

U.S. VIRGIN ISLANDS
OFFICE OF MANAGEMENT & BUDGET



FISCAL YEAR 2023

2nd QUARTER REVENUE & EXPENDITURE REPORT



UNITED STATES VIRGIN ISLANDS

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March 31, 2023

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
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 second 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 second 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

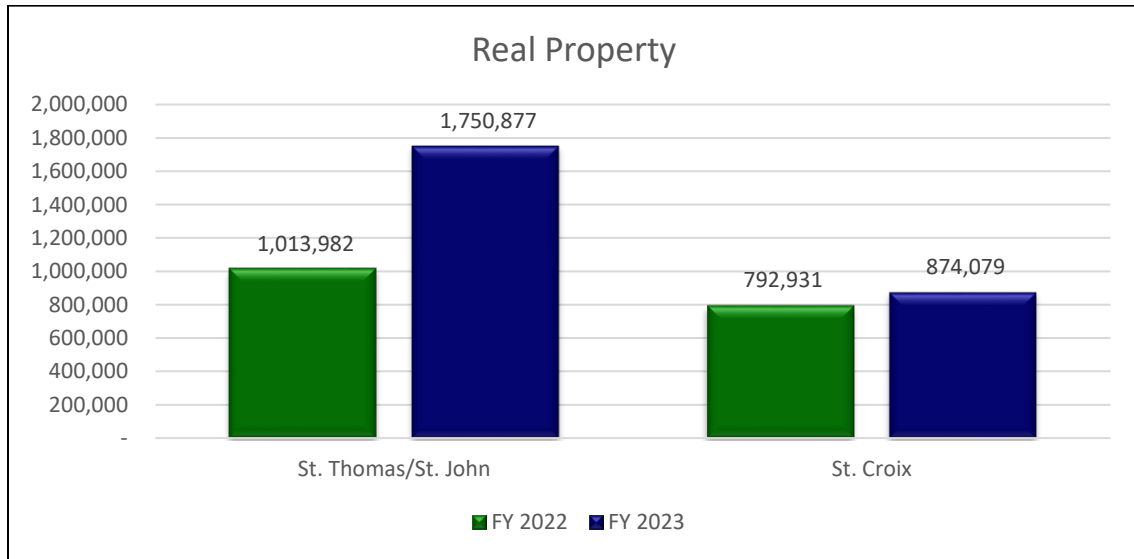
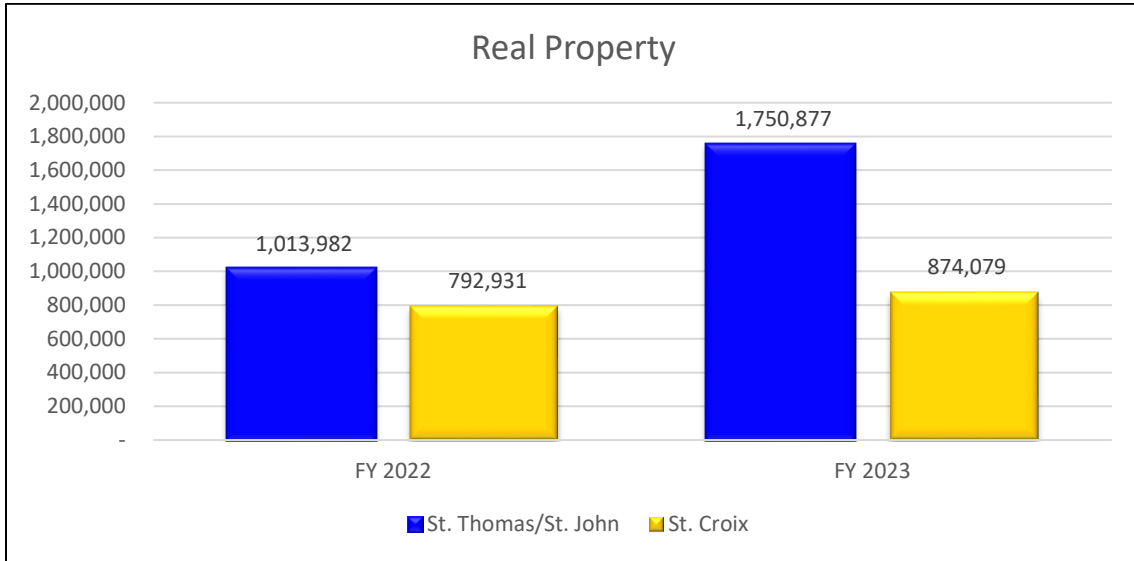
The information provided in this report are the most accurate available as of the date of composition. Furthermore, the report does not purport to be audited financial statements and as such, the numbers are preliminary and subject to change. The information provided here are not final. For final numbers,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

