

U.S. VIRGIN ISLANDS
OFFICE OF MANAGEMENT & BUDGET



FISCAL YEAR 2022

3rd QUARTER REVENUE & EXPENDITURE REPORT

UNITED STATES VIRGIN ISLANDS

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July 28, 2022

Table of Contents

Real Property	4
Individual Income	5
Corporate Income	6
Trade and Excise	7
Gross Receipts.....	8
Expenditures	9
Salaries.....	9
Fringe Benefits	10
Other Services.....	11
Capital Projects.....	12
.....	Error! Bookmark not defined.
Summary.....	13

Content and Purpose

This quarterly report contains an overview of the Territory's actual collection of General Fund revenues and expenditures for the third 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 collections for third quarter FY2022 are at a slight incline. The Territory has seen an increase in collections for all major revenue categories; except for Real Property 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

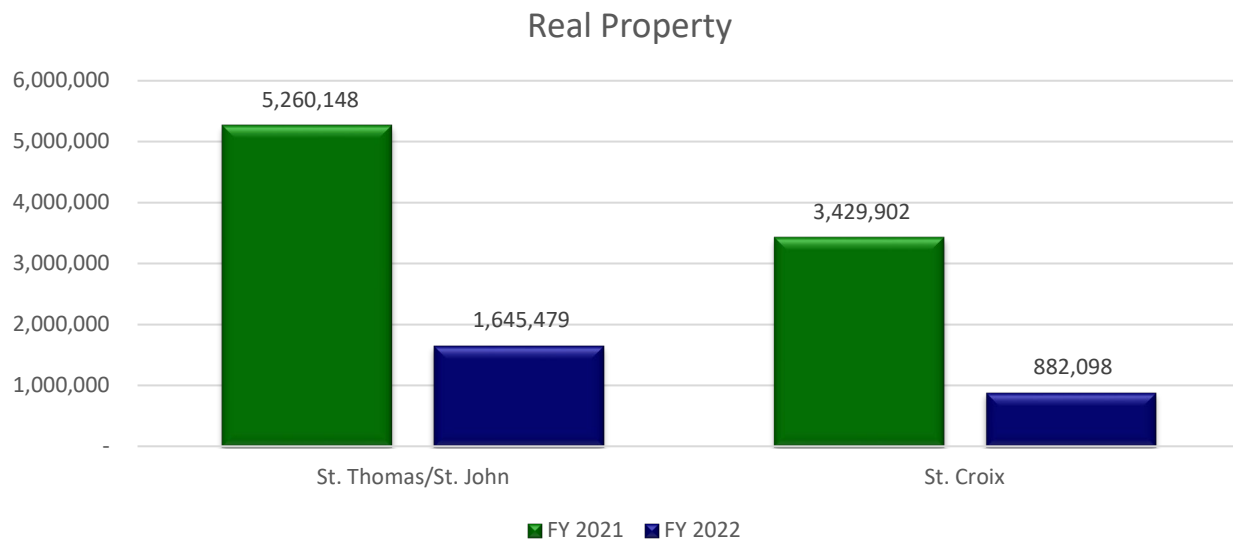
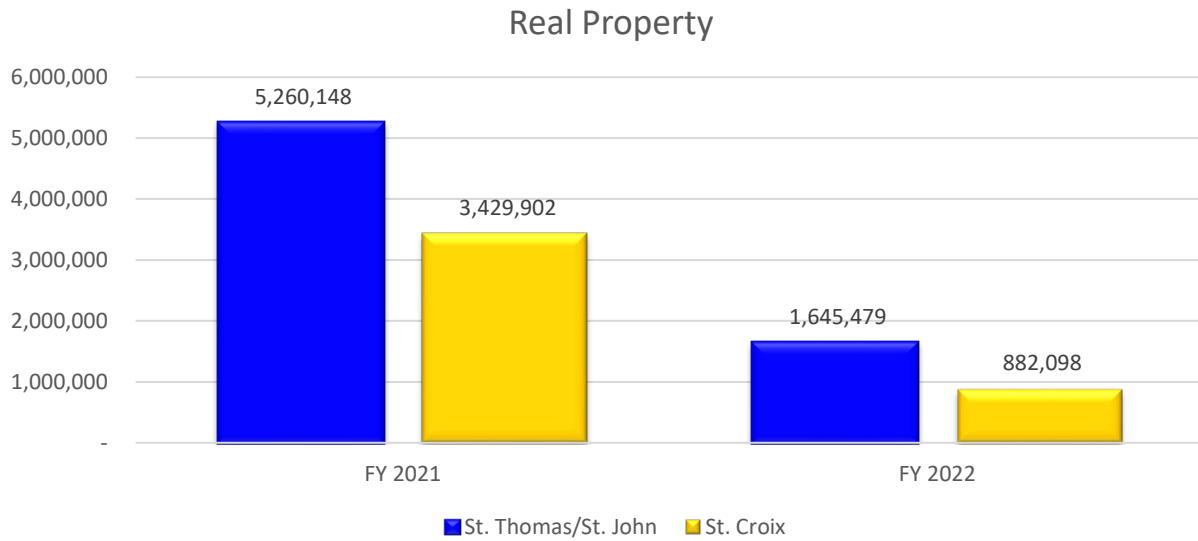
The information provided in this report are the most accurate available as of the date of composition. Furthermore, the report does not purport to be audited financial statements and as such, the numbers are preliminary and subject to change. The information provided here are not final. For final numbers,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

