

U.S. VIRGIN ISLANDS
OFFICE OF MANAGEMENT & BUDGET



FISCAL YEAR 2022

4th QUARTER REVENUE & EXPENDITURE REPORT



UNITED STATES VIRGIN ISLANDS

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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 fourth 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, collections for fourth quarter FY2022 are at a slight decline. Although, the Territory has seen a decrease in fourth quarter collections compared to the prior year, overall revenue is trending higher in every major revenue category, excluding Gross Receipts Tax (GRT). This fourth 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

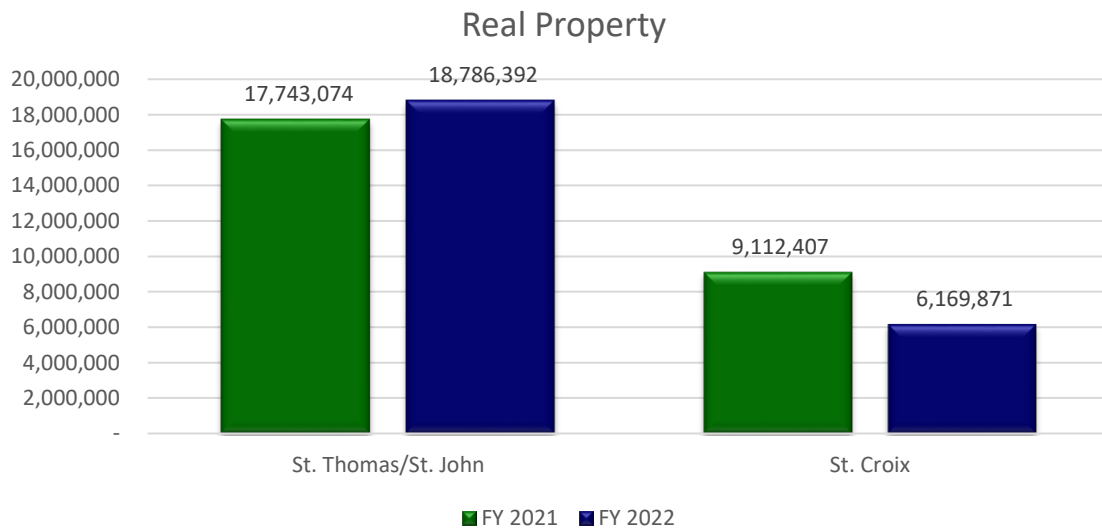
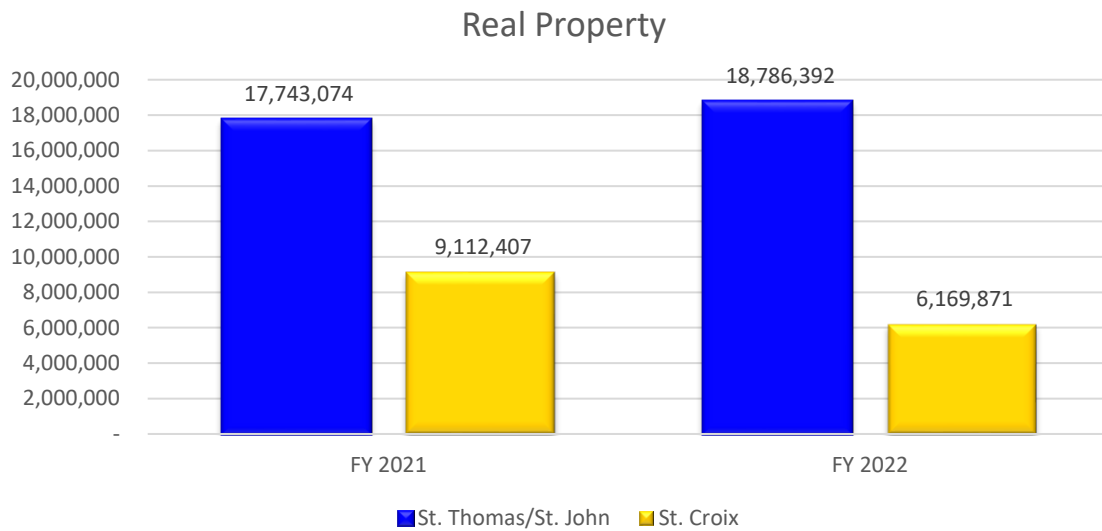
The information provided in this report are the most accurate available as of the date of composition. Furthermore, the report does not purport to be audited financial statements and as such, the numbers are preliminary and subject to change. The information provided here are not final. For final numbers,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

