



GOVERNMENT OF THE
TURKS AND CAICOS ISLANDS

MONTHLY FINANCIAL REPORT

MARCH 2015

Prepared by the Office of the Accountant General – April 22, 2015

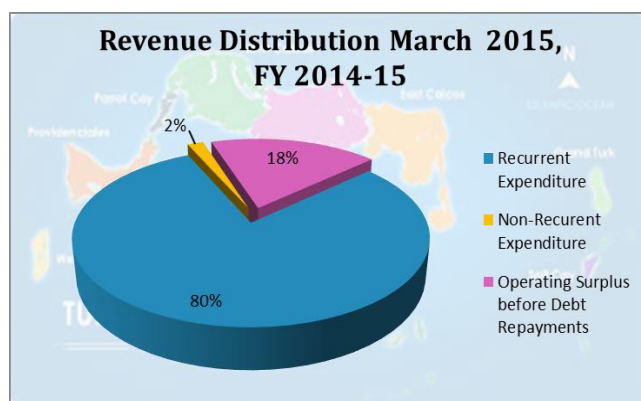
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Monthly Financial Report (Unaudited)
March 2015

| | Month of March 2015 | | | 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 | 24,256.2 | 21,239.6 | 19,750.5 | 3,016.6 | 14% | 4,505.7 | 23% | 246,504.6 | 212,564.7 | 200,367.6 | 33,939.8 | 16% | 46,136.9 | 23% |
| Recurrent Expenditure | 19,420.2 | 11,830.9 | 17,230.2 | (7,589.3) | (64%) | (2,190.0) | (13%) | 161,922.9 | 173,760.2 | 156,653.4 | 11,837.3 | 7% | (5,269.5) | (3%) |
| Net Recurrent Surplus/(Deficit) | 4,836.0 | 9,408.7 | 2,520.2 | (4,572.7) | (49%) | 2,315.7 | 92% | 84,581.7 | 38,804.5 | 43,714.2 | 45,777.1 | 118% | 40,867.5 | 93% |
| Non-Recurrent Revenue | 68.7 | 427.3 | 647.0 | (358.6) | (84%) | (578.3) | (89%) | 6,489.9 | 6,810.6 | 3,139.0 | (320.7) | (5%) | 3,350.8 | 107% |
| Non-Recurrent Expenditure | 422.2 | 5,647.8 | 529.3 | 5,225.6 | 93% | 107.1 | 20% | 13,815.8 | 18,723.0 | 16,122.1 | 4,907.2 | 26% | 2,306.2 | 14% |
| Operating Surplus/(Deficit) | 4,482.4 | 4,188.1 | 2,638.0 | 294.3 | 7% | 1,844.5 | 70% | 77,255.8 | 26,892.1 | 30,731.2 | 50,363.6 | 187% | 46,524.5 | 151% |

1.1 Month: Operating Surplus of \$4.5 million

The net operating balance of the consolidated fund at the end March 2015 recorded a surplus of \$4.5 million or about 18% of revenues collected in the period. This compares favourably to the budgeted surplus of \$4.2 million and a surplus of \$2.6 million for the same period last year.

Recurrent revenues for the month amounted to \$24.3 million, which was 14% or \$3.0 million above the budget of \$21.2 million. Hotel and restaurant tax, work permits and residency fees, import duties and fuel tax all exceeded the budget estimates for the month by 56%, 42%, 23% and 10% respectively, while customs processing and stamp duty on land transactions were above budget by 9% and 8% respectively.

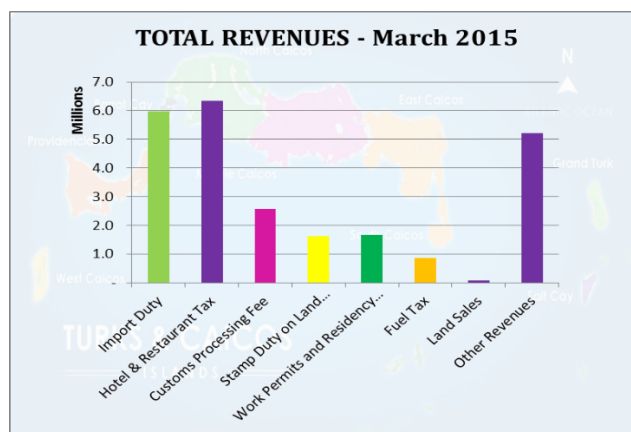


Total recurrent expenditure for March 2015 was \$19.4 million, which was 64% above the budgeted amount of \$11.8 million and 13% above that of last year's outturn due to an attempt to use funds already budgeted before the financial year end.

Total non-recurrent expenditure was below by \$5.2 million since the contingency funds were not used.

1.2 Year to Date: Operating Surplus of \$77.3 million.

The year to date results for the fiscal year showed an operating surplus of \$77.3 million, this result in a positive variance of \$50.3 million or 187% above the budgeted amount of \$26.9 million.



Year to date Recurrent Revenue outturn was \$246.5 million, which was 16% above the budgeted amount of \$212.6 million and 23% above last year's outturn of \$200.4 million, due to better than expected collections in all of the major revenue items.

