

U.S. VIRGIN ISLANDS
OFFICE OF MANAGEMENT & BUDGET



FISCAL YEAR 2023

1st QUARTER REVENUE & EXPENDITURE REPORT



UNITED STATES VIRGIN ISLANDS

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January 10, 2023

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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 first quarter of FY 2023, as compared to FY 2022. 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 FY2022, the pace of collections for first quarter FY2023 are at an incline. The Territory has seen an increase in collections for all major revenue categories; except for Individual Income. This first 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

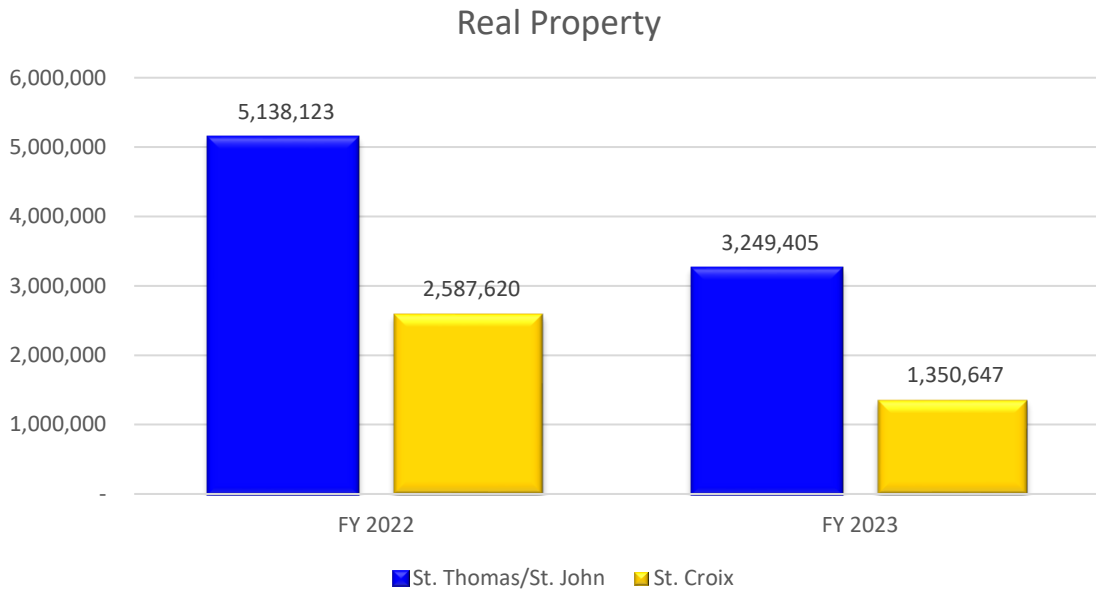
The information provided in this report are the most accurate available as of the date of composition. Furthermore, the report does not purport to be audited financial statements and as such, the numbers are preliminary and subject to change. The information provided here are not final. For final numbers,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

