
FY 2020 vs FY 2019

45%

St. Croix
FY 2020 vs FY 2019

41%

Individual Income (2010-2020)



Individual Income

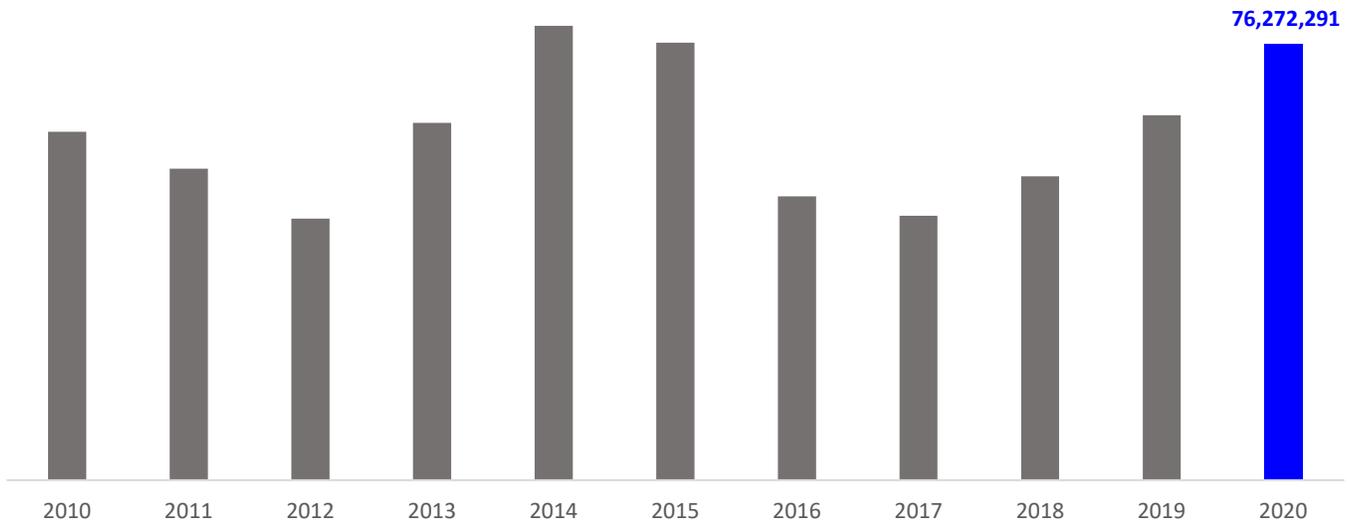
St. Thomas/St. John
FY 2020 vs FY 2019

1%

St. Croix
FY 2020 vs FY 2019

21%

Corporate Income (2010-2020)



Corporate Income

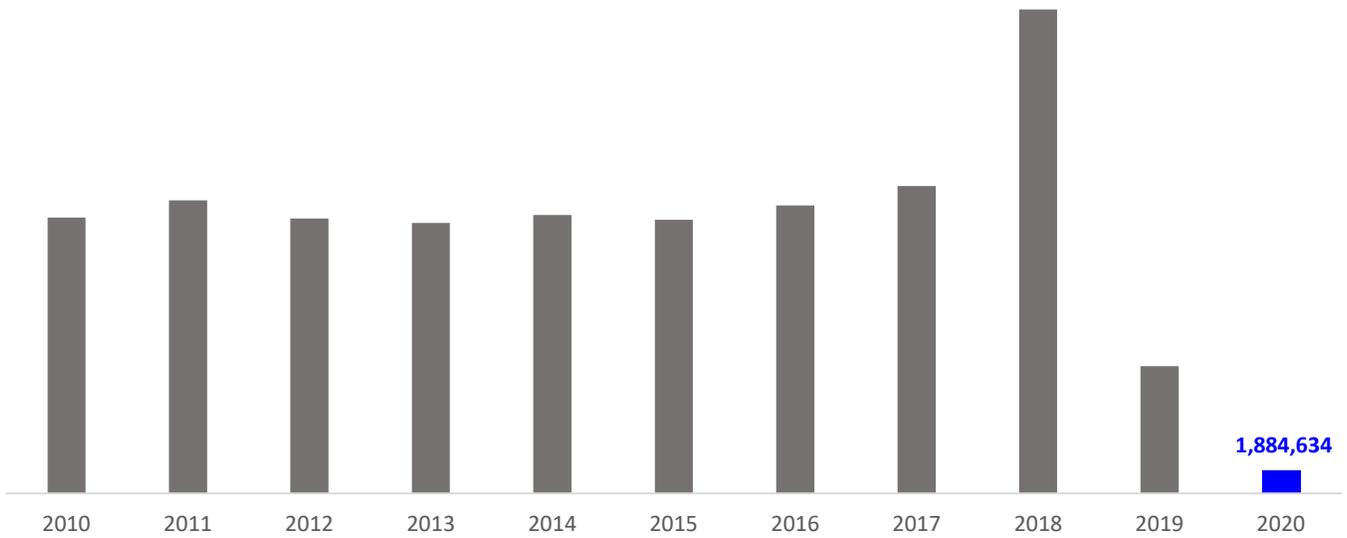
St. Thomas/St. John
FY 2020 vs FY 2019

3%

St. Croix
FY 2020 vs FY 2019

68%

Excise Tax (2010-2020)



