

U.S. VIRGIN ISLANDS  
OFFICE OF MANAGEMENT & BUDGET



FISCAL YEAR 2022

# **2nd QUARTER REVENUE & EXPENDITURE REPORT**

UNITED STATES VIRGIN ISLANDS

**FISCAL YEAR 2022**  
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April 18, 2022

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## Content and Purpose

This quarterly report contains an overview of the Territory's actual collection of General Fund revenues and expenditures for the second quarter of FY 2022, as compared to FY 2021. This report will highlight any notable trends.

The purpose of this quarterly 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, these reports lend 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. These reports provide taxpayers with the information they need to hold the government to this standard.

In comparison to FY2021, the pace of overall collections for second quarter FY2022 are at a slight incline. The Territory has seen an increase in revenue collections for Corporate Income Tax and Excise Tax; and a decrease for Real Property Tax, Individual Income Tax, and Gross Receipts Tax. This second quarter 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.

## Timeframe and Limitations

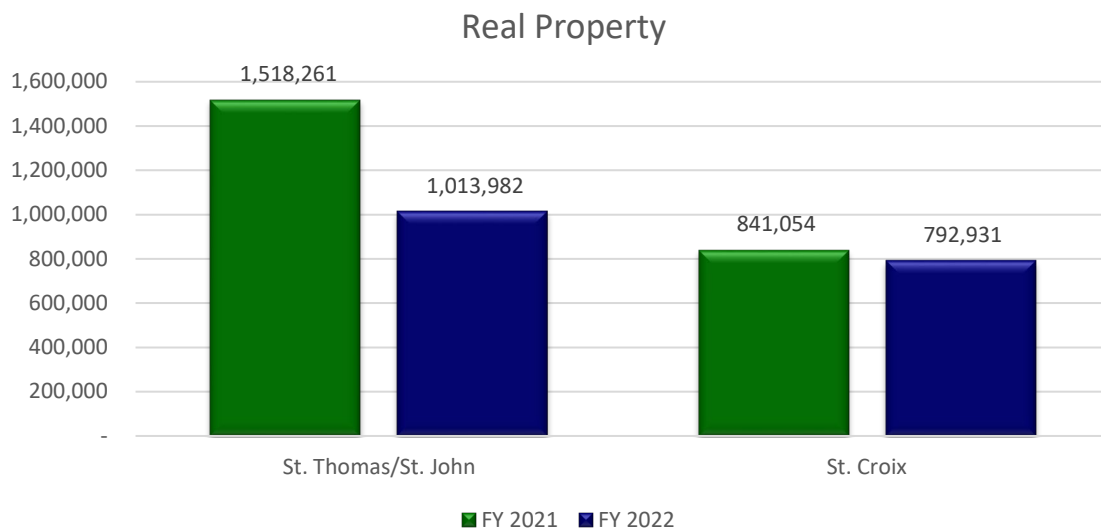
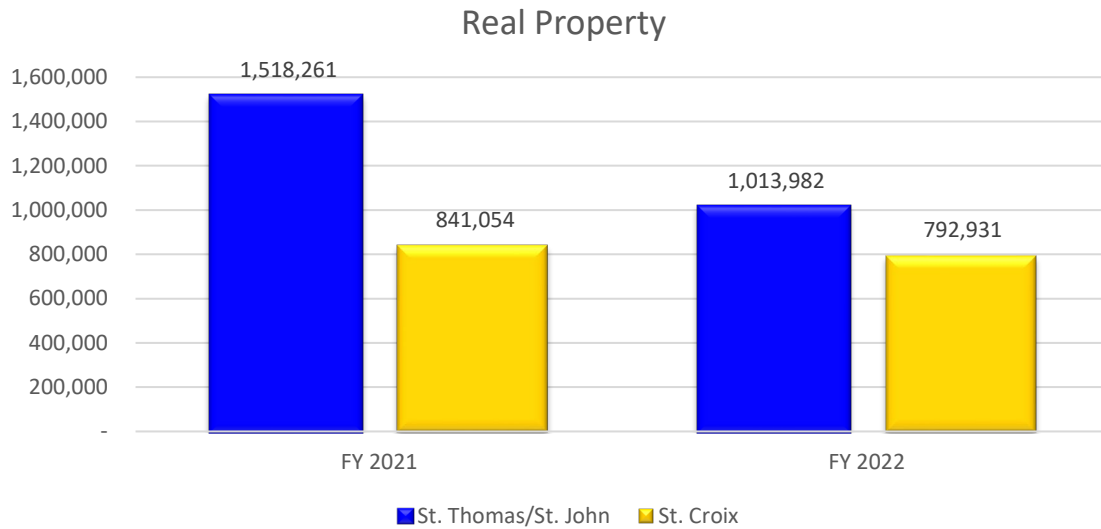
The information provided in this report are the most accurate available as of the date of composition. Furthermore, the report does not purport to be audited financial statements and as such, the numbers are preliminary and subject to change. The information provided here are not final. For final numbers,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

## Summary of major revenue categories of General Fund

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.