Year to date Non-Recurrent Revenues totaled \$6.5 million which comprises mainly of an EU Grant of \$4.1 million and \$1.3 million in land sales.

Recurrent expenditure, which came in at \$161.9 million was 7% or \$11.8 million below budget estimates while being \$5.3 million or 3% above the outturn of \$156.7 million for the same period last year.

Non-recurrent expenditure of \$13.8 million came in 26% or \$4.9 million below the budgeted amount but 14% below last year's outturn.

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2.0 Cash Flow Statement

| | Month of March 2015 | | | 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 | 4,482.4 | 4,188.1 | 2,638.0 | 294.3 | 7% | 1,844.5 | 70% | 77,255.8 | 26,892.1 | 30,731.2 | 50,363.6 | 187% | 46,524.5 | 151% |
| Less: | | | | | | | | | | | | | | |
| Capital Contributions | (3,243.9) | (2,810.8) | (1,878.0) | (433.1) | - | (1,365.9) | 73% | (7,914.0) | (14,484.9) | (9,712.1) | 6,570.8 | (45%) | 1,798.1 | (19%) |
| Debt Repayments | (378.4) | (335.9) | (277.8) | (42.5) | 13% | (100.6) | - | (15,941.4) | (6,763.3) | (7,465.3) | (9,178.1) | 136% | (8,476.1) | 114% |
| Bond Inflows | - | - | 750.0 | - | - | (750.0) | - | 581.3 | 768.9 | 3,579.5 | (187.6) | (24%) | (2,998.2) | (84%) |
| Herzog Payment | - | - | - | - | - | - | - | - | - | (1,832.8) | - | - | 1,832.8 | (100%) |
| Transfers from/(to) NFF | - | - | - | - | - | - | - | - | - | 4,675.2 | - | - | (4,675.2) | (100%) |
| Transfers to Sinking Fund | (50,000.0) | (9,337.3) | (7,966.0) | (40,662.7) | - | (42,034.0) | - | (60,845.9) | (13,443.0) | (17,170.9) | (47,402.9) | 353% | (43,674.9) | 254% |
| Transfers From Sinking Fund | - | - | - | - | - | - | - | 9,000.0 | - | - | 9,000.0 | - | 9,000.0 | - |
| Net Working Capital | (5,102.5) | - | (979.8) | (5,102.5) | 100% | (4,122.7) | 421% | 373.0 | - | 617.9 | 373.0 | 100% | (245.0) | (40%) |
| Net Cash Flow | (54,242.4) | (8,295.8) | (7,713.7) | (45,946.5) | 554% | (46,528.7) | 603% | 2,508.7 | (7,030.1) | 3,422.8 | 9,538.8 | (136%) | (914.1) | (27%) |

The month of March 2015 recorded a net cash deficit of \$54.2 million compared to a budgeted deficit of \$8.3 million, due to transfers to the Sinking Fund amounting to \$50.0 million, while the year to date recorded a positive net inflow of \$2.5 million. The end of year net cash of \$2.5 million compares very favourably with the projected deficit of \$7.0 million, while the prior year outturn was a cash surplus of \$3.4 million after transfers to the Sinking Fund.

The net cash flow forecast for ensuing months remain positive, therefore there should not be a need to draw on the credit facility.

3.0 Outstanding Public Debt

The Turks and Caicos Islands Government's outstanding debt as of March 31, 2015 is \$191.7 million, as shown in the adjacent table. Total debt repayments for the financial year were \$15.8 million.

The guaranteed loans are secured by a United Kingdom/DFID guarantee in the amount of \$260 million.

All loan principal and interest payments are up to date as of March 31, 2015

| Debt Type | Opening | As At March 31, 2015 | |
|--------------------------------------|------------------|----------------------|-----------------------|
| | 01-Apr-14 | Principal Repayment | Outstanding Principal |
| | \$ 000's | \$ 000's | \$ 000's |
| RBTT Bonds 2016 - Guaranteed | 170,000.0 | - | 170,000.0 |
| Scotia Bank Loan 2016 - Guaranteed | 9,000.0 | (9,000.0) | .0 |
| Other TCIG Bank Loans - Unsecured | 17,971.7 | (4,994.7) | 12,976.9 |
| TCInvest Loans - Unsecured | 10,596.4 | (1,835.4) | 8,761.0 |
| Total Outstanding Public Debt | 207,568.1 | (15,830.1) | 191,738.0 |

4.0 Sinking Fund

The Sinking Fund balance as at end March 2015 stood at \$110.0 million, with \$60.0 million invested in a term deposit at Scotiabank (Turks and Caicos) and \$50.0 at CIBC First Caribbean International Bank. Both term deposits will mature in February 2016, just in time for the repayment of the principal amount outstanding on the \$170.0 Bond. Net public debt outstanding at the end of March 2015 is therefore about \$81.7 million, when the Sinking Fund is taken into consideration.

5.0 National Forfeiture Fund

The National Forfeiture Fund had a balance of \$1.8 million at the end of March 2015.