Excise Tax

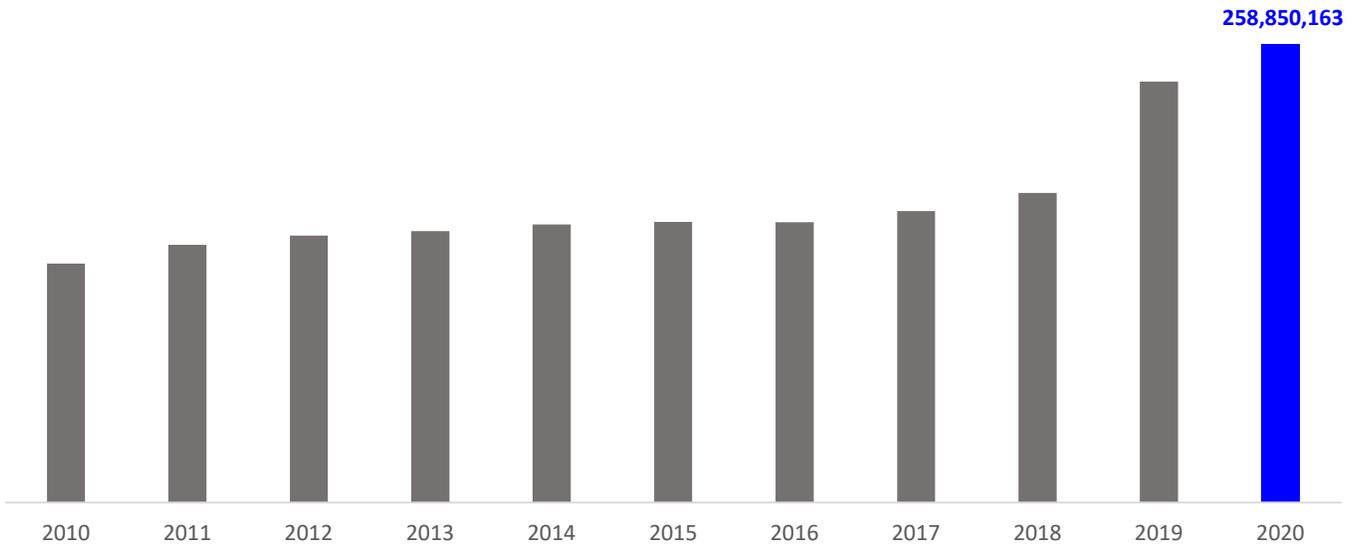
St. Thomas/St. John
FY 2020 vs FY 2019

-79%

St. Croix
FY 2020 vs FY 2019

-94%

Gross Receipts (2010-2020)