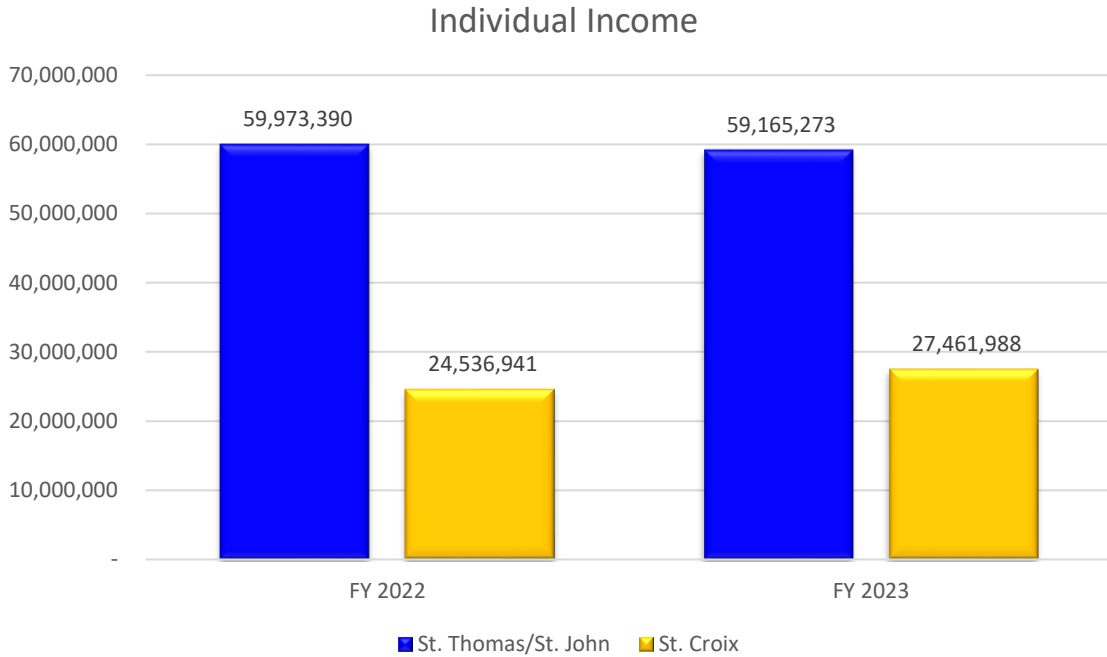
REAL PROPERTY

Compared to FY 2022, Real Property Tax collections in second quarter FY 2023 increased 45%. Collections are up in both districts STT/STJ saw a decrease of 73% and STX saw an increase of 10% when compared to FY 2022



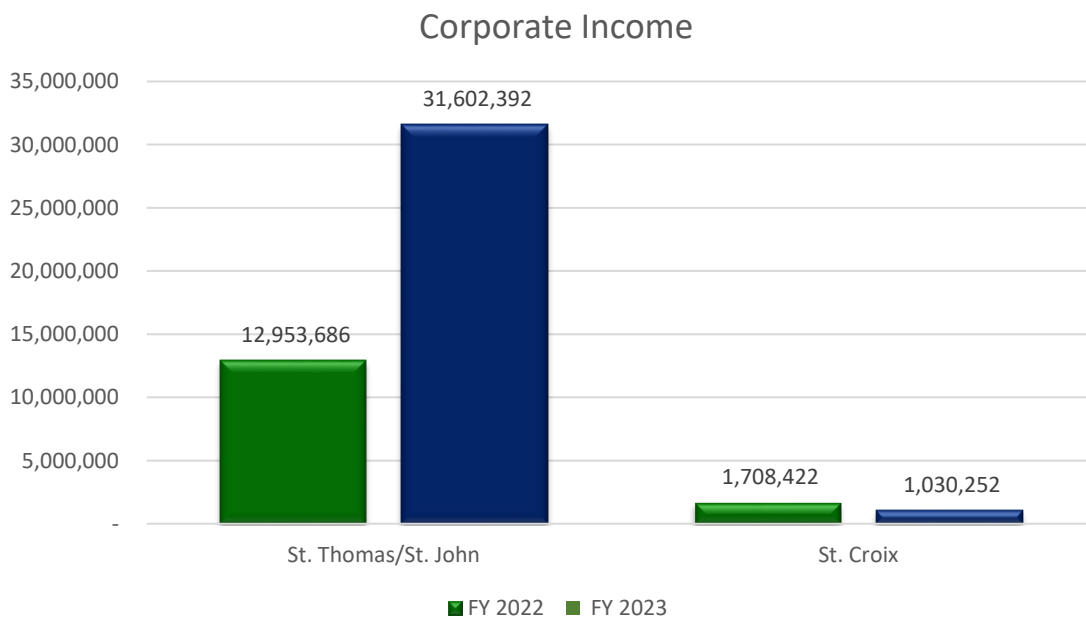
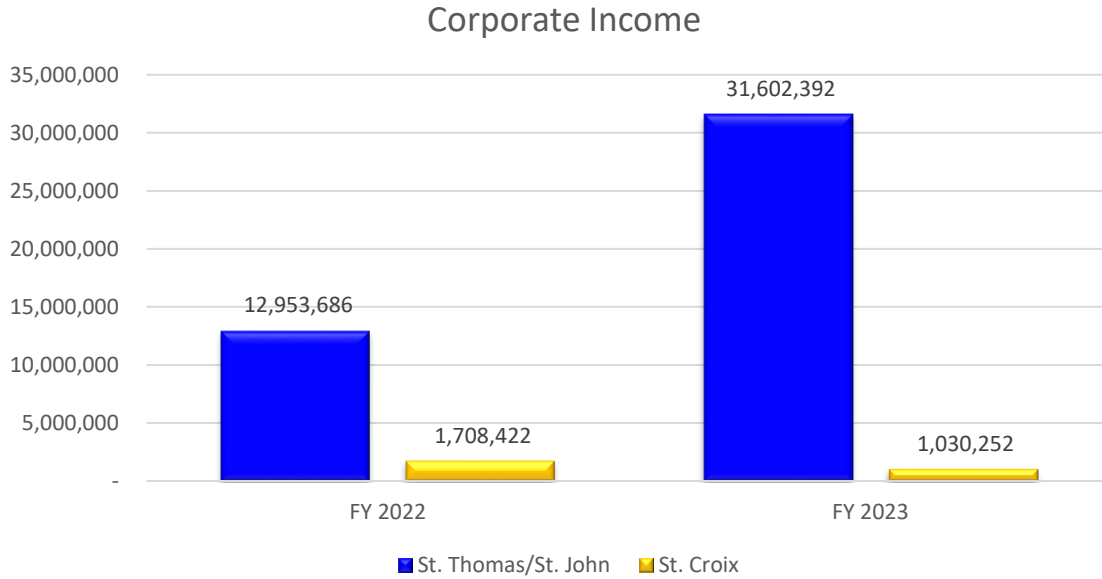
INDIVIDUAL INCOME

