



TURKS AND
CAICOS ISLANDS



GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



FEBRUARY 2022

FINANCIAL REPORT

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KEY POINTS

- ❖ *The monthly Financial Report for February 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 2nd Supplementary Bill adjustments are included in the month of February.*
 - ❖ *The net operating surplus as at the end of February 2022 totaled \$97.5 million.*
 - ❖ *Development Fund Expenditure for the month totaled \$1.7million.*
 - ❖ *Outstanding Public Debt stood at \$0.5 million after principal repayments of \$0.3 million.*
 - ❖ *The underlying cash balance increased by \$88.2 million bringing Cash and Cash equivalents to a total of \$209.9 million at the end of February 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 exceptional activities within the real estate sector during the first eleven months of the financial year 2021/22.

The month of February recorded a surplus of \$11.1 million and a year-to-date financial surplus of \$97.5 million.

These surpluses would have contributed positively to our cash flows leading to an overall increase in the cash position by over \$88.2 million to \$209.9 million.

OPERATING BALANCE

Net Operating Surplus: *Month \$11.1 million, Year to Date \$97.5 million*

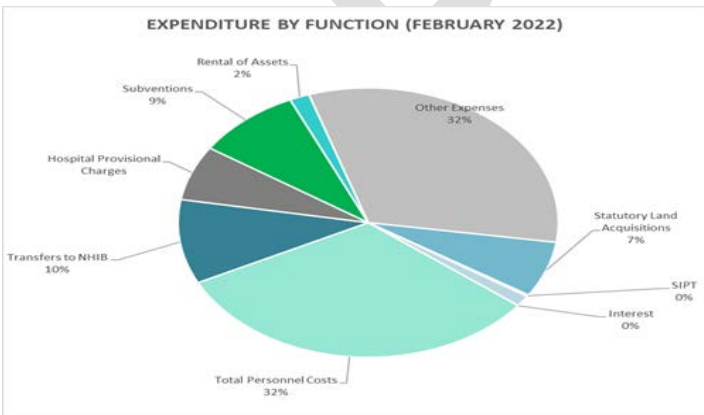
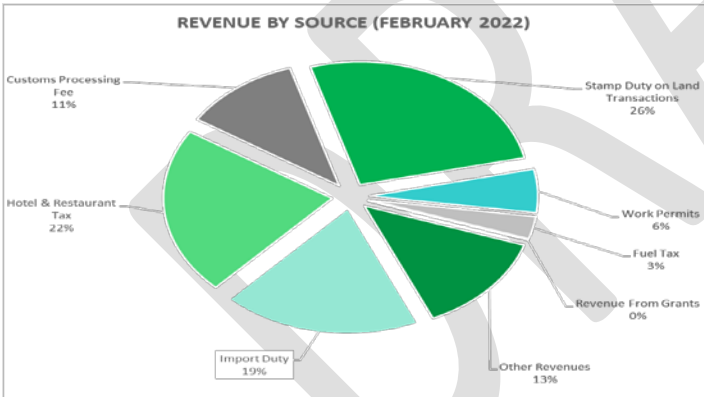
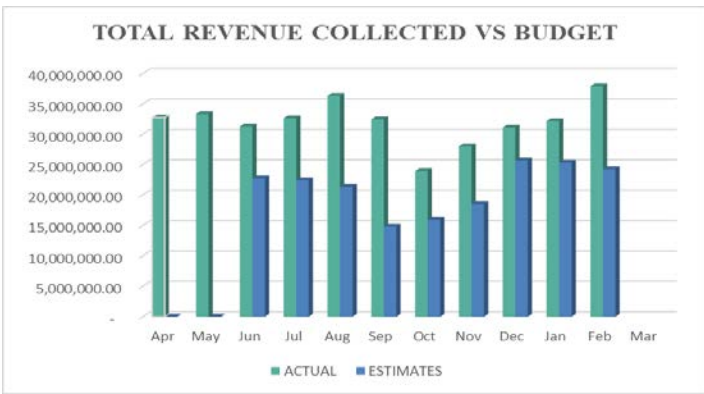
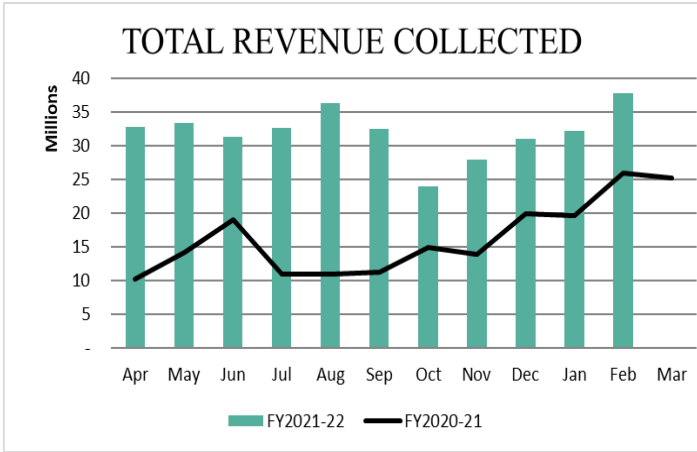
	Month			Variance				Year to Date			Variance			
	Actual	Revised Budget	Prior Year	Budget		Prior Year		Actual	Revised Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	37,859.5	24,244.5	25,699.1	13,614.9	56%	12,160.3	47%	351,453.0	249,449.8	170,500.5	102,003.2	41%	180,952.5	106%
Recurrent Expenditure	24,676.0	27,907.3	19,836.0	3,231.3	12%	(4,840.0)	(24%)	235,586.3	267,422.5	218,780.7	31,836.3	12%	(16,805.6)	(8%)
Net Recurrent Surplus	13,183.5	(3,662.8)	5,863.1	16,846.3	(460%)	7,320.4	125%	115,866.7	(17,972.7)	(48,280.1)	133,839.5	-745%	164,146.9	(340%)
Non-Recurrent Revenue	13.5	25.8	333.7	(12.2)	(48%)	(320.2)	(96%)	1,572.8	1,388.6	6,584.8	184.2	13%	(5,012.0)	(76%)
Non-Recurrent Expenditure	2,095.5	(4,939.9)	527.1	(7,035.4)	142%	(1,568.3)	(298%)	19,956.2	24,510.1	10,526.2	4,553.9	19%	(9,430.0)	(90%)
Net Operating Balance	11,101.5	1,302.9	5,669.7	9,798.7	752%	5,431.8	96%	97,483.3	(41,094.2)	(52,221.5)	138,577.5	-337%	149,704.8	(287%)

