

Caicos Passage

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TURKS AND CAICOS ISLANDS

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Caicos Islands (U.K.)

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GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



JANUARY 2022

FINANCIAL REPORT

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KEY POINTS

- ❖ *The monthly Financial Report for January 2022 shows the performance against revised estimates as well as the prior year's performance. Revised Estimates is the total of original estimates including virements and Supplements.*
 - ❖ *The 1st Supplementary Appropriation Bill was enacted where total expenditure was increased by \$3.5 million and revenues by \$89.7 million.*
 - ❖ *The net operating surplus as at the end of January 2022 totaled \$86.5 million.*
 - ❖ *Development Fund Expenditure for the month totaled \$1.4 million.*
 - ❖ *Outstanding Public Debt stood at \$0.5 million after principal repayments of \$0.3 million.*
 - ❖ *The underlying cash balance increased by \$78 million bringing Cash and Cash equivalents to a total of \$199.7 million at the end of January 2022.*
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OVERVIEW

Like the rest of the world, the Turks and Caicos Islands continue to live through an unprecedented crisis with ongoing uncertainty as to what the short to medium term will bring in terms of any significant return to normalcy or levels of economic growth and prosperity. However, unlike most countries globally, the Turks and Caicos Islands have been quite fortunate to experience a moderate economic recovery and a return to surplus financial position quite early in this calendar year and has seen this positive progress throughout the financial year to date. Economic flexibility was primarily attributable to the relatively high volume of tourist arrivals since the last Quarter of the calendar year 2020/21 and unprecedented activities within the real estate sector during the first ten months of the financial year 2021/22.

The month of January recorded a surplus of \$10.5 million and a year-to-date financial surplus of \$86.5 million.

These surpluses would have contributed positively to our cash flows leading to an overall increase in the cash position by over \$78 million to \$199.7 million.