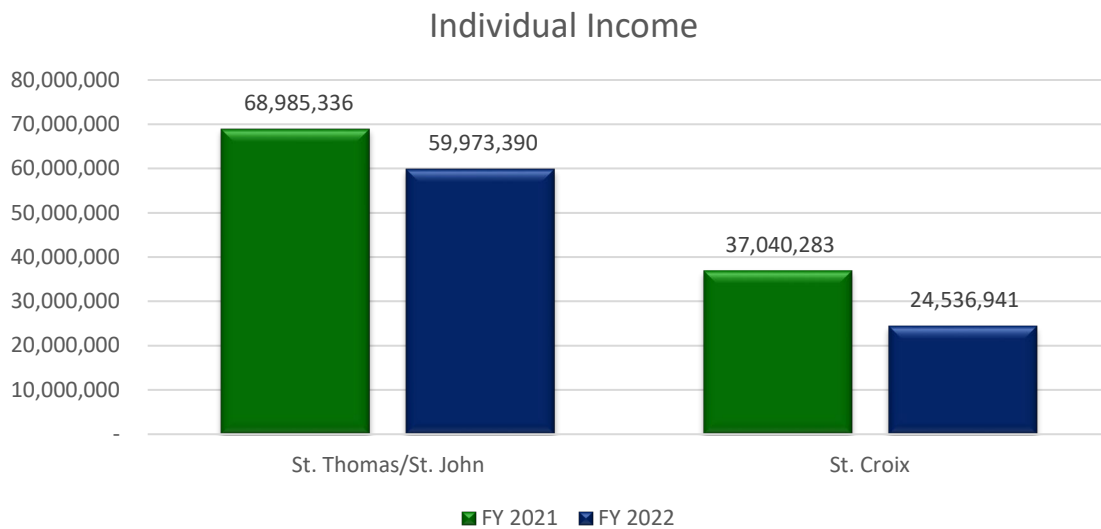
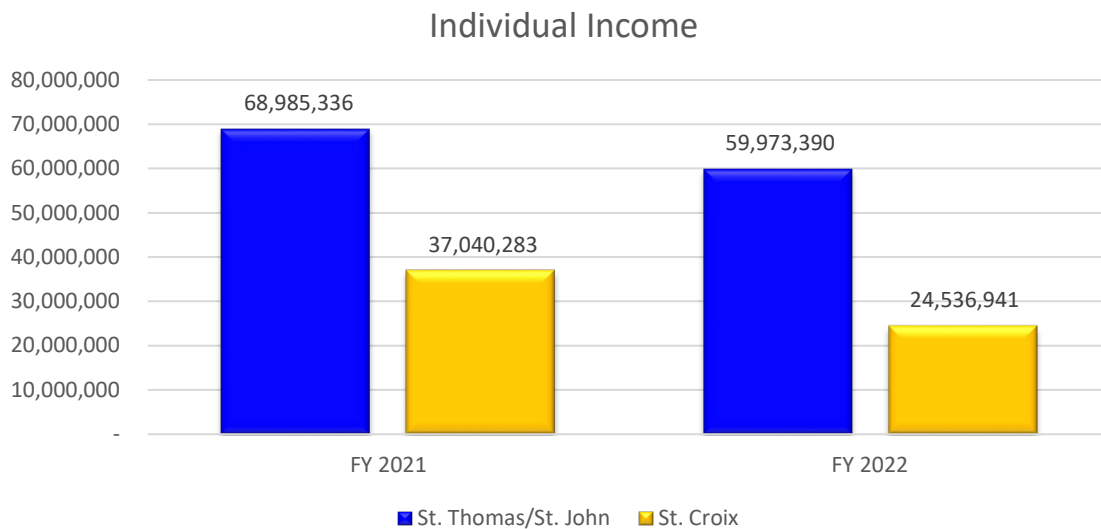
## REAL PROPERTY

Compared to FY 2021, Real Property Tax collections in second quarter FY 2022 decreased 23%. Collections are down in both districts; STT/STJ saw a decrease of 33% and STX a decrease of 6 % when compared to FY 2021.



