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# GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



MAY 2022

# FINANCIAL REPORT

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## KEY POINTS

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- ❖ *The Estimates of Revenue and Expenditure (the Estimates) for FY 2022-23 were approved in HOA on May 5, 2022, as a result;*
  - ❖ *The monthly Financial Report for May 2022 shows the performance against Estimates as well as the prior year's performance.*
  - ❖ *The net operating surplus as at the end of May 2022 totaled \$37.8 million.*
  - ❖ *Development Fund Expenditure for the month totaled \$2.4 million.*
  - ❖ *Outstanding Public Debt stood at \$0.5 million after principal repayments of \$0.023 million in new FY 2022-23.*
  - ❖ *The underlying cash balance increased by \$47.6 million bringing Cash and Cash equivalents to a total of \$243.3 million at the end of May 2022.*
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## OVERVIEW

This financial report presents a summary of the results of the operations of the Turks & Caicos Islands Government for the month of May 2022. The Turks & Caicos Islands Government has start the financial year off on a moderate footing with increased cash flow, strong employment growth and high levels of infrastructure investment. 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 sector.

The Estimates of Revenue and Expenditure (*the “Estimates”*) for the financial year 2022-23 were initially approved in the House of Assembly on May 5th, 2022 and came into effect on May 6th 2022. As a result, estimates for this report is now reflective of the Original Appropriation instead of the Provisional Budget in the previous month report.

The month of May recorded a operating surplus of \$8.2 million. The surplus have contributed positively to our cash flows leading to an overall increase in the cash position by over \$37.8 million to \$235.5 million.

## OPERATING BALANCE

### Net Operating Surplus: Month \$8.2million, Year to Date \$37.8 million

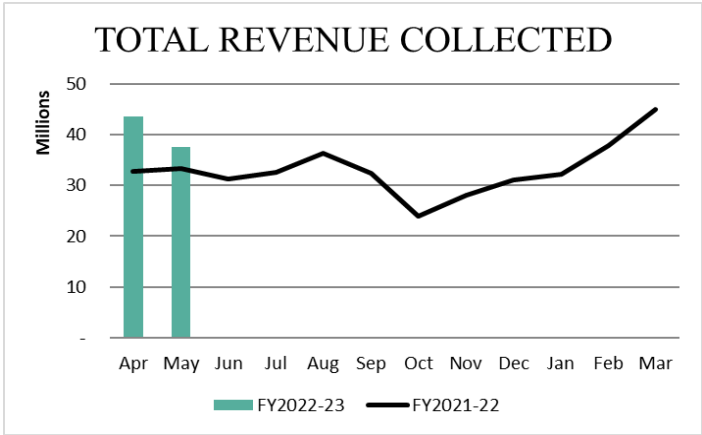
	Month			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	36,194.5	30,057.7	34,342.0	6,136.8	-	1,852.6	5%	79,077.9	68,168.1	67,144.1	10,909.8	-	11,933.8	18%
Recurrent Expenditure	28,482.3	30,257.3	18,056.5	1,775.0	6%	(10,425.8)	(58%)	42,161.5	56,245.3	37,400.0	14,083.8	25%	(4,761.5)	(13%)
<b>Net Recurrent Surplus</b>	<b>7,712.3</b>	<b>(199.6)</b>	<b>16,285.5</b>	<b>7,911.8</b>	<b>(3964%)</b>	<b>(8,573.2)</b>	<b>(53%)</b>	<b>36,916.4</b>	<b>11,922.8</b>	<b>29,744.1</b>	<b>24,993.6</b>	<b>210%</b>	<b>7,172.3</b>	<b>24%</b>
Non-Recurrent Revenue	1,367.2	156.2	.0	1,211.0	-	1,367.2	4557167%	2,435.4	1,169.8	.0	1,265.6	-	2,435.3	6088330%
Non-Recurrent Expenditure	849.8	5,432.8	1,480.9	4,583.0	84%	631.1	43%	1,552.3	6,628.6	1,819.4	5,076.3	77%	267.1	15%
<b>Net Operating Balance</b>	<b>8,229.6</b>	<b>(5,476.2)</b>	<b>14,804.6</b>	<b>13,705.8</b>	<b>(250%)</b>	<b>(6,575.0)</b>	<b>(44%)</b>	<b>37,799.4</b>	<b>6,464.0</b>	<b>27,924.8</b>	<b>31,335.4</b>	<b>485%</b>	<b>9,874.7</b>	<b>35%</b>