Gross Receipts

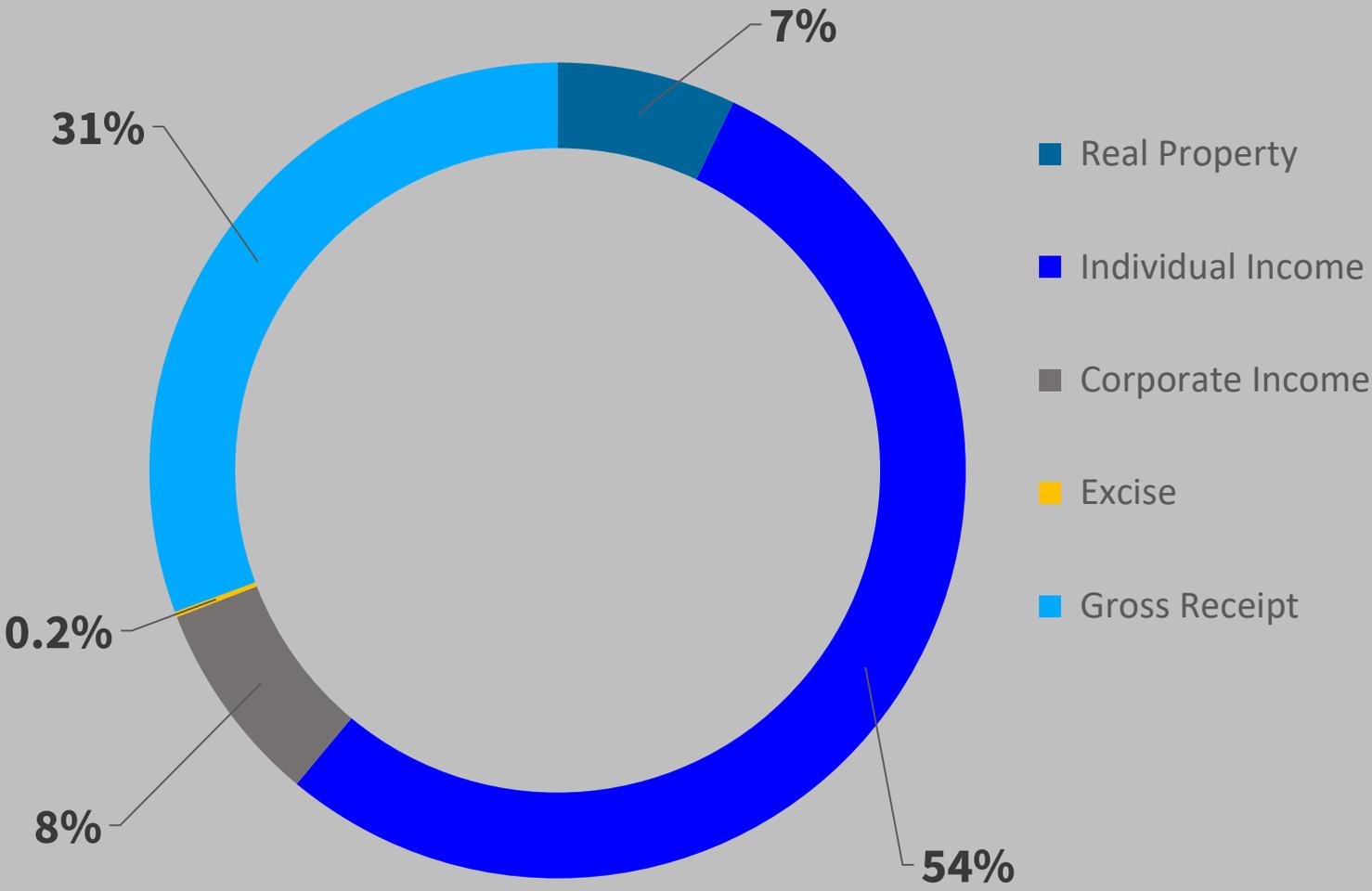
St. Thomas/St. John
FY 2020 vs FY 2019

-9%

St. Croix
FY 2020 vs FY 2019

45%