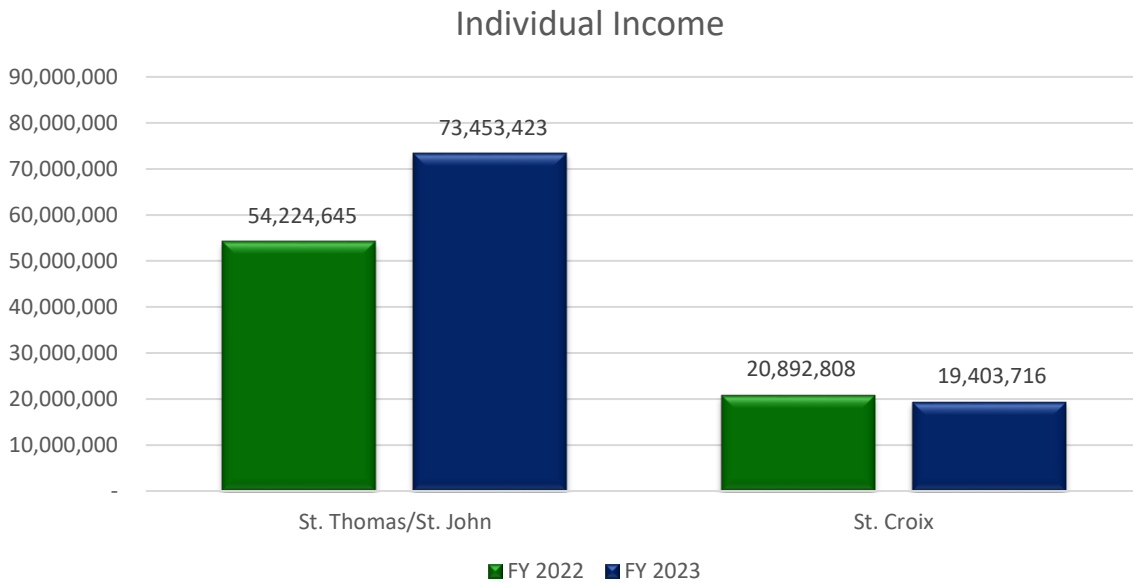
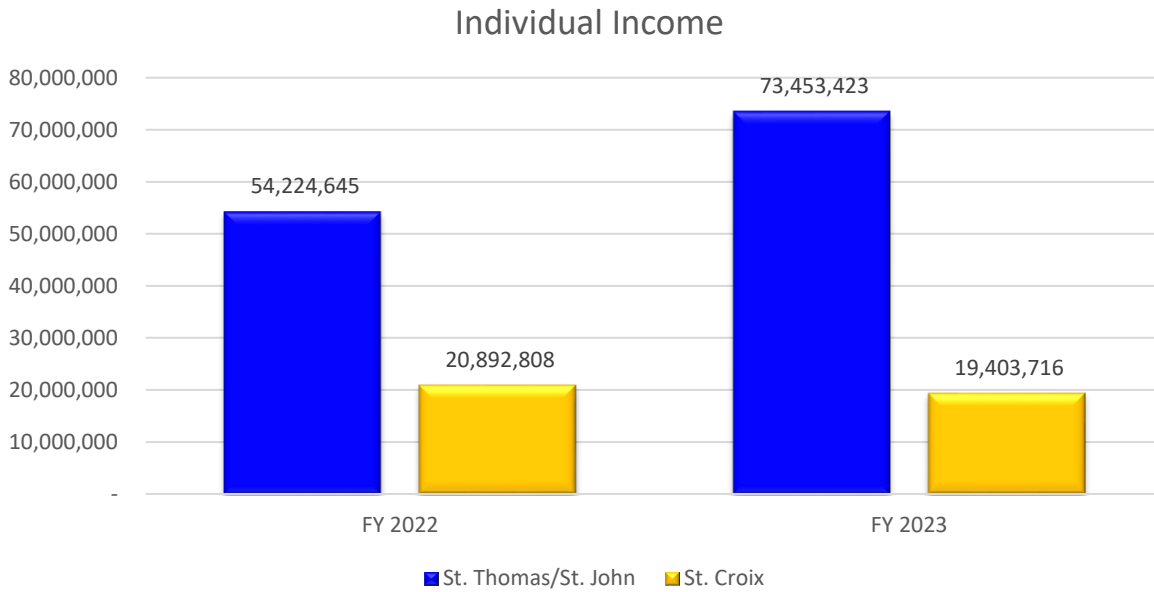
REAL PROPERTY

Compared to FY 2022, Real Property Tax collections in first quarter FY 2023 decreased 40%. Collections are down in both districts STT/STJ saw a decrease of 37% and STX saw a decrease of 48% when compared to FY 2022



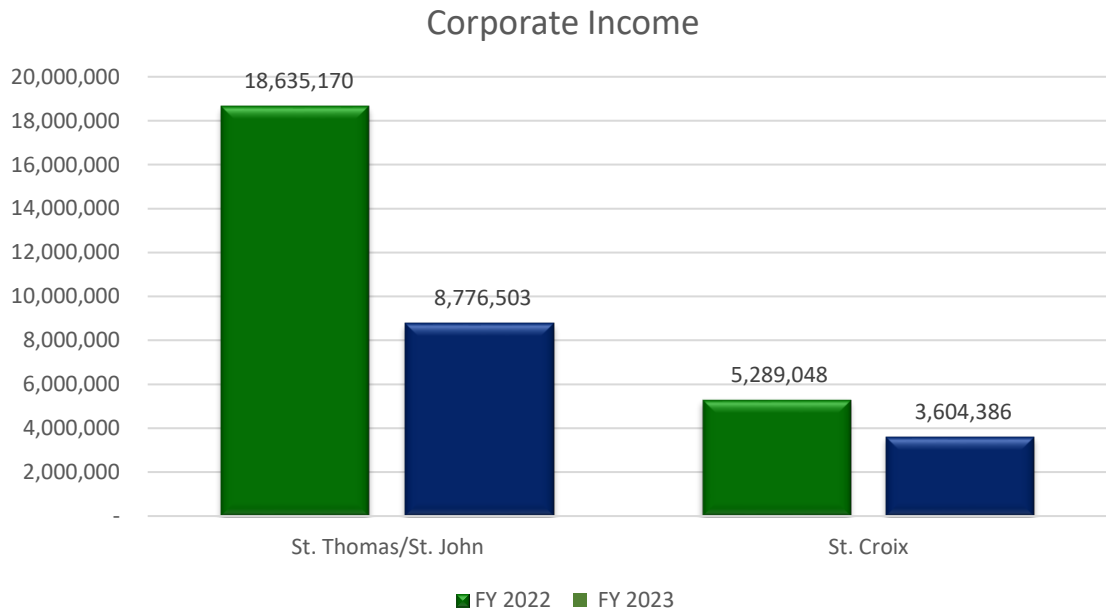
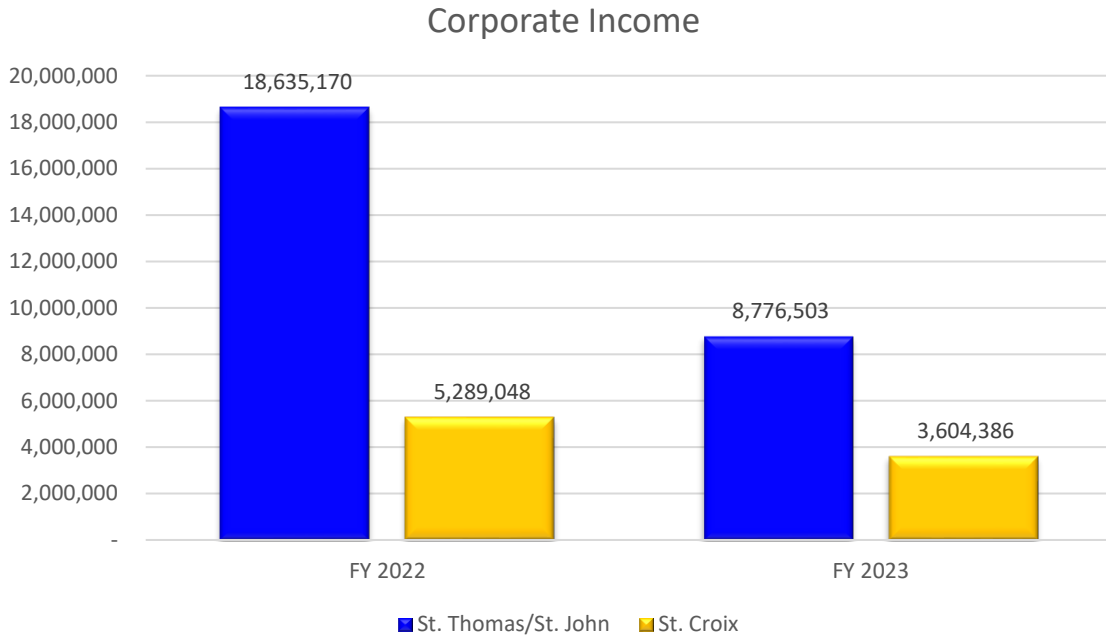
INDIVIDUAL INCOME