The month of February 2022 recorded an operating surplus of \$11.1 million. Approximately \$9.8 million is greater than the revised budget of \$1.3 million and a year-to-date outturn of \$138.6 million ahead of the estimates. We expect to continue to see an impressive revenue performance up to and beyond the end of financial year 2021-22. Year on year performance shows that the current period's performance exceeded the prior year by \$5.4 million, and YTD's outturn of \$97.5 million is \$149.7 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	11,101.5	1,302.9	5,669.7	9,798.7	752%	5,431.8	96%	97,483.3	(41,094.2)	(52,221.5)	138,577.5	(337%)	149,704.8	-287%
Less:														
Development Fund Expenditure	(1,684.2)	-	(1,652.8)	(1,684.2)	-	(31.4)	-	(20,319.8)	(26,775.0)	(23,001.6)	6,455.2	(24%)	2,681.8	(12%)
Debt Repayments	-	-	-	-	-	-	-	(530.4)	(501.8)	(821.7)	(28.6)	6%	291.3	(35%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	885.7	-	907.3	885.7	-	(21.6)	(2%)
Transfers from/(to) NWF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add Depreciation and other non-cash items	1,002.4	-	(138.8)	1,002.4	-	1,141.2	(822%)	10,706.4	-	9,564.8	10,706.4	-	1,141.6	12%
Net Cash Flow	10,419.8	1,302.9	3,878.1	9,116.9	700%	6,541.6	169%	88,225.2	(68,371.0)	(65,572.7)	156,596.3	(229%)	153,798.0	(235%)

Comparatively, the outturn showed a \$6.5 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 \$209.9 million at the end of February. It represents a total net cash flow increase of \$88.2 million over the first eleven months of the financial year. The results to date also reflect Development Fund Expenditure of \$20.3 million, debt servicing of \$0.5 million and bond inflows of \$0.9 million.