Overall, Individual Income collections increased by 3% in second quarter FY 2023 compared to second quarter FY 2022. District One, STT/STJ, saw an decrease of 1%, while STX collections decreased by 12%.



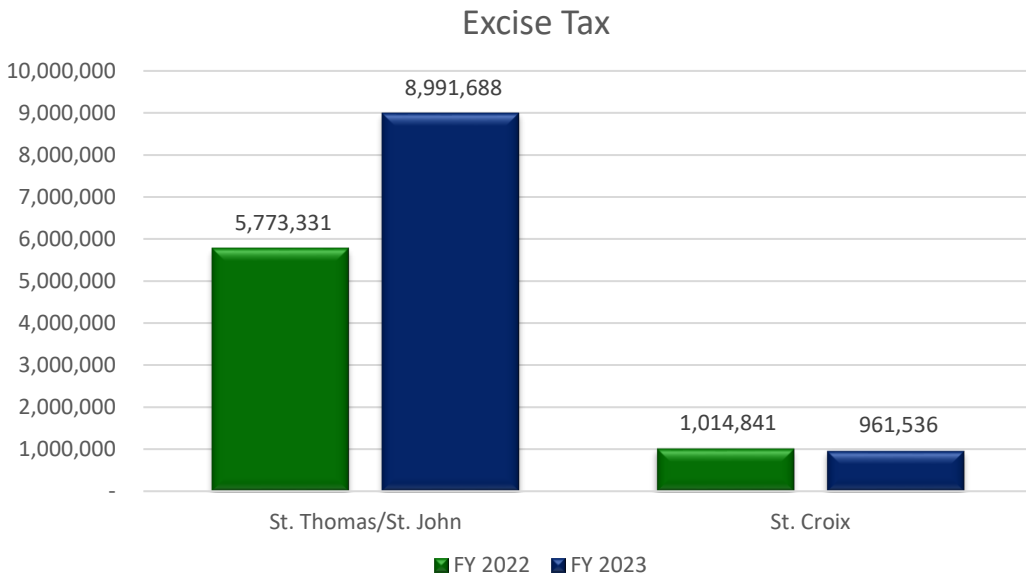
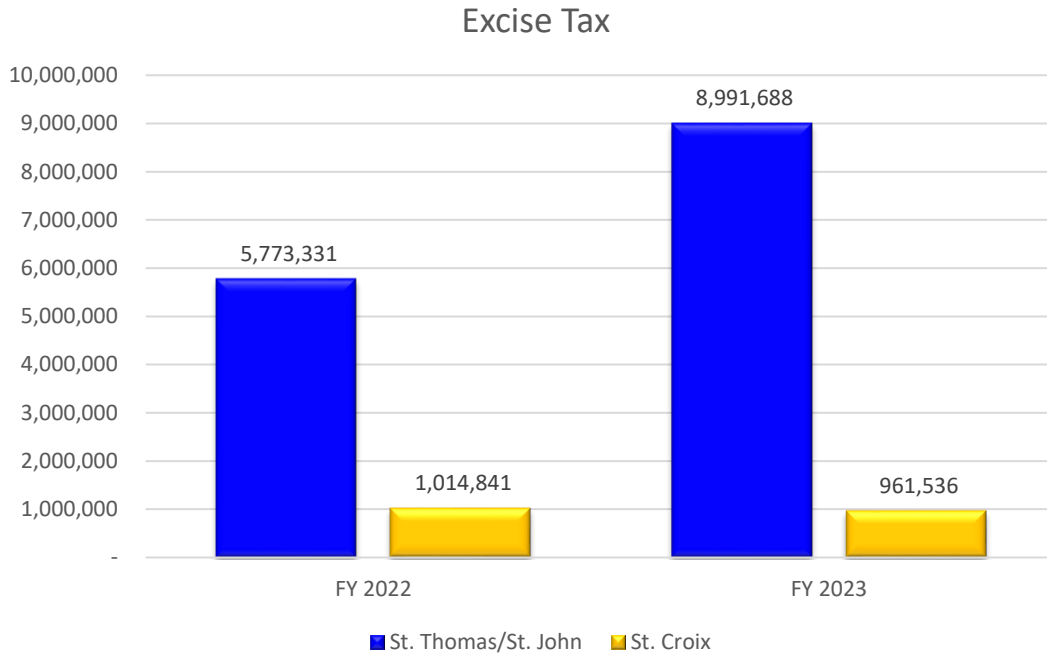
CORPORATE INCOME

