



GOVERNMENT OF THE  
TURKS AND CAICOS ISLANDS

# SUMMARY FINANCIAL REPORT

# SEPTEMBER 2017

*Prepared by the Office of the Accountant General*

*The Turks and Caicos Islands were seriously affected by the passage of two storms during the month of September – Irma and Maria on the 7<sup>th</sup> and 22<sup>nd</sup> respectively. Consequently, economic activity has been severely curtailed and this is reflected in the negative operating results for the month of September.*

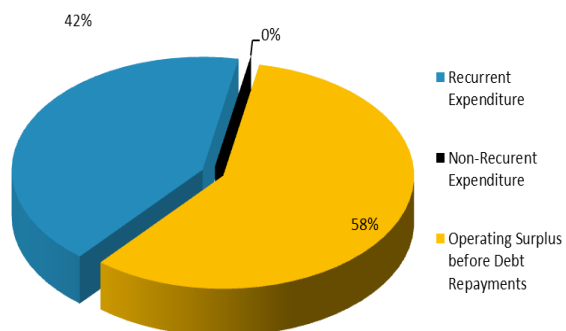
*The overall fiscal impacts of these natural disasters are still being determined.*

## OPERATING SURPLUS

	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	7,612.2	20,231.2	18,384.5	(12,619.0)	(62%)	(10,772.2)	(59%)	130,359.6	140,793.4	135,814.1	(10,433.7)	(7%)	(5,454.5)	-4%
Recurrent Expenditure	11,449.2	17,349.0	14,562.9	5,899.8	34%	3,113.7	21%	94,776.7	115,785.5	94,240.1	21,008.9	18%	(536.6)	(1%)
<b>Net Recurrent Surplus</b>	<b>(3,837.0)</b>	<b>2,882.2</b>	<b>3,821.5</b>	<b>(6,719.2)</b>	<b>(233%)</b>	<b>(7,658.5)</b>	<b>(200%)</b>	<b>35,582.9</b>	<b>25,007.8</b>	<b>41,574.1</b>	<b>10,575.1</b>	<b>42%</b>	<b>(5,991.1)</b>	<b>(14%)</b>
Non-Recurrent Revenue	19,701.8	64.3	182.1	19,637.5	-	19,519.7	-	19,980.9	306.7	596.9	19,674.2	6416%	19,384.0	3248%
Non-Recurrent Expenditure	-	2,493.7	450.6	2,493.7	100%	450.6	100%	2,796.2	7,471.4	3,540.9	4,675.2	63%	744.6	21%
<b>Operating Surplus</b>	<b>15,864.8</b>	<b>452.8</b>	<b>3,553.0</b>	<b>15,412.0</b>	<b>3403%</b>	<b>12,311.8</b>	<b>347%</b>	<b>52,767.6</b>	<b>17,843.1</b>	<b>38,630.1</b>	<b>34,924.5</b>	<b>196%</b>	<b>14,137.5</b>	<b>37%</b>

The Consolidated Fund recorded an overall surplus of \$15.9 million during September, of which \$14.8 million was in respect of insurance claim. A further \$4.8 million was received in respect of the 1<sup>st</sup> tranche of the EDF Grant. The results for the month therefore reflect a net recurrent deficit of \$3.8 million when compared to the budgeted surplus of \$2.9 million. The overall year to date operating surplus of \$52.8 million which, when adjusted for the net effects of the extraordinary item of the insurance claim receipt, the early receipt of the EDF Grant as well as the non-recurrent expenditure results in a net recurrent surplus of \$35.6 million 42% ahead of the budgeted amount.

Revenue Distribution September 2017



On a year-over-year basis, the Consolidated Fund increased when compared to September of the previous year by \$12.3 million and year to date results had an increase of \$14.1 million (37%) when compared to results of the previous year.

Recurrent Revenues for the month amounted to \$7.6 million compared to the budgeted revenues of \$20.2 million, a shortfall of \$12.6 million.

**Non-recurrent Revenue** collected for the month of September totaled \$19.7 million which represents the first tranche of the European Development Fund (EDF 11) Grant of \$4.8 million as well as \$14.8 million settlement in relation to insurance claims from the Caribbean Catastrophic Risk Insurance Facility.