In February, revenue collection totaled \$37.9 million, an increase of \$13.6 million compared to the estimates and \$11.8 million over the prior year period. All major revenue heads have been performing near or exceeding their pre-COVID levels. Stamp Duty on Land Transactions led this performance trend with a revenue intake of \$9.9 million, followed by Hotel & Restaurant Tax of \$8.3 million, Import Duty \$7.1 million, Customs Processing Fee \$4.2 million and Work Permits of \$2.2 million. The top five revenue generating lines accounted for 83% of TCIG's revenue performance for the month of February. TCIG's results are expected to increase even further in the last month of the FY as tourist arrivals are expected to increase in Spring. YTD actuals of \$353 million surpassed both budget and prior year by \$102.2 million & 175.9 million respectively.

Expenditure for February was \$26.8 million, approximately 17% above the projected amount, and \$6.4 million or 24% above the prior year's results. The overperformance in the month of February is mainly because of the 2nd Supplementary Appropriation. The estimates for the month of February was adjusted after the supplementary amount was enacted. This exercise reduced the profile for Statutory Land Acquisitions and Contingency Funding resulting in an over performance in Land Acquisition. As expected, Personnel Costs was the highest expenditure totaling \$8.6 million followed by Transfers to NHIB (\$2.7m), Subventions (\$2.4m), Hospital Provisional Charges (\$1.8m) and Rental of Assets of \$0.5 million. The top five expenditure lines accounted for 67% of total expenditure reported for the month of February. Despite the over performance in the month, YTD actuals of \$255.5 million were below estimates by \$36.4 million but above prior year results by \$26.2 million.

REVENUE

Recurrent Revenue: Month \$37.9 million, Year to Date \$351.4 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	7,110.5	6,242.7	4,411.1	867.8	2,699.5	69,509.4	54,361.5	38,578.2	15,147.8	30,931.1
Hotel & Restaurant Tax	8,319.2	7,445.8	4,460.1	873.3	3,859.1	77,777.1	59,364.5	16,777.6	18,412.6	60,999.5
Customs Processing Fee	4,239.3	2,766.0	2,450.7	1,473.2	1,788.6	35,189.9	25,864.4	19,733.2	9,325.6	15,456.7
Stamp Duty on Land Transactions	9,922.0	1,534.5	7,138.7	8,387.4	2,783.2	80,924.3	43,866.0	28,676.7	37,058.3	52,247.6
Work Permits	2,162.6	1,952.8	1,893.2	209.8	269.4	19,349.8	17,746.7	15,923.6	1,603.1	3,426.2
Fuel Tax	1,121.7	847.8	715.0	273.8	406.7	9,514.0	7,850.2	6,822.6	1,663.7	2,691.3
Other Revenues	4,984.3	3,454.9	4,630.4	1,529.4	353.9	59,188.5	40,396.5	43,988.5	18,792.1	15,200.0
TOTAL RECURRENT REVENUE	37,859.5	24,244.5	25,699.1	13,614.9	12,160.3	351,453.0	249,449.8	170,500.5	102,003.2	180,952.5

Recurrent Revenue for February totaled \$37.9 million against the Estimates of \$24.2 million. As a result, revenue collection exceeded estimates by \$13.6 million in the current period and the year-over-year estimate by \$102.0 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 84 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 February totaled \$9.9 million compared to a budget of \$1.5 million. Revenue collected from Stamp Duty has shown a promising trend since the beginning of the financial year due to many high-value transactions leading up to YTD actuals of \$80.9 million which surpassed both budget and prior year results by \$37.1 million and \$52.2 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 February, Hotel & Restaurant Tax (HRT) receipts totaled \$8.3 million against estimates and prior year receipts of \$7.4 million and \$4.5 million, respectively. This revenue head accounts for 22% of revenue collected for the month and has shown the highest results in revenue collection after Stamp Duty on Land Transactions. The Tourism Industry has been the most impacted during this COVID-19 pandemic. However, revenue collections have been vastly improving since the beginning of the year; the summer and winter months showed unprecedented performance leading to a vast improvement YTD of \$77.8 million collected. The revenue collection has exceeded that of the prior year by \$61 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 84% of the country's adult population fully vaccinated and 894 teenagers between the ages of 12-15 years also being fully vaccinated. Together with the relaxed measures, HRT is expected to increase even further as TCI expects the continued uptick in tourist arrivals in the spring.

