



TURKS AND CAICOS ISLANDS



# GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



## MARCH 2022

# FINANCIAL REPORT

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## KEY POINTS

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- ❖ *The monthly Financial Report for March 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 third Supplementary enacted in March 2022 and involved an offset of \$14.9 million between expenditure.*
  - ❖ *The net operating surplus as at the end of March 2022 totaled \$87.4 million.*
  - ❖ *Development Fund Expenditure for the month totaled \$1.9 million.*
  - ❖ *Outstanding Public Debt stood at \$0.5 million after principal repayments of \$0.3 million.*
  - ❖ *The underlying cash balance increased by \$74 million bringing Cash and Cash equivalents to a total of \$195.7 million at the end of March 2022.*
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## OVERVIEW

The Turks & Caicos Islands like many other countries in the world continue to live through unparalleled crisis as the uncertainty of the pandemic still remains. However, since the first quarter of the FY 2021/22, the Turks & Caicos Islands economy has developed significantly as the COVID-19 vaccination drives continues and other health measures that was put in place to help improve the economy both domestically and internationally. The Turks & Caicos Islands improved economic resilience was primarily attributable to the high volume of tourist arrivals, sector, revenue intake on Import Duty and CPF and exceptional activities within the real estate.

The month of March recorded a deficit of \$9.7 million due to an adjustment of \$8.4 million to transfer available funding to pension fund. As a result, year to date surplus of \$87.4 million was reported.

Despite the recorded deficit in the month of March, prior month's results have contributed positively to our cash flows leading to an overall increase in the cash position by \$74 million to \$195.7 million.