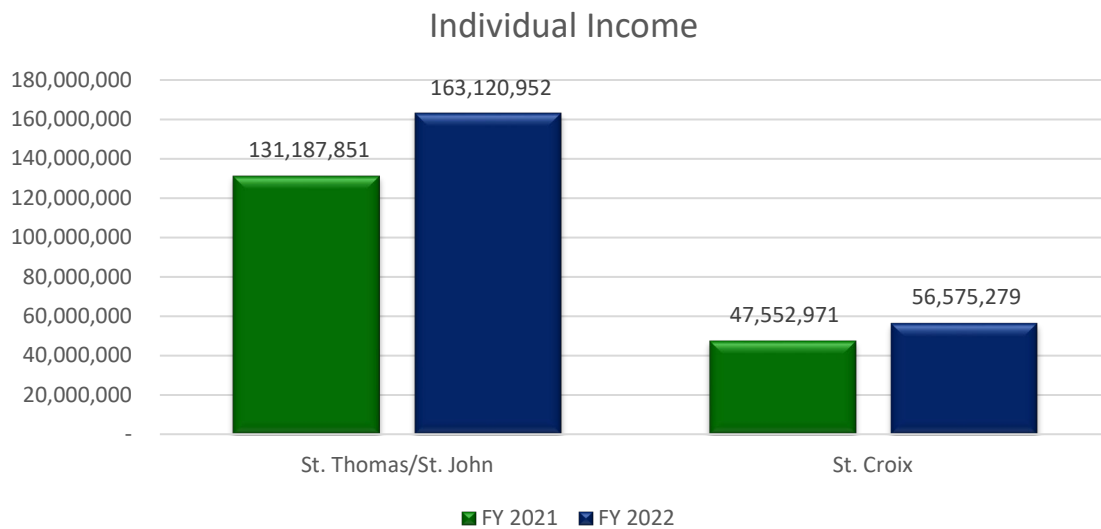
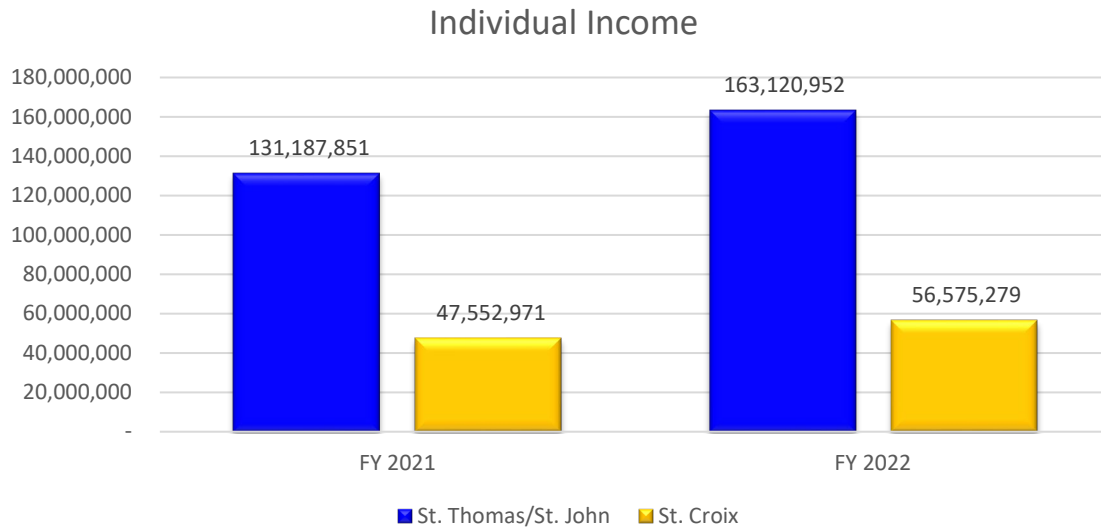
REAL PROPERTY

Compared to FY 2021, Real Property Tax collections in third quarter FY 2022 decreased 71%. Collections are down in both districts; STT/STJ saw a decrease of 69% and STX saw a decrease of 74 % when compared to FY 2021.