The second quarter performance for Corporate Income has increased by 123% compared to FY 2022, due to the timing of receiving early payments in March as opposed to the receipt of payments historically received in April. The STT/STJ District saw a 144% increase and the STX district saw a 40% decrease in second quarter collections in FY 2023 compared to second quarter FY 2022.



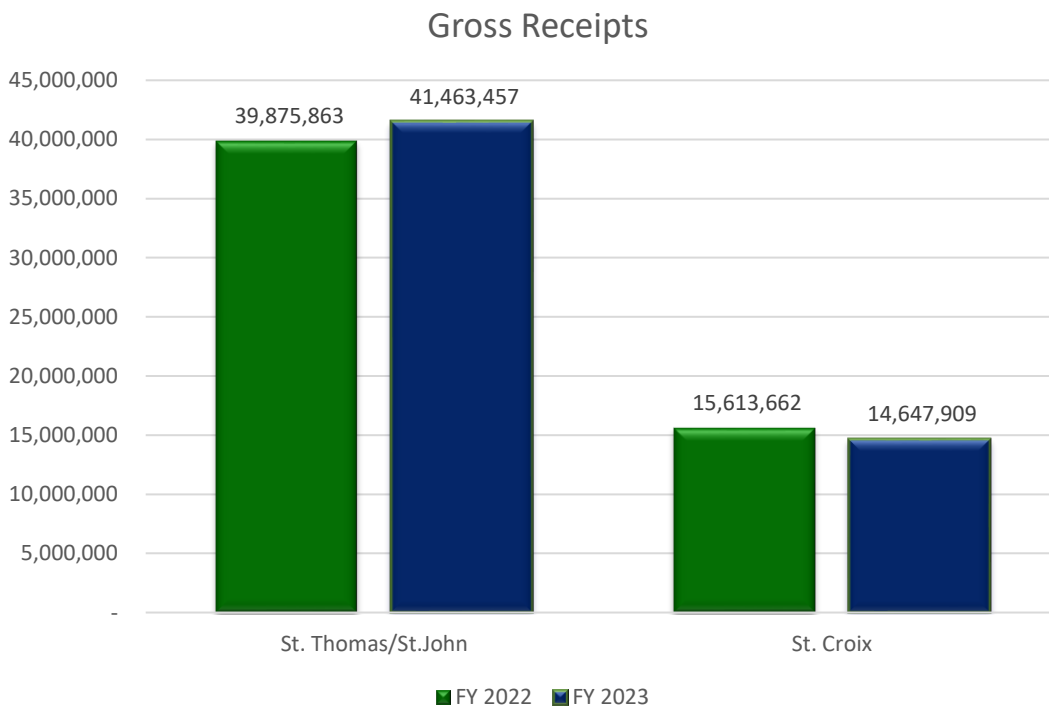
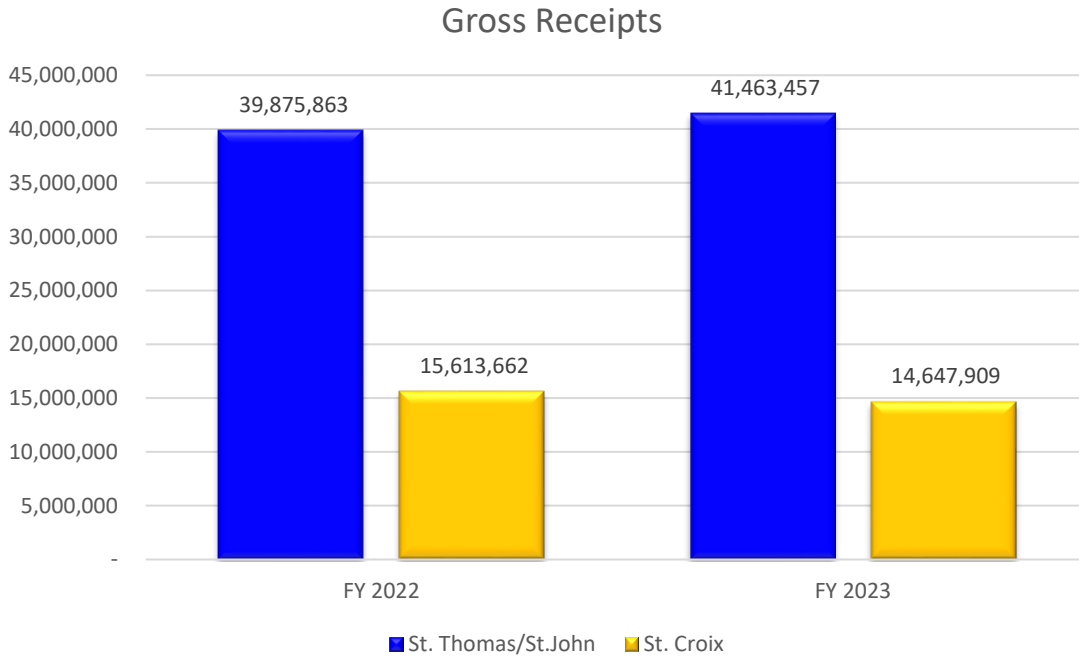
TRADE AND EXCISE