The month of May 2022 recorded an operating surplus of \$8.2 million. Approximately \$13.7 million is more than the budget of negative \$5.5 million and a year-to-date outturn of \$31.3 million ahead of the estimates. Year on year performance shows that the current period's performance exceeded the prior year by \$6.6 million, and YTD's outturn of \$37.8 million is \$9.9 million greater than the preceding year's performance.

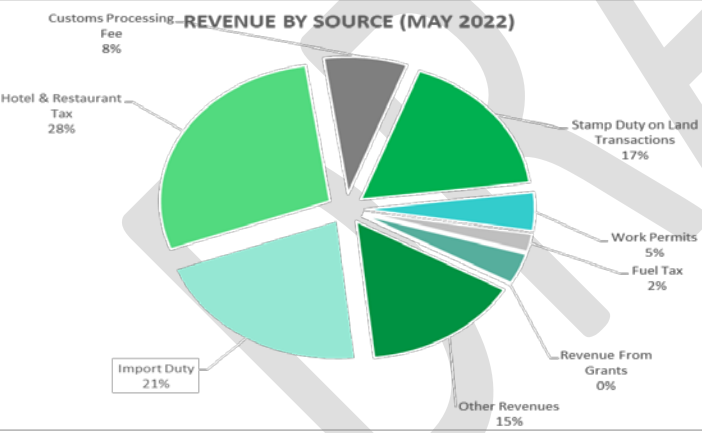
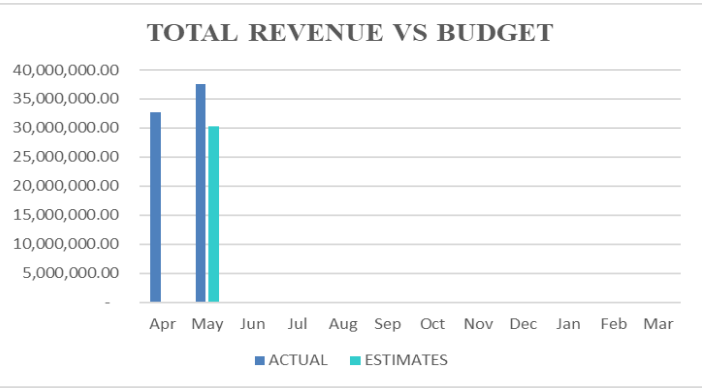
## CASH FLOW

	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	8,229.6	(5,476.2)	14,804.6	13,705.8	(250%)	(6,575.0)	(44%)	37,799.4	6,464.0	27,924.8	31,335.4	485%	9,874.7	35%
Less:														
Development Fund Expenditure	(2,438.1)	-	(1,128.9)	(2,438.1)	-	(1,309.2)	-	(2,496.2)	-	(2,242.4)	(2,496.2)	-	(253.8)	-
Debt Repayments	-	-	-	-	-	-	-	(23.6)	(23.6)	(608.7)	-	-	585.1	(96%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	(21.6)	-	-	21.6	-	-	-	(21.6)	-	-	21.6	-
Transfers from/(to) NWF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net receipts/(payments) of public accour	2,464.3	-	(7,838.5)	2,464.3	-	10,302.7	(131%)	12,305.9	-	(3,554.6)	12,305.9	-	15,860.6	(446%)
<b>Net Cash Flow</b>	<b>8,255.8</b>	<b>(5,476.2)</b>	<b>5,815.6</b>	<b>13,732.0</b>	<b>(251%)</b>	<b>2,440.1</b>	<b>42%</b>	<b>47,585.7</b>	<b>6,440.5</b>	<b>21,497.4</b>	<b>41,145.2</b>	<b>639%</b>	<b>26,088.2</b>	<b>121%</b>