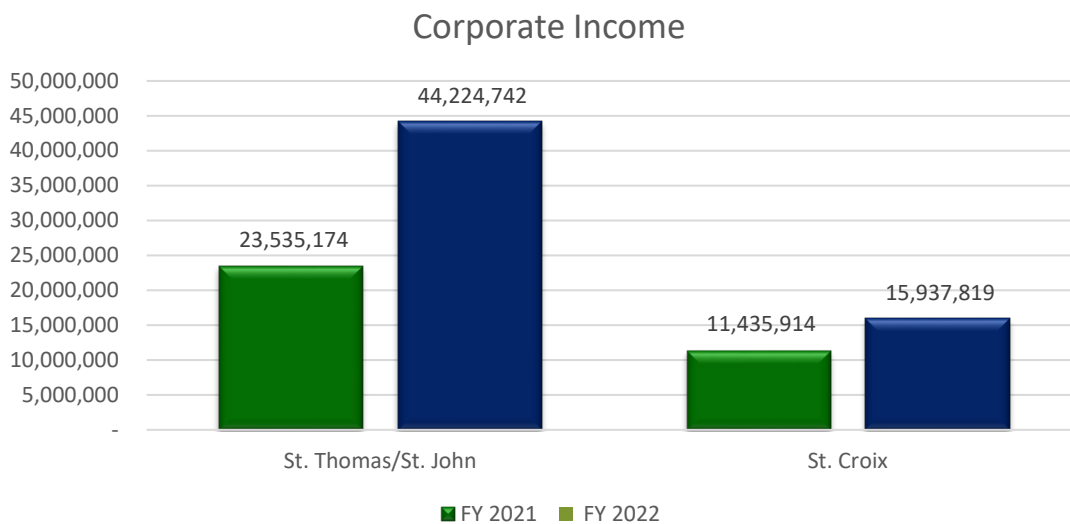
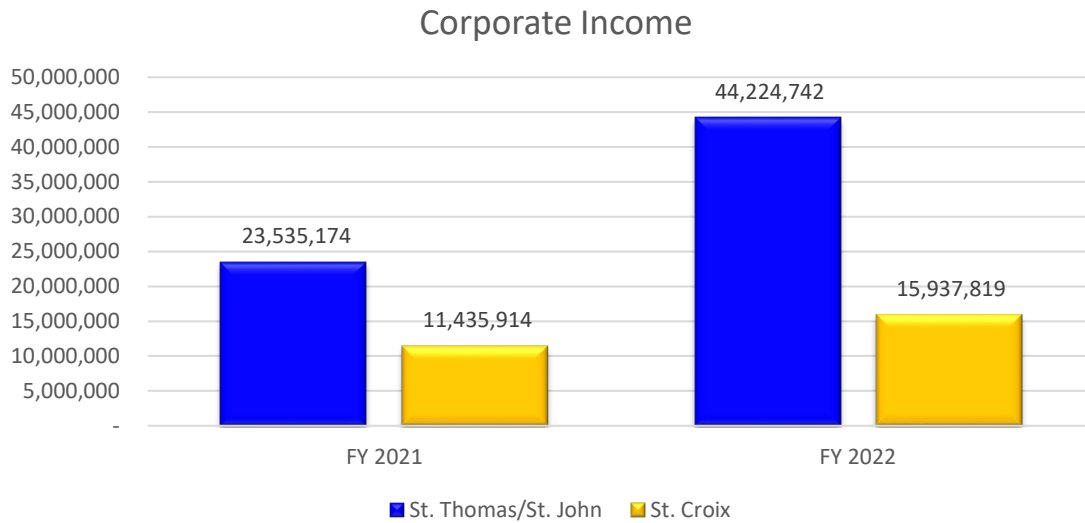
INDIVIDUAL INCOME

Overall, Individual Income collections increased by 23% in third quarter FY 2022 compared to third quarter FY 2021. Both the STT/STJ and STX districts increased in collection compared to FY 2021. STT/STJ increased by 24% and STX increased by 19%.



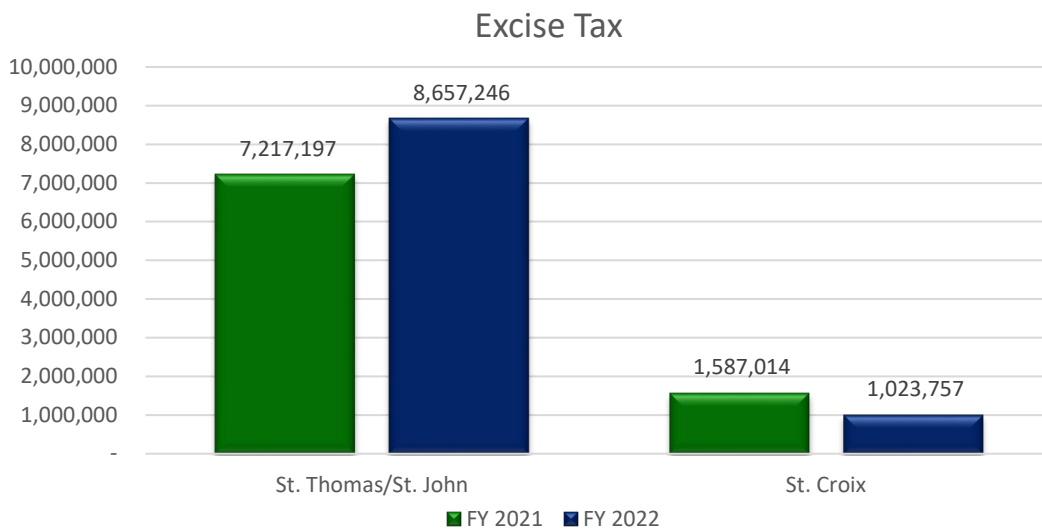
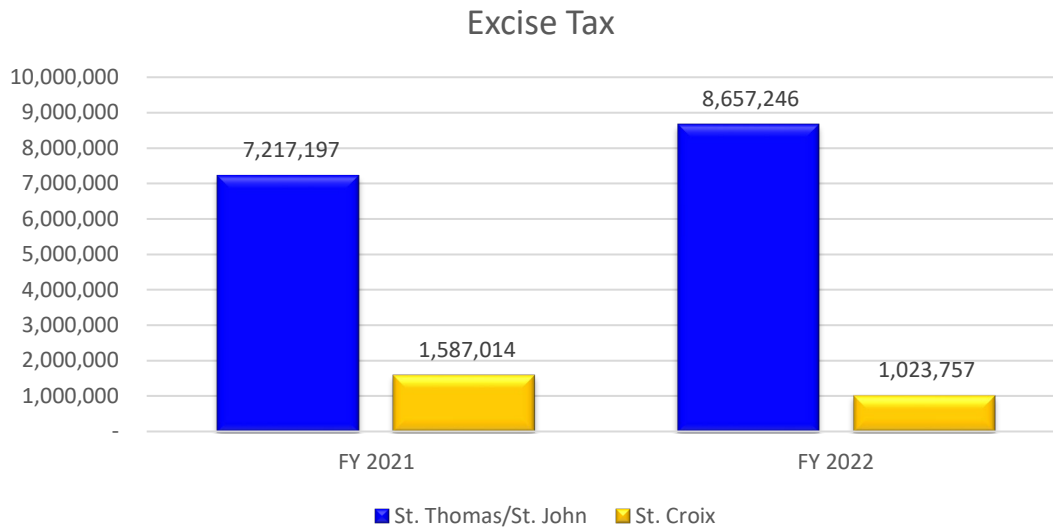
CORPORATE INCOME