## OPERATING BALANCE

**Net Operating Surplus: Month \$(9.7) million, Year to Date \$87.4 million**

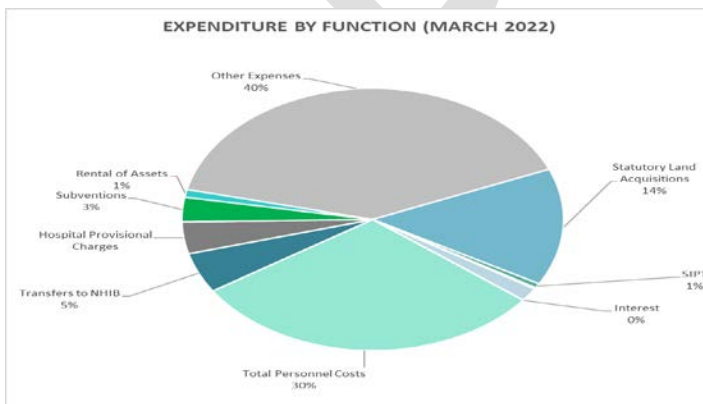
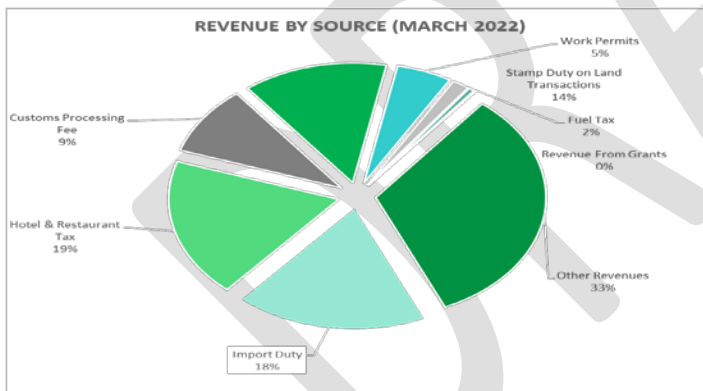
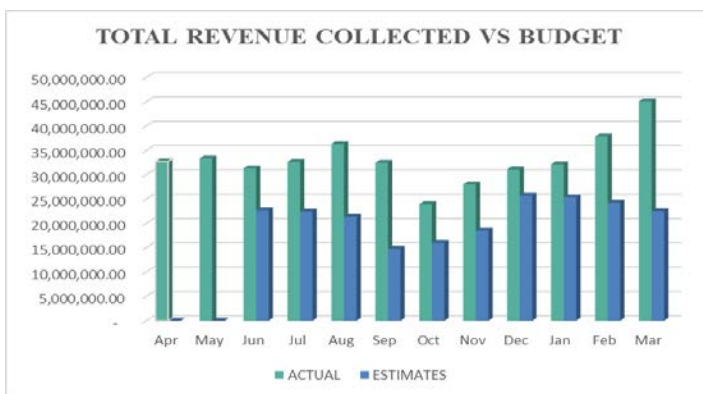
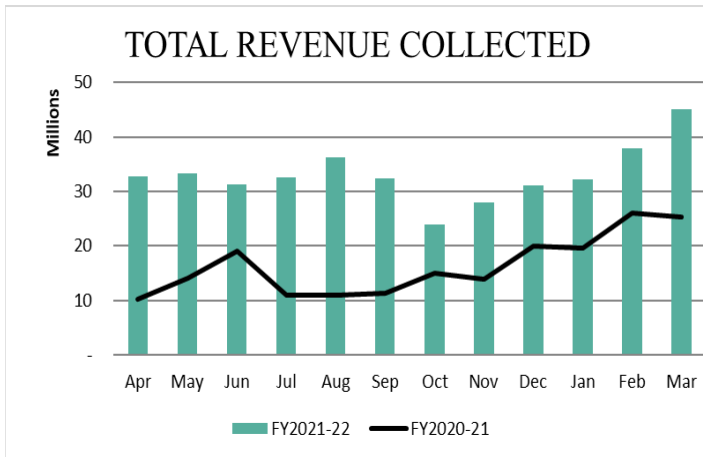
	Month			Variance				Year to Date			Variance			
	Actual	Revised Budget	Prior Year	Budget		Prior Year		Actual	Revised Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	44,789.3	22,523.1	25,151.9	22,266.2	99%	19,637.4	78%	396,206.7	361,245.9	195,652.5	34,960.8	10%	200,554.2	103%
Recurrent Expenditure	45,594.2	6,990.7	37,696.9	(38,603.5)	(552%)	(7,897.3)	(21%)	281,460.9	274,413.2	256,477.6	(7,047.7)	(3%)	(24,983.3)	(10%)
<b>Net Recurrent Surplus</b>	<b>(804.9)</b>	<b>15,532.4</b>	<b>(12,545.0)</b>	<b>(16,337.2)</b>	<b>(105%)</b>	<b>11,740.1</b>	<b>(94%)</b>	<b>114,745.7</b>	<b>86,832.7</b>	<b>(60,825.1)</b>	<b>27,913.1</b>	<b>32%</b>	<b>175,570.9</b>	<b>(289%)</b>
Non-Recurrent Revenue	307.3	34.4	55.8	272.9	793%	251.6	451%	1,880.1	1,830.7	6,640.6	49.4	3%	(4,760.5)	(72%)
Non-Recurrent Expenditure	9,219.8	10,325.8	2,166.8	1,106.0	11%	(7,053.0)	(325%)	29,177.1	34,835.9	12,693.0	5,658.9	16%	(16,484.0)	(130%)
<b>Net Operating Balance</b>	<b>(9,717.3)</b>	<b>5,241.0</b>	<b>(14,656.0)</b>	<b>(14,958.3)</b>	<b>(285%)</b>	<b>4,938.7</b>	<b>(34%)</b>	<b>87,448.8</b>	<b>53,827.5</b>	<b>(66,877.5)</b>	<b>33,621.4</b>	<b>62%</b>	<b>154,326.4</b>	<b>(231%)</b>