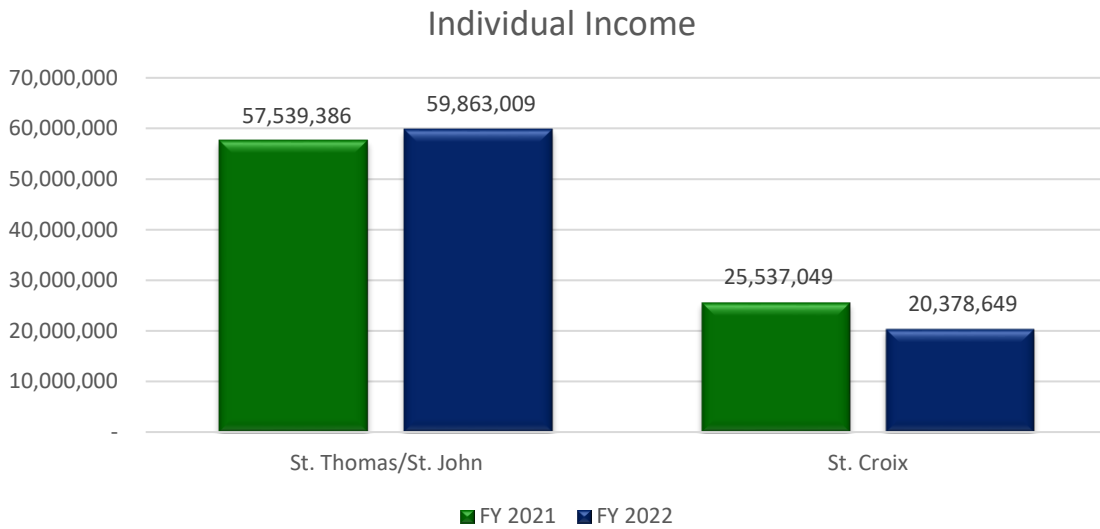
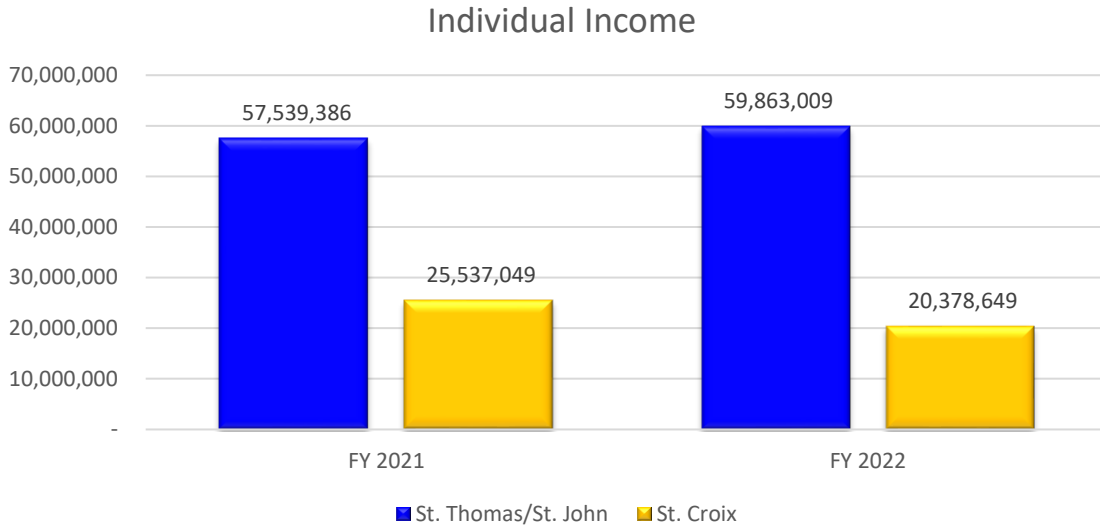
REAL PROPERTY

Compared to FY 2021, Real Property Tax collections in fourth quarter FY 2022 decreased 7%. The STT/STJ District saw a 6% increase and the STX district saw a 32% decrease in fourth quarter collections in FY 2022 compared to fourth quarter FY 2021.



