



GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
FINANCIAL SERVICES AND SUPPLIES MANAGEMENT DEPARTMENT



FINANCIAL REPORT
AUGUST 2023



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FOREWORD

This report presents the financial results of the Turks and Caicos Islands Government (TCIG) or (the "Government") as of August 31, 2023.

The preparation and publication of this report reflect the Government's commitment to transparent and timely reporting of the country's financial position contributing to the overall accountability arrangement and improved quality of governance and decision-making.

BUDGETARY OVERVIEW

The Estimates of Revenue and Expenditure (the "Estimates") for the financial year (FY) 2023-24 were approved in the House of Assembly on May 23, 2023, to implement the strategies, development programmes and projects, concentrating on the well-being of the people of the Turks and Caicos Islands, and achieving social, economic and environmental progress.

The Government presented a budget including revenues of \$415.4 million, operating expenditures of \$359 million and Capital expenditure estimated at \$65.1 million, resulting in a budgeted deficit of \$8.8 million.

ECONOMIC OVERVIEW

The local economy and, by extension, the world have faced inflationary pressures in the past year arising from global logistical bottlenecks from the pandemic and the Ukraine war. This continued into the current financial year.

The International Monetary Fund (IMF) in its July 2023 economic outlook report forecast global growth of 3.0% in 2023, down from 3.5% in 2022. The IMF warned that the risks to this outlook are tilted to the downside, and that a recession is possible due to many factors weighing on growth. These include the ongoing war in Ukraine, high inflation, and rising interest rates. However, there are also some positive signs, such as the strong labour market in the US.

The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

(Source <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>)

For the Caribbean region, the Caribbean Development Bank forecasts economic growth of 5.7% in 2023. This is based on the continued revival of tourism arrivals and investments in the energy sector. The performance is, however, subject to some risks associated with Advanced Economies which are on track to register lower growth relative to 2022. According to the Bank, the challenges associated with past economic performance and global conditions place the region at a critical

juncture, adding that the impact of protracted shocks compounded the Region's socio-economic difficulties. The Bank also shared some recommendations that could aid growth and development and increase the resilience of Caribbean economies and societies. This includes supporting comprehensive debt management strategies for public financial management and promoting access to adequate and affordable financing; promoting gender equality, women's reintegration into the workforce and the prevention of discrimination; promoting a private sector ecosystem that has innovation, diversification, financial inclusion of the most vulnerable; key priority actions in strengthening governance capacity to deliver through the implementation of cross-sectoral policies and programmes, and protecting the poorest as well as revolutionizing digital infrastructure and technical proficiency and mainstreaming environmental sustainability and climate change. (Sources <https://www.searchlight.vc/news/2023/01/20/cdb-forecasts-caribbean-economic-growth-5-7-2023/> and <https://www.weforum.org/agenda/2023/01/2023-will-be-a-challenging-year-for-latin-america-and-the-caribbean-here-are-some-policy-priorities/>)

Locally, the economic outlook for the Turks and Caicos Islands is mixed, with some positive signs and some challenges. On the positive side, the tourism industry, which is the main driver of the economy, continues to rebound in 2023 as travel restrictions ease and visitors return to the islands. The government is also investing in infrastructure and other development projects, which is expected to boost economic growth. However, there are also some challenges to the economic outlook. Inflation is high, and the cost of living is rising. This is putting pressure on businesses and consumers. Additionally, the war in Ukraine is having a negative impact on the global economy, and this could indirectly impact TCI.

The TCI government's Department of Statistics projects that real Gross Domestic Product (GDP) will grow by 5.5% in FY 2023/24, with nominal GDP increasing to \$1.23 Billion and GDP per capita to \$27,784. The Consumer Price Index is expected to ease to 3.5% in FY 2023/24.

Government revenue generation in August was higher than both the estimates and the same period in the prior year. It remains to be seen whether the global headwinds mentioned above will significantly impact Revenue. Actively monitoring revenue collection, cash balance position and cash flow requirements remains at the forefront of the Treasury's immediate agenda to safeguard TCIG's liquidity position. To boost economic growth, the Government continues to invest in infrastructure and other development projects and to promote the Islands as a tourist destination. Cabinet has also approved an extension, effective April 1 2023 for the following measure introduced to ease the cost of living burden for the citizenry;

- Reduction in rate of additional charge on the importation of fuel by 25% for a period of 6 months, subject to review.
- Reduction in the rate of Customs Processing fee from 7.5% to 5% across the board on the importation of all goods, for a period of 6 months, subject to review.
- Minimum wage revision from \$6.25 per hour to \$8 per hour and \$9.00 per hour for sectors such as Security, Manufacturing, Construction and Banking.