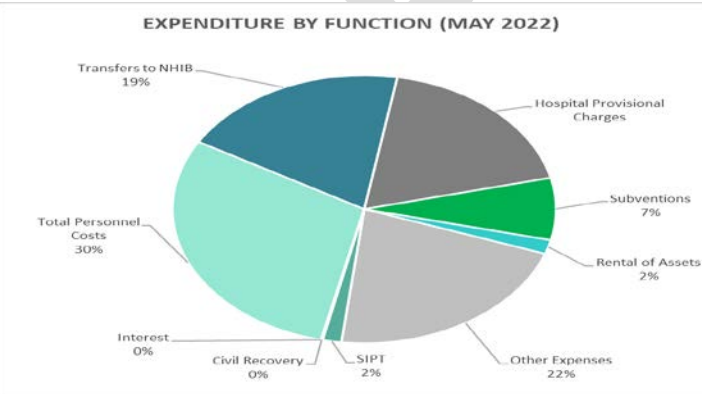
Comparatively, the outturn showed a \$2.4 million increase against the same period last year. As a result, Cash and Cash Equivalents increased from \$195.7 million at the beginning of the financial year to \$243.3 million at the end of May. It represents a total net cash flow increase of \$47.6 million over the two month period in the 2022-23 financial year. The results to date also reflect Development Fund Expenditure of \$2.5 million and debt servicing of \$0.023 million.



In May, revenue collection totaled \$37.6 million, an increase of \$7.3 million when compared to the estimates and \$3.2 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 \$10.7 million, followed by Import Duty of \$7.9 million, Stamp Duty on Land Transactions \$6.5 million, Customs Processing Fee \$3 million and Work Permits of \$1.7 million. The top five revenue generating lines accounted for 75% of TCIG's revenue performance for the month of May. YTD actuals of \$81.5 million surpassed both budget and prior year by \$12.2 million & \$14.4 million respectively due to the outstanding performance in Restaurant Tax and Import Duty.



\$29.3 million was expended during the month of May. These results was down by \$6.4 million when compared to the estimates and \$9.8 million above the prior year's results. The underformance for the month is mainly due to the budget profiling. Significant variance to the budget is mainly seen in "other expenditure" where the accounts were underspend by 42% when compared to estimates for the one month period. In addition, variances is seen in PE costs which is mainly due to current vacancies throughout TCIG. As expected, Personnel Costs was the highest expenditure for the month totaling \$8.6 million, Transfers to NHIB totaled \$5.6 million and Hospital Charges of \$5.3 million was reported for the month. That alone respresented 67% of actual expenditure for the month of May.



## REVENUE

**Recurrent Revenue: Month \$36.2 million, Year to Date \$79.1 million**

RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Import Duty	7,878.0	5,724.9	5,979.7	2,153.0	1,898.3	15,439.9	11,449.9	10,724.1	3,990.0	4,715.8
Hotel & Restaurant Tax	10,664.3	6,387.7	5,991.9	4,276.6	4,672.3	22,821.2	18,403.7	11,620.4	4,417.5	11,200.8
Customs Processing Fee	2,970.8	2,020.1	3,066.0	950.7	(95.2)	5,986.0	4,040.1	5,483.5	1,945.8	502.5
Stamp Duty on Land Transactions	6,537.3	8,422.0	13,041.6	(1,884.6)	(6,504.3)	13,464.8	14,143.5	22,767.5	(678.7)	(9,302.7)
Work Permits	1,700.9	1,827.3	1,156.4	(126.3)	544.6	3,328.9	3,654.6	3,023.7	(325.7)	305.3
Fuel Tax	787.8	628.0	938.9	159.8	(151.1)	1,602.0	1,240.6	1,816.6	361.4	(214.5)
Other Revenues	5,655.5	5,047.7	4,167.5	607.8	1,488.0	16,435.2	15,235.7	11,708.5	1,199.4	4,726.7
<b>TOTAL RECURRENT REVENUE</b>	<b>36,194.5</b>	<b>30,057.7</b>	<b>34,342.0</b>	<b>6,136.8</b>	<b>1,852.6</b>	<b>79,077.9</b>	<b>68,168.1</b>	<b>67,144.1</b>	<b>10,909.8</b>	<b>11,933.8</b>