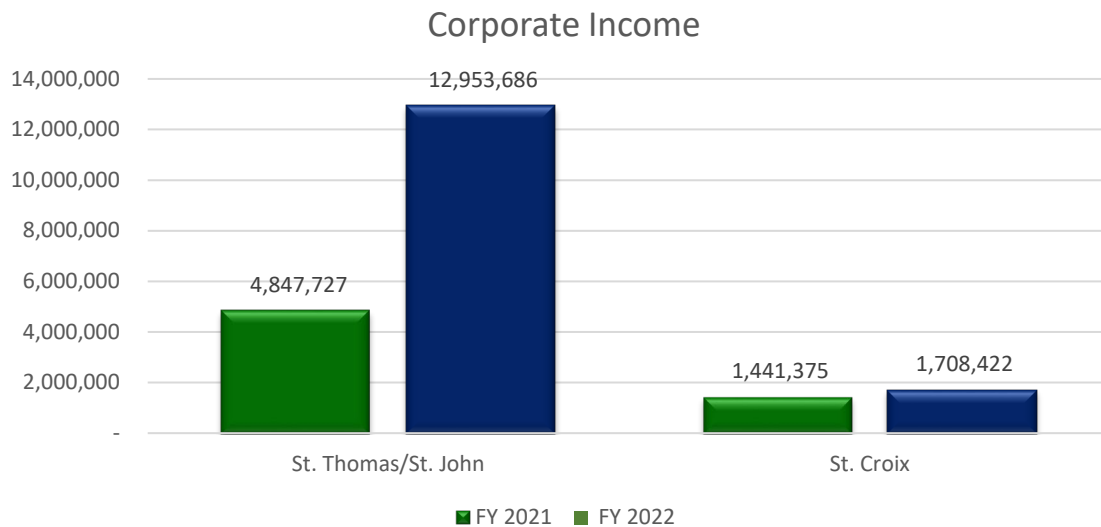
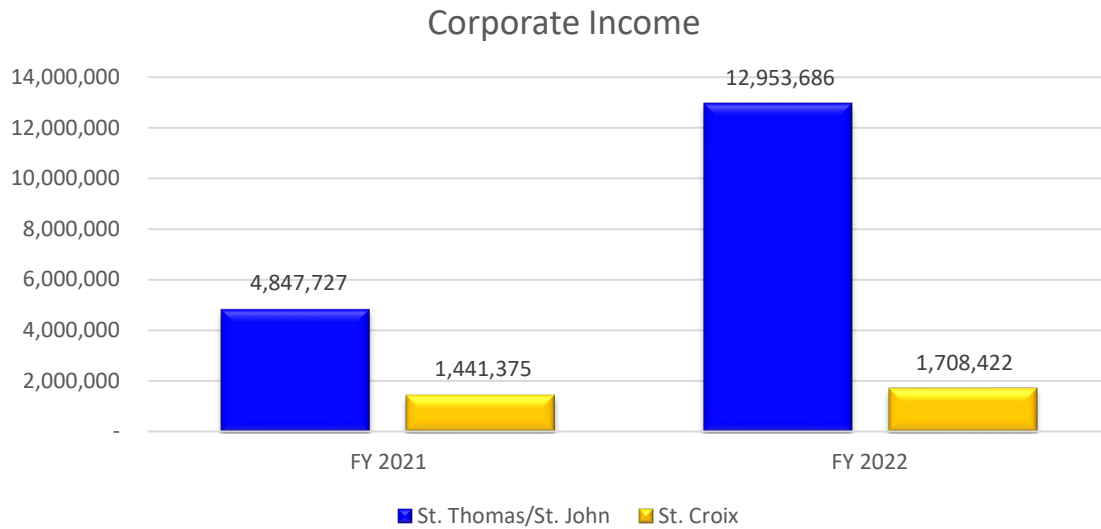
## INDIVIDUAL INCOME

Overall, Individual Income collections decreased by 20% in second quarter FY 2022 compared to fourth quarter FY 2021. Both the STT/STJ and STX districts decreased in collection compared to FY 2020. STT/STJ decreased by 13% and STX decreased by 34%.



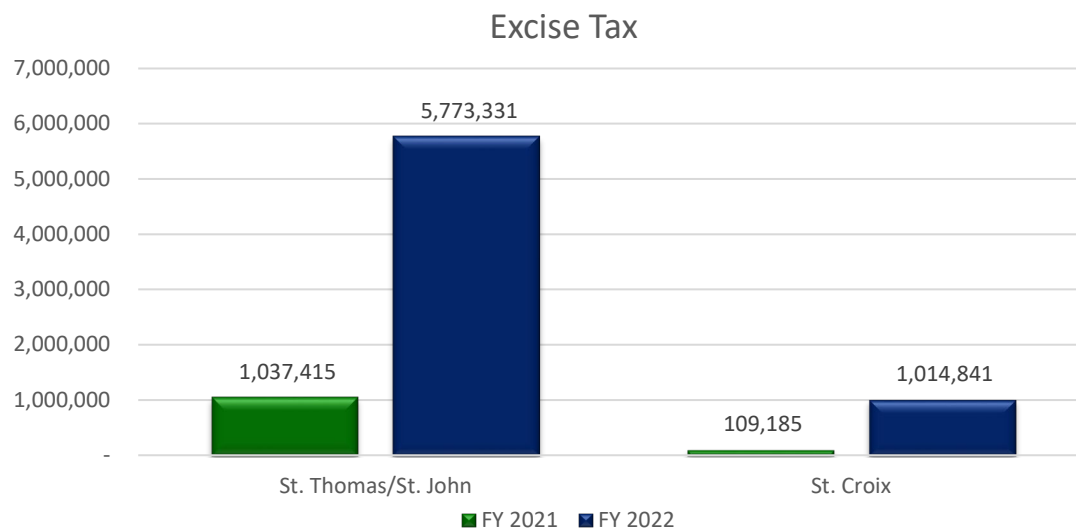
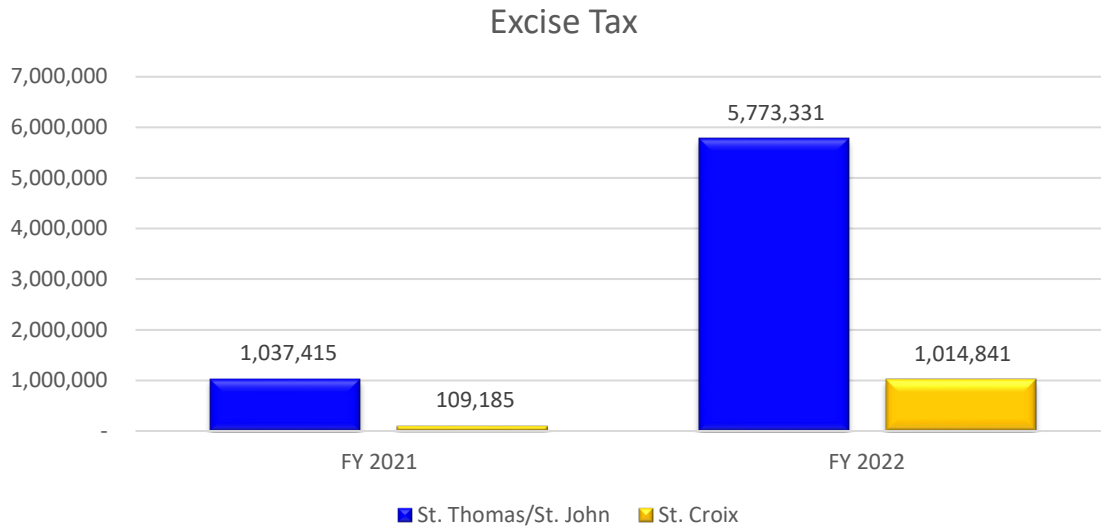
## CORPORATE INCOME

