



GOVERNMENT OF THE
TURKS AND CAICOS ISLANDS

SUMMARY FINANCIAL REPORT

JANUARY 2018

Prepared by the Office of the Accountant General

The Turks and Caicos Islands were seriously affected by the passage of two storms during the month of September – Irma and Maria on the 7th and 22nd respectively. Consequently, economic activity was severely curtailed and this continues to be reflected in the operating results for the month of January.

The overall fiscal impact of these natural disasters is still being determined.

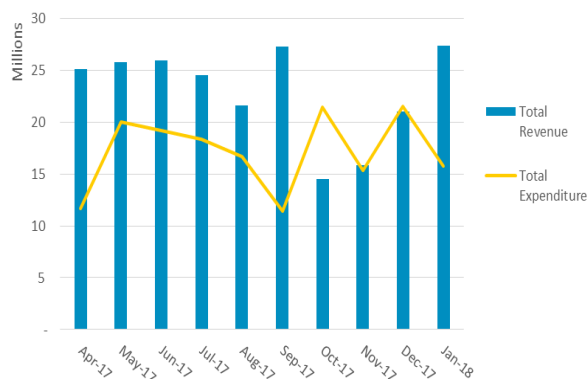
OPERATING SURPLUS

	Month			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	27,383.2	23,174.2	24,234.6	4,208.9	18%	3,148.5	13%	209,470.3	221,523.7	215,831.4	(12,053.4)	(5%)	(6,361.2)	-3%
Recurrent Expenditure	15,408.3	19,911.9	21,756.0	4,503.7	23%	6,347.7	29%	166,631.6	176,299.8	166,907.0	9,668.1	5%	275.4	0%
Net Recurrent Surplus	11,974.9	3,262.3	2,478.6	8,712.6	267%	9,496.3	383%	42,838.6	45,223.9	48,924.4	(2,385.3)	-5%	(6,085.8)	(12%)
Non-Recurrent Revenue	18.6	4,033.6	24.6	(4,015.0)	(100%)	(6.0)	(24%)	20,523.6	4,432.9	801.2	16,090.7	363%	19,722.4	2462%
Non-Recurrent Expenditure	371.1	556.7	233.2	185.6	33%	(137.9)	(59%)	5,338.5	8,760.3	5,049.8	3,421.8	39%	(288.7)	(6%)
Operating Surplus	11,622.4	6,739.1	2,270.0	4,883.2	72%	9,352.3	412%	58,023.7	40,896.5	44,675.8	17,127.2	42%	13,347.9	30%

The Consolidated Fund recorded an overall surplus of \$11.6 million during January, when compared to the budgeted surplus of \$6.7 million. The overall year to date operating surplus of \$58.0 million was \$17.1 million (42%) ahead of budget. This amount, when adjusted for the net effects of the extraordinary item of the insurance claim receipt, the early receipt of the EDF Grant as well as the non-recurrent expenditure results is a net recurrent surplus of \$42.8 million, 5% ahead of the budgeted amount.

On a year-over-year basis, the Consolidated Fund increased when compared to January of the previous year, by \$9.4 million and year to date results showed an increase of \$13.3 million (30%).

Total Revenue & Expenditure By Period



Recurrent Revenues for the month amounted to \$27.4 million compared to the budgeted revenues of \$23.2 million, representing a surplus of \$4.2 million (18%). Year to date recurrent revenue totaled \$209.5 million. This performance was less than the budgeted amount by \$12.1 million. On a year-over-year basis recurrent revenues had a decrease of \$6.4 million (3%) when compared to the outturn as at January of the prior year.

Non-recurrent Revenue totaled \$20.5 million for the year to date, consisting of the first tranche of the European Development Fund (EDF 11) Grant of \$4.8 million as well as \$15.3 million settlement in relation to insurance claims from the Caribbean Catastrophic Risk Insurance Facility. These amounts were received in September and October.

Recurrent Expenditure for January totaled \$15.4 million, which was \$4.5 million (23%) below the budgeted amount and down 29% from the previous year's outturn. Year to date expenditure totaled \$166.6 million, underperforming against the budgeted amount by \$9.7 million (5%) while being on par with the previous year's expenditure. It should be noted that expenditure estimates were revised downwards via a withdrawal warrant which was processed during November.