The month of March 2022 recorded an operating deficit of \$9.7 million. Approximately \$15.0 million is less than the revised budget of \$5.2 million and a year-to-date outturn of \$33.6 million ahead of the estimates. Year on year performance shows that the current period's performance exceeded the prior year by \$4.9 million, and YTD's outturn of \$87.4 million is \$154.4 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	(9,717.3)	5,241.0	(14,656.0)	(14,958.3)	(285%)	4,938.7	(34%)	87,448.8	53,827.5	(66,877.5)	33,621.4	62%	154,326.4	-231%
Less:														
Development Fund Expenditure	(1,908.1)	-	(2,300.6)	(1,908.1)	-	392.5	-	(22,227.8)	(27,126.8)	(25,302.1)	4,898.9	(18%)	3,074.3	(12%)
Debt Repayments	-	-	-	-	-	-	-	(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	(2,409.7)	-	(7,314.9)	(2,409.7)	-	4,905.2	(67%)	8,422.7	-	2,104.4	8,422.7	-	6,318.3	300%
<b>Net Cash Flow</b>	<b>(14,035.1)</b>	<b>5,241.0</b>	<b>(24,271.5)</b>	<b>(19,276.1)</b>	<b>(368%)</b>	<b>10,236.4</b>	<b>(42%)</b>	<b>73,999.0</b>	<b>26,198.9</b>	<b>(90,006.7)</b>	<b>47,800.1</b>	<b>182%</b>	<b>164,005.7</b>	<b>(182%)</b>

Comparatively, the outturn showed a \$10.2 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 \$195.7 million at the end of March. It represents a total net cash flow increase of \$74 million over the twelve-month period in the 2021-22 financial year. The results to date also reflect Development Fund Expenditure of \$22.3 million, debt servicing of \$0.5 million and bond inflows of \$0.9 million.



In March, revenue collection totaled \$45.1 million, an increase of \$22.5 million compared to the estimates and \$19.9 million over the one-year period. All major revenue heads have been performing near or exceeding their pre-COVID levels. Hotel & Restaurant Tax led this performance trend with a revenue intake of \$8.4 million, followed by Import Duty of \$8.2 million, Stamp Duty on Land Transactions \$6.2 million, Customs Processing Fee \$4.2 million and Work Permits of \$2.4 million. The top five revenue generating lines accounted for 65% of TCIG's revenue performance for the month of March. YTD actuals of \$398.1 million surpassed both budget and prior year by \$35 million & \$195.8 million respectively due to the tremendous performance in Stamp Duty on Land Transactions, Hotel & Restaurant Tax and Import Duty.

Expenditure for March was \$54.8 million, \$37.5 million above the projected amount, and \$15 million above the prior year's results. The overperformance in the month of March is mainly because of the 3rd Supplementary Appropriation. The estimates for the month of March was adjusted after the supplementary amount was enacted. This exercise reduced the profile for Personnel costs resulting in an over performance for the month. As expected, Personnel Costs was the highest expenditure totaling \$16.6 million This cost has doubled from the normal monthly cost due to journal prepared to transfer available funding of \$8.4 million to the pension fund. Transfers to NHIB totaled the usual \$2.7 million, Hospital Provisional Charges (\$2.2), Subventions (\$1.6m) and Rental of Assets of \$0.5 million. The top five expenditure lines accounted for 43% of total expenditure reported for the month of March.. Because of this, YTD actuals of \$310.6 million was above estimates and prior year by \$1.4 million and \$41.5 million respectively.

## REVENUE

**Recurrent Revenue: Month \$44.8 million, Year to Date \$396.2 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	8,150.6	5,698.5	4,942.1	2,452.2	3,208.5	77,660.0	73,433.3	43,520.3	4,226.7	34,139.7
Hotel & Restaurant Tax	8,434.9	5,579.4	3,247.7	2,855.5	5,187.2	86,212.0	80,169.5	20,025.3	6,042.5	66,186.7
Customs Processing Fee	4,202.6	2,849.2	2,568.7	1,353.3	1,633.9	39,392.5	36,829.5	22,301.9	2,563.0	17,090.5
Stamp Duty on Land Transactions	6,201.8	1,134.0	7,276.9	5,067.8	(1,075.1)	87,126.1	79,875.4	35,953.6	7,250.7	51,172.5
Work Permits	2,370.2	1,856.9	1,901.7	513.3	468.5	21,720.0	20,613.2	17,825.3	1,106.8	3,894.7
Fuel Tax	735.1	997.9	789.0	(262.8)	(53.9)	10,249.1	10,948.2	7,611.6	(699.1)	2,637.5
Other Revenues	14,694.0	4,407.2	4,425.8	10,286.9	10,268.3	73,846.9	59,376.8	48,414.3	14,470.2	25,432.6
<b>TOTAL RECURRENT REVENUE</b>	<b>44,789.3</b>	<b>22,523.1</b>	<b>25,151.9</b>	<b>22,266.2</b>	<b>19,637.4</b>	<b>396,206.7</b>	<b>361,245.9</b>	<b>195,652.5</b>	<b>34,960.8</b>	<b>200,554.2</b>