Import Duties:

Import Duties collected for February totaled \$7.1 million, \$0.9 million higher than budget and \$2.7 million higher than the prior year's receipts of \$4.4 million. These results were expected as high volume of goods are being imported and the imported inflation. Year-to-date actuals of \$69.5 million outpaced the preceding year by \$31 million and \$15.1 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 February, Customs Processing Fees (CPF) totaled \$4.2 million, \$1.8 million above the prior year's results and \$1.5 million above budget. The increase in CPF correlates with Import Duties activity over the year. As a result, year to date, actuals totaled \$35.2 million. This result was up by \$15.5 million compared to prior year receipts of \$19.7 million and \$9.3 million against the budget. Supermarkets, Utilities/Fuel, Construction and Electrical were the main contributors towards the increase.

Work Permits:

Receipts from Work Permits totaled \$2.2 million for February and accounted for 6% of total revenue collected. These results were above the budget and above prior-year results by \$0.2 million and \$0.3 million respectively. Year to date actuals totaled \$19.3 million compared to a budget of \$17.7 million and was above prior year results by \$3.4 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 final month in the FY and the ensuing months in the new year as the Cruise Port and the hotels are now fully open and accommodating tourist arrivals.

Fuel Tax:

For the month of February, fuel tax receipts were \$1.1 million, an increase of \$0.3 million when compared to budget and \$0.4 million above the prior year's outturn. Revenue collected from Fuel Tax only accounted for 3% of total income but has shown optimistic outturn to date where YTD actuals of \$9.5 million was favorable as the results surpassed prior results and budget by \$2.7 million and \$1.7 million respectively due to an increase in fuel prices worldwide.

Other Revenue: *Month \$5 million, Year to date \$59.2 million*

OTHER REVENUE <small>In USD thousands of dollars</small>	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
Business Licence renewal	33.2	46.2	55.9	(13.0)	(22.7)	2,786.3	1,910.0	2,099.8	876.3	686.5
Communication Tax	381.6	350.6	378.2	31.0	3.4	4,673.0	3,808.5	3,779.1	864.5	893.9
Gaming Machine Tax	439.9	295.8	241.4	144.1	198.4	4,692.1	2,844.8	1,549.2	1,847.3	3,143.0
Seaport Departure Tax	309.0	-	-	309.0	309.0	495.0	-	73.1	495.0	421.9
Telecommunication Licences	467.6	291.7	301.0	175.9	166.6	2,544.3	3,321.4	2,073.1	(777.1)	471.2
Overtime Costs Recovered	349.5	186.7	248.5	162.8	101.0	2,742.9	1,488.6	1,177.5	1,254.3	1,565.4
Vehicle Licence Renewals	542.8	381.2	366.9	161.6	175.8	4,313.0	3,388.9	3,769.9	924.1	543.1
Permanent Residency Fees	250.7	108.8	108.7	142.0	142.1	2,530.5	1,536.9	1,268.7	993.6	1,261.8
Excess Revenue	70.6	153.5	1,225.7	(82.9)	(1,155.1)	11,182.0	4,984.5	14,460.2	6,197.5	(3,278.1)
Other Revenues	2,139.4	1,640.4	1,704.2	499.0	435.2	23,229.3	17,112.8	13,737.8	6,116.4	9,491.4
TOTAL OTHER REVENUE	4,984.3	3,454.9	4,630.4	1,529.4	353.9	59,188.5	40,396.5	43,988.5	18,792.1	15,200.0

Other Revenues for the month of February totaled \$5 million, which was above both budget and prior year results by \$1.5 million and \$0.3 million, respectively. The top performing heads consist mainly of \$0.5 million in Vehicle License renewals and Telecommunication licenses, \$0.4 million from Gaming Machine and Communication Tax which all accounted for 37% of the other revenues collected by TCIG for the

period. Year to date actuals of \$59.2 million were above both estimates and prior year by \$18.8 million and \$15.2 million, respectively due to the overperformance in all the revenue heads to date.