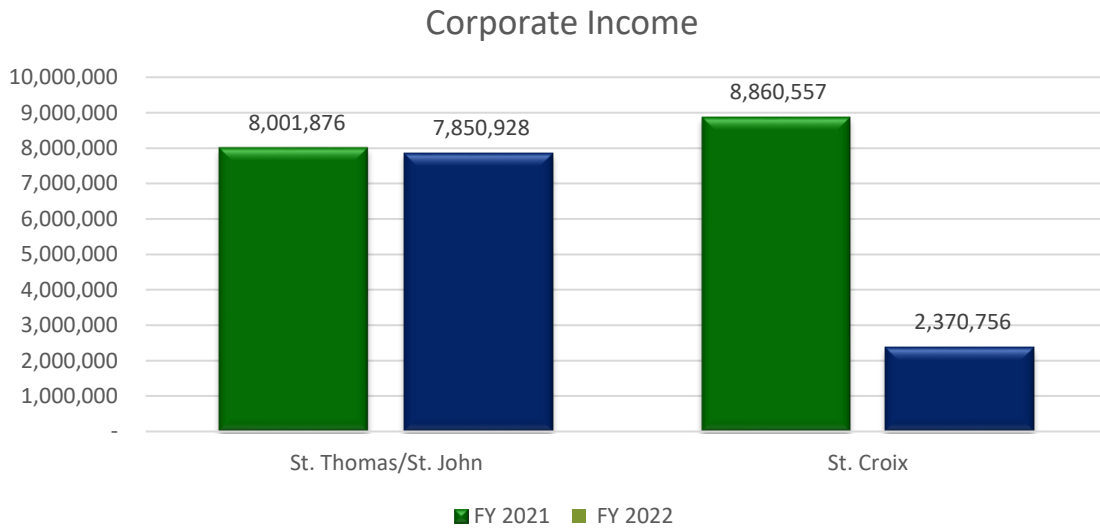
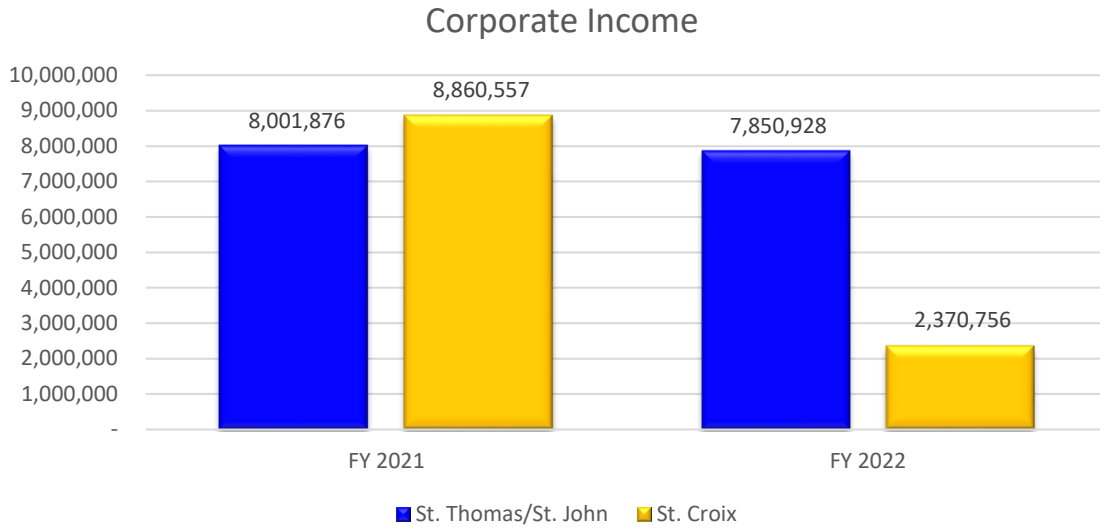
INDIVIDUAL INCOME

Overall, Individual Income collections decreased by 3% in fourth quarter FY 2022 compared to fourth quarter FY 2021. The STT/STJ District saw a 4% increase and the STX district saw a 20% decrease in fourth quarter collections in FY 2022 compared to fourth quarter FY 2021.



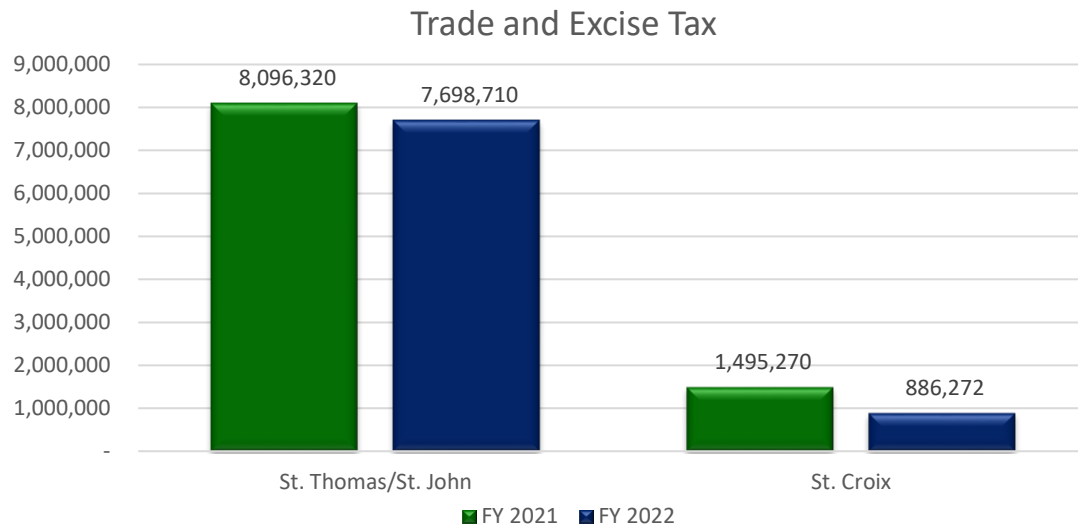
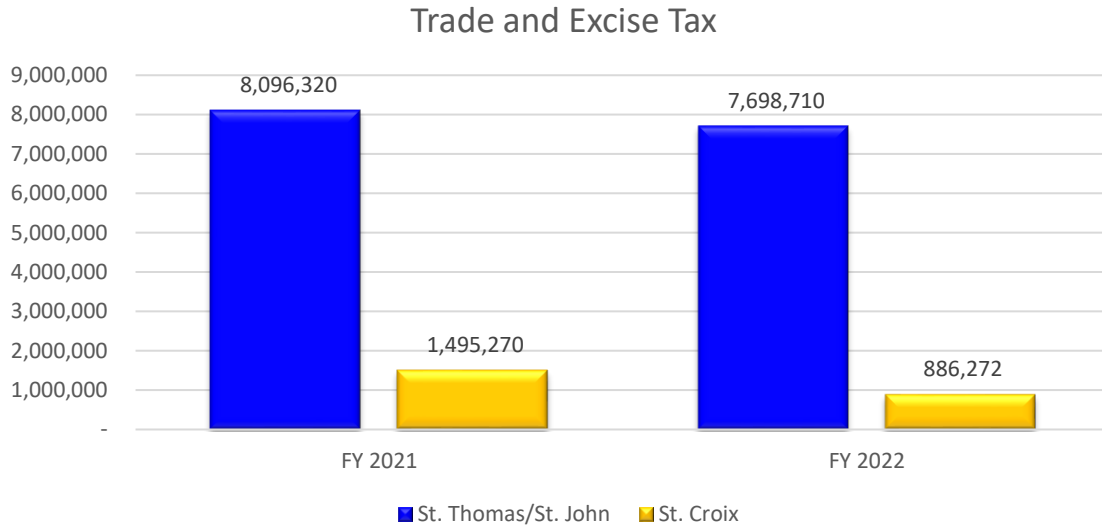
CORPORATE INCOME