Recurrent Revenue for May totaled \$36.2 million against the Estimates of \$30.1 million. As a result, revenue collection exceeded estimates by \$6.1 million in the current period and the year-over-year estimate by \$10.9 million. Comparatively, the results show significant improvement in collection from Import Duty, Hotel and Restaurant Tax, and Customs Processing Fee on a year to year basis. Collectively they accounted for approximately 55 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 May totaled \$6.5 million compared to a budget of \$8.4 million. As a result, a \$1.9 million variance was reported due to the underperformance for the month. Revenue collected from Stamp Duty has shown a promising trend since the beginning of last financial year due to many high-value transactions leading up to YTD actuals of \$13.5 million in the new financial year. This result is slightly under budget by \$0.7 million and prior year results by \$9.3 million. Despite the underperformance for the month, revenue collection from Stamp Duty had a few high value transactions during the month of May leading up to the actuals to date. This results collected from all applications that attract Stamp Duty (including Transfers, Charges and Leases). For the month of May, there were a total of 104 transactions that attracted stamp duty. Out of the 104 transactions approximately 21 % (22) were high value transactions (i.e. consideration greater than \$1M) . In addition, the remaining 82 (79%) were transactions in the range of one hundred up to \$1 million.

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

For May Hotel & Restaurant Tax (HRT) receipts totaled \$10.7 million; the top revenue performer for the month. The current month actuals exceeded both estimates and prior year receipts by \$4.3 million and \$4.8 million, respectively. This revenue head accounts for 28% 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 last; the summer and winter months showed unprecedented performance leading up to the same trend in this financial year. As a result, YTD of \$22.8 million collected. The revenue collection has exceeded that of the prior year by \$11.2 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 May totaled \$7.9 million, \$2.2 million higher than budget and \$1.9 million higher than the prior year's receipts of \$6 million. These results were expected as high volume of goods are being imported and the imported inflation. Year-to-date actuals of \$15.4 million outpaced the preceding year by \$4.7 million and \$4 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 May, Customs Processing Fees (CPF) totaled \$3 million, \$0.09 million below the prior year's results and \$0.9 million above budget. The increase in CPF correlates with Import Duties activity over the year. As a result, year to date, actuals totaled \$6 million. This result was up by \$0.5 million when compared to prior year receipts of \$5.5 million and \$1.9 million against the budget. Fuel (\$0.8 million) was the largest contributor to processing fee by commodity, accounting for 25% 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/Fuel (\$0.9 million) contributed the largest share of CPF (28%). CPF on consumable such as Domestic Food decreased by 9%. There is a 4% increase in motor vehicles sector when compared to prior year's outturn. This is possibly attributable to the new effect of the new policy to import newer models by extension higher value vehicles.

### Work Permits:

Receipts from Work Permits totaled \$1.7 million for May and accounted for 5% of total revenue collected. These results were below the budget by \$0.1 million and above prior-year results by \$0.5 million. Year to date actuals totaled \$3.3 million compared to a budget of \$3.7 million and was above prior year results by \$0.3 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 May, fuel tax receipts were \$0.8 million, an increase of \$0.2 million when compared to budget and \$0.2 million decrease when compared to 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 \$1.6 million was favorable as the results surpassed budget by \$0.4 million while being down \$0.2 million when compared to prior year results.