OPERATING BALANCE

Net Operating Surplus: Month \$10.5 million, Year to Date \$86.5 million

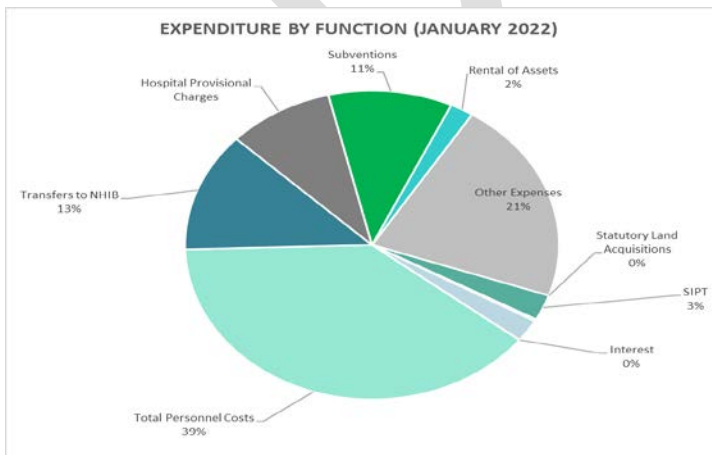
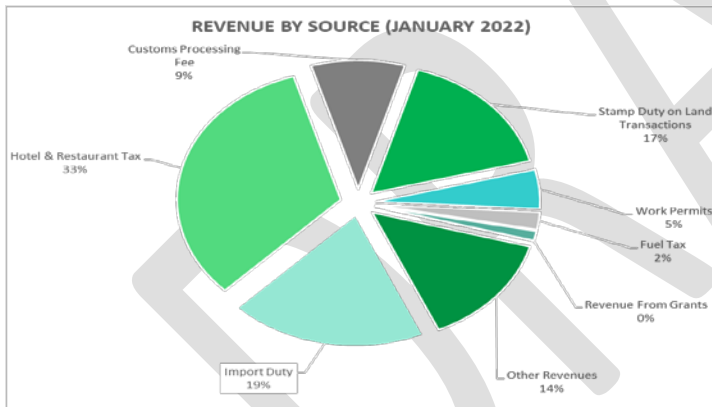
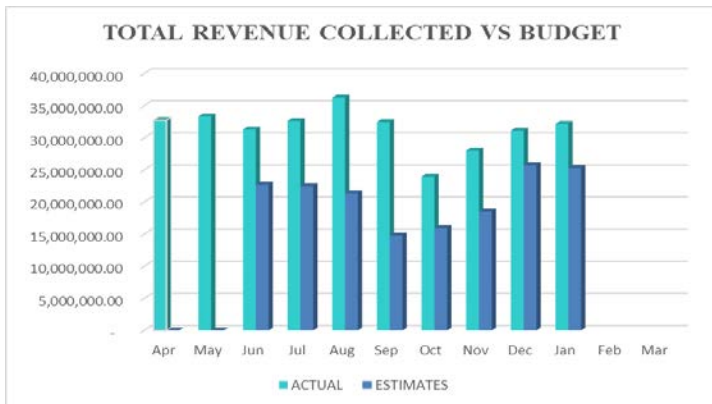
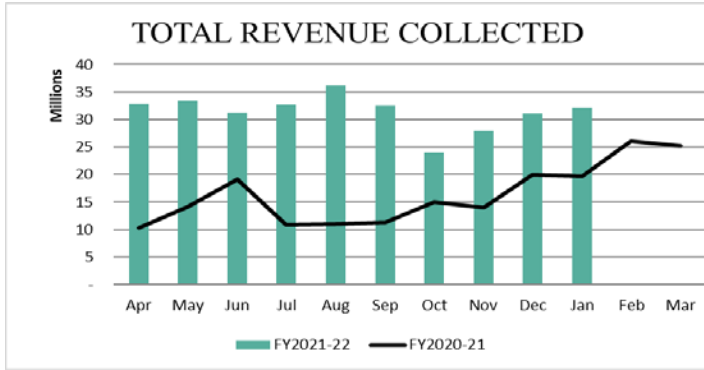
	Month			Variance				Year to Date			Variance			
	Actual	Revised Budget	Prior Year	Budget		Prior Year		Actual	Revised Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	31,780.1	25,296.1	19,630.5	6,484.1	26%	12,149.6	62%	313,363.3	225,205.3	144,801.4	88,158.0	39%	168,561.9	116%
Recurrent Expenditure	20,548.8	24,600.0	21,998.5	4,051.3	16%	1,449.7	7%	210,528.5	239,515.2	198,944.7	28,986.7	12%	(11,583.9)	(6%)
Net Recurrent Surplus	11,231.4	696.0	(2,368.0)	10,535.3	1514%	13,599.3	(574%)	102,834.8	(14,309.9)	(54,143.3)	117,144.7	-819%	156,978.1	(290%)
Non-Recurrent Revenue	387.6	42.3	100.0	345.3	817%	287.6	287%	1,559.3	1,362.8	6,251.1	196.5	14%	(4,691.8)	(75%)
Non-Recurrent Expenditure	1,136.8	1,076.4	691.8	(60.5)	(6%)	(445.0)	(64%)	17,860.0	29,450.0	9,999.1	11,590.0	39%	(7,861.0)	(79%)
Net Operating Balance	10,482.2	(338.1)	(2,959.7)	10,820.2	(3201%)	13,441.9	(454%)	86,534.0	(42,397.1)	(57,891.2)	128,931.1	-304%	144,425.3	(249%)

The month of January 2022 recorded an operating surplus of \$10.5 million. Approximately \$10.8 million is greater than the budgeted deficit of \$0.3 million and a year-to-date outturn of \$128.9 million ahead of the estimates. The forecast is to continue an impressive revenue performance up to the the ending of financial year 2021-22. Year on year performance shows that the current period's performance exceeded the prior year by \$13.4 million, and YTD's outturn of \$86.5 million is \$144.4 million greater than the preceding year's performance.