The third quarter FY 2022 performance for Corporate Income has increased by 72% compared to FY 2021. The STT/STJ District saw a 88% increase and the STX district saw a 39% increase in third quarter collections in FY 2022 compared to third quarter FY 2021.



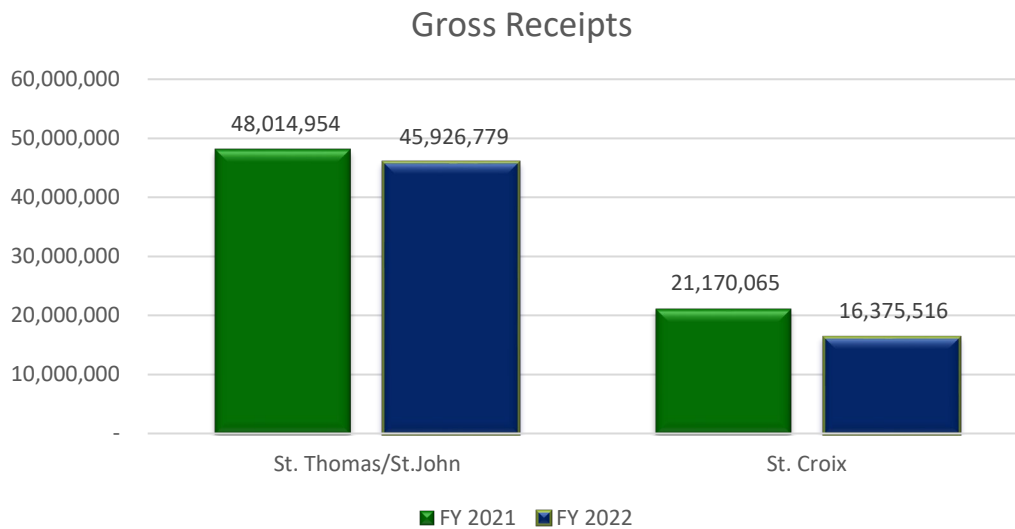
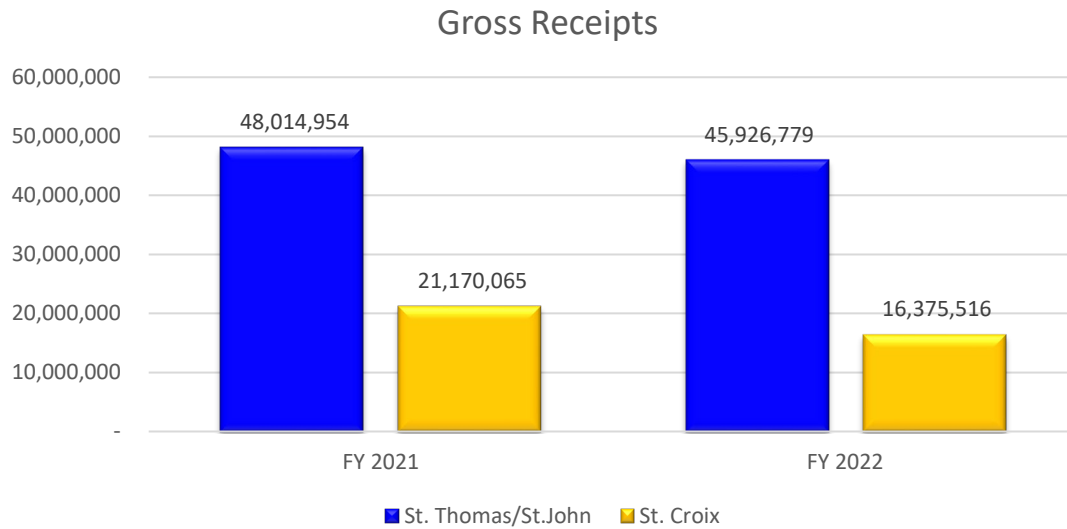
TRADE AND EXCISE

Overall, the Territory saw a 10% increase in the third quarter of FY 2022 compared to FY 2021. STT/STJ District saw collections increase by 20% and STX District a decrease of 35% compared to FY 2021.



GROSS RECEIPTS

FY 2022 third quarter collections for Gross Receipts Tax (GRT) decreased by 10% as compared to FY 2021. The STT/STJ district collections decreased by 4% and STX decreased by 23%.