Overall, Individual Income collections increased by 35% in first quarter FY 2023 compared to first quarter FY 2022. One district saw an increase in collections while the other saw a decrease when compared to FY2022. STT/STJ saw an increase of 35%, while STX collections decreased by 7%.



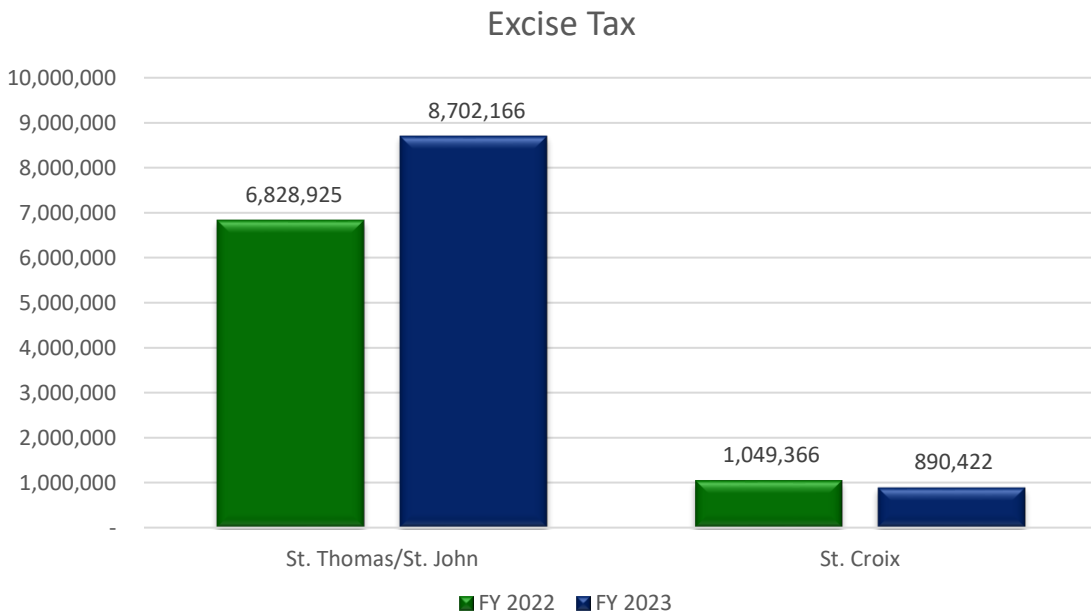
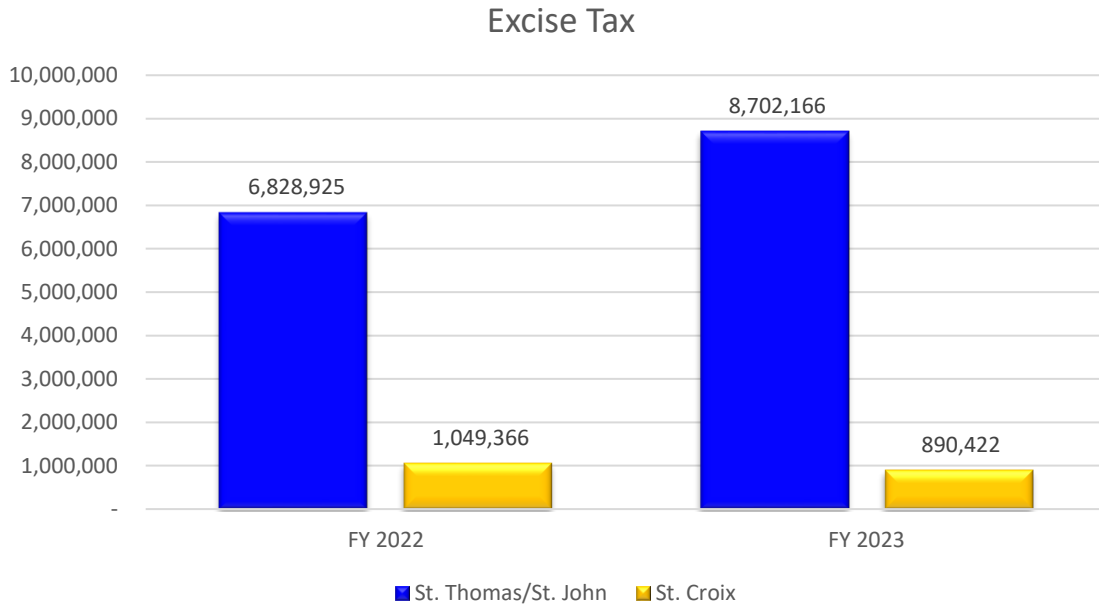
CORPORATE INCOME