CASH FLOW

	Month			Variance				Year to Date			Variance			
	Actual	Revised Budget	Prior Year	Budget		Prior Year		Actual	Revised 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	10,482.2	(338.1)	(2,959.7)	10,820.2	(3201%)	13,441.9	(454%)	86,534.0	(42,397.1)	(57,891.2)	128,931.1	(304%)	144,425.3	-249%
Less:														
Development Fund Expenditure	(1,377.8)	-	(1,687.8)	(1,377.8)		310.0		(18,635.6)	(26,178.3)	(21,348.8)	7,542.7	(29%)	2,713.2	(13%)
Debt Repayments	34.8	-	271.7	34.8		(236.9)		(530.4)	(501.8)	(838.8)	(28.6)	6%	308.4	(37%)
Borrowing	-	-	-	-		-		-	-	-	-		-	
Bond Inflows	-	-	-	-		-		885.7	-	907.3	885.7		(21.6)	(2%)
Transfers from/(to) NWF	-	-	-	-		-		-	-	-	-		-	
Add Depreciation and other non-cash items	1,495.2	-	211.0	1,495.2		1,284.2	609%	9,703.9	-	9,703.6	9,703.9		.4	0%
Net Cash Flow	10,634.3	(338.1)	(4,164.8)	10,972.4	(3246%)	14,799.1	(355%)	77,957.7	(69,077.2)	(69,467.9)	147,035.0	(213%)	147,425.6	(212%)

Comparatively, the outturn showed a \$14.8 million increase against the same period last year. As a result, Cash and Cash Equivalents increased from \$121.7 million at the beginning of the financial year to \$199.7 million at the end of January. It represents a total net cash flow increase of \$78 million over the first ten months of the financial year. The results to date also reflect Development Fund Expenditure of \$18.6 million, debt servicing of \$0.5 million, bond inflows of \$0.9 million, and net receipts of \$9.7 million.



In January, revenue collection totaled \$32.2 million, an increase of \$6.8 million compared to the estimates and \$12.4 million over the prior year period. All major revenue heads have been performing near or exceeding their pre-COVID levels. As a result, Accomodation tax led this performance with a revenue intake of \$10.6 million, followed by Import Duty Tax of \$6.2 million, Stamp Duty on Land Transaction \$5.3 million, Customs Processing Fee \$3.0 million and Work Permits of \$1.6 million. The top revenue accounted for 83% of TCIG's revenue performance for the month of January. Results are expected to increase even further in the esuing months as tourist arrivals are expected to increase.

Expenditure for January was \$21.7 million, approximately 16 percent below the projected amount, and \$1.0 million or 5% percent below the prior year results. The slight under performance for January is due to timing differences between actual and planned expenditure. Expenditure for land acquisition and was delayed in the month. In addition, recurring savings in personnel costs due to a delay in recruitment. It is expected that the that the expenditure trajectory will change throughout the remaining months in the 4th quarter. YTD actuals of \$228.4 million were below estimates by \$0.04 million and above prior year results by \$0.02 million.

REVENUE

Recurrent Revenue: Month \$31.8 million, Year to Date \$313.4 million

RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Budget	Last Year	Actual	Revised Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Import Duty	6,169.0	6,263.6	4,405.2	(94.6)	1,763.8	62,398.9	48,118.9	34,167.2	14,280.0	28,231.7
Hotel & Restaurant Tax	10,562.5	7,445.8	3,551.7	3,116.7	7,010.8	69,254.9	51,918.7	12,317.5	17,336.3	56,937.4
Customs Processing Fee	2,975.5	2,631.8	2,562.9	343.8	412.6	30,950.7	23,098.3	17,282.6	7,852.3	13,668.1
Stamp Duty on Land Transactions	5,267.4	2,021.7	3,178.0	3,245.7	2,089.3	71,002.3	42,331.4	21,538.0	28,670.9	49,464.4
Work Permits	1,585.9	1,768.5	1,319.0	(182.6)	266.9	17,187.2	15,793.9	14,030.4	1,393.2	3,156.8
Fuel Tax	704.9	789.0	1,514.3	(84.1)	(809.4)	8,392.3	7,002.4	6,107.7	1,389.9	2,284.7
Other Revenues	4,514.9	4,375.7	3,099.4	139.2	1,415.5	54,177.0	36,941.6	39,358.1	17,235.4	14,818.9
TOTAL RECURRENT REVENUE	31,780.1	25,296.1	19,630.5	6,484.1	12,149.6	313,363.3	225,205.3	144,801.4	88,158.0	168,561.9

Recurrent Revenue for January totalled \$31.8 million against the Estimates of \$25.3 million. As a result, revenue collection exceeded estimates by \$6.5 million in the current period and the year-over-year estimate by \$12.1 million. Comparatively, the results show significant improvement in collection from Import Duty, Hotel and Restaurant Tax, Customs Processing Fee, Stamp Duty on Land Transactions and Work Permits. Collectively they accounted for approximately 83 percent of the revenue collection for the month. The resilient performance continues to be encouraging as it signals a significant change in local economic activities due to the full re-opening of the country.