The fourth quarter FY 2022 performance for Corporate Income has decreased by 39% compared to FY 2021. The STT/STJ District saw a 2% decrease and the STX district saw a 73% decrease in fourth quarter collections in FY 2022 compared to fourth quarter FY 2021.



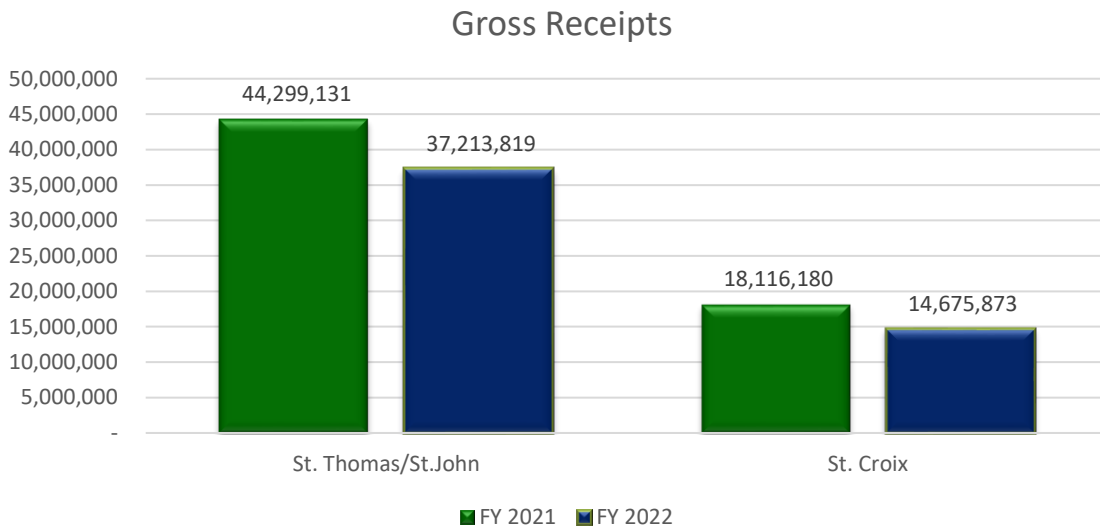
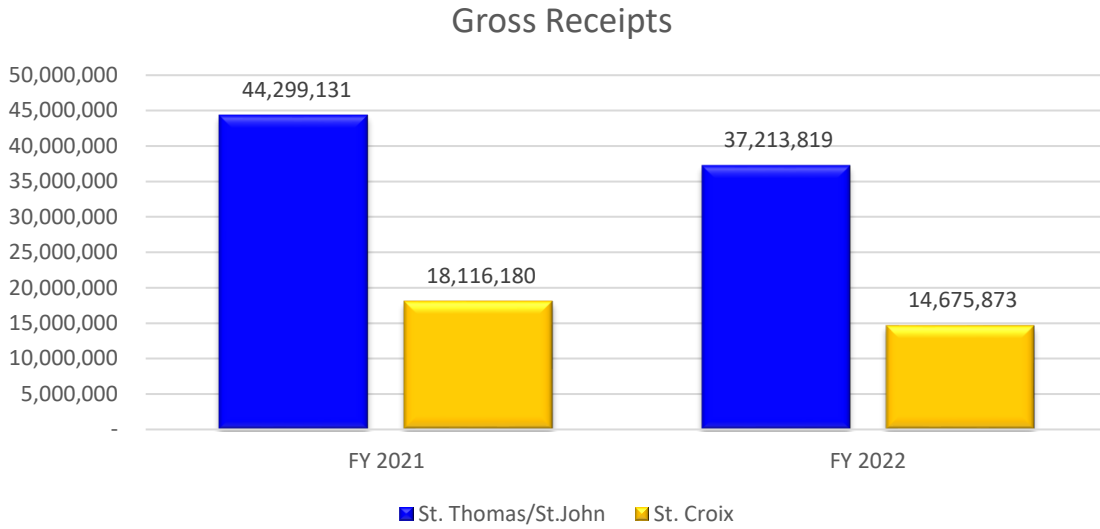
TRADE AND EXCISE

Overall, the Territory saw a 10% decrease in the fourth quarter of FY 2022 compared to FY 2021. STT/STJ District saw collections decrease by 5% and STX District a decrease of 41% compared to FY 2021.