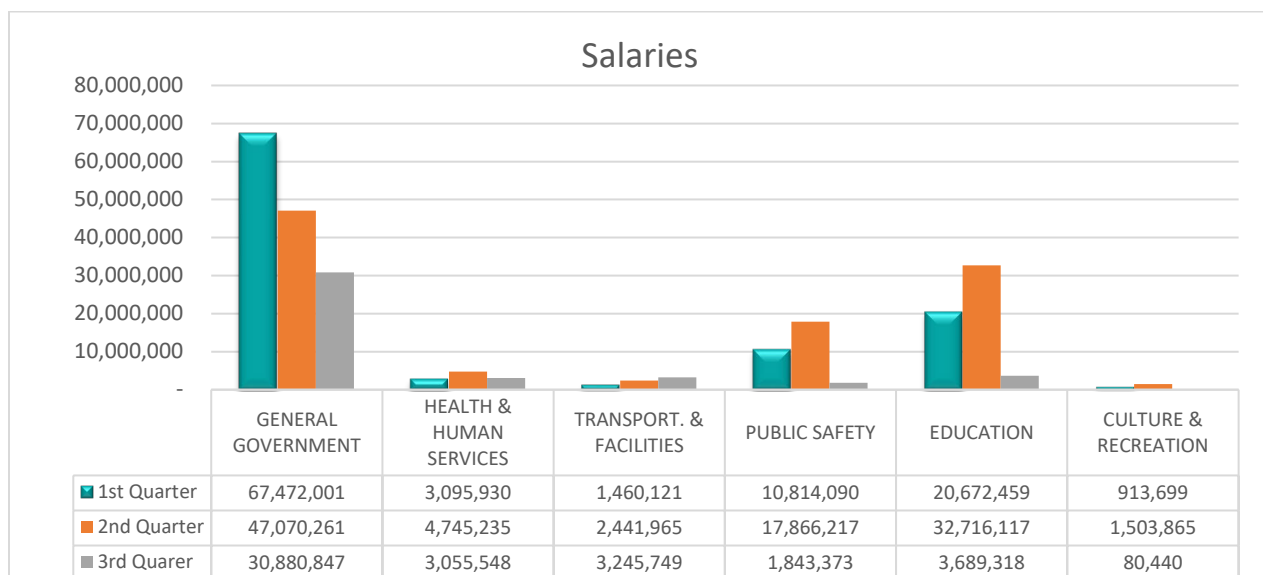
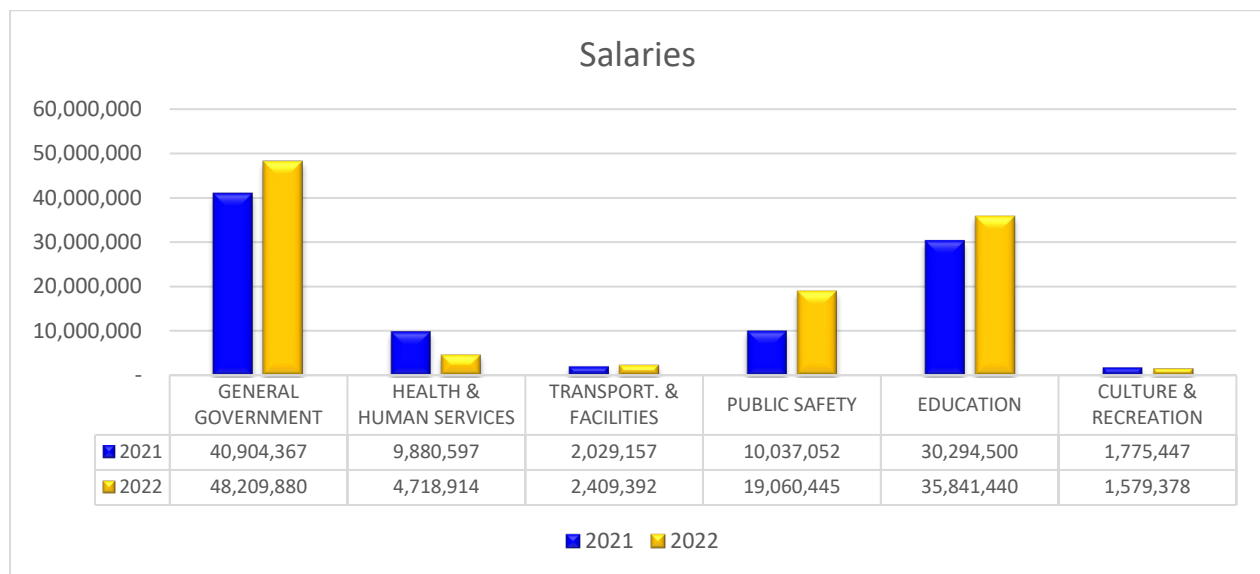


EXPENDITURES

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.