The first quarter performance for Corporate Income has decreased by 48% compared to FY 2022. The STT/STJ District saw a 53% decrease and the STX district saw a 32% decrease in first quarter collections in FY 2023 compared to first quarter FY 2022.



TRADE AND EXCISE

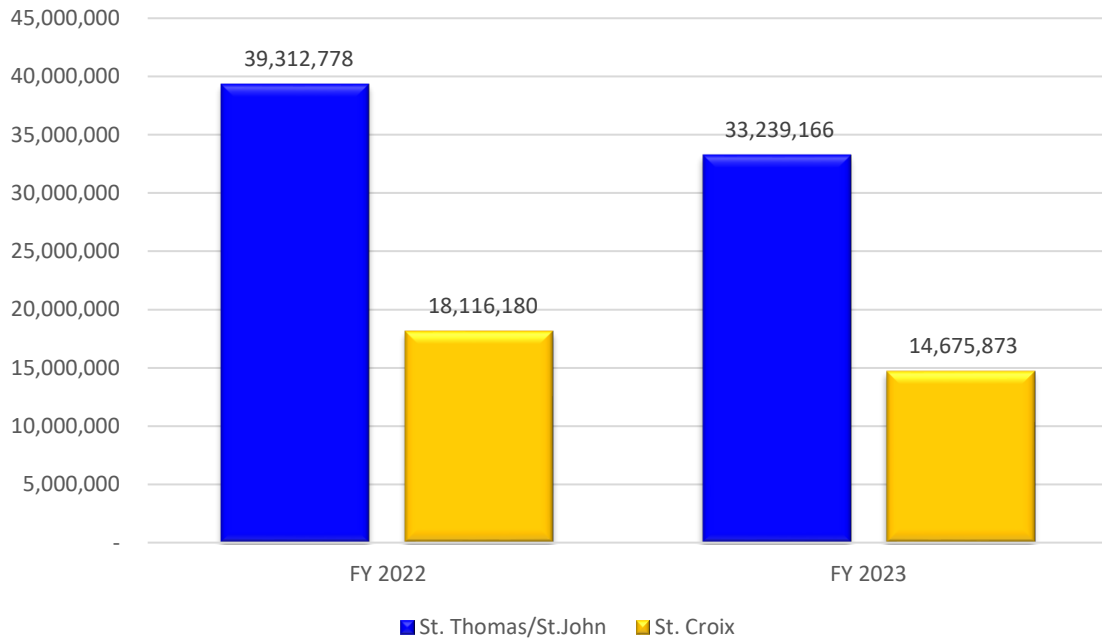
The collection of Trade and Excise Tax end of the first quarter on December 31, 2023, overall, the Territory saw a 22% increase in the first quarter of FY 2023 compared to FY 2022. STT/STJ District saw collections increase by 27% and STX District a decrease 15% compared to FY 2022