Non-recurrent Expenditure year to date had results totaling \$5.3 million which was 39% less than the budgeted amount while being 6% above the prior year's outturn, due primarily to the timing of the receipt of invoices.

CASH FLOW

	Month			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Cash Flow from Operations	11,622.4	6,739.1	2,270.0	4,883.2	72%	9,352.3	412%	58,023.7	40,896.5	44,675.8	17,127.2	42%	13,347.9	30%
Less:														
Capital Contributions	(392.8)	(4,887.5)	(1,321.4)	4,494.7	(92%)	928.7	(70%)	(11,223.5)	(9,425.0)	(15,303.1)	(1,798.5)	19%	4,079.6	(27%)
Debt Repayments	(2,330.5)	(330.5)	(362.4)	(2,000.0)	605%	(1,968.1)	543%	(12,315.4)	(10,751.8)	(9,419.1)	(1,563.6)	15%	(2,896.3)	31%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	367.2	-	367.2	367.2	-	-	-
Transfers from/(to) NFF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Working Capital	(385.4)	-	5,059.6	(385.4)	-	(5,444.9)	(108%)	(3,900.9)	-	2,862.4	(3,900.9)	-	(6,763.3)	(236%)
Net Cash Flow	8,513.8	1,521.2	5,645.8	6,992.6	460%	2,868.0	51%	30,951.1	20,719.7	23,183.3	10,231.4	49%	7,767.9	34%

The month of January 2018 recorded a net cash surplus of \$8.5 million, comparing favorably to the budgeted surplus of \$1.5 million, and was \$2.9 million above the prior year's outturn. Year to date results, recorded a positive net cash flow of \$31.0 million, surpassing the budgeted amount by \$10.2 million and the prior year's outturn by \$7.8 million (34%).

To enhance the government's treasury management, an amount of \$80.8 million is currently placed in an on-call money market account at Scotiabank (Turks and Caicos), which is currently earning interest at a rate of 0.4% per annum.

OUTSTANDING PUBLIC DEBT

Public Debt Debt Type	Opening	January 31, 2018	
	01-Apr-17	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
Other TCIG Bank Loans - Unsecured	31,351.9	(11,291.3)	20,060.6
TCInvest Loans - Unsecured	1,024.1	(1,024.1)	.0
Total Outstanding Public Debt	32,376.0	(12,315.4)	20,060.6

Total year to date loan repayment was \$10.0 million, which reduced Loans and Bonds from a total \$32.4 million at March 31 2018, to \$22.4 million at the end of January 2018. This repayment amount included \$1.0 million in principal repayments to the Caribbean Development Bank (CDB) in the early settlement of loans relating to TCInvest.

DEVELOPMENT FUND

DEVELOPMENT FUND SUMMARY	EXPENDITURE	APPROVED CONTRACT	AVAILABLE	
			FOR YEAR	CUMULATIVE
Opening balance			967.2	967.2
2014	7,900.3	9,876.9	1,976.6	2,943.9
2015	11,539.0	16,830.5	5,291.5	8,235.3
2016	23,508.5	29,226.7	5,718.2	13,953.5
Jan-18	11,223.5	-	(11,223.5)	2,730.0
	54,171.3	55,934.1	2,730.0	

In accordance with the PFM Ordinance Section 18(2) (b), approximately \$14.0 million was retained in the Development Fund to cover the cost of projects that were deemed committed at the end of the previous financial year.

Total year to date Capital Expenditure was \$11.2 million. Of the total expenditure, \$4.2 million was spent on the construction, renovation & upgrading of schools throughout the islands, \$2.0 million on road development and repair and a further \$1.9 million on the purchase of transport equipment, of which \$1.3 million was used to purchase police boats and \$0.3 million on mobile clinics.

Spending on capital projects is expected to increase in the ensuing months. However, the extent of the expenditure is uncertain as the procurement plan for the current financial year is being reprioritized in response to efforts being carried out to mitigate the effects of the hurricanes.

NATIONAL FORFEITURE FUND

The National Forfeiture Fund had a balance of \$5.1 million at January 31, 2018.