FISCAL OVERVIEW

The Government has ended the month with an operating surplus of \$12.3 million and a cash increase of \$11.8 million to a closing cash balance of \$336.1 million. Revenue for the month was 20% higher than budget and 20% higher than the similar period in the prior year. It is imperative to closely monitor expenditure against revenues and both budget and the prior year while continue reinforcing the current macroeconomic strategies. Despite the inflationary pressures during the period, the Turks & Caicos Islands Government saw continued growth with increased cash flow and strong employment growth. The Turks & Caicos Islands improved economic resilience was primarily attributable to the high volume of tourist arrivals and investment in capital project

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FISCAL SUMMARY

The month of August recorded an operating surplus of \$12.3 million, a \$11.8 million over performance against budget and 507% or \$15.3 million higher than the prior year. The performance against budget is mostly driven by higher than expected HRTT, Import Duty and Excess revenue from Statutory Bodies combined with lower than expected PE costs due to existing vacancies in the public service. The performance against prior year is mainly driven by \$12 million reduction in grants and contribution due to the Citizen's Inflation adjustment stimulus program conducted in the prior year.

Year to date, the operating surplus of \$56.2 million is 295% higher than budget and 4% higher than the prior year.

FISCAL SUMMARY	August			Variance				YTD			Variance			
	Actual \$ 000's	Budget \$ 000's	Prior Year \$ 000's	Budget \$ 000's %		Prior Year \$ 000's %		Actual \$ 000's	Budget \$ 000's	Prior Year \$ 000's	Budget \$ 000's %		Prior Year \$ 000's %	
Recurrent Revenue	39,674	33,028	32,980	6,645	20%	6,694	20%	186,585	178,732	179,404	7,853	4%	7,182	4%
Non-Recurrent Revenue	-	91	16	(91)	-100%	(16)	-100%	387	1,921	3,545	(1,534)	-80%	(3,157)	-89%
Total Revenue	39,674	33,119	32,996	6,555	20%	6,677	20%	186,972	180,654	182,948	6,319	3%	4,024	2%
Recurrent Expenditure	26,571	31,387	34,703	(4,816)	-15%	(8,132)	-23%	127,370	160,763	124,737	(33,393)	-21%	2,633	2%
Non-Recurrent Expenditure	836	1,229	1,304	(393)	-32%	(467)	-36%	3,354	5,647	4,214	(2,292)	-41%	(859)	-20%
Total Expenditure	27,407	32,617	36,007	(5,210)	-16%	(8,600)	-24%	130,725	166,410	128,951	(35,685)	-21%	1,774	1%
Net Operating Surplus	12,267	503	(3,010)	11,764	2341%	15,277	-507%	56,248	14,243	53,998	42,004	295%	2,250	4%

CASH FLOW

The underlying cash balance at the end of month increased by \$11.8 million from the prior month's outturn. This resulted in an increase in TCIG's cash and cash equivalents from \$324.4 million at the end of July 2023 to \$336.1 million at the end of August 2023. Year to date, the net cash balance has increased by \$46.8 million.

	August			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	12,267	503	(3,010)	11,764	2341%	15,277	-507%	56,248	14,243	53,998	42,004	295%	2,250	4%
Less:				-							-			
Development Fund Expenditure	(2,521)	(5,278)	(924)	2,757	-52%	(1,598)	173%	(14,626)	(26,456)	(4,953)	11,830	-45%	(9,673)	195%
Debt Repayments	-	-	(24)	-	0%	24	0%	(156)	(95)	(24)	(61)	0%	(132)	0%
Borrowing	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
Bond Inflows	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
Net receipts/(payments) of public accounts	2,023	-	3,756	2,023	0%	1,733	46%	5,336	-	25,634	5,336	0%	20,298	79%
Net Cash Flow	11,768	(4,776)	(202)	16,544	-346%	11,970	-5928%	46,802	(12,307)	74,654	59,109	-480%	(27,853)	-37%
Opening cash balance	324,371		270,556					289,337		195,700				
Closing cash balance	336,139		270,354					336,139		270,354				
Attributable to:														
Consolidated Fund	184,554							184,554						
Development Fund	94,846							94,846						
National Forfeiture Fund	5,934							5,934						
National Wealth Fund	50,805							50,805						
Closing cash balance	336,139							336,139						