### Other Revenue: *Month \$5.7 million, Year to date \$16.4 million*

OTHER REVENUE <small>In USD thousands of dollars</small>	Month			Monthly Variance		Year to Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Business Licence renewal	511.8	359.1	419.2	152.7	92.6	1,702.2	1,623.6	1,645.9	78.6	56.4
Communication Tax	314.4	454.4	430.3	(140.0)	(115.9)	748.6	888.7	817.8	(140.0)	(69.1)
Gaming Machine Tax	406.5	326.7	568.9	79.9	(162.3)	833.9	754.0	879.2	79.8	(45.3)
Seaport Departure Tax	406.0	212.7	-	193.3	406.0	965.8	772.5	-	193.3	965.8
Telecommunication Licences	332.1	341.4	234.6	(9.3)	97.5	673.5	513.2	343.9	160.3	329.6
Overtime Costs Recovered	386.7	252.3	361.6	134.4	25.1	587.5	326.3	469.8	261.2	117.7
Vehicle Licence Renewals	276.5	256.3	257.6	20.2	18.9	502.8	256.3	538.3	246.5	(35.4)
Permanent Residency Fees	247.7	177.8	193.1	69.9	54.6	425.7	177.8	282.5	248.0	143.2
Excess Revenue	0.4	250.0	0.4	(249.6)	(0.1)	5,369.8	5,787.1	3,295.9	(417.2)	2,073.9
Other Revenues	2,773.5	2,417.1	1,701.8	356.4	1,071.6	4,625.3	4,136.3	3,435.3	489.1	1,190.0
<b>TOTAL OTHER REVENUE</b>	<b>5,655.5</b>	<b>5,047.7</b>	<b>4,167.5</b>	<b>607.8</b>	<b>1,488.0</b>	<b>16,435.2</b>	<b>15,235.7</b>	<b>11,708.5</b>	<b>1,199.4</b>	<b>4,726.7</b>

Other Revenues for the month of May totaled \$5.7 million, which was above both budget and prior year results by \$0.6 million and \$1.5 million respectively. The top performing heads consist mainly of \$0.5 million in Business License renewals, \$0.4 million in Gaming and Seaport Departure Tax and Overtime Cost Recovered and \$0.3 million from both Communication Tax and Telecommunication Licenses. All revenue heads accounted for 42% of the other revenues collected by TCIG for the period. Year to date actuals of \$16.4 million were above both estimates and prior year by \$1.2 million and \$4.7 million, respectively due to the overperformance in all the revenue heads to date.

**Non-Recurrent Revenue: Month \$1.4 million, Year to date \$2.4 million**

NON-RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Civil Recovery Income	-	-	-	-	-	-	-	-	-	-
Land Sales	1,367.2	156.0	-	1,211.2	1,367.2	1,367.2	156.0	-	1,211.2	1,367.2
Revenue From Grants	0.0	0.2	0.0	(0.2)	-	1,068.2	1,013.8	0.0	54.4	1,068.2
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-RECURRENT REVENUE</b>	<b>1,367.2</b>	<b>156.2</b>	<b>0.0</b>	<b>1,211.0</b>	<b>1,367.2</b>	<b>2,435.4</b>	<b>1,169.8</b>	<b>0.0</b>	<b>1,265.6</b>	<b>2,435.3</b>

For the month of May, revenue collection was above estimates by \$1.2 million due to over performance in Land Sales. YTD actuals followed same trend where total collection of \$2.4 million exceeded both budget and prior year outturn by \$1.3 million and \$2.4 million respectively.