Recurrent Revenue for March totaled \$44.8 million against the Estimates of \$22.5 million. As a result, revenue collection exceeded estimates by \$22.3 million in the current period and the year-over-year estimate by \$19.6 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 65 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 March totaled \$6.2 million compared to a budget of \$1.1 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 \$87.1 million which surpassed both budget and prior year results by \$7.3 million and \$51.2 million, respectively, showing the highest intake for Stamp Duty in recent years. This positive variance in collections is due to \$4.3 million collected from all applications that attract Stamp Duty (including Transfers, Charges and Leases) for the month of January, \$8.5 million collected in February. In addition, in the month of February there were a total of 121 transactions that attracted stamp, which is an approximate 40% increase from the previous month. The total stamp duty received was approximately \$9.9 million. However, of the 121 transactions approximately 20 % were high value transactions (i.e. consideration greater than \$1M) attracting stamp duty greater than \$100,000 and accounted for approximately 80% of the total stamp duty collected. During the month of March, there were a total 118 transactions that attracted stamp duty; three

of them were above \$5 million up to \$10 million, fifteen were above \$1 million, but within \$5 million range and one hundred up to \$1 million.

### **Hotel & Restaurant Tax:**

For March, Hotel & Restaurant Tax (HRT) receipts totaled \$8.4 million; the top revenue performer for the month. The current month actuals exceeded both estimates and prior year receipts by \$2.9 million and \$5.2 million, respectively. This revenue head accounts for 19% of revenue collected for the month and has shown the highest results in revenue collection. 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 \$86.2 million collected. The revenue collection has exceeded that of the prior year by \$66.2 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 to date. Together with the continued relaxed measures, HRT is expected to increase even further as TCI expects the continued uptick in tourist arrivals in the summer months.

### **Import Duties:**

Import Duties collected for March totaled \$8.2 million, \$2.4 million higher than budget and \$3.2 million higher than the prior year's receipts of \$5 million. These results were expected as high volume of goods are being imported and the imported inflation. Year-to-date actuals of \$77.7 million outpaced the preceding year by \$34.1 million and \$4.2 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 March, Customs Processing Fees (CPF) totaled \$4.2 million, \$1.6 million above the prior year's results and \$1.4 million above budget. The increase in CPF correlates with Import Duties activity over the year. As a result, year to date, actuals totaled \$39.4 million. This result was up by \$17.1 million when compared to prior year receipts of \$22.3 million and \$2.7 million against the budget. Domestic Food (\$8.6 million)

was the largest contributor to processing fee by commodity, accounting for 22% of the year CPF costs. Increases in this CPF category can be attributed to high occupancy level in hotel and dining enterprises. In addition, CPF is charged equally on all imported commodity, therefore is a strong indicator of sectoral activities in the economy. As a result, by importer, Utilities/Fuel7 (\$7.8 million) contributed the largest share of CPF (20%). Along with importers in the Construction (\$5.5 million), Supermarkets (\$5.1 million), Resorts (\$5.0 million) and Electrical (\$4.7 million) industries, these category of importers contributed 71% of CPF collected and represented the strongest performing sectors in 2021-22 fiscal year.

### Work Permits:

Receipts from Work Permits totaled \$2.4 million for March and accounted for 5% of total revenue collected. These results were above the budget and above prior-year results by \$0.5 million. Year to date actuals totaled \$21.7 million compared to a budget of \$20.6 million and was above prior year results by \$3.9 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 in the new financial year as the Cruise Port and the hotels are now fully open and accommodating tourist arrivals.

### Fuel Tax:

For the month of March, fuel tax receipts were \$0.7 million, a decrease of \$0.3 million when compared to budget and \$0.05 million above the prior year's outturn. Revenue collected from Fuel Tax only accounted for 2% of total income but has shown optimistic outturn to date where YTD actuals of \$10.3 million was favorable as the results surpassed prior results by \$2.6 million while being down \$0.7 million when compared to budget.