The collection of Trade and Excise Tax end of the second quarter on March 31, 2023. Overall, the Territory saw a 47% increase in the second quarter of FY 2023 compared to FY 2022. STT/STJ District saw collections increase by 56% and STX District a decrease 5% compared to FY 2022



GROSS RECEIPTS

FY 2023 second quarter collections for Gross Receipts Tax (GRT) increased by 1% as compared to FY 2022. The STT/STJ District increased by 4% and STX decreased by 6%. 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.



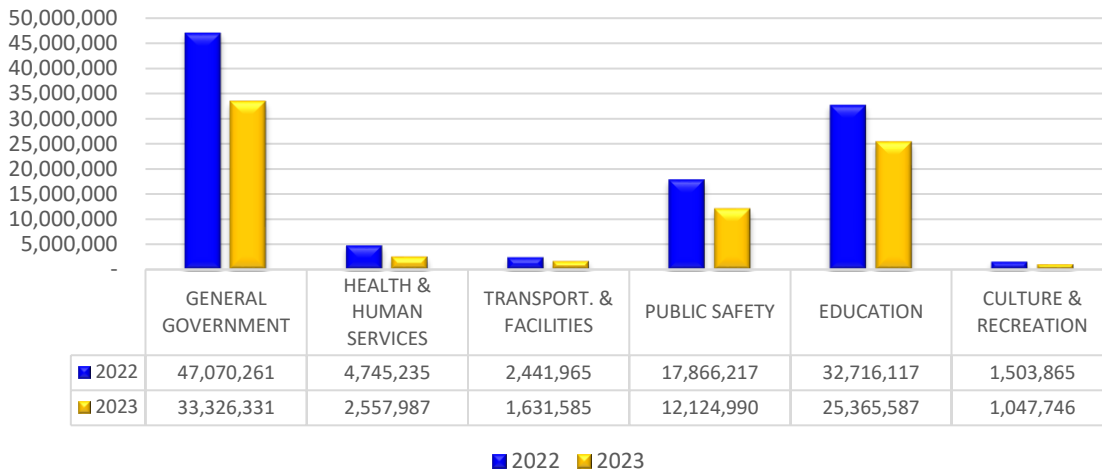
EXPENDITURES

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.

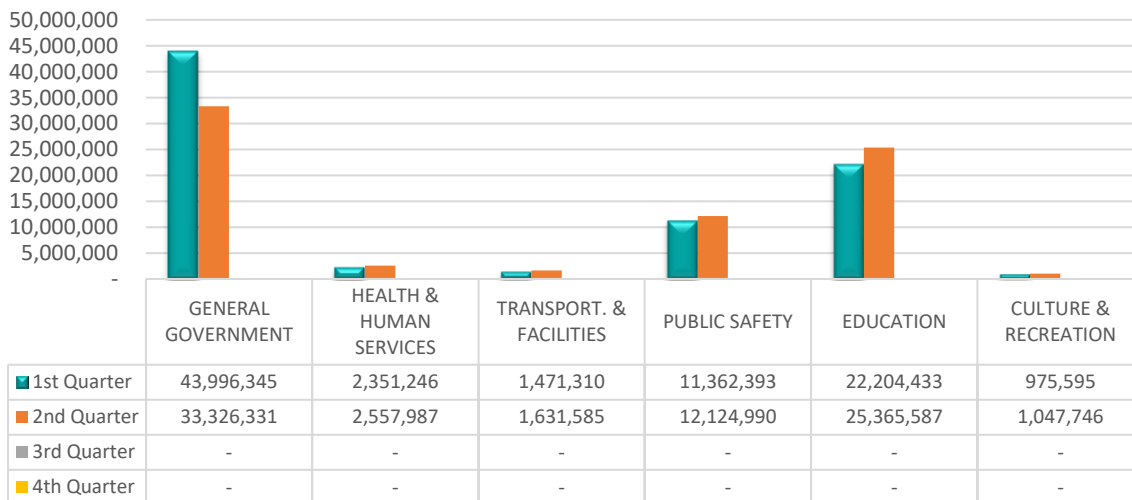
SALARIES

Actual salaries across all functions of government decreased by 28% for first quarter FY 2023 as compared to first quarter FY 2022. Notable decreases occurred in General Government of 24% and increases are found in Transportation & Facilities and Education of 14%.