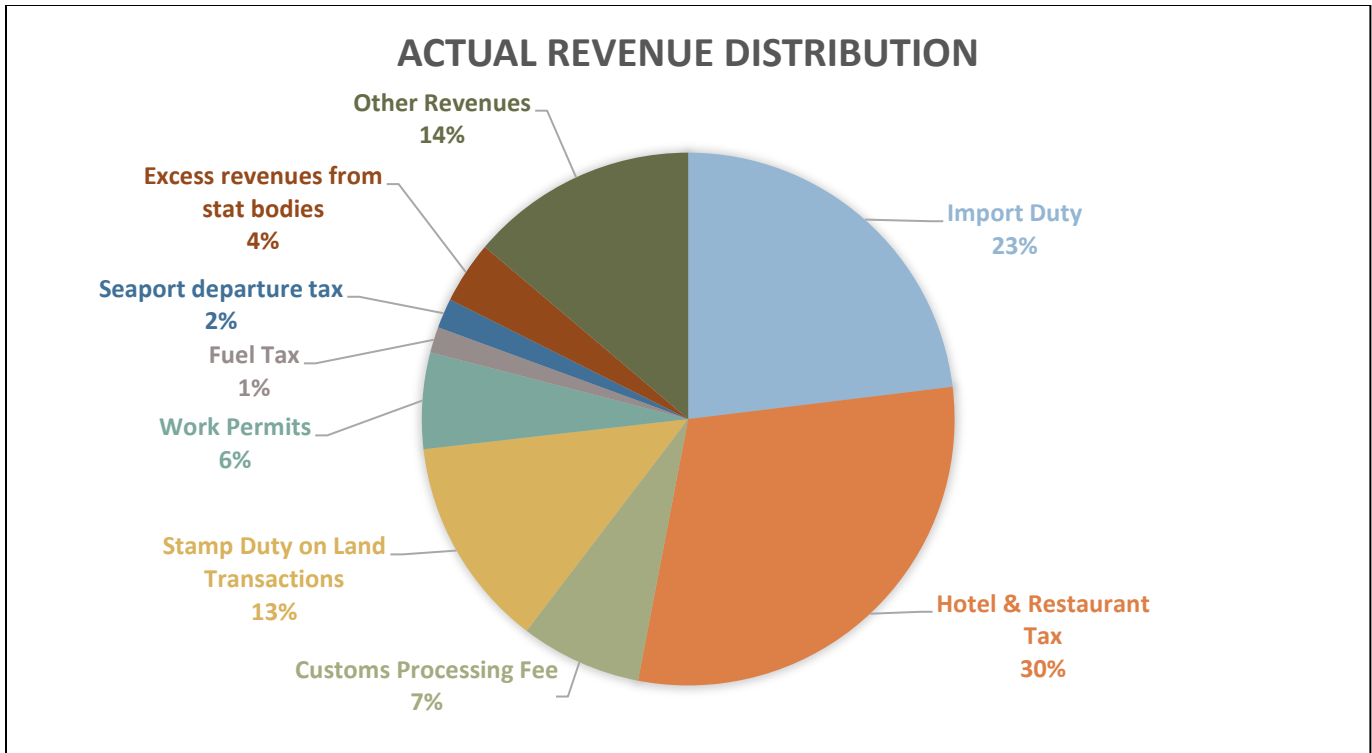
REVENUE

August: \$39.7 million and YTD: \$186.6 million

	August			Variances				Year-To-Date			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Recurrent Revenues														
Import Duty	9,151	6,952	7,320	2,199	32%	1,831	25%	43,489	38,784	37,826	4,705	12%	5,663	15%
Hotel & Restaurant Tax	11,884	10,651	10,319	1,233	12%	1,565	15%	53,497	51,978	50,183	1,519	3%	3,314	7%
Customs Processing Fee	2,917	2,352	2,532	565	24%	385	15%	13,530	13,905	14,074	(374)	-3%	(544)	-4%
Stamp Duty on Land Transactions	5,085	4,365	2,959	720	17%	2,126	72%	21,437	27,570	27,874	(6,133)	-22%	(6,436)	-23%
Work Permits	2,316	2,728	2,597	(412)	-15%	(281)	-11%	13,162	10,321	9,824	2,840	28%	3,338	34%
Fuel Tax	622	532	648	91	17%	(25)	-4%	3,216	3,349	3,430	(134)	-4%	(215)	-6%
Seaport Departure Tax	715	556	539	159	29%	176	33%	3,164	2,238	2,172	926	41%	992	46%
Excess revenues from stat bodies	1,500	250	2,100	1,250	500%	(601)	-29%	8,690	5,716	10,795	2,974	52%	(2,104)	-19%
Other Revenues	5,484	4,643	3,966	841	18%	1,518	38%	26,400	24,871	23,226	1,529	6%	3,174	14%
Total Recurrent Revenue	39,674	33,028	32,980	6,645	20%	6,694	20%	186,585	178,732	179,404	7,853	4%	7,182	4%
Non- Recurrent Revenues														
Civil Recovery Income	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
Land Sales	-	91	16	(91)	-100%	(16)	-100%	370	604	1,758	(234)	-39%	(1,389)	-79%
Revenue From Grants	-	-	-	-	-	-	-100%	18	1,317	1,786	(1,300)	-99%	(1,769)	-99%
Insurance Proceeds	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
	-	91	16	(91)	-100%	(16)	-100%	387	1,921	3,545	(1,534)	-80%	(3,157)	-89%
Total Revenue	39,674	33,119	32,996	6,555	20%	6,677	20%	186,972	180,654	182,948	6,319	3%	4,024	2%

Aggregate Revenue for the month totaled \$39.7 million. This result was \$6.6 million or 20% higher than both budget and the prior year. This is attributed to higher than expected Import Duty revenue, HRTT collections and Excess Revenue from Statutory Bodies. Year to date, Total revenue stood at \$187 million which was 3% higher than budget and 2% more than the prior year.