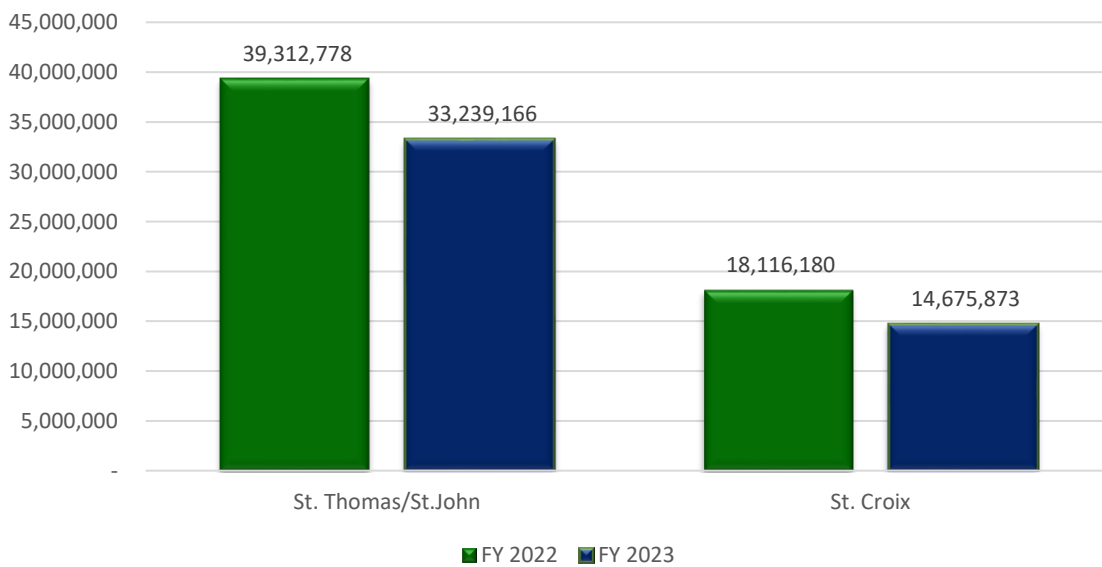
GROSS RECEIPTS

FY 2023 first quarter collections for Gross Receipts Tax (GRT) decreased by 17% as compared to FY 2022. The STT/STJ district decreased by 15% and STX decreased by 19%. Collections in the current fiscal year are expected to increase for the remaining months as tourism will continue to increase and the impact of federal aid boosts investment spending will increase.

Gross Receipts



Gross Receipts



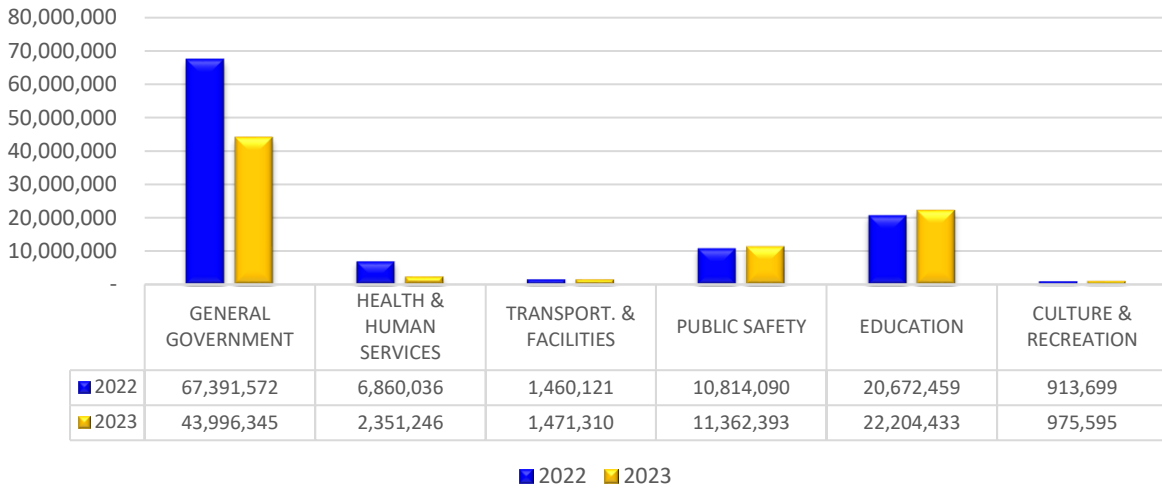
EXPENDITURES

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.

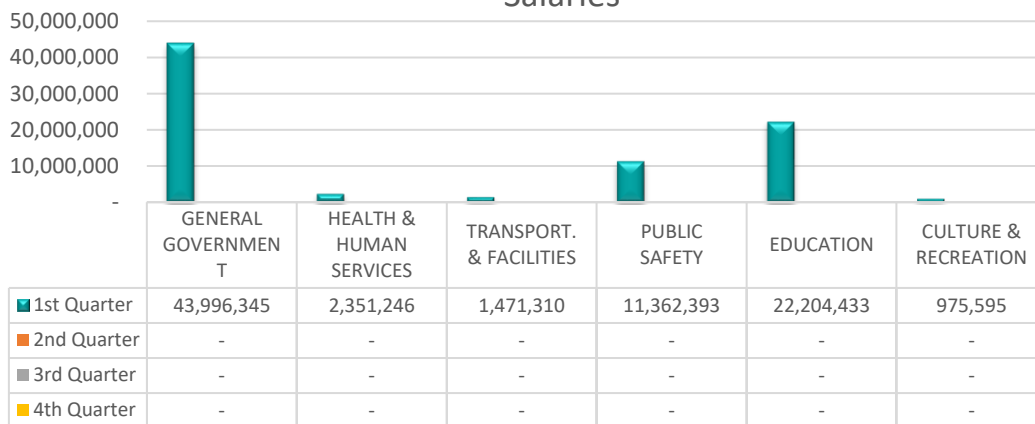
SALARIES

Actual salaries across all functions of government decreased by 24% for first quarter FY 2023 as compared to first quarter FY 2022. The most significant decrease of 35% occurred in General Government and Health & Human Services of 65%.