GROSS RECEIPTS

FY 2022 fourth quarter collections for Gross Receipts Tax (GRT) decreased by 17% as compared to FY 2021. The STT/STJ district collections decreased by 16% and STX decreased by 19%.

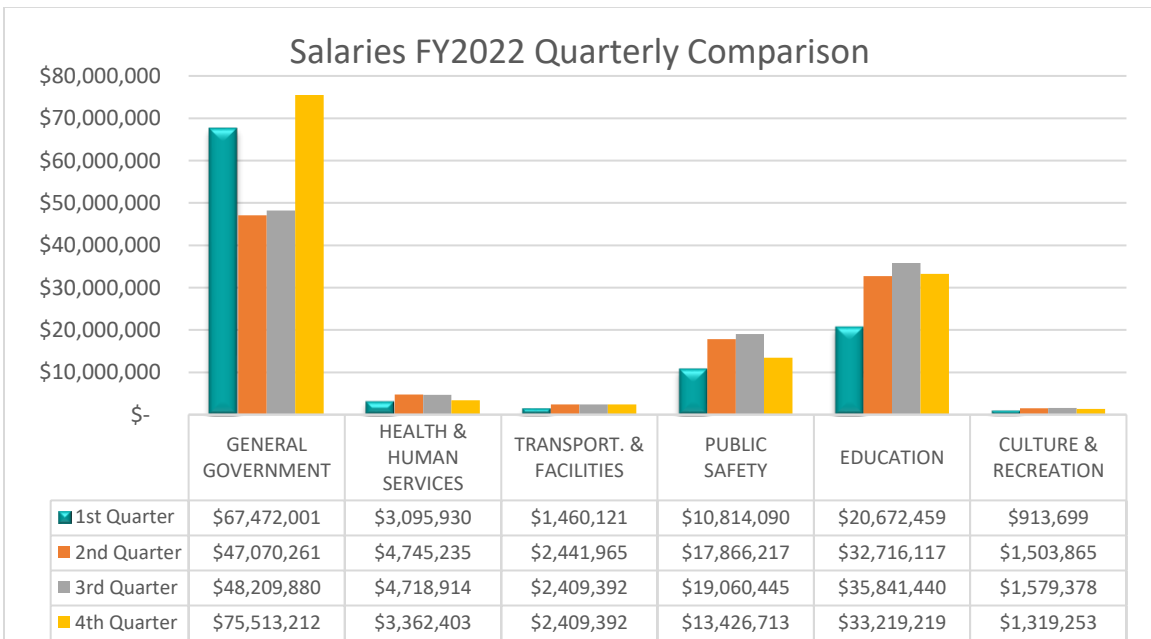
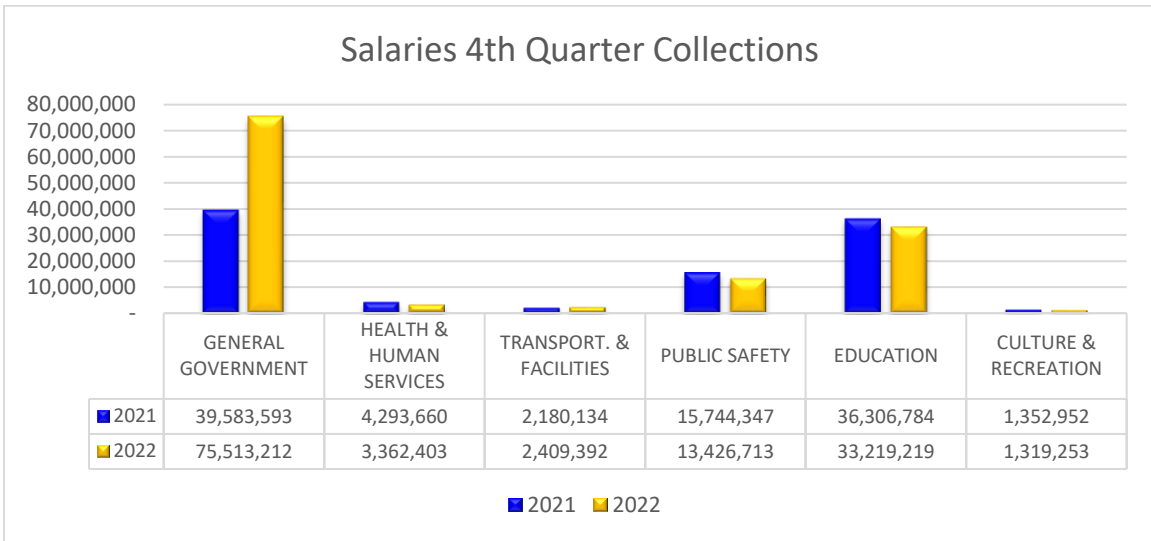


EXPENDITURES

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.