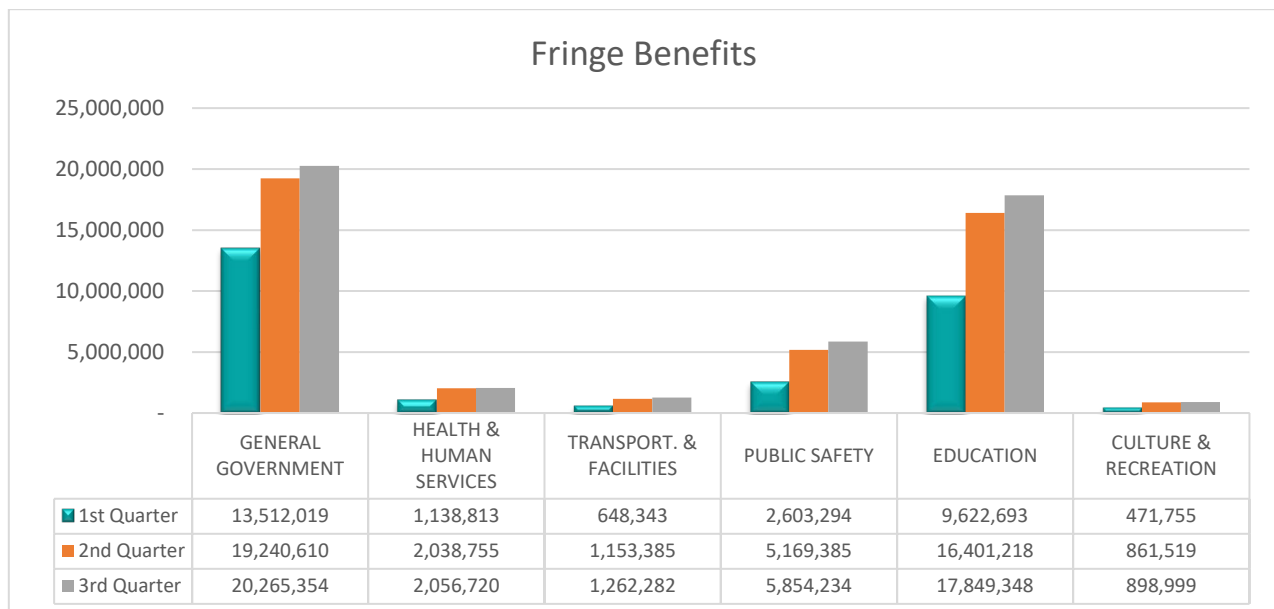
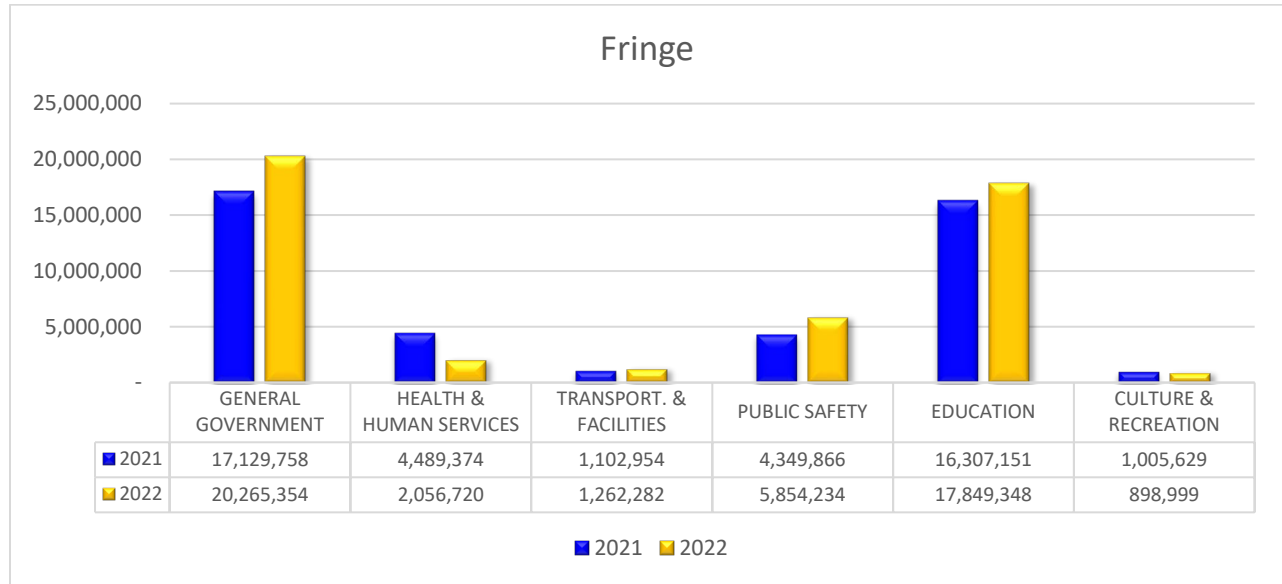
SALARIES

Actual salaries across all functions of government increased by 17.80% for the third quarter FY 2022 as compared to third quarter FY 2021. The most significant increase of 89.90% occurred in Public Safety. The most significant decrease of 52.24% occurred in Health & Human Services.