The chart below shows the percentage distribution of Revenue for the month.



HRT formed the largest portion of the Revenue collected (30%) during the month. Tourism activities have remained steady during the summer months. HRT collections of \$11.9 million were 12% higher than the budget and 15% higher than the prior year. Year to date, HRT totaled to \$53.5 million which was 3% above budget and 7% more than prior year. TCI’s year to date growth percentage for arrivals is a 14% increase on its performance in 2019 (pre-COVID-19). The latest air ticketing data analysis by ForwardKeys predicts significant growth in arrivals for the TCI. It predicts a 29% growth in visitor arrival in the last three months of 2023.

Import Duties formed the second largest portion of the Revenue collected (23%). Import duty collections totaled \$9.2 million which was 32% higher than budget and 25% higher than the prior year. Inflationary pressures have led to price increases of imported items. The increased economic activity in the tourism and construction sectors has also increased imports. Year to date, import duty revenue totaled \$43.5 million. The result is 12% above budget and 15% higher than the prior year.

Stamp duty on land transactions is collected based on the value of a transaction and payments generally fall due within 30 days of the execution of an instrument. Accordingly, the rate of Stamp Duty collected in any given period is, in aggregate, a product of the volume and frequency of the property transactions within that period. Stamp Duty collected during August totaled \$5.1 million. The collections are \$0.7 million or 17% more than the Estimates and \$2.1 million or 72% more than the prior year period. Year to date, Stamp duty collections totaled \$21.4 million which was 22% below budget and 23% less than the prior year.

For August, Customs Processing Fees (CPF) were \$2.9 million, this 24% higher than the budget and 15% higher than the prior year results. Year to date collections totaled \$13.5 million which was \$0.3 million less than budget and \$0.5 million less than prior year.

Receipts from Work Permits were \$2.3 million for August, accounting for 6% of the total Revenue. These results were less than the Estimates by \$0.4 million or 15% and less than prior year by \$0.3 million or 11%. Year to date collections stood at \$13.2 million which was 28% and 34% higher than Estimates and prior year respectively.

Excess revenue from Statutory bodies totaled \$1.5 million. This was \$1.3 million or 500% ahead of budget and \$0.6 million or 29% less than the prior year results. The biggest contributors were the Telecommunication Commission (\$1 million) and the TCI Ports Authority (\$0.5 million). Year to date, Excess Revenue from Statutory Bodies totaled \$8.7 million which was \$3 million or 52% higher than Estimates and \$2.1 million or 19% less than prior year.

Others Revenues at \$5.5 million for August were 18% above Estimates and 38% higher than prior year. Year to date, Other Revenues totaled \$26.4 million which was 6% above Estimates and 14% higher than the prior year. The table below shows a breakdown of other recurrent Revenue.