Non-Recurrent Revenue: Month \$0.01 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	13.5	21.8	69.0	(8.2)	(55.5)	1,193.3	396.8	417.0	796.5	776.3
Revenue From Grants	-	4.0	264.7	(4.0)	(264.7)	379.5	991.8	6,167.9	(612.3)	(5,788.4)
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
TOTAL NON-RECURRENT REVENUE	13.5	25.8	333.7	(12.2)	(320.2)	1,572.8	1,388.6	6,584.8	184.2	(5,012.0)

For the month of February, revenue collection was below estimates by \$0.01 million due to underperformance in Land Sales and the delay in revenue from grants. Despite the underperformance in the month, YTD actuals of \$1.6 million exceeds budget by \$0.2 million as revenue from Land Sales has been favorable.

EXPENDITURE

Recurrent Expenditure: Month \$24.7 million, Year to Date \$235.6 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	8,626.3	9,929.7	7,899.8	1,303.3	(726.5)	92,050.8	99,118.7	87,549.8	7,067.9	(4,501.0)
Transfers to NHIB	2,716.9	2,691.2	2,771.2	(25.7)	54.3	29,817.6	29,843.2	30,483.2	25.7	665.7
Hospital Provisional Charges	1,770.2	1,764.3	1,735.2	(5.9)	(34.9)	21,680.0	22,079.2	20,402.4	399.2	(1,277.6)
Subventions	2,403.8	1,745.7	1,690.9	(658.1)	(712.9)	19,888.9	20,739.7	13,804.7	850.8	(6,084.2)
Rental of Assets	453.5	499.1	86.2	45.5	(367.3)	4,894.5	5,378.8	5,069.3	484.3	174.7
Other Expenses	8,705.3	11,277.4	5,652.7	2,572.1	(3,052.6)	67,254.4	90,262.9	61,471.3	23,008.4	(5,783.1)
TOTAL RECURRENT EXPENDITURE	24,676.0	27,907.3	19,836.0	3,231.3	(4,840.0)	235,586.3	267,422.5	218,780.7	31,836.3	(16,805.6)

Recurrent expenditure for the month of February totaled \$24.7 million. The results were below estimating and above prior year by \$3.2 million and \$4.8 million respectively mainly due from profiling of other expenses and savings in personnel costs due to late recruitment.

Personnel Costs accounted for 32% of the total expenditure, totaling \$8.6 million, down \$1.3 million from the budget and up \$0.7 million from the prior year results. Transfers to NHIB totaled \$2.7 million and was slightly over budget by \$0.03 million due to profiling of the budget. This result was down by \$0.05 million when compared to prior year results.

Subvention performance of \$2.4 million was \$0.7 million above the Estimates and prior year results due to the effect of the 2nd Supplementary where the subvention account was reduced by \$0.2 million in the month of February. YTD actuals of 19.9 million is on par with the revised budget resulting in a slight underperformance of \$0.8 million.

Hospital provisional charges totaled \$1.8 million, approximately \$0.006 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 \$8.7 million, Year to date \$67.3 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	1,237.8	954.6	959.8	(283.2)	(277.9)	10,806.3	14,563.7	10,652.0	3,757.4	(154.3)
Maintenance Expenses	1,207.7	641.0	607.8	(566.7)	(599.9)	8,928.3	10,385.8	8,876.9	1,457.6	(51.4)
Professional and Consultancy Services	239.0	99.1	438.1	(139.9)	199.1	2,593.9	6,049.2	3,317.6	3,455.3	723.7
Grants and Contributions	4,066.3	6,928.3	1,252.3	2,862.0	(2,813.9)	12,464.6	20,276.7	17,200.5	7,812.1	4,735.9
Utilities	267.4	379.3	330.7	111.9	63.2	3,135.8	4,135.6	2,966.4	999.8	(169.4)
Other Recurrent Expenditure	1,687.1	2,275.1	2,064.0	588.0	376.9	29,325.5	34,851.9	18,457.9	5,526.4	(10,867.6)
TOTAL OTHER RECURRENT EXPENDITURE	8,705.3	11,277.4	5,652.7	2,572.1	(3,052.6)	67,254.4	90,262.9	61,471.3	23,008.4	(5,783.1)