The second quarter FY 2022 performance for Corporate Income has increased by 133% compared to FY 2021. The STT/STJ District saw a 167% increase and the STX district saw a 19% increase in second quarter collections in FY 2022 compared to fourth quarter FY 2021.



## TRADE AND EXCISE

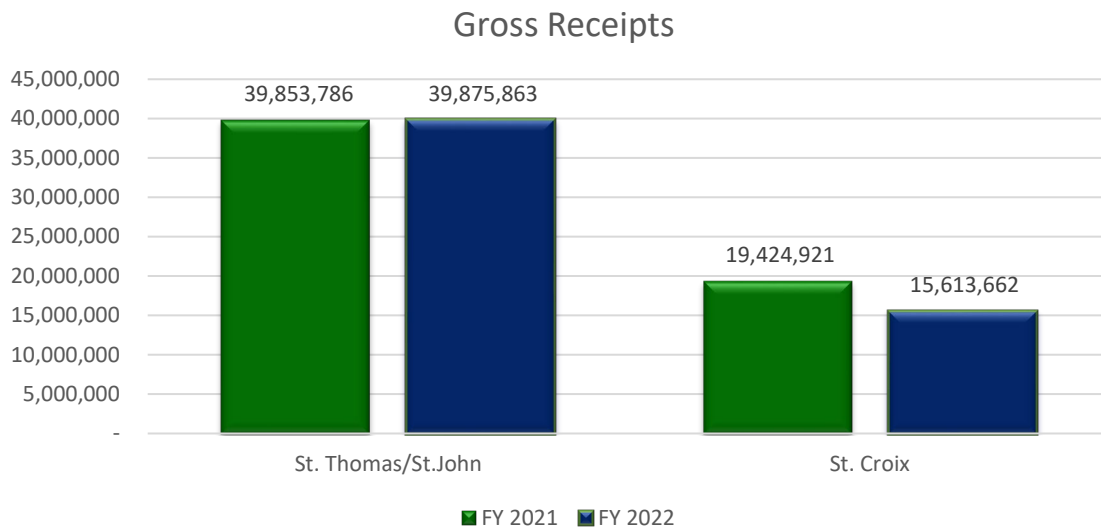
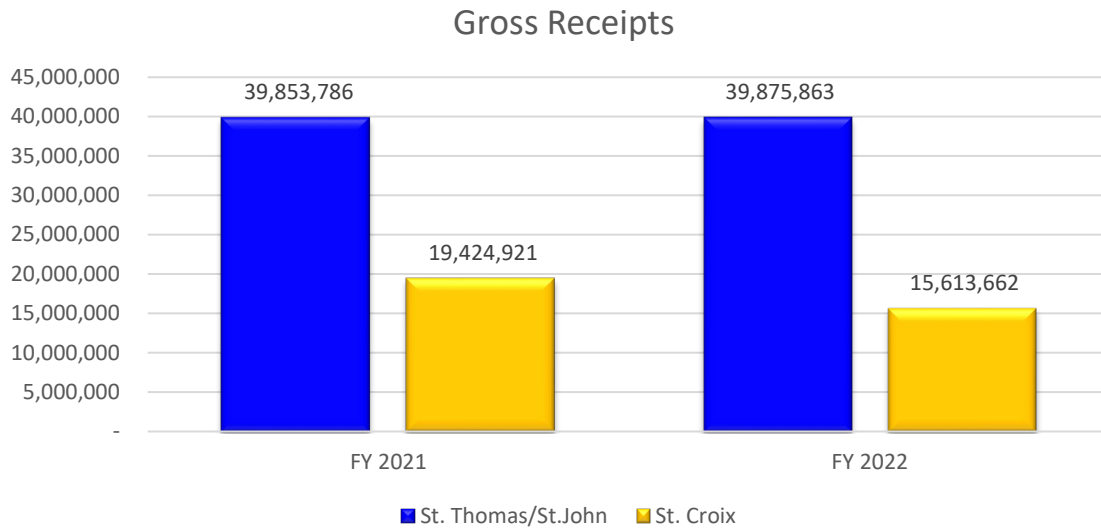
The collection of Trade and Excise Tax resumed towards the end of the second quarter on March 15, 2021. Overall, the Territory saw a 457% increase in the second quarter of FY 2022 compared to FY 2021. STT/STJ District saw collections increase by 829% and STX District an increase of 492% compared to FY 2021.





## GROSS RECEIPTS

FY 2022 fourth quarter collections for Gross Receipts Tax (GRT) decreased by 6% as compared to FY 2021. The STT/STJ district collections remained the same and STX decreased by 20%.