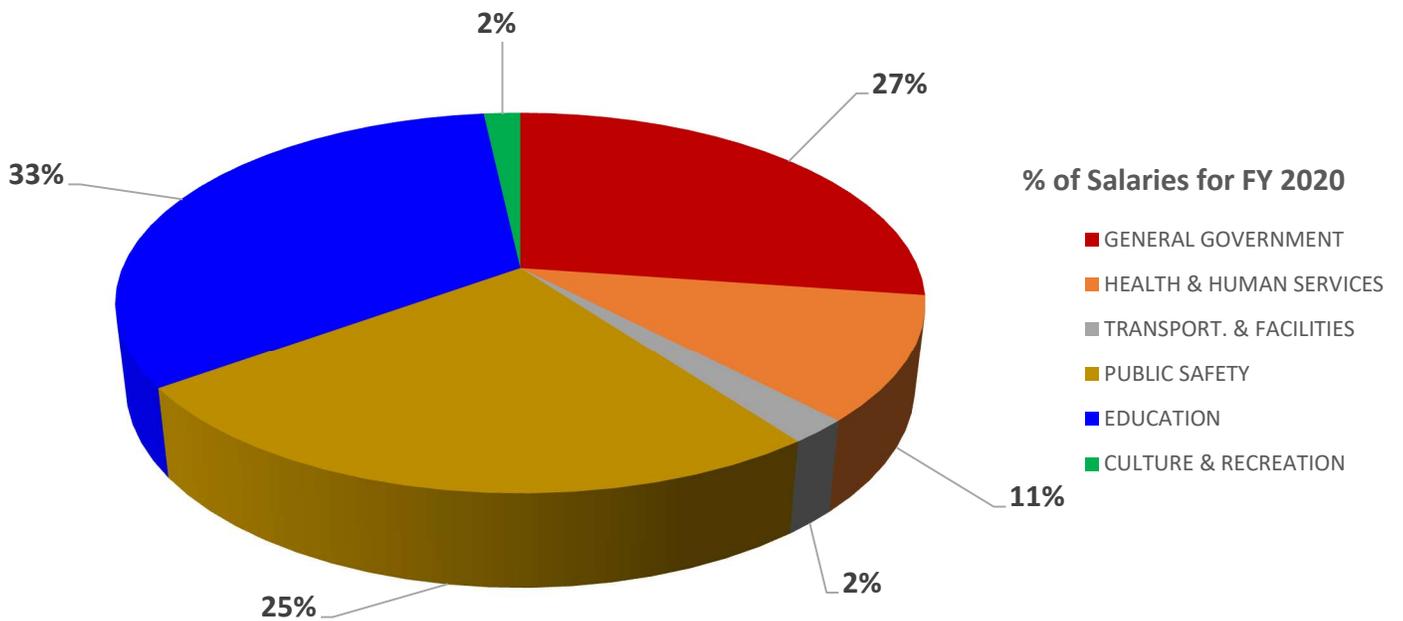
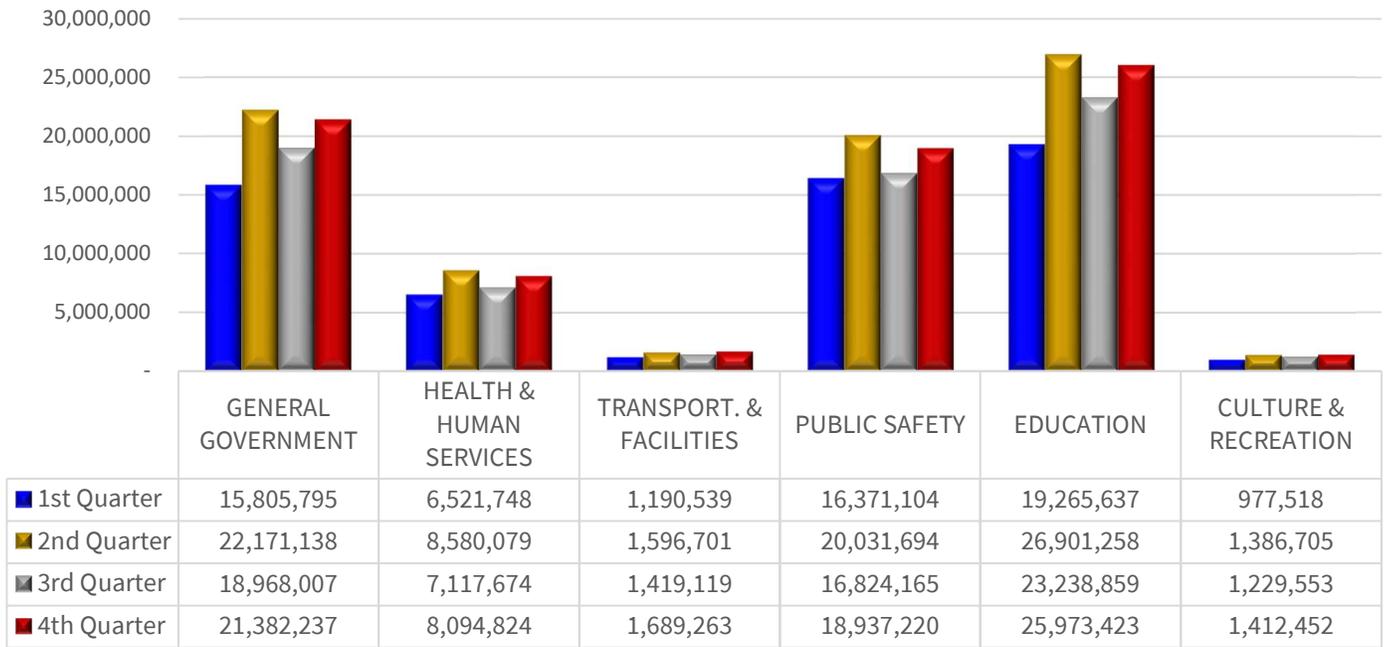
Percentage of (5) Major Tax Categories Collections for FY 2020