### Other Revenue: *Month \$14.7 million, Year to date \$73.8 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	699.9	807.0	576.5	(107.1)	123.3	3,486.2	3,439.5	2,676.3	46.7	809.9
Communication Tax	451.3	333.2	362.6	118.1	88.7	5,124.4	4,393.9	4,141.8	730.5	982.6
Gaming Machine Tax	470.4	268.5	144.4	201.9	326.0	5,162.5	4,977.6	1,693.6	184.9	3,468.9
Seaport Departure Tax	351.0	-	-	351.0	351.0	846.0	-	73.1	846.0	772.9
Telecommunication Licences	326.1	407.9	364.6	(81.7)	(38.4)	2,870.5	3,399.8	2,437.7	(529.3)	432.8
Overtime Costs Recovered	334.7	294.6	175.5	40.1	159.2	3,077.6	2,461.5	1,353.0	616.1	1,724.6
Vehicle Licence Renewals	343.0	299.9	271.0	43.1	72.1	4,656.1	4,283.1	4,040.9	373.0	615.2
Permanent Residency Fees	253.8	150.0	180.1	103.8	73.6	2,784.2	2,120.0	1,448.8	664.2	1,335.4
Excess Revenue	6,210.9	153.5	650.4	6,057.4	5,560.5	17,393.0	12,640.1	15,110.6	4,752.9	2,282.4
Other Revenues	5,252.9	1,692.5	1,700.6	3,560.4	3,552.3	28,446.4	21,661.3	15,438.5	6,785.1	13,008.0
<b>TOTAL OTHER REVENUE</b>	<b>14,694.0</b>	<b>4,407.2</b>	<b>4,425.8</b>	<b>10,286.9</b>	<b>10,268.3</b>	<b>73,846.9</b>	<b>59,376.8</b>	<b>48,414.3</b>	<b>14,470.2</b>	<b>25,432.6</b>

Other Revenues for the month of March totaled \$14.7 million, which was above both budget and prior year results by \$10.3 million. The top performing heads consist mainly of \$6.2 million in Excess Revenue, \$6 million of which received from TCI Airport Authority, \$0.7 million in Business License renewals, \$0.4 million in Communication Tax and \$0.5 million in Gaming Machine which all accounted for 53% of the other revenues collected by TCIG for the period. Year to date actuals of \$73.8 million were above both estimates and prior year by \$14.5 million and \$25.4 million, respectively due to the overperformance in all the revenue heads to date.

**Non-Recurrent Revenue: Month \$0.3 million, Year to date \$1.9 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	242.1	31.4	21.8	210.7	220.4	1,435.4	835.9	438.7	599.5	996.7
Revenue From Grants	65.2	3.0	34.0	62.2	31.2	444.7	994.8	6,201.9	(550.1)	(5,757.2)
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-RECURRENT REVENUE</b>	<b>307.3</b>	<b>34.4</b>	<b>55.8</b>	<b>272.9</b>	<b>251.6</b>	<b>1,880.1</b>	<b>1,830.7</b>	<b>6,640.6</b>	<b>49.4</b>	<b>(4,760.5)</b>

For the month of March, revenue collection was above estimates by \$0.27 million due to over performance in both Land Sales and revenue from grants. YTD actuals followed same trend where total collection of \$1.9 million exceeded budget by \$0.05 million whilst being down \$4.8 million when compared to prior year outturn.

**EXPENDITURE**

**Recurrent Expenditure: Month \$45.6 million, Year to Date \$281.5 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	16,583.6	(2,573.1)	9,553.6	(19,156.7)	(7,030.0)	108,633.1	96,545.5	97,103.3	(12,087.6)	(11,529.8)
Transfers to NHIB	2,716.9	2,691.2	997.5	(25.7)	(1,719.4)	32,534.4	32,534.4	31,480.7	-	(1,053.7)
Hospital Provisional Charges	2,161.0	1,764.3	1,735.0	(396.7)	(426.0)	23,841.0	23,843.5	22,137.4	2.5	(1,703.6)
Subventions	1,647.1	1,622.2	1,123.4	(24.9)	(523.7)	21,533.0	22,361.9	14,928.1	828.9	(6,604.9)
Rental of Assets	526.3	294.3	96.0	(232.1)	(430.4)	5,422.2	5,673.1	5,165.2	250.9	(257.0)
Other Expenses	21,959.3	3,191.9	24,191.5	(18,767.5)	2,232.2	89,498.3	93,454.7	85,662.8	3,956.4	(3,835.5)
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>45,594.2</b>	<b>6,990.7</b>	<b>37,696.9</b>	<b>(38,603.5)</b>	<b>(7,897.3)</b>	<b>281,462.1</b>	<b>274,413.2</b>	<b>256,477.6</b>	<b>(7,048.8)</b>	<b>(24,984.5)</b>