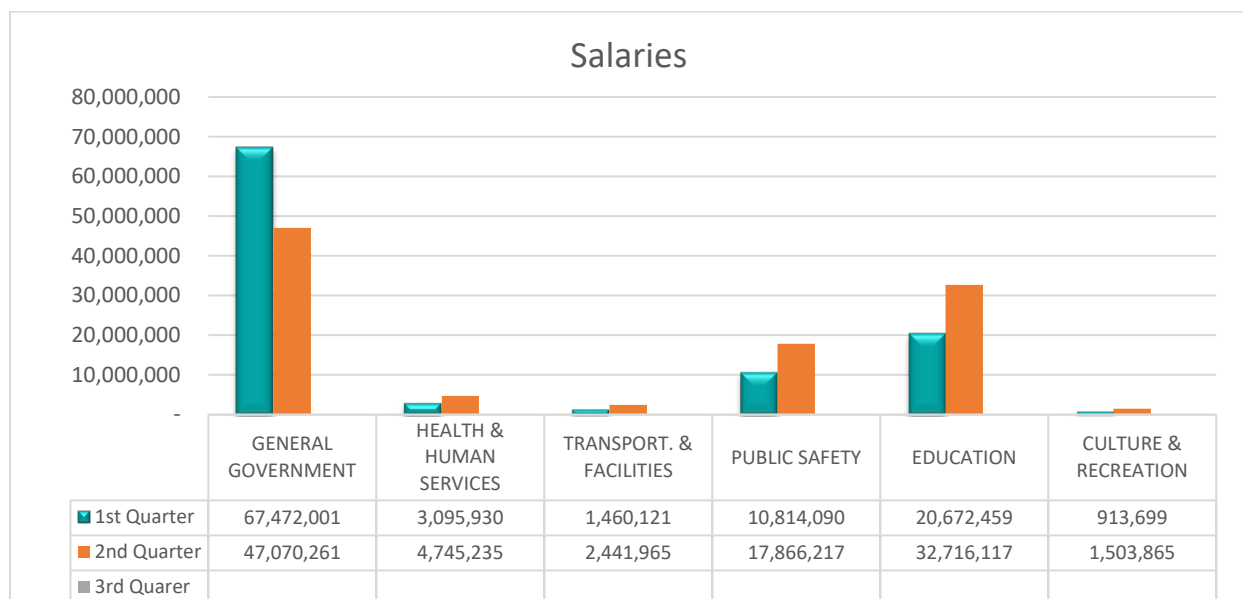
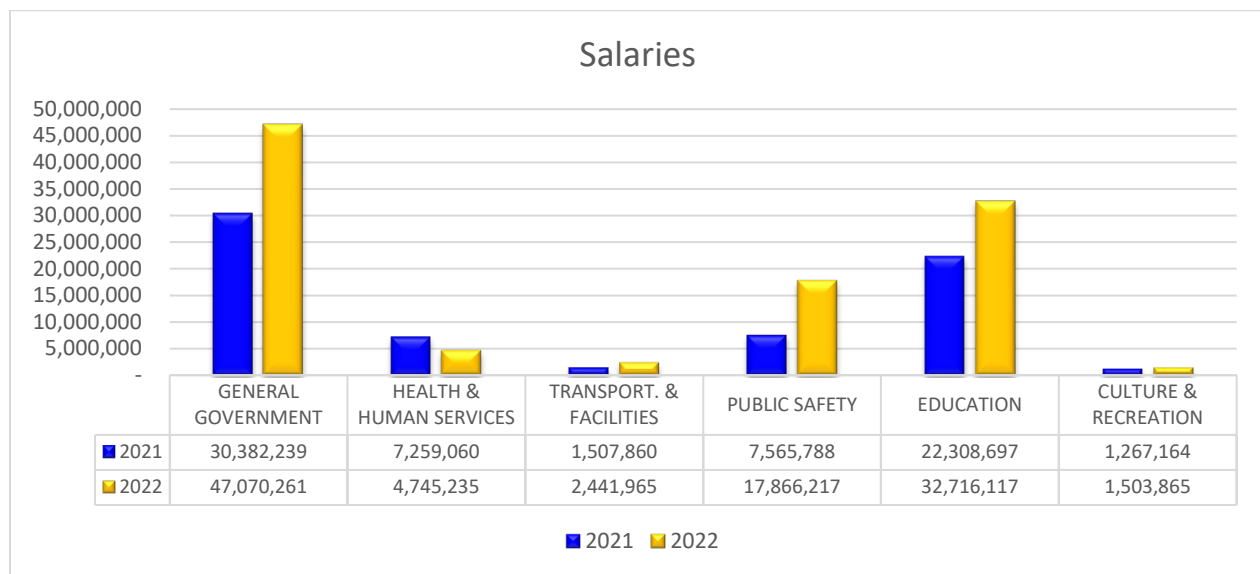


## EXPENDITURES

As with previous iterations of this report, the expenditures presented in this report reflect amounts appropriated for General Fund. This report examines the Lapsing portion of the General Fund. In subsequent reports, efforts will be made to include the Non-Lapsing element of the General Fund. The expenditures are analyzed by budget category based on the applicable function of government. While inferences can be made regarding the trajectory of expenditures based on the data presented, expenditures are cyclical and therefore fluctuate. Also, while salaries are a bit more predictable and therefore more suitable to determine effects, caution is still advised given the preliminary nature of the data.