Expenditures

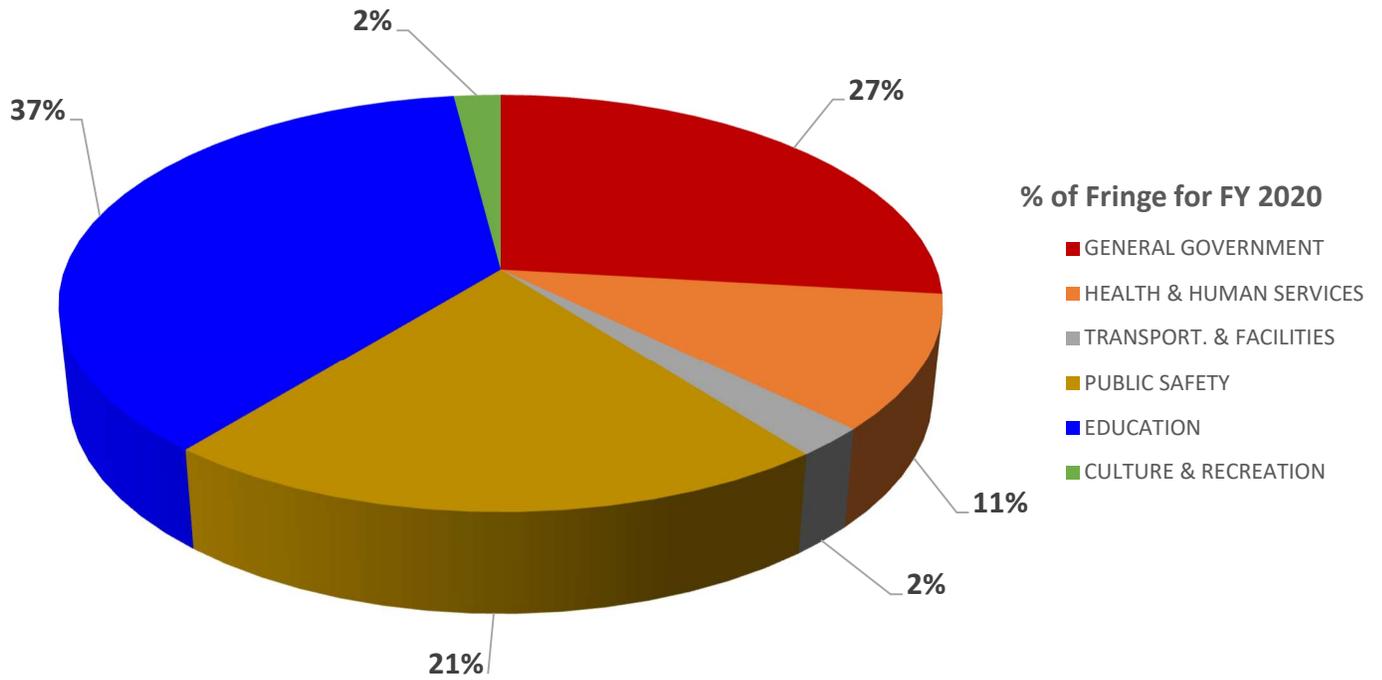
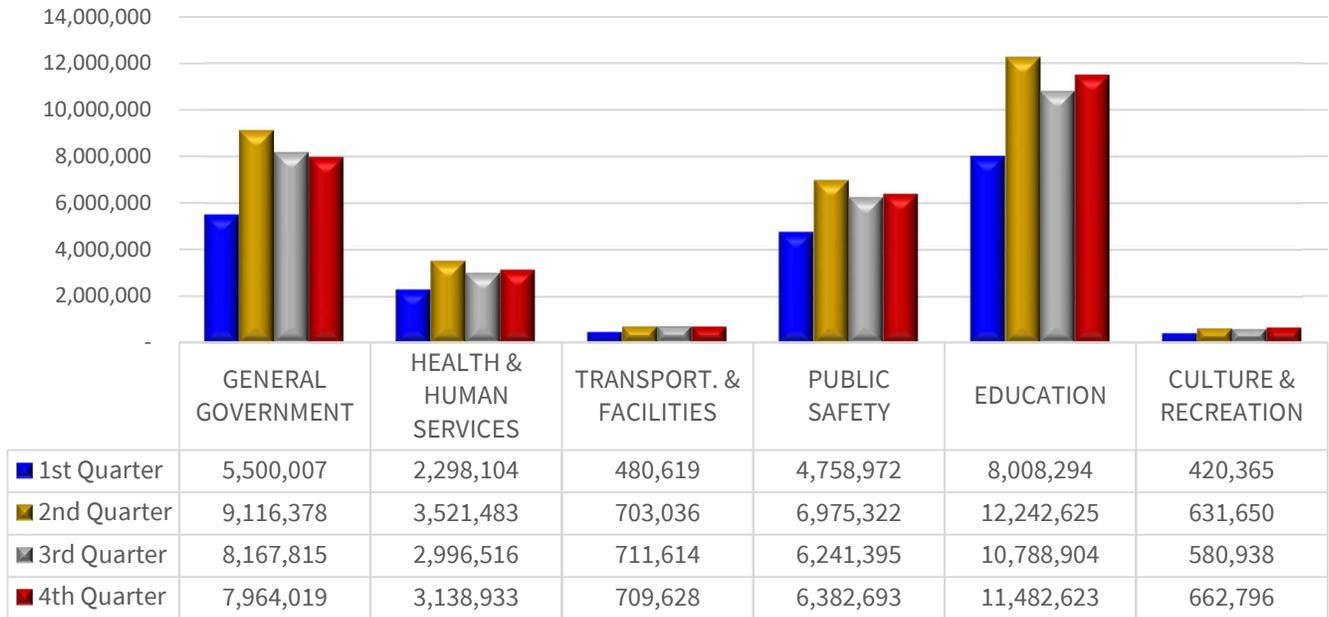
Salaries (October 2019- September 2020)