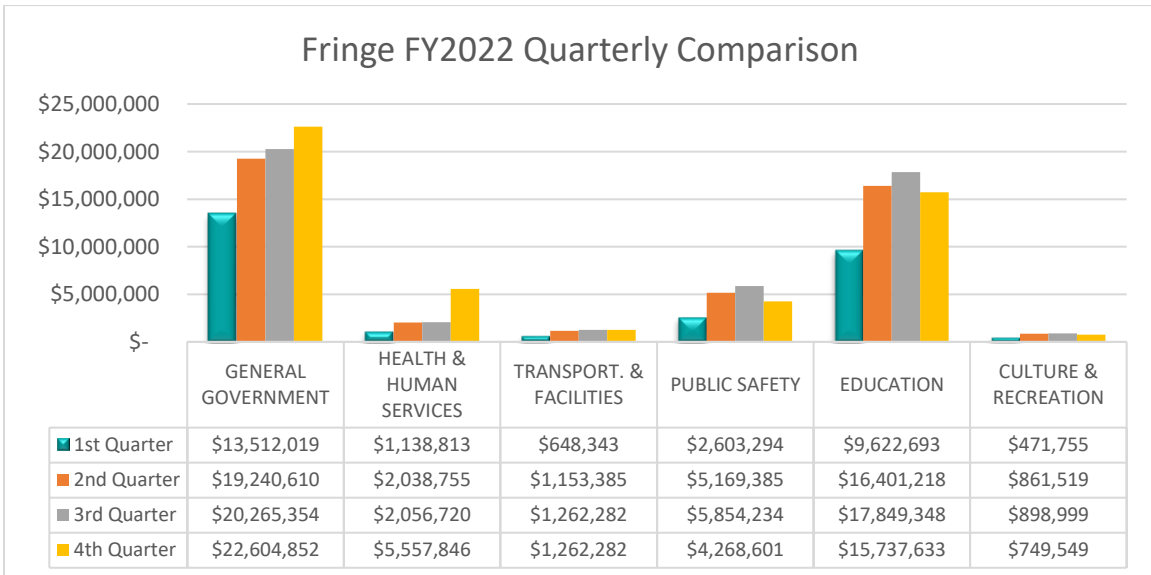
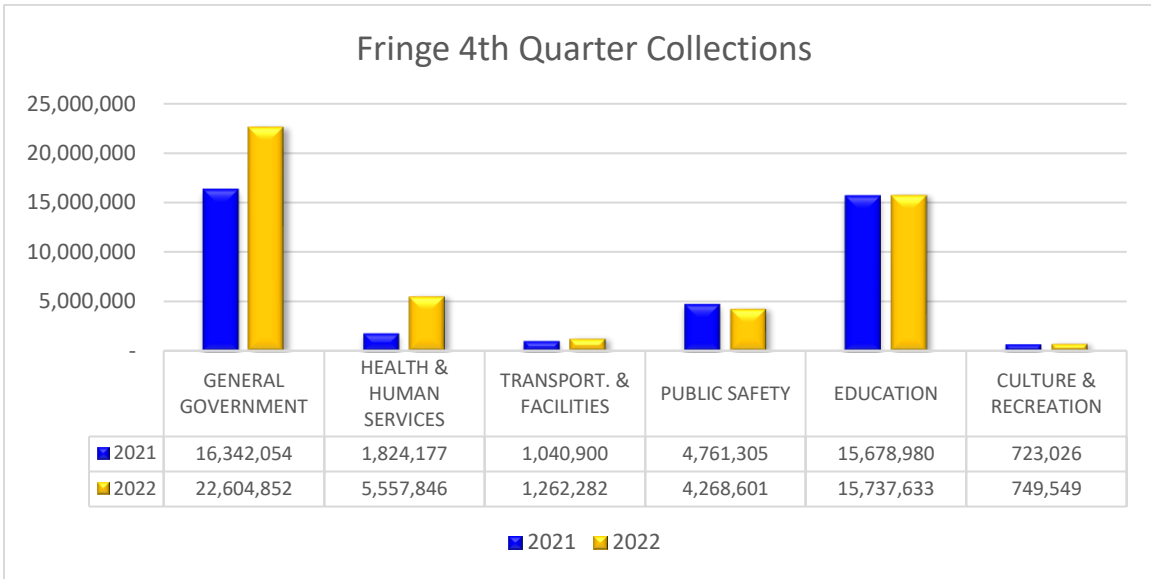
SALARIES

Actual salaries across all functions of government increased by 30% for the fourth quarter FY 2022 as compared to fourth quarter FY 2021. The most significant increase of 90% occurred in General Government. The most significant decrease of 22% occurred in Health & Human Services.