Salaries

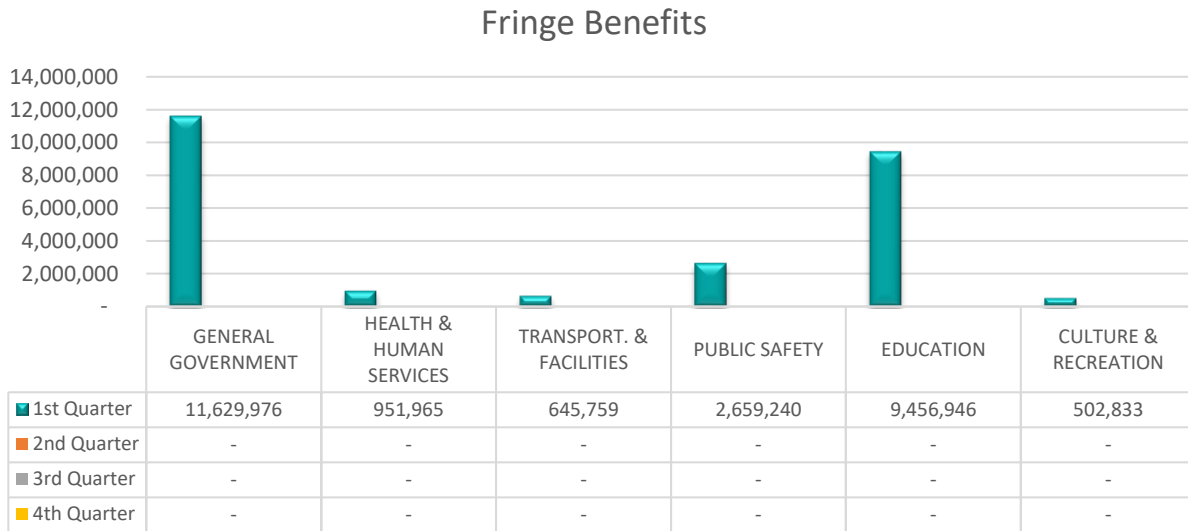
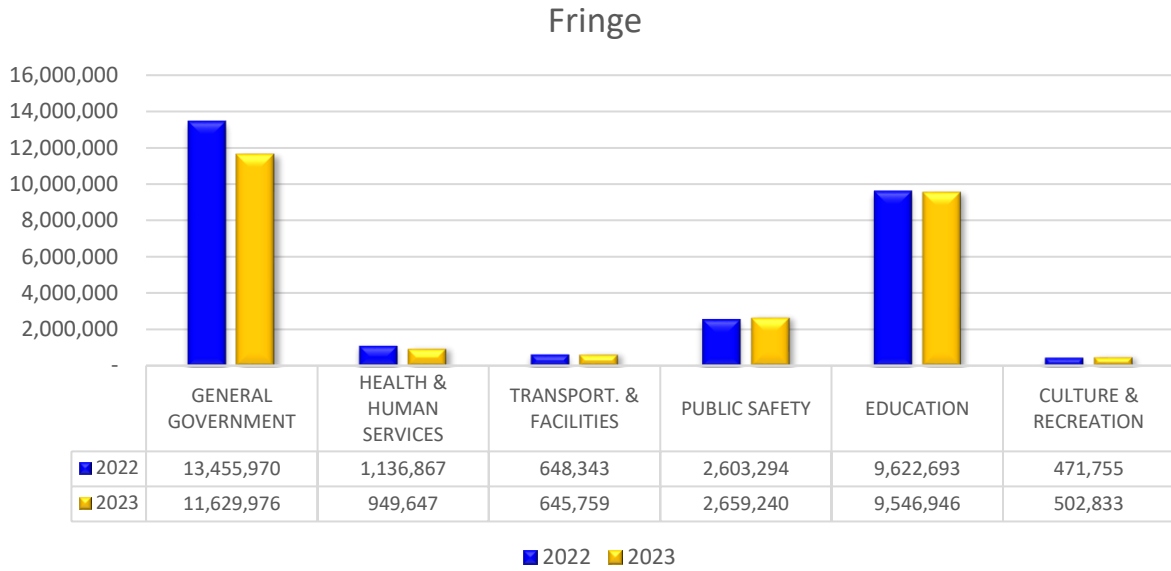


