



**Government of the Turks and Caicos Islands**

# **Monthly Financial Report (Unaudited)**

**Report for the Month Ended**

**September 30, 2013**

*Prepared By: Office of the Accountant General*

# EXECUTIVE SUMMARY

## 1.0 Revenue & Expenditure

	Month of September 2013			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	13,106.0	13,129.1	14,607.6	(23.2)	0%	(1,501.6)	-10%	93,676.2	93,245.6	95,219.5	430.6	0%	(1,543.4)	-2%
Recurrent Expenditure	12,391.5	13,805.1	12,169.2	1,413.6	10%	(222.3)	-2%	74,017.6	83,249.5	73,430.6	9,231.9	11%	(587.0)	-1%
Net Recurrent Surplus/(Deficit)	714.5	(675.9)	2,438.4	1,390.4	-206%	(1,724.0)	-71%	19,658.5	9,996.1	21,788.9	9,662.5	97%	(2,130.4)	-10%
Non-Recurrent Revenue	111.8	833.3	279.9	(721.6)	-87%	(168.1)	-60%	1,777.6	2,400.7	18,048.4	(623.0)	-26%	(16,270.8)	-90%
Non-Recurrent Expenditure	475.5	1,427.8	811.4	952.3	67%	335.9	41%	10,137.5	8,567.0	10,184.0	(1,570.5)	-18%	46.5	0%
Operating Surplus/(Deficit)	350.8	(1,270.4)	1,906.9	1,621.2	-128%	(1,556.2)	-82%	11,298.6	3,829.7	29,653.4	7,468.9	195%	(18,354.8)	-62%

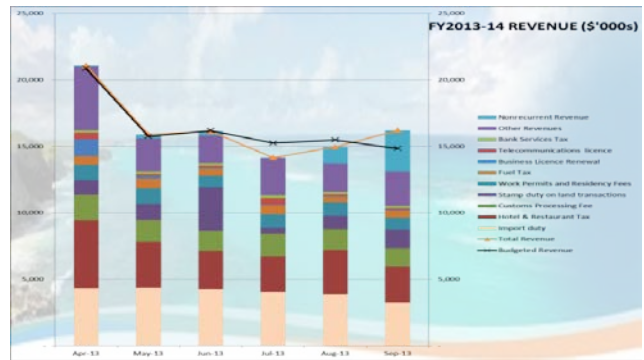
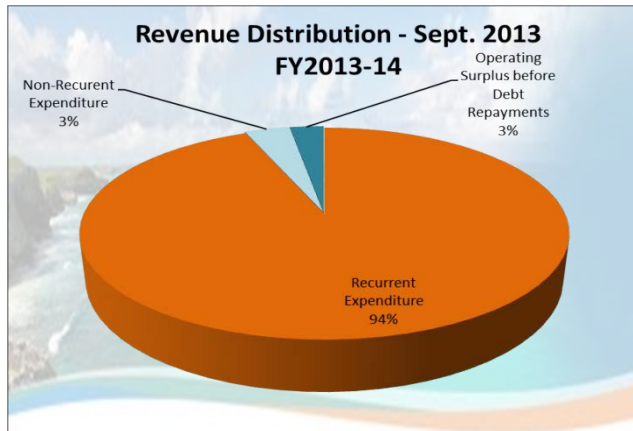
### 1.1 Month: Operating Surplus of \$0.4 million

The net operating balance of the consolidated fund in the month of September 2013 saw a surplus of \$0.4 million, when compared to a projected deficit of \$1.3 million and surplus of \$1.9 million in the same month of the previous year.

Total revenue outturn for the month was \$13.2 million, which was 5% or \$0.7 million below the projected revenue of \$13.9 million. Import duty and customs processing fees both fell short of the estimated targets for the month by about \$0.4 million and \$0.2m respectively.

Total amount expended in September 2013 was about \$12.9 million, with \$5.3 million or 41% spent on personnel related costs and \$3.3 million or 26% on NHIB & Hospital Charges. Total expenditure recorded a favourable variance of \$2.4 million or 18% against the budgeted amount of \$15.2 million.

The Chart below depicts the distribution of the total revenue collected in September 2013.



### 1.2 Year to Date (Apr – Sept 2013): Operating Surplus of \$11.3 million.

The year to date operating surplus was \$11.3 million, compared to a projected surplus of \$3.8 million, a positive variance of \$7.5 million.

Total year to date revenue was \$95.5 million, being marginally below the projections of \$95.6 million but \$17.8 million or 16% below the previous year. Most revenue streams for the period were ahead or on par with the projection, with the exception of customs processing fee and fuel tax; both of which were however only marginally below the budget.