Salaries

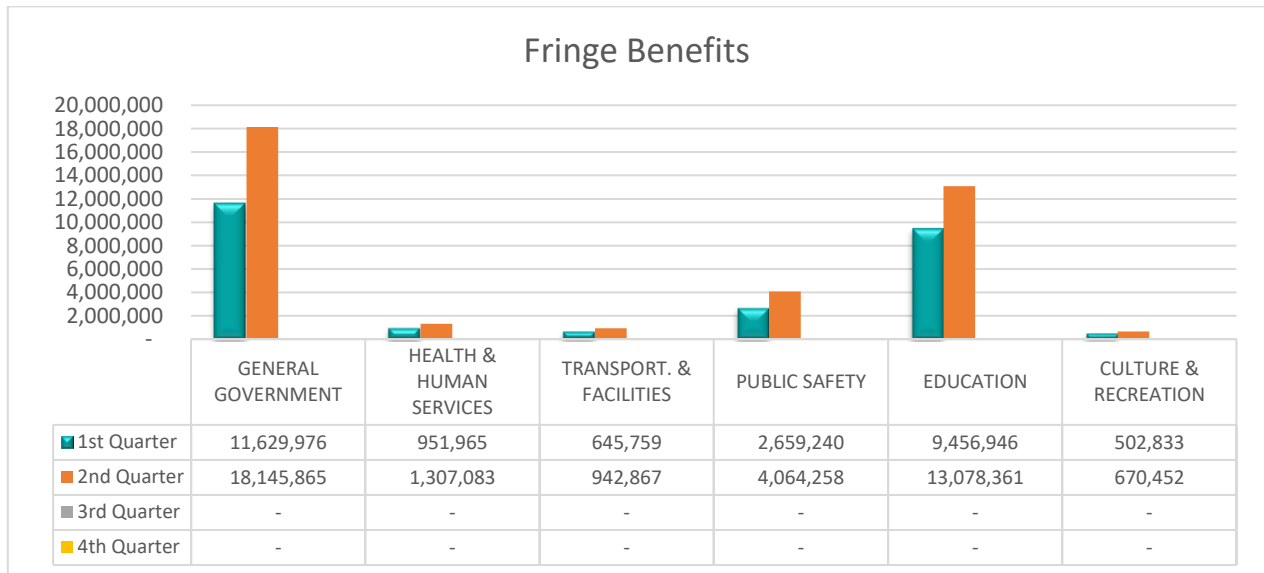
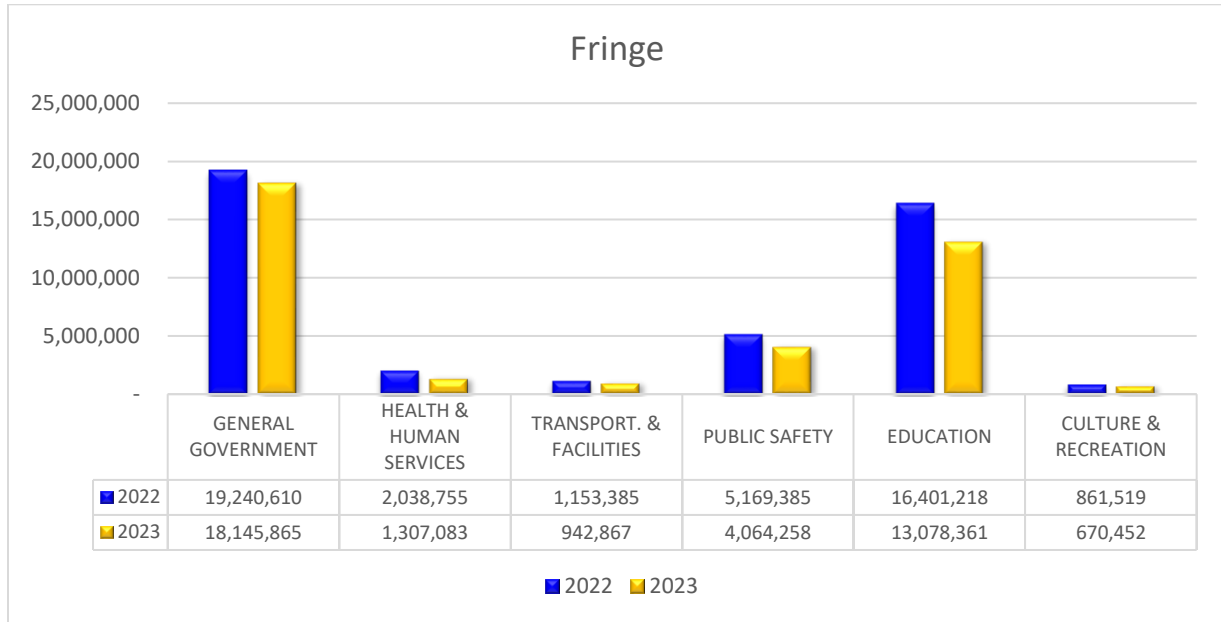