Salaries



FRINGE BENEFITS

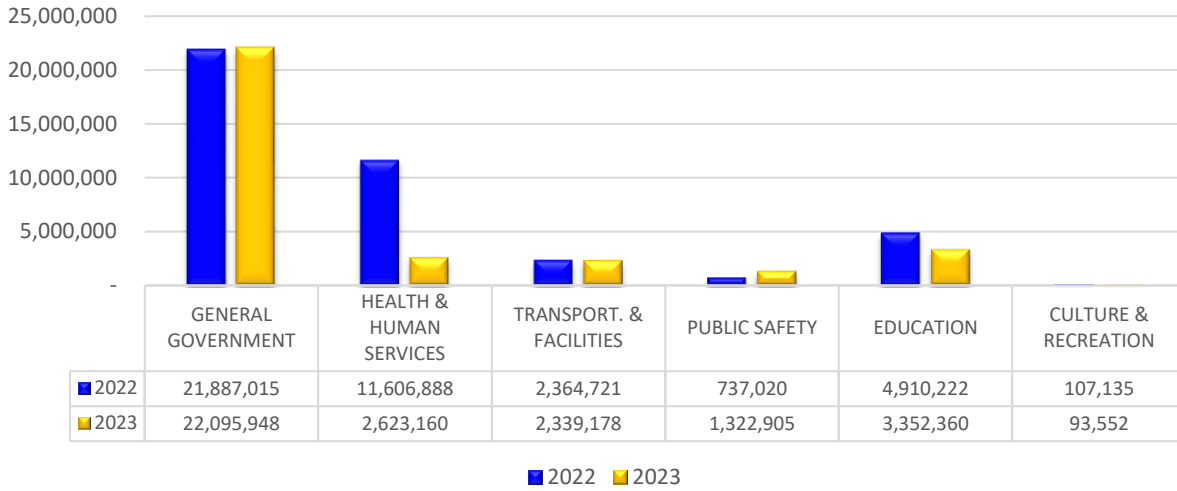
Fringe Benefits decreased by 12% in first quarter FY 2023 compared to first quarter FY 2022. The most notable decrease were in General Government at 13.16% and Human & Services at 64%.



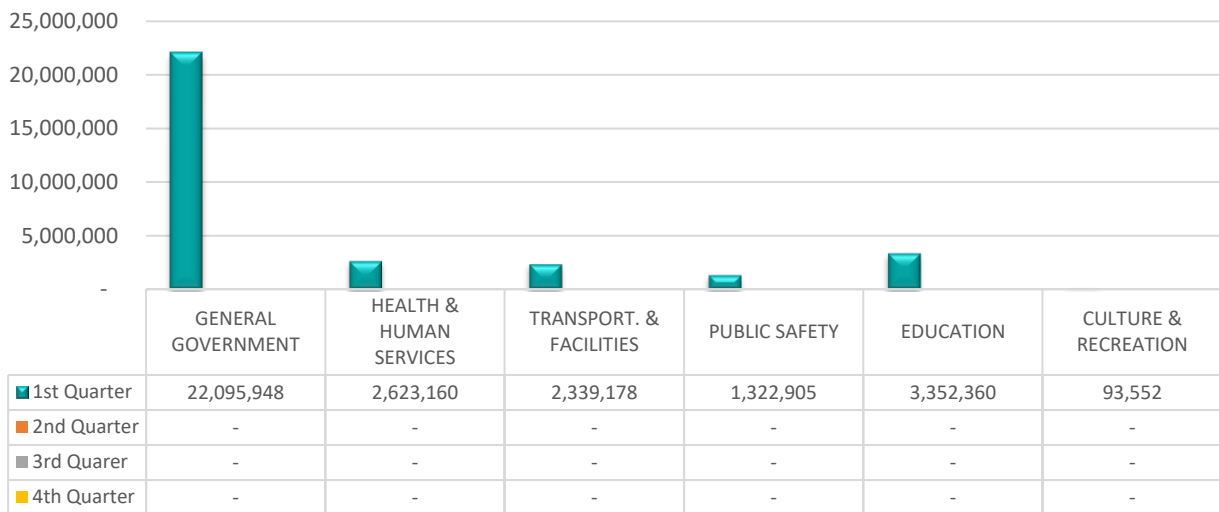
OTHER SERVICES

Other Services saw an overall increase of 23% in first quarter FY 2023 compared to the same quarter in FY 2022. Notable increases were in Public Safety at 79%. There were notable decreases in Health & Human Service 77% and Education at 32%.