**EXPENDITURE**

**Recurrent Expenditure: Month \$28.5 million, Year to Date \$42.2 million**

RECURRENT EXPENDITURE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total Personnel Costs	8,628.3	10,391.2	8,212.4	1,763.0	(415.8)	17,221.0	19,905.0	16,136.5	2,683.9	(1,084.5)
Transfers to NHIB	5,615.3	2,898.9	2,705.7	(2,716.3)	(2,909.5)	5,615.3	5,610.1	5,477.0	(5.1)	(138.3)
Hospital Provisional Charges	5,349.1	3,473.6	1,967.9	(1,875.6)	(3,381.3)	5,929.2	5,505.8	4,782.0	(423.4)	(1,147.1)
Subventions	2,170.1	2,203.8	1,088.0	33.7	(1,082.1)	4,039.0	4,077.2	2,579.0	38.2	(1,460.0)
Rental of Assets	490.0	539.5	776.7	49.5	286.7	900.9	1,069.0	892.8	168.2	(8.1)
Other Expenses	6,229.6	10,750.2	3,305.8	4,520.6	(2,923.8)	8,456.2	20,078.2	7,532.7	11,622.0	(923.5)
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>28,482.3</b>	<b>30,257.3</b>	<b>18,056.5</b>	<b>1,775.0</b>	<b>(10,425.8)</b>	<b>42,161.5</b>	<b>56,245.3</b>	<b>37,400.0</b>	<b>14,083.8</b>	<b>(4,761.5)</b>

Recurrent expenditure for the month of May totaled \$28.5 million. The results were below estimates by \$1.8 million while being up by \$10.4 million when compared to prior year results. The underperformance came from PE costs where a number of vacancies still exist throughout TCIG and should be filled throughout the ensuing months.

Personnel Costs accounted for 29% of the total expenditure, totaling \$8.6 million, compared to estimates of \$10.4 million. As a result, a positive variance of \$1.8 million was recorded. This results consist of

Salaries, Wages, allowances along with pension and gratuity costs for the month. Transfers to NHIB totaled \$5.6 million and reported over budget by \$2.7 million due to payment made for both April and May in the current month. This result was up by \$2.9 million when compared to prior year results.

Hospital provisional charges totaled \$5.3 million, approximately above estimates and prior year results by \$1.9 million and \$3.4 million respectively. Current month actuals were above budget due to payment made for both April and May. As a result, YTD actual expenditure of \$5.9 million was over budget by \$0.4 million for the month.

Subvention performance of \$2.2 million was \$0.03 million below the Estimates and \$1.1million when compared to prior year results. The monthly variance is heavily impacted by the underperformance in Health Profession Authority and Health Regulations Authority. In addition, budget allocation for Development Finance Subvention and Destinateion Management Organization included, but no actuals were reported as at May 31, 2022.

**Other Recurrent Expenditure: Month \$6.2 million, Year to date \$8.5 million**

OTHER RECURRENT EXPENDITURE	Month					Year to Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Expenses	971.3	1,496.1	767.0	524.9	(204.3)	1,471.3	2,794.5	984.4	1,323.2	(486.8)
Maintenance Expenses	777.6	1,121.2	237.6	343.5	(540.0)	939.7	2,146.2	942.0	1,206.5	2.4
Professional and Consultancy Services	333.3	1,212.3	138.4	879.0	(194.9)	531.5	1,915.1	790.9	1,383.7	259.4
Grants and Contributions	393.6	923.9	326.0	530.3	(67.6)	538.4	2,211.0	940.0	1,672.7	401.7
Utilities	370.0	414.0	249.3	44.0	(120.7)	502.8	797.9	445.1	295.1	(57.7)
Other Recurrent Expenditure	3,383.8	5,582.6	1,587.5	2,198.8	(1,796.3)	4,472.6	10,213.5	3,430.2	5,740.9	(1,042.4)
<b>TOTAL OTHER RECURRENT EXPENDITURE</b>	<b>6,229.6</b>	<b>10,750.2</b>	<b>3,305.8</b>	<b>4,520.6</b>	<b>(2,923.8)</b>	<b>8,456.2</b>	<b>20,078.2</b>	<b>7,532.7</b>	<b>11,622.0</b>	<b>(923.5)</b>

All major heads were below the estimates for the month of May resulting in an underperformance of \$4.5 million when compared to budget respectively. This positive variance mainly is due from budget profiling and is expected to normalize in the ensiong months. Year to date actuals of \$8.5 million is showing the same trend as the current month where a positive variance of \$11.6 million recorded due to underperformance in all the accounts.