Salaries by Quarter



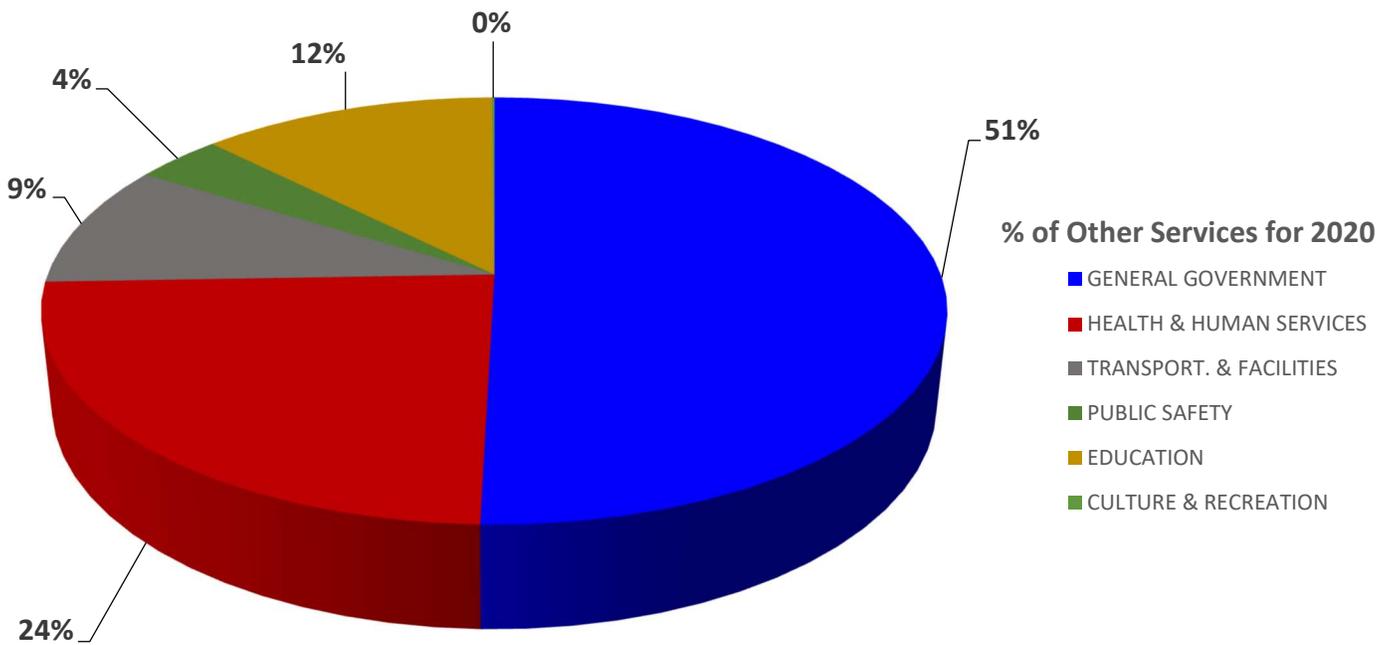
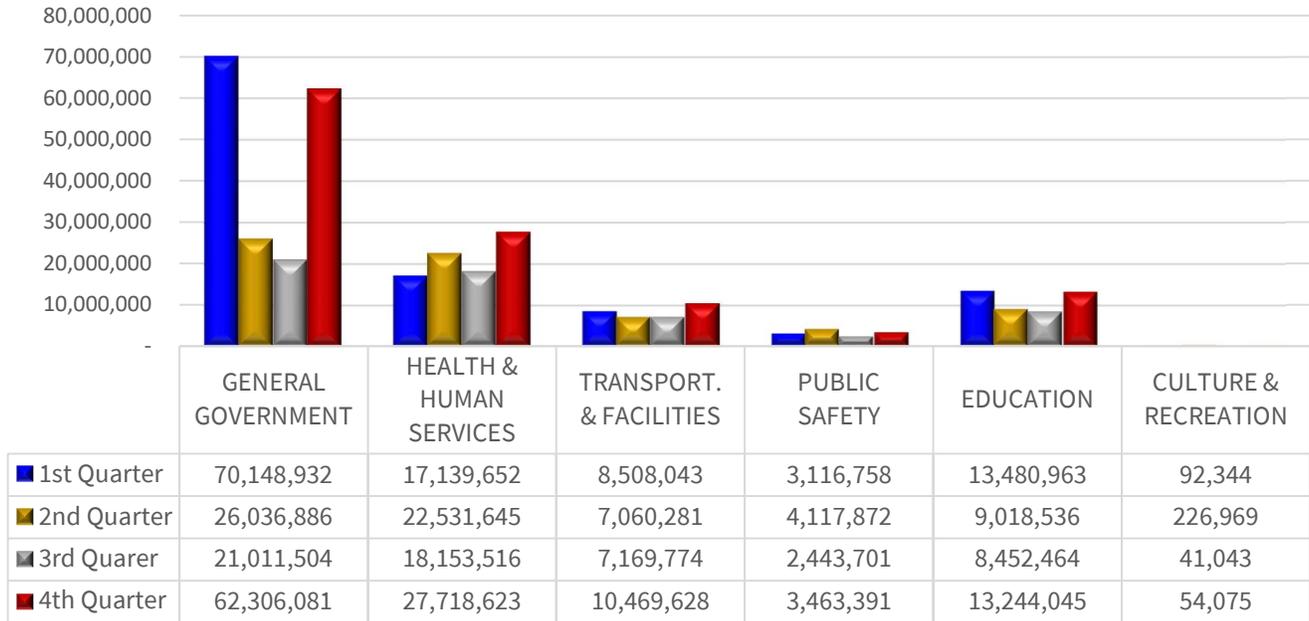
Fringe (October 2019- September 2020)