Salaries



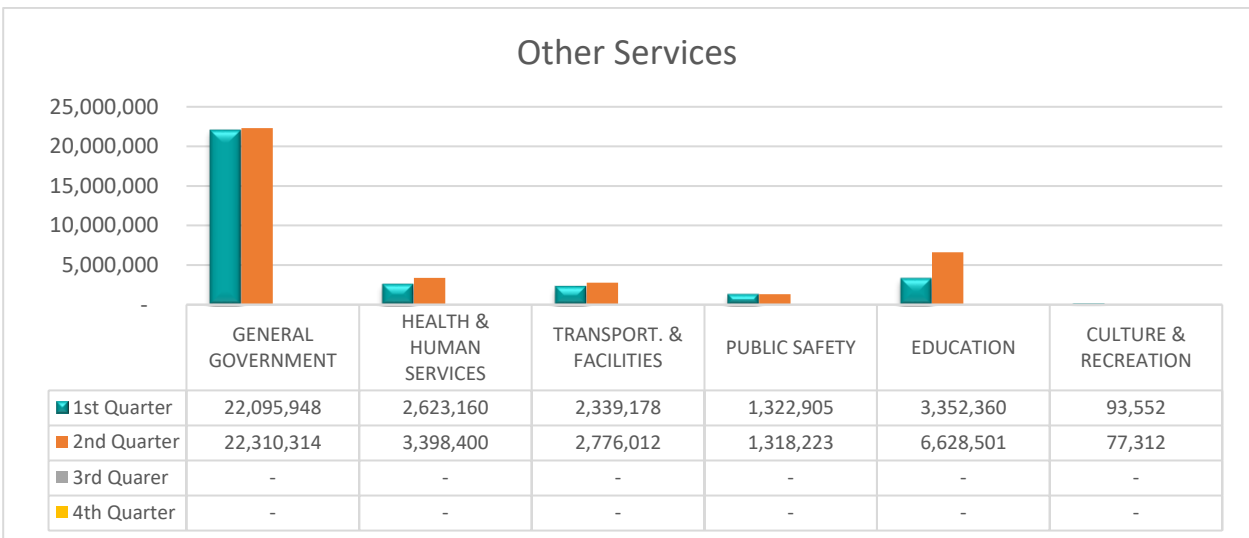
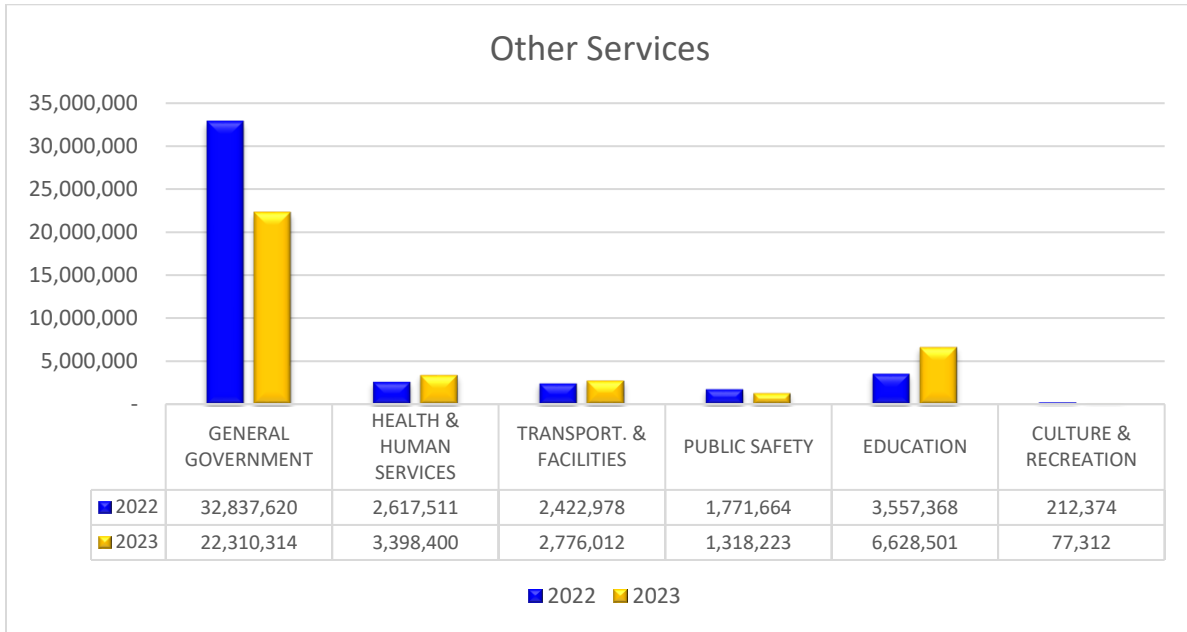
FRINGE BENEFITS

Fringe Benefits increases by 36% in first quarter FY 2023 compared to second quarter FY 2022. All categories increased over FY 2022.