Recurrent expenditure for the month of March totaled \$45.6 million. The results were above estimates and above prior year by \$38.6 million and \$7.9 million respectively mainly due from the effects of the 3<sup>rd</sup> Supplementary Bill and adjustments made for the upcoming pension plan.

Personnel Costs accounted for 30% of the total expenditure, totaling \$16.6 million, where \$8.2 million contributed to actual PE costs, and the remaining \$8.4 million is due to adjustments made to the pension fund. As a result, actual expenditure was above budget and prior year results by \$19.2 million and \$7 million respectively due to Supplementary Appropriation. 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 up by \$1.7 million when compared to prior year results.

Hospital provisional charges totaled \$2.2 million, approximately \$0.4 million, above estimates and prior year results. The overall variance to budget is mainly due to timing differences between profiled and actual expenditure. YTD actual expenditure of \$23.8 million was slightly below budget by \$2.5 thousand.

Subvention performance of \$1.6 million was \$0.02 million above the Estimates and \$0.5 million when compared to prior year results. Despite the overage in the month of March, YTD actuals of \$21.5 million is within the revised estimates resulting in an underperformance of \$0.8 million. This variance was heavily impacted by the underperformance in Subvention to FIA, Civil Aviation Authority, Health Profession Authority and Health Regulations Authority. In addition, \$0.3 million budgeted for Development Finance Subvention, but no actuals were reported as at March 31, 2022.

**Other Recurrent Expenditure: Month \$22 million, Year to date \$89.5 million**

OTHER RECURRENT EXPENDITURE	Month					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	2,116.3	(88.9)	1,686.4	(2,205.2)	(430.0)	12,930.1	14,474.8	12,338.4	1,544.7	(591.7)
Maintenance Expenses	1,981.1	769.5	1,352.8	(1,211.6)	(628.3)	10,944.0	11,155.4	10,229.7	211.4	(714.3)
Professional and Consultancy Services	1,437.4	(1,033.4)	1,747.5	(2,470.8)	310.1	4,055.0	5,015.8	5,065.1	960.8	1,010.1
Grants and Contributions	5,882.0	1,046.0	13,627.6	(4,836.0)	7,745.6	18,367.6	21,322.7	30,828.1	2,955.1	12,460.6
Utilities	725.7	161.8	297.3	(563.9)	(428.4)	3,869.2	4,297.4	3,263.7	428.2	(605.5)
Other Recurrent Expenditure	9,816.8	2,336.7	5,479.9	(7,480.1)	(4,336.9)	39,332.5	37,188.6	23,937.8	(2,143.8)	(15,394.6)
<b>TOTAL OTHER RECURRENT EXPENDITURE</b>	<b>21,959.3</b>	<b>3,191.9</b>	<b>24,191.5</b>	<b>(18,767.5)</b>	<b>2,232.2</b>	<b>89,498.3</b>	<b>93,454.7</b>	<b>85,662.8</b>	<b>3,956.4</b>	<b>(3,835.5)</b>

Actual expenditure for the month totaled \$22 million, which was above estimates by \$18.8 million and down by \$2.2 million when compared to prior year results. The revised budget was reduced as a number of virements were processed in the month of March which resulted in changes in the profile. Despite the overage in the month's results, year to date actuals of \$89.5 million were below estimates by \$4 million and up \$3.8 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.