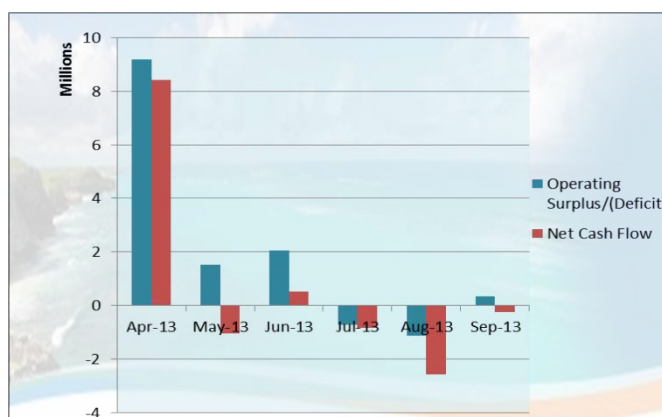
Year to date Recurrent Expenditure of \$74.0 million came in about 11% below budget estimates of \$83.4 million and 1% or \$0.6 million above results for the same period last year. This outturn was due to savings and budgetary control exerted over personnel costs and other operating expenses, despite the 10% salary reinstatement being fully reflected this financial year.

Non-recurrent Expenditure amounted to \$0.5 million in September 2013 and was well below budgeted amount of \$1.4 million for the month.

## 2.0 Cash Flow Statement

	Month of September 2013							Year to Date						
				Variance							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	%	
<b>Cash Flow from Operations</b>	<b>350.8</b>	<b>(1,270.4)</b>	<b>1,906.9</b>	<b>1,621.2</b>	<b>-128%</b>	<b>(1,556.2)</b>	<b>-82%</b>	<b>11,298.6</b>	<b>3,829.7</b>	<b>29,653.4</b>	<b>7,468.9</b>	<b>195%</b>	<b>(18,354.8)</b>	<b>-62%</b>
Less:														
Capital Contributions	(714.6)	(949.3)	(822.8)	234.7	-25%	108.2	-13%	(4,556.3)	(5,370.4)	(4,696.8)	814.1	-15%	140.5	-3%
Debt Repayments	(277.9)	(278.0)	(277.8)	.1	0%	(.2)	0%	(3,897.1)	(3,897.2)	(8,903.9)	.1	0%	5,006.8	-56%
Bond Inflows	(47.3)	-	-	(47.3)	0%	(47.3)		1,240.4	1,117.9	-	122.5	11%	1,240.4	0%
Herzog Payment	(167.0)	(167.0)	(167.0)	-	0%	-	0%	(1,002.0)	(1,002.0)	(1,002.0)	-	0%	-	0%
Transfers from/(to) NFF	-	-	-	-	0%	-	0%	1,166.2	-	(2,000.0)	1,166.2	0%	3,166.2	-158%
Transfers to Sinking Fund	(14.4)	(14.4)	-	-	0%	(14.4)	0%	(2,668.4)	(2,668.4)	(7,433.5)	-	0%	4,765.2	-64%
Net Payables	609.7	-	741.1	609.7	0%	(131.5)	-18%	2,635.7	-	10,489.1	2,635.7	0%	(7,853.4)	-75%
<b>Net Cash Flow</b>	<b>(260.8)</b>	<b>(2,679.1)</b>	<b>1,380.5</b>	<b>2,418.3</b>	<b>-90%</b>	<b>(1,641.3)</b>	<b>-119%</b>	<b>4,217.2</b>	<b>(7,990.4)</b>	<b>16,106.2</b>	<b>12,207.5</b>	<b>-153%</b>	<b>(11,889.1)</b>	<b>-74%</b>

The month of September 2013 recorded a cash flow deficit of \$0.3 million compared to a budgeted deficit of \$2.8 million and prior year surplus of \$1.4 million. The year to date net cash flow was \$4.2 million, which compares favorably with the projected cash flow deficit for the period of \$8.0 million and prior year surplus of \$16.1 million. Previous year cash surplus was due primarily to non-recurrent revenues.



The chart to the right shows that there were net cash flow deficits in May 2013, July 2013, August 2013 and September 2013 but overall there was a net cash flow surplus of \$4.2 million over the six-month period of April – September 2013

## 3.0 Outstanding Public Debt

The Turks and Caicos Government's outstanding debt as of September 30, 2013 is \$212.0 million, as shown in the table adjacent. Total debt repayments for the year to date were \$4.9 million.

The half yearly bond interest payment on the \$170 million RBTT Bonds was made during the month of August 2013, in the amount of \$2.7 million.

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

Debt Type	Opening	September 30, 2013	
	1-Apr-13	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	.0	9,000.0
Other TCIG Bank Loans - Unsecured	23,816.1	(2,941.0)	20,875.1
TCInvest Loans - Unsecured	12,254.1	(956.1)	11,298.0
<b>Total Bonds &amp; Loans</b>	<b>215,070.3</b>	<b>(3,897.1)</b>	<b>211,173.1</b>
Other Debt	1,832.8	(1,002.0)	830.8
<b>Total Outstanding Public Debt</b>	<b>216,903.0</b>	<b>(4,899.1)</b>	<b>212,003.9</b>

All loan principal and interest payments are up to date as of September 30, 2013.

## 4.0 Sinking Fund

The Sinking Fund balance as at end September 2013 stood at \$43.7 million, with interest income of \$44,007 generated in the second quarter of FY2013-14. Net public debt outstanding at the end of September 2013 is therefore about \$168.3 million when the Sinking Fund is taken into consideration.