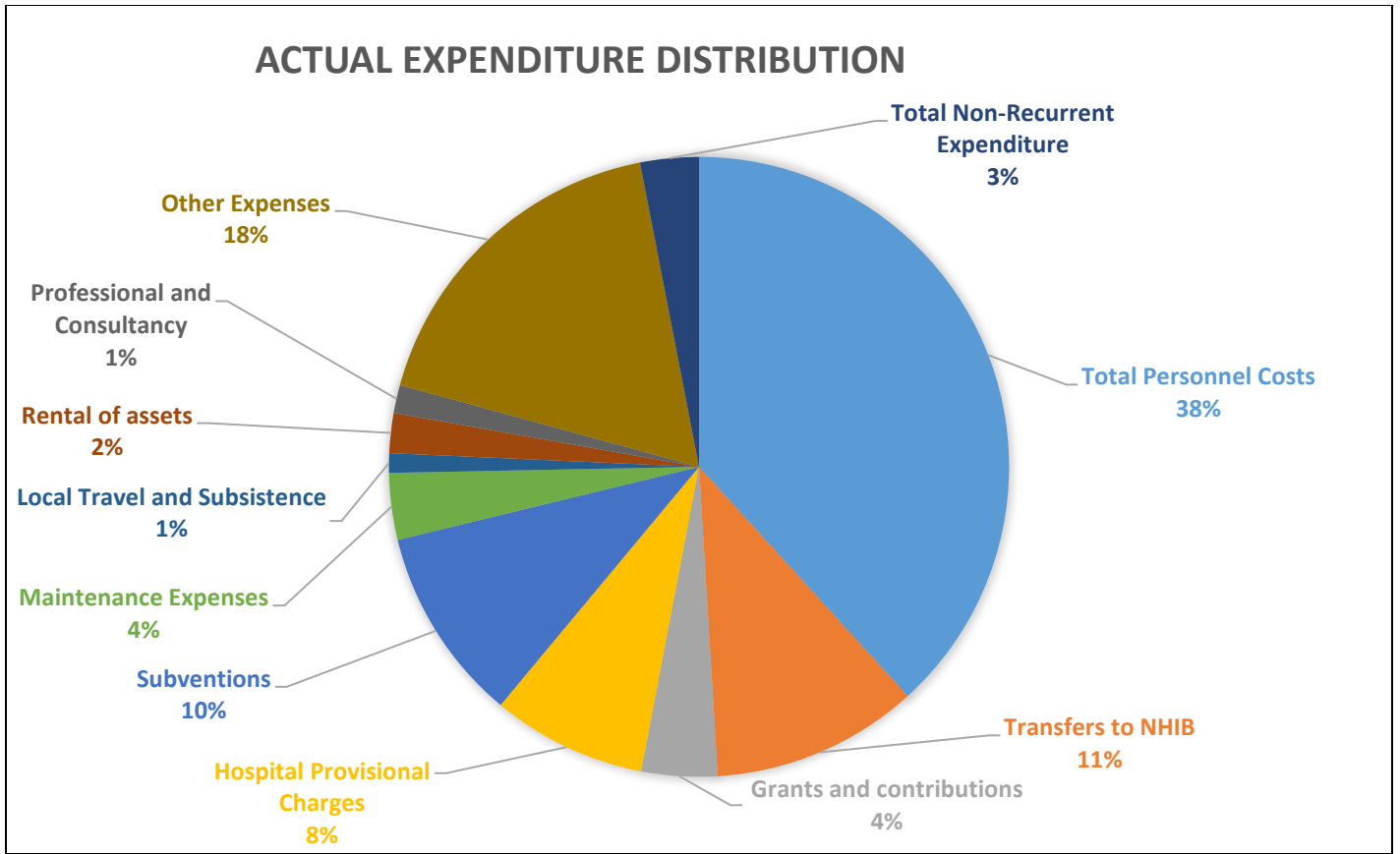
	August			Variances				YTD			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Business License renewal	128	154	134	(26)	(17%)	(6)	(4%)	2,420	2,462	2,418	(41)	(2%)	2	0%
Communication Tax	482	454	266	28	6%	217	82%	2,179	2,355	1,922	(177)	(7%)	257	13%
Gaming Machine Tax	613	558	461	56	10%	153	33%	2,251	2,764	2,398	(512)	(19%)	(146)	(6%)
Telecommunication Licenses	363	210	204	154	73%	160	78%	1,527	1,430	1,393	97	7%	134	10%
Overtime Costs Recovered	434	290	285	144	50%	149	52%	2,227	1,392	1,438	835	60%	789	55%
Vehicle License Renewals	294	251	235	43	17%	59	25%	1,434	1,318	1,261	116	9%	173	14%
Permanent Residency Fees	599	180	197	419	233%	402	204%	1,842	957	1,076	885	92%	766	71%
Crown lands rent	115	202	100	(88)	(43%)	15	15%	278	976	603	(698)	(72%)	(325)	(54%)
Insurance Premiums tax	126	143	115	(17)	(12%)	11	9%	970	832	772	138	17%	197	26%
Bank services tax	85	79	58	6	8%	27	46%	439	459	395	(20)	(4%)	43	11%
Stamp duty - vehicle hire	229	246	241	(17)	(7%)	(12)	(5%)	1,100	1,100	1,104	(0)	(0%)	(4)	(0%)
Drivers License	124	117	113	7	6%	11	10%	615	563	543	52	9%	72	13%
Duty free shops Royalties	97	85	100	12	14%	(4)	(4%)	469	515	488	(45)	(9%)	(19)	(4%)
ID Card Fees	108	134	127	(25)	(19%)	(19)	(15%)	606	457	435	149	33%	171	39%
Labour Clearance Fees	145	107	102	38	35%	43	42%	678	467	444	211	45%	234	53%
PDA application fees	95	170	135	(75)	(44%)	(40)	(30%)	553	851	890	(297)	(35%)	(337)	(38%)
Work Permits Repatriation Program	193	137	130	55	40%	63	48%	1,182	717	679	466	65%	503	74%
Temporary Work Permits	98	126	120	(28)	(22%)	(23)	(19%)	551	599	572	(47)	(8%)	(20)	(4%)
Other Revenues	1,156	1,000	843	156	16%	313	37%	5,078	4,658	4,395	420	9%	683	16%
TOTAL OTHER REVENUE	5,484	4,643	3,966	841	18%	1,518	38%	26,400	24,871	23,226	1,529	6%	3,174	14%