Fringe by Quarter



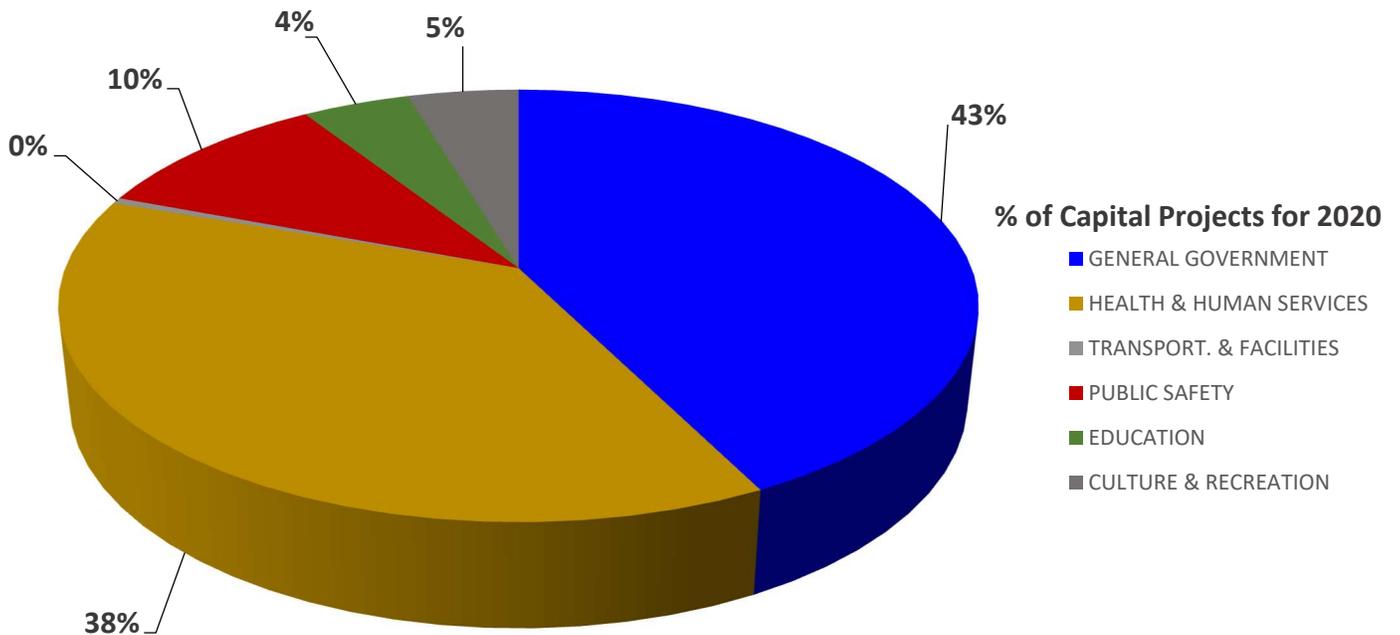
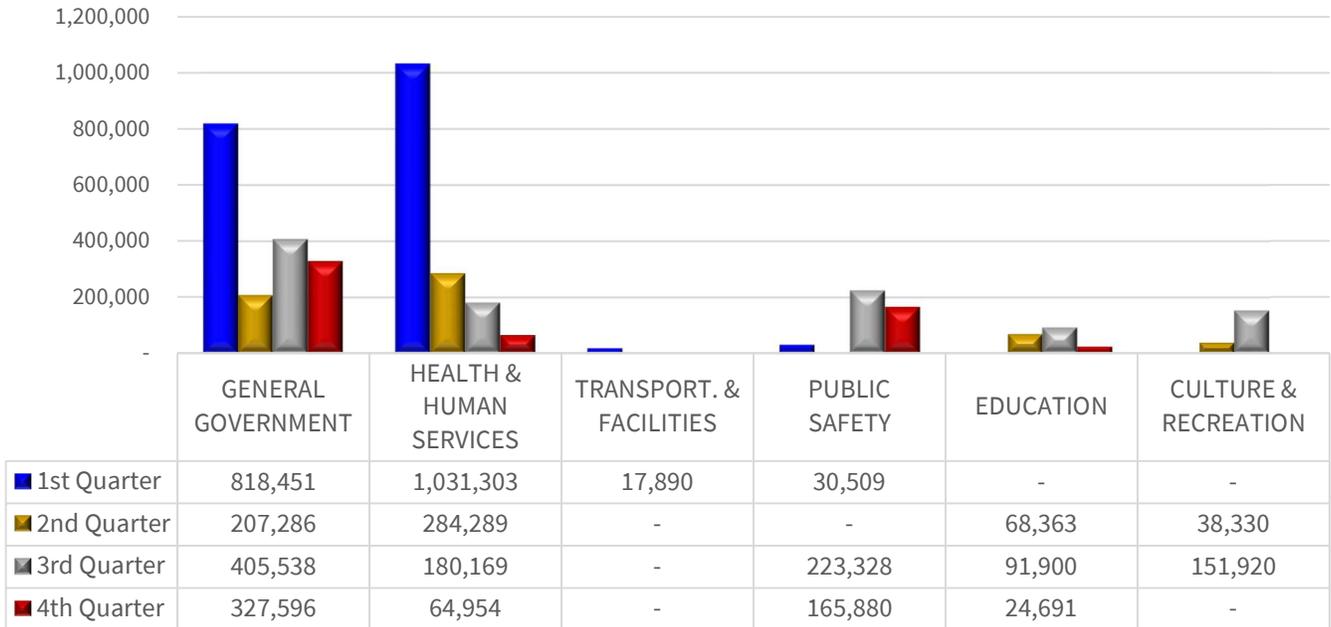
Other Services (October 2019- September 2020)