The major Revenue Heads are summarised as follows:

Stamp Duty on Land Transactions:

Stamp Duty collected during the month of January totalled \$5.3 million compared to a budget of \$2.0 million. Revenue collected from Stamp Duty has shown an encouraging trend since the beginning of the financial year due to many high-value transactions leading up to YTD actuals of \$71 million which surpassed both budget and prior year results by \$28.7 million and \$49.5 million, respectively, showing the highest intake for Stamp Duty in recent years. This positive variance in collections is due to one hundred and sixteen (116) high-value transfers ranging from \$1-\$3.5M and approximately thirty-three (33) transfers with consideration ranging from \$4M-\$18.7M with the exception of four (4) transfers not applicable for the 10% stamp duty. The Turks and Caicos' property market rebounded strongly after the country reopened its borders and implemented more relaxed COVID measures which is now causing a major attraction to both foreign and residential sectors to purchase.

Hotel & Restaurant Tax:

For January, Hotel & Restaurant Tax receipts totalled \$10.6 million against estimates and prior year receipts of \$7.4 million and \$3.6 million, respectively. It accounts for 33% of revenue collected and has shown its second highest results in the financial year since the collection of \$11.4 million in the summer month. The Tourism Industry has been the most impacted during this COVID-19 pandemic. However, revenue collections have been gradually improving since the beginning of the year; the summer and winter months showed unprecedented performance leading to a vast improvement YTD of \$69.3 million collected. The revenue collection has exceeded that of the prior year by \$56.9 million due to increased tourist arrivals as hotels and restaurants are now fully opened. Recent reports show that vaccine rollout has been successful, with over 83% of the country's adult population vaccinated. Together with the relaxed measures, HRT is expected to increase even further as TCI expects an the continued uptick in tourist arrivals in the winter and spring.

Import Duties:

Import Duties collected for January totalled \$6.2 million, \$0.09 million lower than budget and \$1.8 million higher than the prior year's receipts of \$6.3 million and \$4.4 million respectively. These results were expected as high volume of goods are being imported and the imported inflation. Year-to-date actuals of \$62.4 million outpaced the preceding year by \$28.2 million and \$14.3 million higher than Estimates. Local economic activities on the island continue to pick up. As a result, the need for imported goods relatively increases as tourist-related consumption increases due to the growth in tourist arrivals.

Customs Processing Fees:

For January, Customs Processing Fees (CPF) totalled \$3 million, \$0.4 million above the prior year's results and \$0.3 million above budget. The increase in CPF correlates with Import Duties activity over the year. As a result, year to date, actuals totalled \$31 million. This result was up by \$13.7 million compared to prior year receipts of \$17.3 million and \$7.9 million against the budget. Supermarkets, Utilities/Fuel, Construction and Electrical were the main contributors towards the increase.

Work Permits:

Receipts from Work Permits totalled \$1.6 million for January and accounted for 5% of total revenue collected. These results were below the budget and above prior-year results by \$0.2 million and \$0.3 million respectively. Year to date actuals totalled \$17.1 million compared to a budget of \$15.8 million and was above prior year results by \$3.2 million. Revenue collection is expected to increase as most work permit holders are employed in the tourism and hospitality sector, significantly affected as major hotels and the Cruise Port were closed last year. TCI is looking forward to an even more substantial increase in the ensuing months as the Cruise Port and the hotels are now fully open and accommodating tourist arrivals.

Fuel Tax:

For the month of January, fuel tax receipts were \$0.7 million, a decrease of \$0.08 compared to budget and \$0.8 million above the prior year's outturn. Revenue collected from Fuel Tax only accounted for 2% of total income but has shown positive outturn to date where actuals of \$8.4 million was favourable as the results surpassed prior results and budget by \$2.3million and and \$1.4 million respectively due to an increase in fuel prices world wide.