EXPENDITURE

August: \$27.4 million YTD: 130.7 million

	August			Variances				YTD			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Recurrent Expenditure														
Total Personnel Costs	10,483	11,748	8,950	(1,266)	-11%	1,533	17%	50,466	59,205	45,124	(8,740)	-15%	5,342	12%
Transfers to NHIB	2,958	2,982	2,898	(24)	-1%	59	2%	14,788	14,617	14,310	171	1%	478	3%
Grants and contributions	1,084	1,006	12,753	78	8%	(11,669)	-92%	2,912	6,617	14,037	(3,705)	-56%	(11,125)	-79%
Hospital Provisional Charges	2,208	2,586	2,191	(378)	-15%	17	1%	12,853	11,867	12,320	985	8%	532	4%
Subventions	2,784	2,192	2,093	592	27%	691	33%	11,803	13,205	10,038	(1,402)	-11%	1,764	18%
Maintenance Expenses	954	1,872	1,245	(918)	-49%	(291)	-23%	5,099	6,138	4,919	(1,039)	-17%	181	4%
Local Travel and Subsistence	278	357	210	(78)	-22%	69	33%	1,622	2,028	1,383	(406)	-20%	240	17%
Rental of assets	571	657	508	(86)	-13%	63	12%	2,699	3,494	1,976	(795)	-23%	723	37%
Professional and Consultancy	402	1,815	274	(1,413)	-78%	128	47%	2,066	9,590	1,460	(7,524)	-78%	606	41%
Other Expenses	4,849	6,173	3,580	(1,323)	-21%	1,270	35%	23,062	34,002	19,169	(10,940)	-32%	3,893	20%
Total Recurrent Expenditure	26,571	31,387	34,703	(4,816)	-15%	(8,132)	-23%	127,370	160,763	124,737	(33,393)	-21%	2,633	2%
Non-Recurrent Expenditure														
Statutory Land Acquisitions	-	-	800	-	-	(800)	-100%	-	1,417	1,084	(1,417)	-100%	(1,084)	-100%
SIPT	703	679	293	23	3%	410	140%	2,568	2,640	1,750	(72)	-3%	818	47%
Civil Recovery Costs	133	250	136	(117)	-47%	(3)	-2%	768	670	332	98	15%	436	131%
Covid-19 Expenses	-	-	74	-	-	(74)	-100%	-	10	1,038	(10)	-96%	(1,038)	-100%
Contingency	-	300	-	(300)	-100%	-	0%	-	900	-	(900)	-100%	-	0%
Finance costs	-	-	-	-	-	-	-	18	10	9	8	79%	9	108%
Total Non-Recurrent Expenditure	836	1,229	1,304	(393)	(32%)	(467)	(36%)	3,354	5,647	4,214	(2,292)	(41%)	(859)	(20%)
TOTAL EXPENDITURE	27,407	32,617	36,007	(5,210)	(16%)	(8,600)	(24%)	130,725	166,410	128,951	(35,685)	(21%)	1,774	1%

\$27.4 million was expended during the month of August (\$26.6 million recurrent expenditure and \$0.8 million non-recurrent expenditure). These results were 16% lower than budget and 24% lower than prior year. Year to date, the total expenditure of \$130.7 million is 21% lower than Estimates and 1% higher than the prior year results. The chart below shows the percentage distribution of expenses.



Recurrent Expenditure: August: \$26.6 million YTD: \$127.4 million

Recurrent expenditure for August totaled \$26.6 million. The results were 15% or \$4.8 million lower than the month's Estimates and less than prior year results by \$8.1 million or 23%. The underspend against budget is mainly in respect of Professional and consultancy fees and PE costs. The variance against prior year is as a result of the Citizen's adjustment stimulus program that was implemented in the prior year. Year to date, recurrent expenditure totaled \$127.4 million which is 21% less than Estimates and 2% higher than the prior year results.

Personnel Costs accounted for 38% of the recurrent expenditure, totaling \$10.5 million, compared to the Estimates of \$11.7 million leading to \$1.3 million or 11% underspend. The expenditure was \$1.5 million or 17% higher than the prior year. These results consist of Salaries, Wages, allowances, and pension and gratuity costs for the month. The increase against prior year is mainly attributed to 10% increase in police salaries, increase in wages to match the minimum wage changes, and payments towards pension and gratuity of civil servants. The performance against budget is as a result of existing vacancies that are yet to be filled throughout the civil service. Year to date, the Personnel cost totaled \$50.5 million which is 15% less than the Estimates and 12% higher than the prior year.