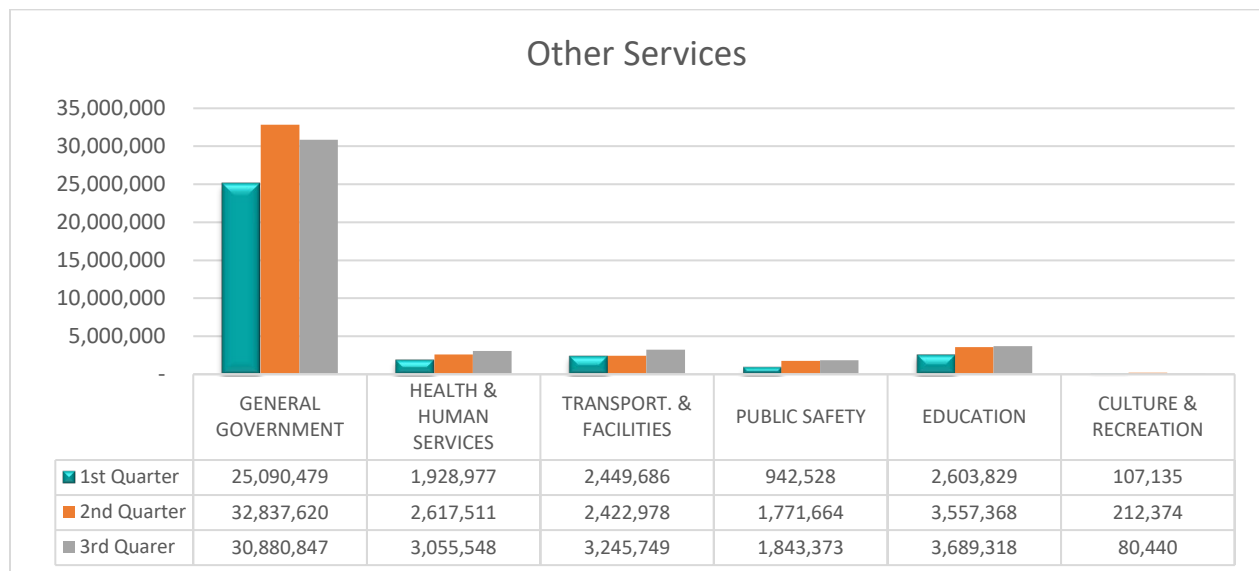
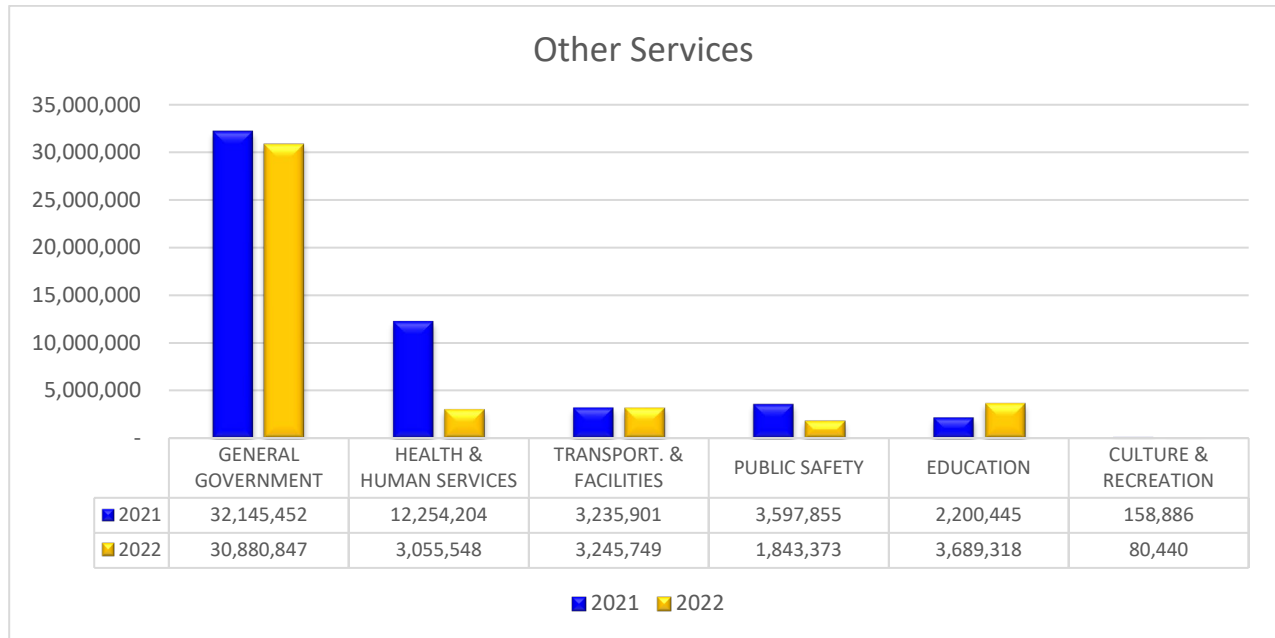
FRINGE BENEFITS

Fringe Benefits increased by 8.57% in the third quarter FY 2022 compared to third quarter FY 2021. The most notable increases were in Public Safety at 34.58%, General Government at 18.30%, and Transport & Facilities at 14.45%. The most significant decrease occurred in Health & Human Services, at 54.19%.