Other Revenue: *Month \$4.5million, Year to date \$54.2 million*

OTHER REVENUE	Month			Monthly Variance		Year to Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Budget	Last Year	Actual	Revised Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
In USD thousands of dollars										
Business Licence renewal	36.4	37.9	34.7	(1.5)	1.7	2,753.1	1,863.9	2,044.0	889.2	709.2
Communication Tax	448.5	346.9	379.2	101.6	69.3	4,291.4	3,457.9	3,401.0	833.5	890.5
Gaming Machine Tax	400.6	295.8	452.0	104.8	(51.4)	4,252.3	2,549.0	1,307.7	1,703.2	2,944.5
Seaport Departure Tax	186.0	-	-	186.0	186.0	186.0	-	73.1	186.0	112.9
Telecommunication Licences	83.3	407.7	75.3	(324.4)	8.0	2,076.7	3,029.7	1,772.1	(953.0)	304.6
Overtime Costs Recovered	270.9	159.6	138.2	111.3	132.7	2,393.4	1,301.9	929.0	1,091.5	1,464.4
Vehicle Licence Renewals	915.7	966.6	879.2	(50.9)	36.5	3,770.3	3,007.7	3,403.0	762.6	367.3
Permanent Residency Fees	205.5	140.3	87.6	65.1	117.9	2,279.8	1,428.1	1,160.1	851.7	1,119.7
Excess Revenue	231.2	153.5	-	77.6	231.2	11,084.4	4,830.9	13,234.4	6,253.5	(2,150.0)
Other Revenues	1,736.9	1,867.3	1,053.2	(130.4)	683.6	21,089.7	15,472.4	12,033.7	5,617.2	9,056.0
TOTAL OTHER REVENUE	4,514.9	4,375.7	3,099.4	139.2	1,415.5	54,177.0	36,941.6	39,358.1	17,235.4	14,818.9

Other Revenues for January totalled \$4.5 million, which was above both budget and prior year results by \$0.1 million and \$1.4 million, respectively.

The top performing heads consist mainly of \$0.9 million in Vehicle License renewals, \$0.4 million from Gaming Machine and Communication Tax which all accounted for 30% of the other revenues collected by TCIG for the period. Year to date actuals of \$54.2 million were above both estimates and prior year by \$17.2 million and \$14.8 million, respectively.

Non-Recurrent Revenue: Month \$0.4 million Year to date \$1.6 million

NON-RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Budget	Last Year	Actual	Revised Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Civil Recovery Income	-	-	-	-	-	-	-	-	-	-
Land Sales	387.6	22.3	49.9	365.3	337.7	1,179.8	375.0	348.0	804.8	831.8
Revenue From Grants	0.1	20.0	50.2	(19.9)	(50.1)	379.5	987.8	5,903.1	(608.3)	(5,523.6)
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
TOTAL NON-RECURRENT REVENUE	387.6	42.3	100.0	345.3	287.6	1,559.3	1,362.8	6,251.1	196.5	(4,691.8)

For the month of January, revenue collection was above estimates by \$0.3 million due to increase collection from Land Sales as revenue collection surpass estimates by \$0.4 million. Year to date actuals of \$1.6 million, was also above estimates and below prior year results by \$0.2 million and \$5 million.

EXPENDITURE

Recurrent Expenditure: Month \$20.5 million, Year to Date \$210.5 million

RECURRENT EXPENDITURE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Budget	Last Year	Actual	Revised Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total Personnel Costs	8,453.7	9,878.3	8,970.1	1,424.6	516.4	83,424.4	89,189.0	79,650.0	5,764.6	(3,774.4)
Transfers to NHIB	2,716.9	2,691.2	2,771.2	(25.7)	54.3	27,100.7	27,152.0	27,712.0	51.3	611.3
Hospital Provisional Charges	1,988.7	1,764.3	1,735.2	(224.4)	(253.5)	19,804.9	20,314.9	18,667.2	510.0	(1,137.8)
Subventions	2,325.5	2,312.9	1,389.9	(12.7)	(935.7)	17,443.6	18,994.1	12,113.8	1,550.4	(5,329.8)
Rental of Assets	438.6	270.1	1,087.2	(168.4)	648.6	4,439.0	4,879.7	4,983.1	440.7	544.0
Other Expenses	4,625.4	7,683.3	6,044.9	3,057.9	1,419.5	58,315.9	78,985.4	55,818.6	20,669.6	(2,497.2)
TOTAL RECURRENT EXPENDITURE	20,548.8	24,600.0	21,998.5	4,051.3	1,449.7	210,528.5	239,515.2	198,944.7	28,986.7	(11,583.9)