Grants and contributions for August amounted to \$1.1 million. This mainly relates to payments made towards student scholarships and monies expended towards the public works program. The expenditure for the month is in line with estimates but 92% less than the prior year mainly due to the Citizen's inflation adjustment stimulus program that was implemented in the prior year. Year to date, \$2.9 million has been expended towards Grants and Contributions, which is 56% behind budget and 79% less than the same period in the prior year.

Subventions accounted for 10% of total expenditure in August. \$2.8 million was expended during the month. This was 27% above budget and 33% above prior year. The overspend against budget for the month is mainly due to timing differences between profiled and actual expenditure. YTD expenditure was \$11.8 million. This was \$1.4 million or 11% below estimates and 18% or \$1.8 million more than the prior year.

Transfers to NHIB and Hospital Provisional Charges together accounted for 19% of total expenditure for the month, which is mostly in line with the budget and the prior year.

Other Recurrent Expenditure: August: \$4.5 million and YTD \$23.1 million

	August			Variances				YTD			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Social welfare	934	1,366	962	(431)	-32%	(28)	-3%	3,601	4,312	2,521	(711)	-16%	1,079	43%
Recurrent Sub Programmes and Projects	503	817	253	(314)	-38%	250	99%	1,525	3,705	1,192	(2,181)	-59%	333	28%
Utilities	496	499	343	(3)	-1%	153	45%	1,993	2,326	1,629	(333)	-14%	364	22%
Security expenses	173	192	147	(19)	-10%	27	18%	917	1,235	774	(318)	-26%	143	19%
International Travel and Subsistence	200	350	228	(150)	-43%	(28)	-12%	910	1,552	883	(642)	-41%	27	3%
Communication Expenses	170	216	123	(45)	-21%	47	39%	990	1,103	650	(114)	-10%	340	52%
Bank charges	128	118	91	10	8%	36	40%	575	591	612	(17)	-3%	(37)	-6%
Data Communication cost	-	(23)	-	24	-101%	-	9%	479	603	357	(125)	-21%	121	34%
Insurance Expenses	1	77	8	(76)	-99%	(7)	0%	1,790	2,344	1,372	(554)	-24%	418	0%
Hosting and Entertainment	354	129	91	224	173%	263	288%	874	1,303	1,131	(428)	-33%	(257)	-23%
Repatriation and exportation expenses	399	314	192	85	27%	207	108%	2,265	1,669	1,394	595	36%	871	62%
Other supplies, material & Equipment	361	361	132	(1)	0%	229	174%	872	1,637	535	(765)	-47%	337	63%
Computer License & Hardware maintenance	58	204	74	(145)	-71%	(15)	-21%	663	2,216	383	(1,553)	-70%	280	73%
Fuel	203	161	108	41	26%	95	88%	707	637	389	71	11%	318	82%
Other Recurrent Expenditure	869	1,392	829	(523)	-38%	40	5%	4,903	8,768	5,348	(3,865)	-44%	(445)	-8%
TOTAL OTHER RECURRENT EXPENDITURE	4,849	6,173	3,580	(1,323)	-21%	1,270	35%	23,062	34,002	19,169	(10,940)	-32%	3,893	20%

Other recurrent expenditures of \$4.5 million accounted for 18% of total expenditure and was 21% below budget and 35% ahead of prior year. YTD, \$23.1 million expended is 32% below budget and 20% higher than prior year. The variances to budget are mainly due to timing differences between profiled and actual expenditure.

Non-Recurrent Expenditure: August: \$0.8 million and YTD: \$3.4 million,

Non-recurrent expenditures totaling \$0.8 million accounted for 3% of total expenditures for the month. This was mainly attributed to SIPT costs, and were 32% below Estimates for the month and 36% behind prior year.

OUTSTANDING PUBLIC DEBT

Statement of Outstanding Public Debt	Interest Rates	Outstanding Balance 01-Apr-23 US\$'000	New Drawdowns 2023/24	Principal Repayment During 2023/24 US\$'000	Outstanding Balance 31-Aug-23 US\$'000	Finance Cost 2023/24 US\$'000
Financial Liabilities - Borrowings	%					
Further Education (04/SFR-OR-TCI)	2.5%	457	-	(43)	413	6
Climate Resilient Coastal Protection and Management (4/OR-TCI)	4.90%	269	57	(101)	225	7
Integrated Solid Waste Management (5/OR-TCI)	4.90%	-	145	(11)	134	5
Total unsecured debts		725	202	(156)	772	18
Total outstanding public debts		725	202	(156)	772	18

TCIG's outstanding debt as of August 31 2023, was \$0.8 million. \$0.2 million in new drawdowns have been obtained YTD. \$0.2million principal repayments have been made YTD and \$18k finance costs have been paid.