## Non-Recurrent Expenditure: Month \$9.2 million, Year to date \$29.2 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	7,915.0	7,610.0	108.5	(305.0)	(7,806.5)	19,672.8	21,551.9	120.8	1,879.1	(19,552.0)
SIPT	310.2	639.2	390.1	328.9	79.9	3,269.8	3,610.0	2,194.1	340.2	(1,075.6)
Civil Recovery	85.2	0.4	128.7	(84.8)	43.6	701.0	700.4	1,015.0	(0.6)	314.0
Covid-19 Expense	909.4	1,537.2	1,539.5	627.8	630.0	5,511.6	7,459.1	9,241.0	1,947.5	3,729.4
Contingency	-	449.2	-	449.2	-	-	1,324.5	-	1,324.5	-
Interest	-	89.9	-	89.9	-	20.9	190.0	122.1	169.1	101.2
<b>TOTAL NON-RECURRENT</b>	<b>9,219.8</b>	<b>10,325.8</b>	<b>2,166.8</b>	<b>1,106.0</b>	<b>(7,053.0)</b>	<b>29,176.1</b>	<b>34,835.9</b>	<b>12,693.0</b>	<b>5,659.9</b>	<b>(16,483.0)</b>

Non-Recurrent Expenditure results for March totaled \$9.2 million, reporting below estimates of \$10.3 million. The \$1.1 million variance was due to an underspend in SIPT and COVID related expenses. Both were below budget by \$0.3 million and \$0.6 million respectively. YTD actuals of \$29.2 million were also below estimates by \$5.7 million and up by \$16.5 million when compared to prior year results.

## PUBLIC DEBT

Public Debt	Opening	March 31, 2022	
	1-Apr-21	Principal Repayment	Outstanding Principal
Debt Type	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	838.8	(308.4)	530.4
<b>Total Outstanding Public Debt</b>	<b>838.8</b>	<b>(308.4)</b>	<b>530.4</b>

TCIG's outstanding debt as of March 31, 2022, was \$0.5 million. Total principal debt repayment for the year was \$0.3 million, while total finance costs were \$20.9 thousand.

## HUMAN RESOURCE MANAGEMENT

### Employees

There were 1,859 people employed by TCIG at the end of March 2022 consisting of 272 waged employees as well as 1,587 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force.

### Pensioners

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

## 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 to \$1.9 million for the month of March resulting in year to date spending of \$22.2 million. In the month of March, \$1.8 million was spent on construction and renovation of government buildings and structures, \$0.09 million on purchase of Machinery and specialist equipment, \$0.02 million on Purchase of office furniture and \$0.004 million on all service payments. Year to date actual expenditure of \$22.2 million was below budget and prior year outturn by \$4.9 million and \$3.1 million respectively and was spend on the following categories:

### CAPITAL EXPENDITURE

Description	Actual Expenditure as at March 31, 2022
	<i>(Figures in US'00)</i>
All service Payments	286.9
Construction of Major Roads	1,461.9
Construction & Renovation of Government Buildings	14,556.6
Consultancy Services	315.6
Purchase of Machinery	1,750.9
Purchase of Office Furniture	1,179.6
Purchase of Specialist Equipment	2,364.3
Purchase of Transport Equipment	311.9
<b>TOTAL</b>	<b>22,227.8</b>

## NATIONAL WEALTH FUND (NWF)

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

## NATIONAL FORFEITURE FUND (NFF)

The National Forfeiture Fund had a balance of \$7.3 million as of March 31, 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 non-budgetary 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 \$8.4 million for the month. In addition, revenue from both Import duty and Stamp Duty on land transactions were major contributors (51%) 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 the close of the year 2021-22. This result was up by \$35 million when compared to budget and \$195.8 million from the prior year's turnout.

Despite the continued uncertainty of the impending pandemic, the surge in revenue generation anticipated to continue in the new financial year as majority of the COVID restrictions will be lifted in the ensuing months. Additionally, due to global inflation, expenses are forecasted to increase in the subsequent months and the Government of the TCI has enacted fiscal policy in an effort to aid in economic relief. Expenditure was not only unfavourable in the current period's outlay, but also at end of the financial year 2021-22 owing to both Supplementary Appropriation Bill and the increased in expenditure in the month of March.

The country is now fully open for and the Government continues to implement new measures to alleviate risks as we are susceptible to challenges within the global environment. Subsequently, Cash flow management will remain an urgent obligation for TCIG. In addition to providing value for money and effective and efficient public services, active monitoring of 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.