Recurrent expenditure for the month of January totalled \$20.5 million. The results were below estimates and above prior year by \$4.1 million and \$1.4 million respectively mainly due from profiling of other expenses and savings in personnel costs due to late recruitment.

Personnel Costs accounted for 39% of the total expenditure, totalling \$8.5 million, down \$1.4 million from the budget and \$0.5 million from the prior year results. Transfers to NHIB totalled \$2.7 million and was slightly over budget by \$0.03 million while down \$0.05 million with prior year results.

Subvention performance of \$2.5 million was \$0.01 million down the Estimates while up \$0.9 million when compared to prior year results due to increase in actual expenditure for Integrity and Human Rights Commission, FIA, Civil Aviation, TCInvest, Local Organisations and Gaming.

Hospital provisional charges totalled \$2.0 million, approximately \$0.2 million, above estimates whilst being up by \$0.3 million when compared to prior year results. The overall variance to budget is mainly due to timing differences between profiled and actual expenditure.

Other Recurrent Expenditure: Month \$4.6 million, Year to date \$58.3 million

OTHER RECURRENT EXPENDITURE	Month			Monthly Variance		Year to Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Budget	Last Year	Actual	Revised Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Expenses	621.5	1,592.9	1,150.6	971.3	529.1	9,563.4	13,609.1	9,692.1	4,045.6	128.7
Maintenance Expenses	670.3	1,076.6	401.9	406.3	(268.4)	7,717.3	9,744.8	8,269.1	2,027.6	551.8
Professional and Consultancy Services	158.5	625.9	359.4	467.4	200.8	2,354.9	5,950.1	2,879.5	3,595.1	524.6
Grants and Contributions	490.3	1,800.3	1,585.9	1,310.0	1,095.6	8,398.3	13,348.3	15,948.2	4,950.0	7,549.8
Utilities	235.2	321.2	419.3	86.1	184.2	2,813.2	3,756.3	2,635.8	943.1	(177.5)
Other Recurrent Expenditure	2,449.5	2,266.3	2,127.7	(183.3)	(321.8)	27,468.7	32,576.8	16,394.0	5,108.1	(11,074.7)
TOTAL OTHER RECURRENT EXPENDITURE	4,625.4	7,683.3	6,044.9	3,057.9	1,419.5	58,315.9	78,985.4	55,818.6	20,669.6	(2,497.2)

All major heads were below the estimates, except other recurrent expenditure, which were above estimates by \$0.2 million. As a result, actual expenditure for the month totalled \$4.9 million, which was below estimates and prior year by \$3.1 million and \$1.4 million respectively. As a result, year to date actuals of \$58.3 million were below estimates by \$20.7 million and up \$2.5 million from the prior year. The significant variance to budget is primarily due to timing variances between actual and profiled expenditure throughout the different periods. The expectation is that expenditure will be normalized before the end of the FY as the entire appropriation is released for spending.

Non-Recurrent Expenditure: Month \$1.1 million, Year to date \$17.9 million

NON-RECURRENT EXPENDITURE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Budget	Last Year	Actual	Revised Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Statutory Land Acquisitions	-	350.0	12.3	350.0	12.3	9,957.8	17,331.9	12.3	7,374.1	(9,945.5)
SIPT	580.7	208.6	143.1	(372.0)	(437.6)	3,015.4	2,742.4	1,773.5	(272.9)	(1,241.9)
Civil Recovery	46.7	-	129.9	(46.7)	83.2	615.8	700.0	881.5	84.2	265.7
Covid-19 Expense	505.9	147.8	400.1	(358.1)	(105.8)	4,250.1	5,915.1	7,209.7	1,665.0	2,959.5
Contingency	-	280.0	-	280.0	-	-	2,750.3	-	2,750.3	-
Interest	3.5	89.9	6.4	86.3	2.9	20.9	10.3	122.1	(10.6)	101.2
TOTAL NON-RECURRENT EXPENDITURE	1,136.8	1,076.4	691.8	(60.5)	(445.0)	17,860.0	29,450.0	9,999.1	11,590.0	(7,861.0)