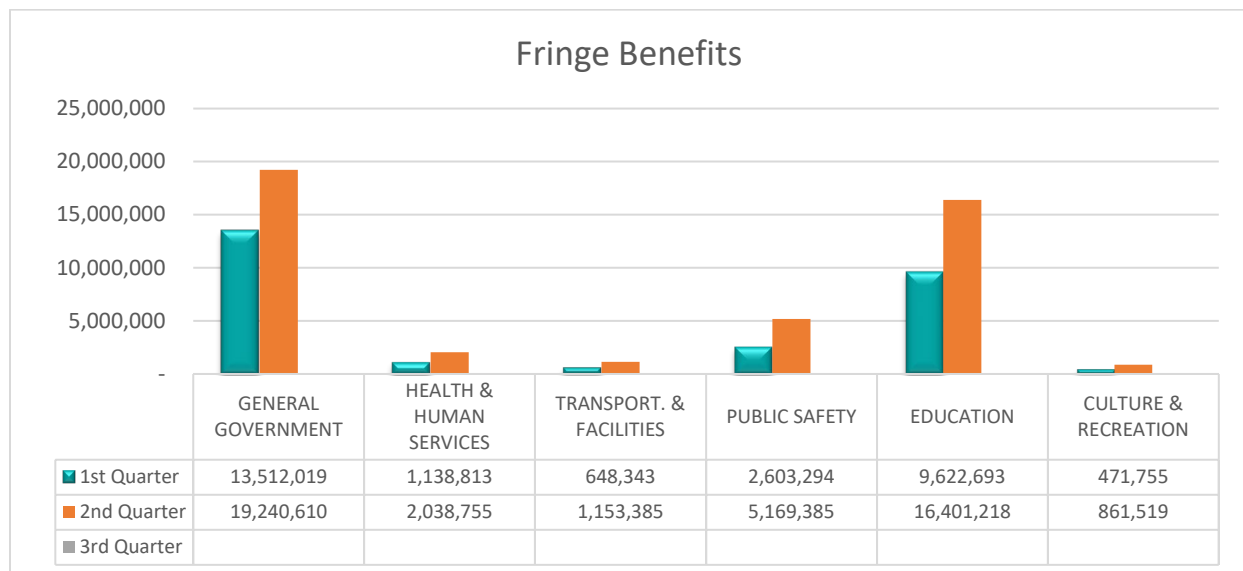
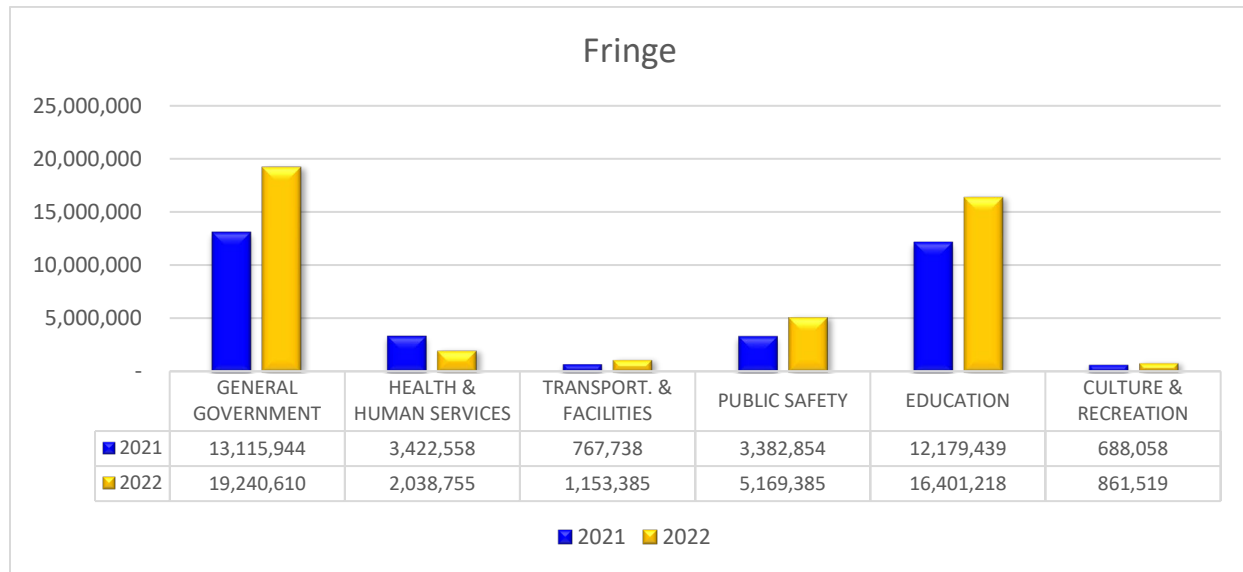
## SALARIES

Actual salaries across all functions of government increased by 51.29% for the second quarter FY 2022 as compared to second quarter FY 2021. The most significant increase of 136.14% occurred in Public Safety. The most significant decrease of 34.63% occurred in Health & Human Services.