Other Services by Quarter



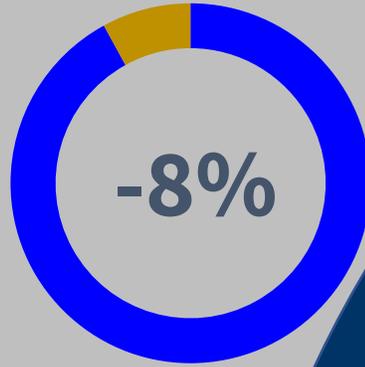
Capital Projects (October 2019- September 2020)

Capital Projects by Quarter

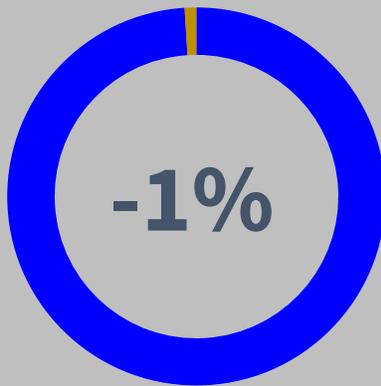


Expenditures

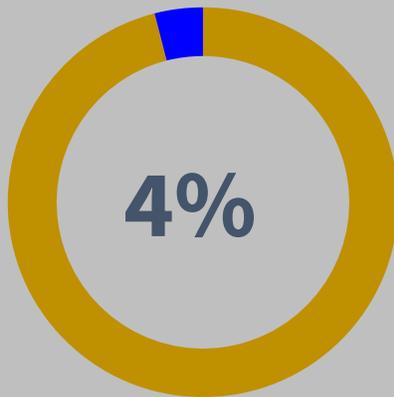
FY 2019 vs FY 2020



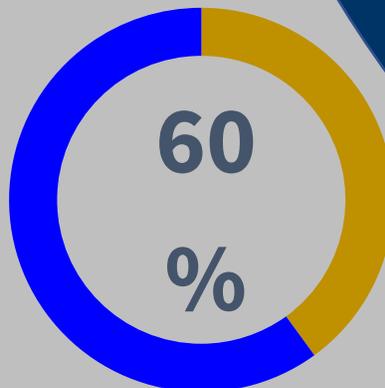
Salaries decreased by 8%



Fringe decreased by 1%



Other Services increased by 4%



Capital Projects increased by 60%