All major heads were below the estimates, except Professional and Consultancy, which were above estimates by \$0.2 million. This is due to the processing of virements from various departments where the professional and consultancy accounts were decreased by \$0.2 million. Actual expenditure for the month totaled \$8.7 million, which was below estimates and prior year by \$2.6 million and \$3.1 million respectively. As a result, year to date actuals of \$67.2 million were below estimates by \$23 million and up \$5.8 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 \$2.1 million, Year to date \$20 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	1,800.0	(3,390.0)	-	(5,190.0)	(1,800.0)	11,757.8	13,941.9	12.3	2,184.1	(11,745.5)
SIPT	(55.8)	228.4	30.5	284.2	86.4	2,959.5	2,970.8	1,804.0	11.3	(1,155.5)
Civil Recovery	-	-	4.8	-	4.8	615.8	700.0	886.3	84.2	270.4
Covid-19 Expense	351.3	6.8	491.9	(344.5)	140.6	4,602.2	5,922.0	7,701.5	1,319.8	3,099.4
Contingency	-	(1,875.0)	-	(1,875.0)	-	-	875.3	-	875.3	-
Interest	-	89.9	-	89.9	-	20.9	100.1	122.1	79.3	101.2
TOTAL NON-RECURRENT	2,095.5	(4,939.9)	527.1	(7,035.4)	(1,568.3)	19,956.2	24,510.1	10,526.2	4,553.9	(9,430.0)

Non-Recurrent Expenditure results for February totaled \$2.1 million, reporting an overspend when compared to revised budget. This negative results for the month was due to the upload of the 2nd Supplementary where Statutory Land Acquisition and Contingency was reduced by \$3.5 million and \$2 million respectively. Despite the recorded overage for the month, YTD actuals of 20 million were below estimates by \$4.6 million due to the slight underspend in Statutory Land acquisitions, Civil recovery and COVID costs when compared to budget profile.

PUBLIC DEBT

Public Debt	Opening	February 28, 2022	
	1-Apr-21	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 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 February 28, 2022, was \$0.5 million. Total principal debt repayment for the year was \$0.3 million, while total finance costs were \$0.1 million.

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,851 people employed by TCIG at the end of February 2022 consisting of 272 waged employees as well as 1,579 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force.

Pensioners

The total number of Pensioners at the end of February 2022 were 310.

DEVELOPMENT FUND (DF)

The opening balance of the Development Fund at the beginning of the fiscal year 2021/2022 totalled \$47.4 million. To date, the total amount spent on capital projects amounted \$1.7 million for the month of February resulting in year to date spending of \$20.3 million. In the month of February, \$1.5 million was spent on construction and renovation of government buildings and structures, \$0.1 million on all other service payments, \$0.07 million on management and consultancy and \$0.03 million on machinery and heavy equipment. Year to date actual expenditure of \$20.3 million was below budget and prior year's outturn by \$6.5 million and \$2.7 million respectively.

NATIONAL WEALTH FUND (NWF)

The balance in the NWF as of February 28, 2022, stood at \$25.9 million with an interest of \$2.0 thousand earned in the month.

NATIONAL FORFEITURE FUND (NFF)

The National Forfeiture Fund had a balance of \$7.3 million as of February 28, 2022.

FINANCIAL OUTLOOK

The ongoing economic shock of the coronavirus outbreak has an unprecedented impact on public finances around the world. Governments are implementing fiscal packages including both budgetary and nonbudgetary measures to fight the pandemic while remaining hopeful during these uncertain times. The Turks & Caicos Islands has been very prosperous 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 \$8.3 million for the month and the exceptional activities within the real estate sector and Import duty are major contributors (67%) 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 February totalling \$353 million. This result was up by \$102.2 million when compared to budget and \$176 million from the prior year's turnout.

Generally, expenditure is trending slightly below estimates due to late recruitment, and the impact of virements and 2nd Supplementary Appropriation bill where adjustments were made in the month of February. However, we expect spending activities to strengthen even more in the remaining month in the financial year. 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.

There remains hope for a more sustained economic recovery as over 84% of the adult population is now vaccinated, 892 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.