DEVELOPMENT FUND

Ordinance 32 of 2023 which commenced on June 1, 2023 included an amendment to regulation 33 of the PFM Regulations to revise previous amendment in 2022. The effect of the new regulation was to remove the two-year allowance for commitment of appropriated funds, that had previously been instituted in 2022. This means that that any funding, if not committed by the end of a financial year will expire and return to the Consolidated Fund.

The development fund balance as of August 31, 2023 was \$101 million, and the movement in the fund balance is as shown below.

Closing 31/03/2022	49,695,622
Awards and commitments	56,775,197
CAPEX 2022/23	(18,186,283)
Completed projects - savings returned to CF	(14,125,513)
Lapsed projects - funds returned to CF	(29,796,585)
Closing 31/03/2023	44,362,438
FY 2023-23 Appropriation	65,110,023
CAPEX 2022/23 -YTD	(14,626,095)
As at 31 August 2023	94,846,366

CAPTIAL EXPENDITURE (YTD) BY PROJECT

The capital projects expended during the year are shown below.

Project #	Project name	Amount (US\$ '000)
5561	South Dock Port Redevelopment	7,818
5677	Purchase and Installation of New 1 million gallon Salt Water Reverse Osmosis (SWRO) Unit	1,158
5678	Installation of an additional 1-million gallon tank	1,100
5575	Upgrading of Water Storage and Distribution Facilities - GDT	941
5566	Construction of New Primary School PLS- Phase 2	600
5612	IT Command and Control System (CAD Radio Upgrade All Islands	500
5630	Replacement Vehicles	395
5610	Grand Turk Sports Complex and Shelter	323
5560	Radar Station	289
5697	Police Mobile Station	249
5506	NJS Francis Building	236
5545	New Block, Enid Capron Primary School	230
5592	Front Street GDT	224
5584	Road - North Caicos	155
5617	Software Digitization Unit	148
5496	Police Building Repairs for All Stations	134
5605	Installation of Lights for Parade Ground - GDT	30
5717	Revenue Vehicles	18
5481	Construction of Promenade/Boardwalk and Craft Market for Bottle Creek	17
5510	Rehabilitation of Salt Shed- Salt Cay	16
5270	Environmental Health Storage Buildings	15
5582	Vehicles for Government	15
5600	Mental Health Facility (GDT)	14
TOTAL		14,626

NATIONAL WEALTH FUND

Transfers to the Fund during the year are made as per Section 9 (1(a)) of the National Wealth Fund Ordinance, which requires that where in any financial year, if the actual Revenue exceeds the estimated Revenue by 5% but is less than 20%, then 50% of the excess of the Revenue for that financial year shall be withdrawn from the Consolidated Fund and deposited to the National Wealth Fund. Based on the actual results of FY 2022/23, no transfer has been made.

The Turks and Caicos National Wealth Fund (Amendment) Ordinance 2023 commenced on March 23, 2023. Section 4(2) was amended to include a new fund known as the Citizens Empowerment Fund. The funds in the Citizens Empowerment Fund may be withdrawn from time to time subject to the approval by the House of Assembly to establish and support critical empowerment institutions in the Islands, to build wealth and to improve the quality of life for residents. ("Critical empowerment institutions" means a credit union as defined under section 2 of the Credit Union Ordinance)

As of August 31, 2023, the National Wealth Fund balance was \$50.8 million.

FY 2022-23 results (in US\$ '000)				Transfer to NWF 2022/23 (US\$' 000)	Opening NWF 01/04/2023 (US\$' 000)	Interest income (US\$' 000)	Closing NWF 31/08/2023 (US\$' 000)
Actual revenue	Revised Estimates	Variance	%				
413,848	404,215	9,633	2%	-	50,780	25	50,805

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	31-Aug-23 US\$'000	31-Mar-23 US\$'000
Stabilization Fund	30,663	30,646
Infrastructure and Competitiveness Fund	8,760	8,756
Heritage Fund	4,382	4,378
Citizen's Empowerment Fund	7,000	7,000
National Wealth Fund balance	50,805	50,780

The Fund is currently at approximately 4% of the Gross Domestic Product (GDP) and would have to reach 25% of GDP before interfund transfers can be permitted and for the operational management of the Fund to be transferred to a body corporate to be created by statute.

NATIONAL FORFEITURE FUND

The National Forfeiture Fund has a balance of \$5.9 million as at August 31, 2023. No transfers from the NFF into the Consolidated Fund were made during the period.

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,907 people employed by TCIG at the end of August 2023, consisting of 1,613 monthly paid employees and 294 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there were 10 new recruits and 50 attritions during the month.

Pensioners

The total number of Pensioners at the end of August 2023 was 312.