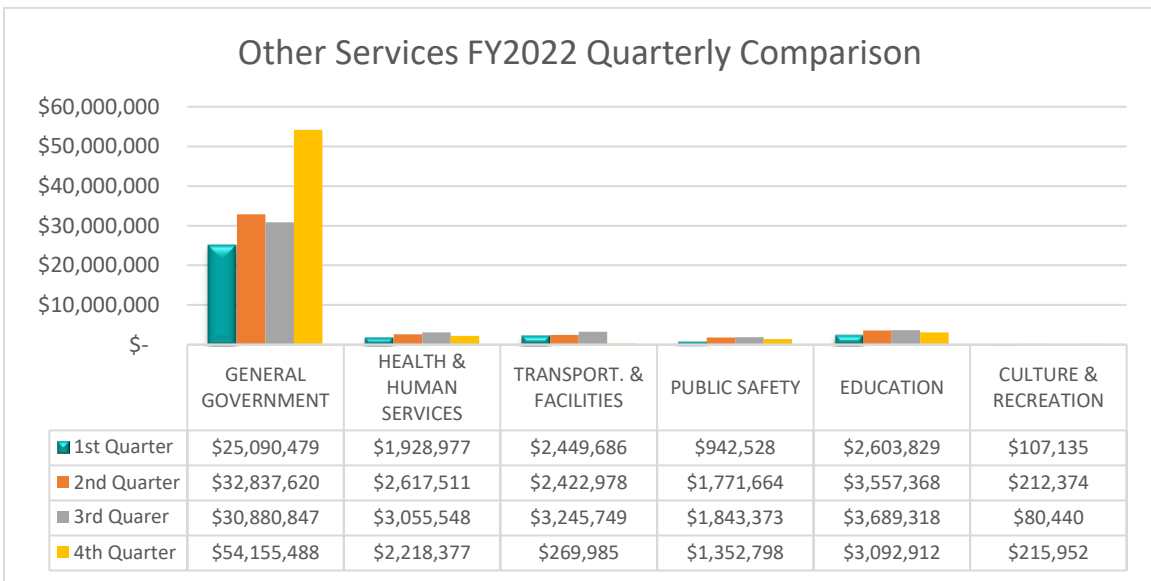
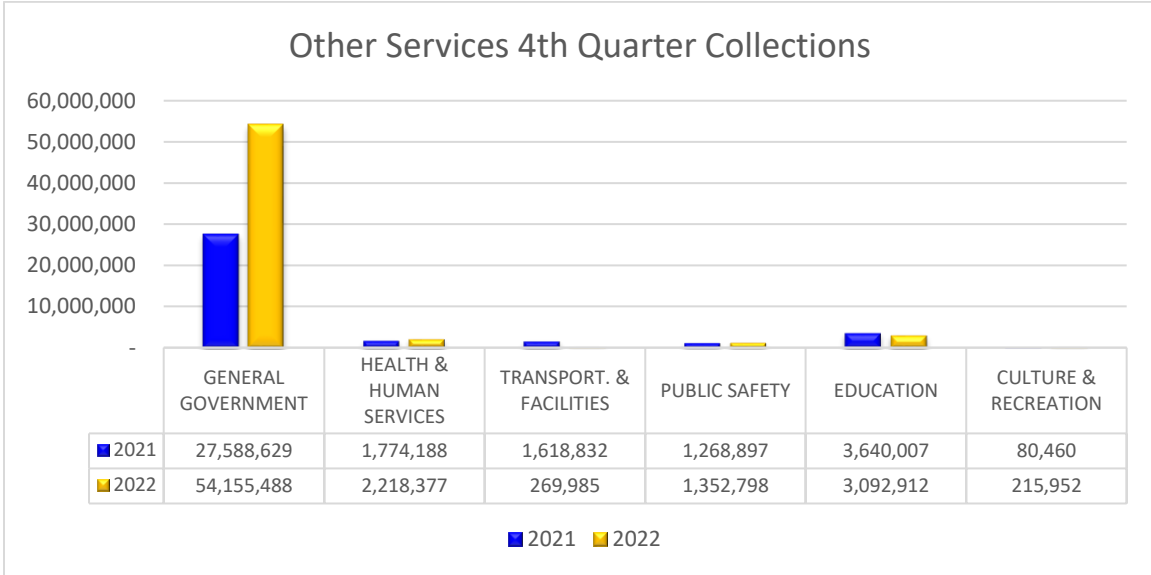
FRINGE BENEFITS

Fringe Benefits increased by 24% in the fourth quarter FY 2022 compared to fourth quarter FY 2021. The most notable increases were in Health & Human Services at 200%, and General Government at 38%. The most significant decrease occurred in Public Safety, at 10%.