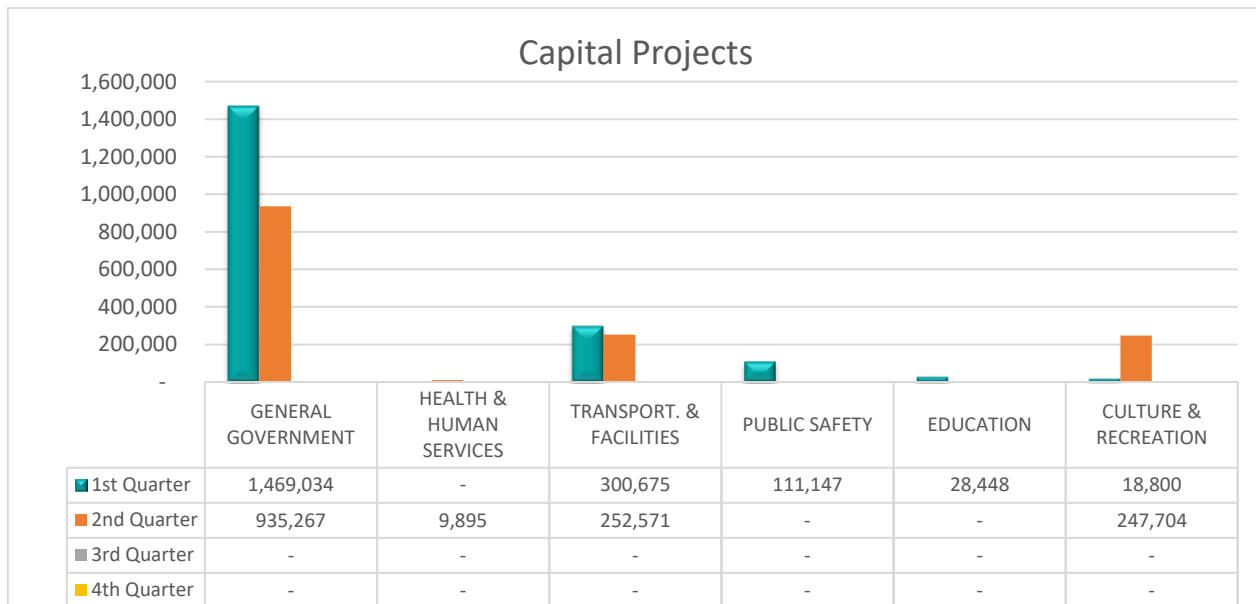
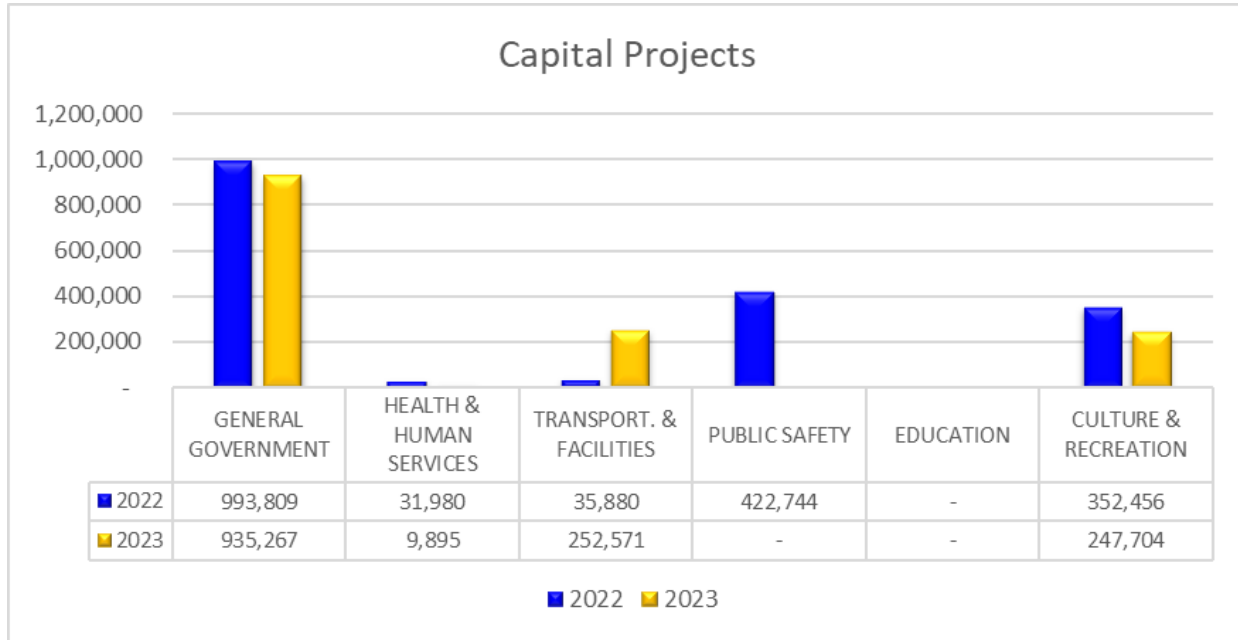
OTHER SERVICES

Other Services saw an overall decrease of 16% in first quarter FY 2023 compared to the same quarter in FY 2022. Notable increases were in Education of 97% with notable decreases in Culture & Recreation of 17%.



CAPITAL PROJECTS

Capital projects decreased 34% in the second quarter of FY 2023 as compared to FY 2022. The notable decrease was found in Health & Human Services of 69%. Notable increases occurred with Transportation & Facilities.



SUMMARY

In summary, the Territory's Total Operating Income FYD 2023 (March 31, 2023) increased by 6% compared FYD 2022 (March 31, 2022). Specifically, increases occurred in Individual Income, 12%, Corporate Income, 22%, and Excise Tax by 43%, while decreases occurred in Property Tax, 27%, and Gross Receipts, 5%. Total Other Revenues decreased by 19%. Overall, this represented a 2% increase in Total Revenue collections for FYD 2023 when compared to FYD 2022. The Total Revenues as of March for FY 2023 is \$378 million compared to \$357 million for FY2022. From a cash flow perspective, at the end of the second quarter FY 2023, specifically the week ending on March 31, 2023, the Territory had a positive cash flow of \$17.3 million and a positive cash balance of \$ 30.5 million with 11 days cash on hand.