**Non-Recurrent Expenditure: Month \$0.8 million, Year to date \$1.6 million**

NON-RECURRENT EXPENDITURE	Month					Year To Date			Year to Date Variance	
	Actual	Budget	Last Year	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Statutory Land Acquisitions	-	2,437.5	-	2,437.5	-	99.2	2,687.5	-	2,588.3	(99.2)
SIPT	458.8	2,326.8	589.5	1,868.0	130.7	795.5	2,667.5	589.5	1,872.0	(206.0)
Civil Recovery	34.1	180.0	-	145.9	(34.1)	109.5	280.0	181.4	170.5	71.9
Covid-19 Expense	357.0	487.2	891.4	130.2	534.4	544.7	755.7	1,038.7	211.0	493.9
Contingency	-	-	-	-	-	-	220.7	-	220.7	-
Interest	-	1.3	-	1.3	-	3.4	17.1	9.8	13.7	6.5
<b>TOTAL NON-RECURRENT</b>	<b>849.8</b>	<b>5,432.8</b>	<b>1,480.9</b>	<b>4,583.0</b>	<b>631.1</b>	<b>1,552.3</b>	<b>6,628.6</b>	<b>1,819.4</b>	<b>5,076.3</b>	<b>267.1</b>

Non-Recurrent Expenditure results for May totaled \$0.8 million, reporting below estimates of \$5.4 million for the month. The \$4.6 million variance was due to an underspend in SIPT, COVID related expenses and Civil Recovery as actuals were not in line with expectations for the month. YTD actuals of \$1.6 million were also below estimates by \$5.1 million while being up by \$0.3 million when compared to prior year results.

## PUBLIC DEBT

Public Debt Debt Type	Opening	May 31, 2022	
	1-Apr-22	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	530.4	23.6	506.8
<b>Total Outstanding Public Debt</b>	<b>530.4</b>	<b>23.6</b>	<b>506.8</b>

TCIG's outstanding debt as of May 31, 2022, was \$0.5 million. Total principal debt repayment for the new financial year was \$23.6 thousand, while total finance costs were \$0.1 million.

## HUMAN RESOURCE MANAGEMENT

### Employees

There were 1,867 people employed by TCIG at the end of May 2022 consisting of 272 waged employees as well as 1,597 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force.

### Pensioners

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

## DEVELOPMENT FUND (DF)

The opening balance of the Development Fund at the beginning of the fiscal year 2022/23 totalled \$47.7 million. To date, the total amount spent on capital projects amounted to \$2.4 million for the month of May. Major components of the amount spent are related to Constructions and Renovations of Buildings for Ministry of Education and Public Works Department, totaling \$2.3 million, \$0.089 million spent on Professional & Consultancy services and the remaining towards purchase of Specialist Equipemt for

Public Works Department. Year to date actuals total \$2.5 million against budget of \$1.9 million. As a result, a negative variance of \$0.6 million recorded. Compared to prior year results, current expenditure increased by \$0.3 million due to more capital works being executed.

### **NATIONAL WEALTH FUND (NWF)**

The balance in the NWF as of May 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 May 31, 2022.

### **FINANCIAL OUTLOOK**

TCIG has started its new financial year April 1, 2022 on a positive footing operating on a net surplus of \$37.8 million at the end of May. These results are following that of the previous financial year where the Government ended the year with a revenue intake of \$398 million (55% ahead of projection). The economic resilience of the tourist sector which alone had a revenue intake of \$10.7 million for the month. In addition, revenue from both Import duty and Stamp Duty on land transactions were major contributors (67%) of total revenue collected for the month resulting in an overall collection of \$37.6 million. This result was up by \$3.2 million when compared prior year's turnout. ,

Despite the continued uncertainty of the impending pandemic, the surge in revenue generation anticipated to continue throughout the new financial year as more relaxed measures are in place. Expenditure was favourable in the current period's outlay displaying an underperformance of \$6.4 million. However, 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.

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.

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