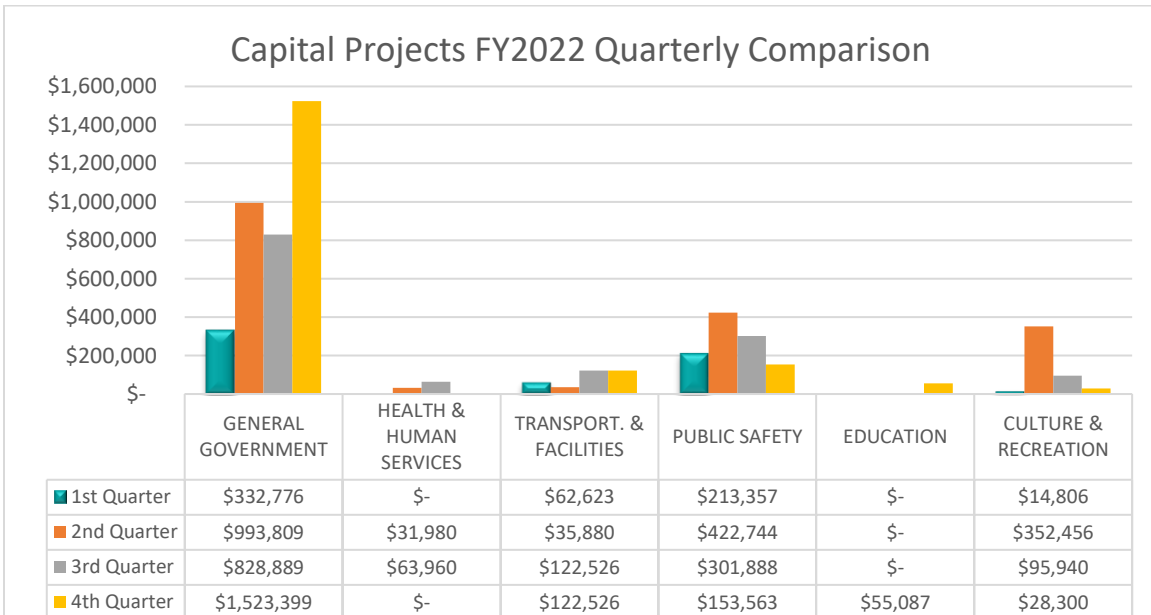
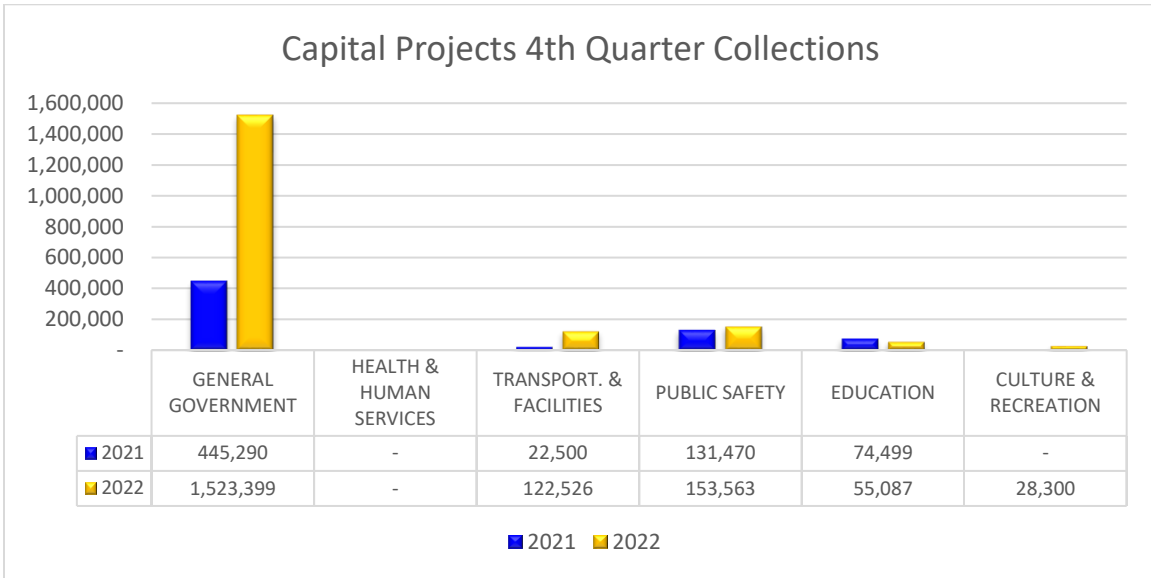
OTHER SERVICES

Other Services saw an overall increase of 70% in the fourth quarter FY 2022 compared to the same quarter in FY 2021. There was a notable increase in Culture and Recreation at 168% and in General Government at 96%. There was a notable decrease in Transportation and Facilities at 83%.



CAPITAL PROJECTS

Capital projects increased 179% in the fourth quarter FY 2022 as compared to FY 2021. The most notable increase was seen in Transportation & Facilities at 444 and in General Government at 242%. The most substantial decrease occurred with Education at 26%.



SUMMARY

In summary, the Territory saw an overall increase of 7% in Total Operating Income for the entire FY2022 compared to FY2021. Specifically, Total Taxes increased by 7% while Total Other Revenues increased by 19%. Overall, this represented a 7% increase in Total Revenue collections for FY 2022 when compared to FY 2021. The most notable decrease for the year was seen in Gross Receipt Taxes at 7%. By contrast the most notable increases are Excise Tax at 82%, and Corporate Income at 50%. The Total Revenues at the close of FY 2022 were \$947 million compared to \$881 million for FY2021. From a cash flow perspective, at the end of the fourth quarter FY 2022, specifically the week ended September 30, 2022, the Territory had a positive cash flow of \$6 million and a positive cash balance of \$4 million with 4 days cash on hand.