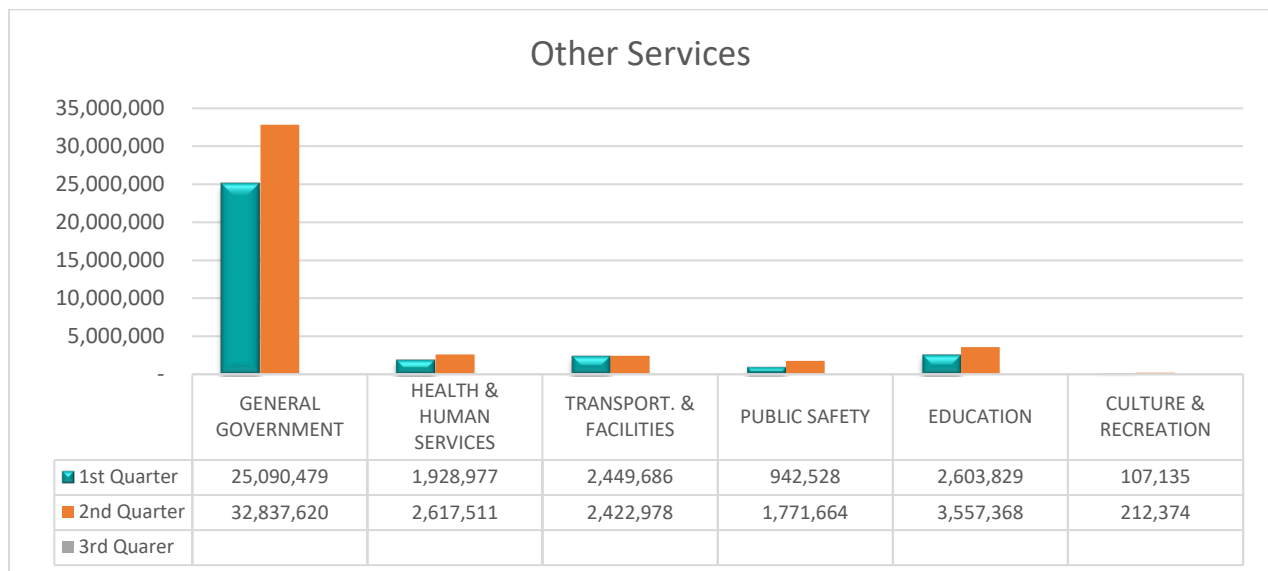
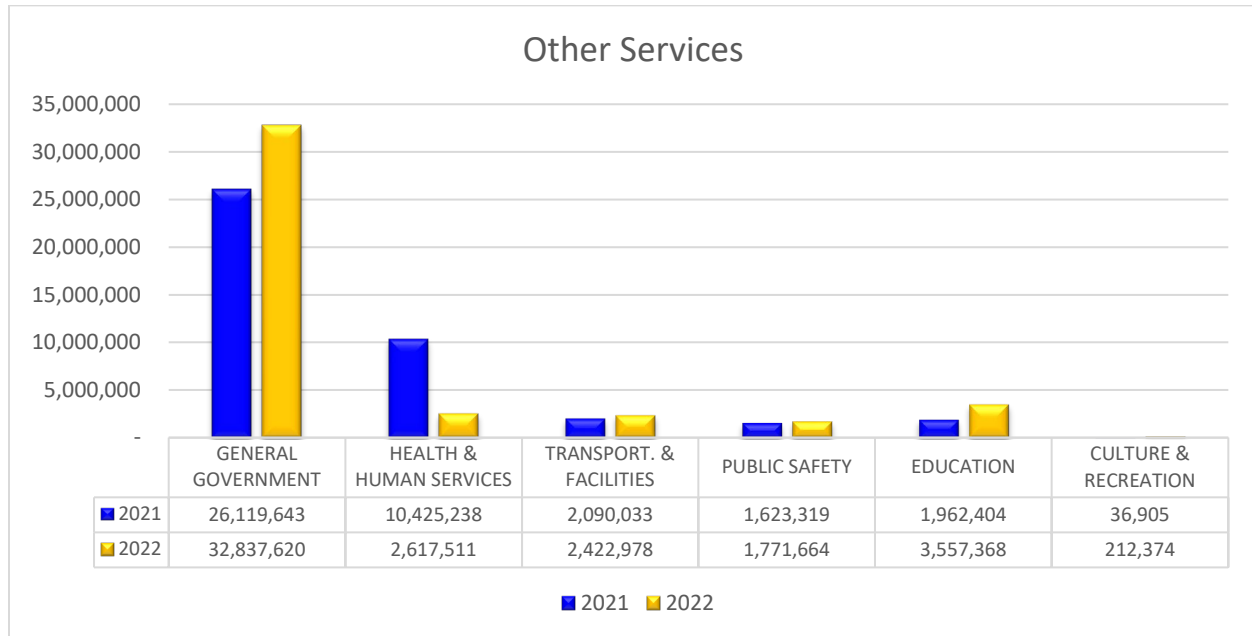
## FRINGE BENEFITS

Fringe Benefits increased by 33.70% in the second quarter FY 2022 compared to second quarter FY 2021. The most notable increases were in Public Safety at 52.81%, Transport & Facilities at 50.23%, and General Government at 46.70%. The only category that saw a decrease is Health & Human Services, at 40.43%.