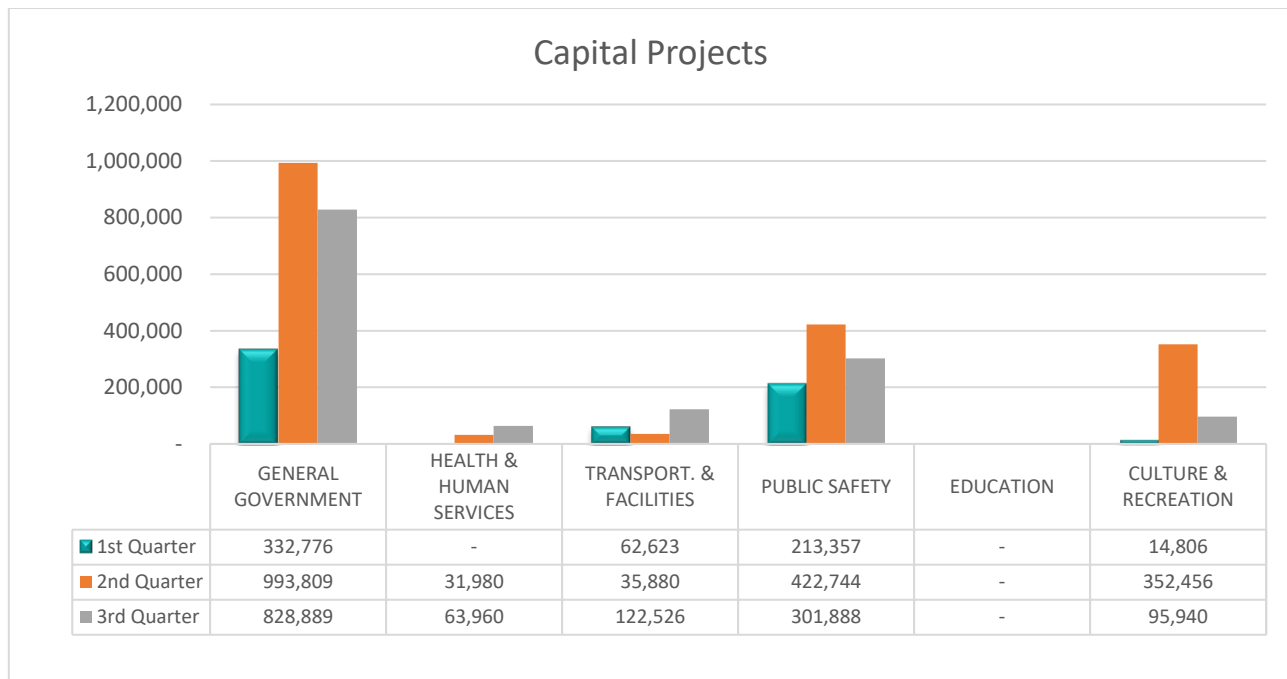
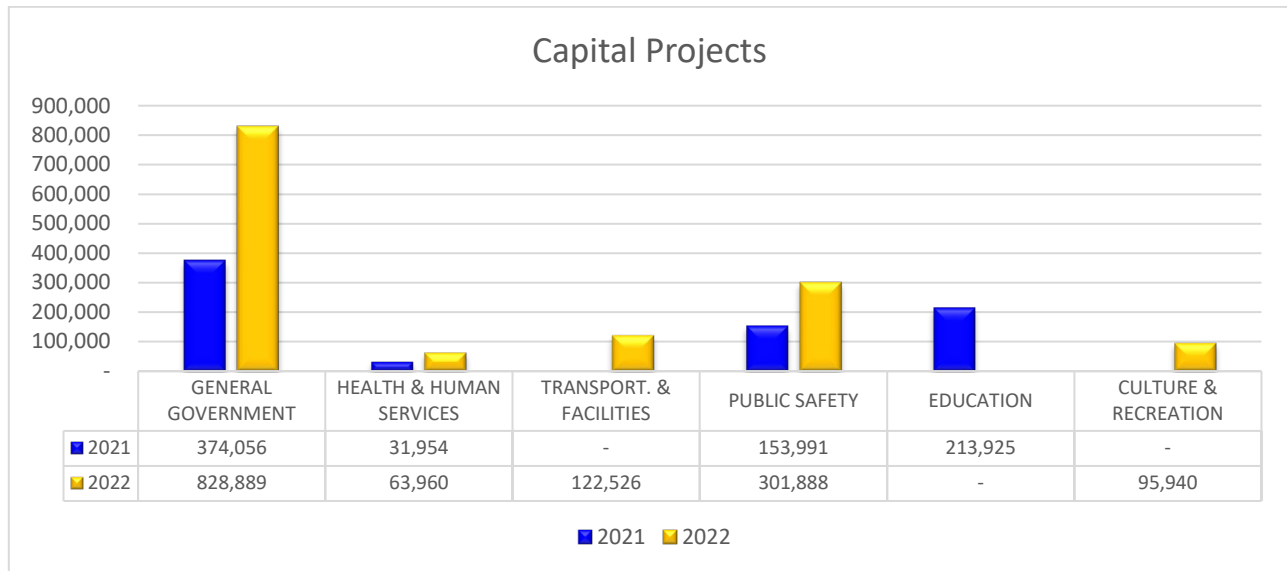
OTHER SERVICES

Other Services saw an overall decrease of 20.15% in the third quarter FY 2022 compared to the same quarter in FY 2021. There was a notable increase in Education at 67.66%. There was a notable decrease in Health & Human Services at 75.07%.



CAPITAL PROJECTS

Capital projects increased 82.60% in the third 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 Education at 100%.



SUMMARY

In summary, the Territory saw an overall increase of 8% in Total Operating Income. Specifically, Total Taxes increased by 9% while Total Other Revenues increased by 3%. Overall, this represented a 13% increase in Total Revenue collections for third quarter FY 2022 when compared to FY 2021. The most notable decrease was seen in Real Property Tax at 7%. By contrast the most notable increases are Excise Tax at 129%, and Corporate Income at 77%. The Total Revenues as of June for FY 2022 was \$776.8 million compared to \$688.3 million for FY2021. From a cash flow perspective, at the end of the third quarter FY 2022, specifically the week ended July 1, 2022, the Territory had a negative cash flow of \$48 million and a positive cash balance of \$104 million with 42 days cash on hand.