Other Services

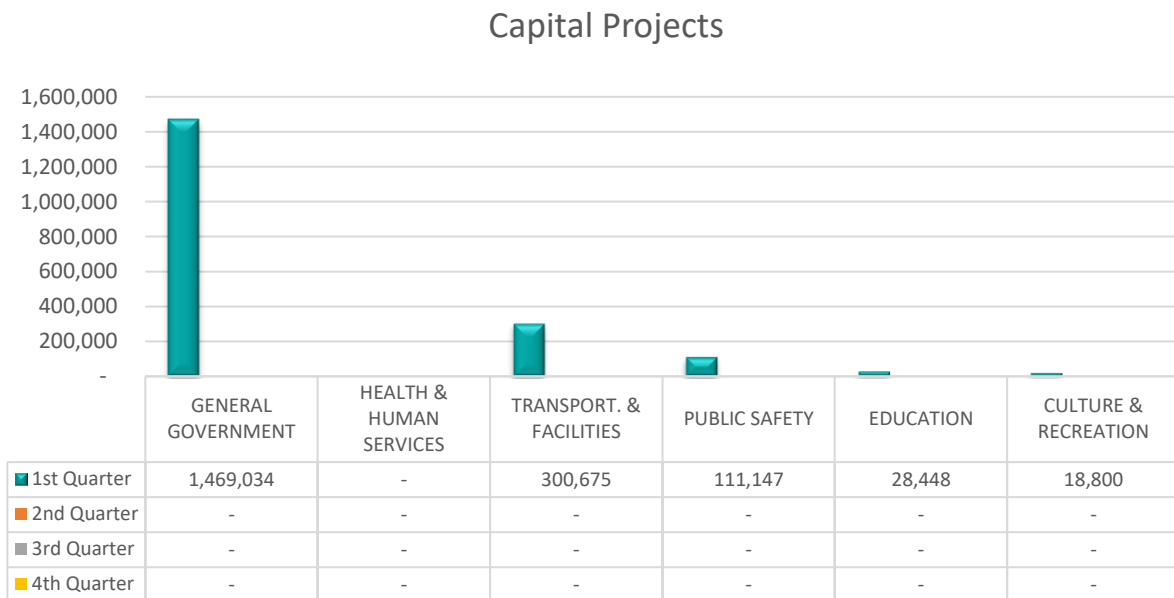
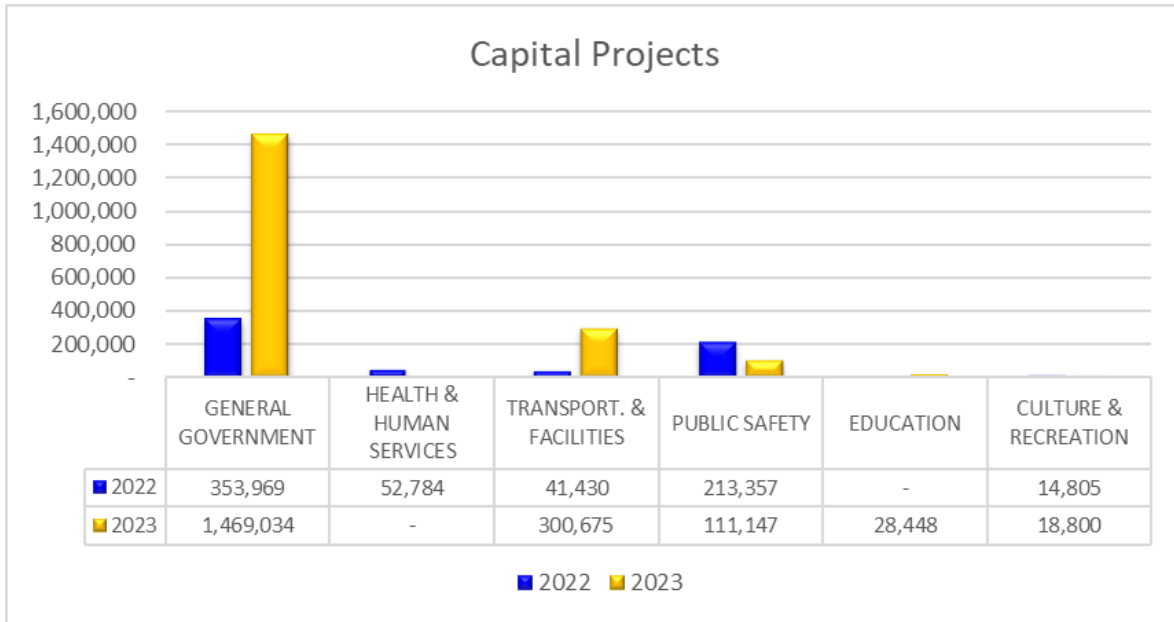


Other Services



CAPITAL PROJECTS

Capital projects increased 185% in the first quarter of FY 2023 as compared to FY 2022. The notable decrease was found in Public Safety at 48%. Notable increases occurred with General Government at 315% and Transportation and Facilities at 626%.



SUMMARY

In summary, the Territory's Total Operating Income FYD 2023 (December 31, 2022, end of Qtr. 1) decreased by 2% compared FYD 2022 (December 31, 2021, end of Qtr. 1). Revenue collection increases occurred in Individual Income, 18%, and Excise Tax by 22%, while decreases occurred in Property Tax, 42%, Corporate Income 48%, and Gross Receipts, 11%. Total Other Revenues decreased by 2%. Overall, this represented a 2% decrease in Total Revenue collections for FYD 2023 when compared to FYD 2022. The Total Revenues as of December for FY 2021 is \$177.6 million compared to \$173.7 million for FY 2022. From a cash flow perspective, at the end of the first quarter FY 2023, specifically the week ending on December 31, 2023, the Territory had a negative cash flow of \$6.5 million and a positive cash balance of \$ 31.2 million with 11 days cash on hand.