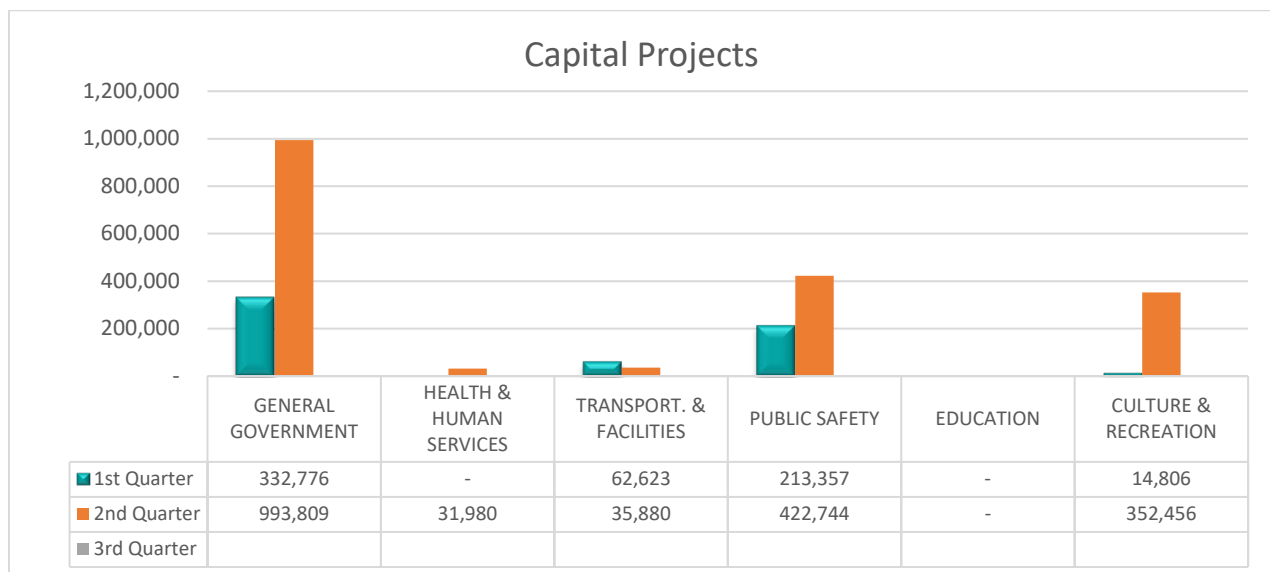
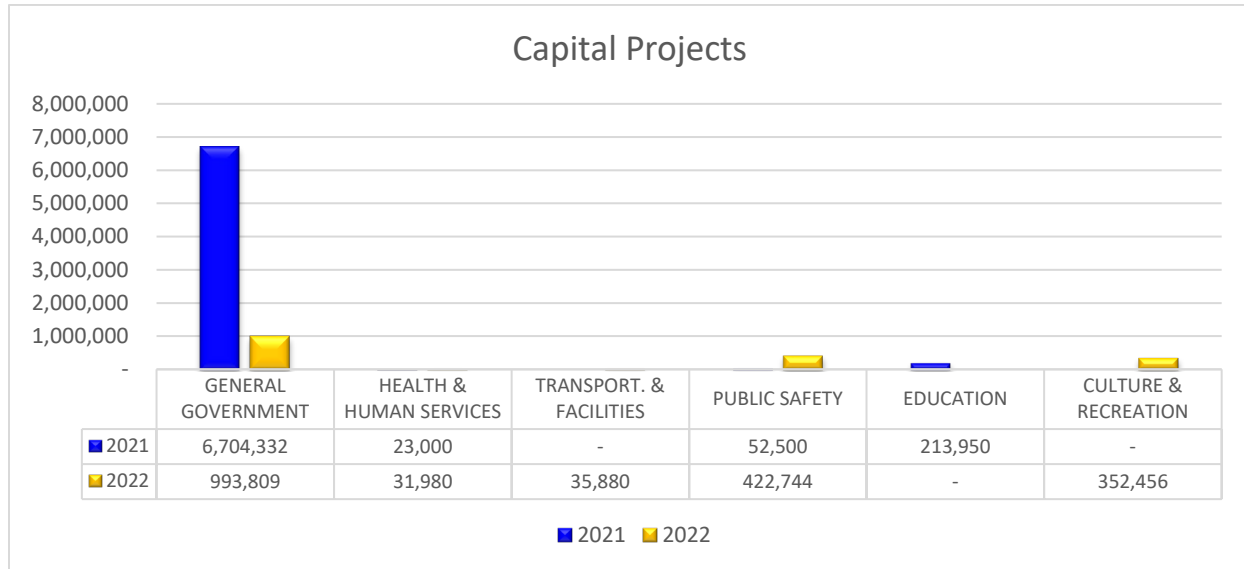
## OTHER SERVICES

Other Services saw an overall increase of 2.75% in the second quarter FY 2022 compared to the same quarter in FY 2021. Notable increases were in Culture and Recreation at 475.46% and Education at 81.28%. There was a notable decrease in Health & Human Services at 74.89%.



## CAPITAL PROJECTS

Capital projects decreased 73.74% in the second quarter FY 2022 as compared to FY 2021. The most notable increase was seen in Transportation & Facilities at 100%. The most substantial decrease occurred with General Government at 574.61%.



## SUMMARY

In summary, the Territory saw an overall increase of 2% in Total Operating Income. Specifically, Total Taxes increased by 3% while Total Other Revenues decreased by 9%. Overall, this represented less than a 1% increase in Total Revenue collections for second quarter FY 2022 when compared to FY 2021. The most notable decreases were seen in Malpractice Insurance at 100%, Miscellaneous Revenues at 100%, and Licenses at 28%. By contrast the most notable increases are Excise Tax at 702%, Real Property Tax at 122%, and Corporate Tax at 86%. The Total Revenues as of March for FY 2022 was \$371 million compared to \$370 million for FY2021. From a cash flow perspective, at the end of the second quarter FY 2022, specifically the week ended February 25, 2022, the Territory had a negative cash flow of \$16.8 million and a negative cash balance of \$12 million with 2 days cash on hand.