Non-Recurrent Expenditure results for January totalled \$1.1 million, \$0.06 million above budget while \$0.4 million above when compared to prior year results. There was no figure for Statutory Land Acquisitions and Contingency. However, the remaining included payment to SIPT totaling \$0.6 million, COVID related expenditure totaling \$0.5million, \$0.05 million to Civil Recovery and \$0.003 million for interest. YTD actuals of \$17.9 million were below estimates by \$11.6 million due to the underspend in Statutory Land acquisitions and COVID and Contingency expenditure compared to budget profile.

PUBLIC DEBT

Public Debt	Opening 1-Apr-21 \$ 000's	January 31, 2022	
		Principal Repayment \$ 000's	Outstanding Principal \$ 000's
TCIG Loans - Unsecured	838.8	(308.4)	530.4
Total Outstanding Public Debt	838.8	(308.4)	530.4

TCIG's outstanding debt as of January 31 2022, was \$0.5 million. Total principal debt repayment for the year was \$0.3 million, while total finance costs were \$17.4 thousand.

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,830 people employed by TCIG at the end of January 2022 consisting of 269 waged employees as well as 1,561 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force, with 378 vacancies existing throughout the civil service.

Pensioners

The total number of Pensioners at the end of January 2022 were 308.

DEVELOPMENT FUND (DF)

The opening balance of the Development Fund at the beginning of the fiscal year 2021/2022 totaled \$47.4 million. To date, the total amount spent on capital projects amounted \$1.4 million for the month of January resulting in year to date spending of \$18.6 million. \$11.3 million of the year to date spending was on the construction, renovation & upgrading of Government's buildings for projects committed in the prior financial year, \$0.2 million on Consultancy services, \$2.6 million on specialist and transport equipment, \$1.6 million on road repairs and the remaining spent on purchase of office furniture and other service payments. Year to date actual expenditure of \$18.6 million was below budget and prior year outturn by \$7.5 million and \$2.7 million respectively.

NATIONAL WEALTH FUND (NWF)

The balance in the NWF as of January 31, 2022, stood at \$25.9 million with an interest of \$2.2 thousand earned in the month of January.

NATIONAL FORFEITURE FUND (NFF)

The National Forfeiture Fund had a balance of \$7.3 million as of January 31, 2022. There was a receipt of \$0.05 million for the month of January.

FINANCIAL OUTLOOK

As the uncertainty still remains with COVID, the The Turks & Caicos Islands has been very fortunate to rebound financially and economically over the one-year period where in some cases are performing above pre-covid levels. The economic resilience of the tourist sector which alone had a revenue intake of \$10.6 million for the month and the exceptional activities within the real estate sector and Import duty are major contributors (69%) of total revenue collected for the month. As a result, revenue collection has shown significant growth from the beginning of the financial year leading up to end of January totalling \$314.9 million. This result was up by \$88.3 million when compared to budget and \$163.9 million from the prior year's turnout.

The country is fully open for business, and the Government continues to implement new health measures to safeguard both the economy and the health and safety of its residents and tourists alike as a new variants surfaced. Despite the continued uncertainty surrounding COVID, the uptick in revenue generation is still expected to increase up to the end of financial year 2021-22. Generally, expenditure is trending slightly below estimates, but we expect spending activities to strengthen even more in the remaining months in the financial year.

There remains hope for a more sustained economic recovery as over 83% of the adult population is now vaccinated, 652 of children ages 12-15 has receive the second dose and the administering of boosters is still ongoing. The uncertainty of this pandemic still remains as the variants can undermine previous fiscal performance in the short and medium-term. As a result, Cash flow management will remain an urgent obligation for TCIG. Actively monitoring revenue collection, cash balance position and cash flow requirements remains at the forefront of the Treasury's immediate plan to safeguard TCIG's liquidity position.