**Year to date** Recurrent Revenue totaled \$130.4 million. This performance was less than the budgeted amount by \$10.4 million as a strong performance in the previous month cushioned the fallout from the effects of the hurricanes. On a year-over-year basis recurrent revenues had a decrease of \$5.4 million (4%) increase when compared to the outturn as at September of the prior year.

**Recurrent Expenditure** for September was \$11.4 million, which was \$5.9 million (34%) below the budgeted amount and 21% below the previous year's outturn. The significant underperformance was due mainly to business interruption caused by the passage of two storms.

**Year to date** Recurrent Expenditure was less than the budgeted amount by \$21.0 million (18%) while exceeding the previous year's outturn by a marginal \$0.5 million (1%).

**Non-recurrent Expenditure** year to date had results totaling \$2.8 million which was 63% less than the budgeted amount and 21% less than the prior year's outturn.

## 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	15,864.8	452.8	3,553.0	15,412.0	3403%	12,311.8	347%	52,767.6	17,843.1	38,630.1	34,924.5	196%	14,137.5	37%
Less:														
Capital Contributions	(26.0)	(1,500.0)	(832.1)	1,474.0	(98%)	806.1	(97%)	(6,996.0)	(9,000.0)	(10,075.5)	2,004.0	(22%)	3,079.6	(31%)
Debt Repayments	-	(277.8)	(277.8)	277.8	-	277.8	-	(6,912.8)	(7,349.2)	(5,952.6)	436.4	-	(960.2)	16%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	183.6	-	183.6	183.6	-	.0	-
Transfers from/(to) NFF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Working Capital	(5,566.3)	-	(867.4)	(5,566.3)	-	(4,698.8)	542%	(2,568.2)	-	2,862.4	(2,568.2)	-	(5,430.7)	(190%)
<b>Net Cash Flow</b>	<b>10,272.6</b>	<b>(1,324.9)</b>	<b>1,575.7</b>	<b>11,597.5</b>	<b>(875%)</b>	<b>8,696.9</b>	<b>552%</b>	<b>36,474.2</b>	<b>1,493.9</b>	<b>25,648.0</b>	<b>34,980.3</b>	<b>2342%</b>	<b>10,826.2</b>	<b>42%</b>

The month of September 2017 recorded a net cash surplus of \$10.3 million, comparing favorably to the budgeted deficit of \$1.3 million, and the prior year's outturn of \$1.6 million. Year to Date results

recorded a positive net cash flow of \$36.5 million, surpassing the budgeted amount by \$35.0 million and the prior year's outturn by \$10.8 million.

To enhance the government's treasury management, an amount of \$60.3 million is currently placed in an on-call money market account at Scotiabank (Turks and Caicos), which is currently earning interest at a rate of 0.4% per annum. The cash flow forecast for ensuing month indicates that flows should remain positive.

## OUTSTANDING PUBLIC DEBT

Public Debt Debt Type	Opening	September 30, 2017	
	01-Apr-17	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
Other TCIG Bank Loans - Unsecured	31,351.9	(5,888.7)	25,463.2
TCInvest Loans - Unsecured	1,024.1	(1,024.1)	.0
<b>Total Outstanding Public Debt</b>	<b>32,376.0</b>	<b>(6,912.8)</b>	<b>25,463.2</b>

Total outstanding public debt as of September 30, 2017, was \$25.5 million. Total debt repayments for the financial year were \$6.9 million including the early repayment of loans relating to the TCInvest portfolio.

All loan principal and interest payments are up to date as at September 30, 2017.

## DEVELOPMENT FUND

DEVELOPMENT FUND SUMMARY	EXPENDITURE	APPROVED CONTRACT	AVAILABLE	
			FOR YEAR	CUMULATIVE
Opening balance			967.2	967.2
2014	7,900.3	9,876.9	1,976.6	2,943.9
2015	11,539.0	16,830.5	5,291.5	8,235.3
2016	23,508.5	29,226.7	5,718.2	13,953.5
Sep-17	6,970.0	-	(6,970.0)	6,983.6
	<b>49,917.7</b>	<b>55,934.1</b>	<b>6,983.6</b>	

In accordance with the PFM Ordinance Section 18(2) (b), approximately \$14.0 million was retained in the Development Fund to cover the cost of projects that were deemed committed at the end of the previous financial year.

Capital Expenditure as at the half point of the financial year amounted to \$7.0 million, underperforming by \$2.0 million (22%) in comparison to the budgeted amount and \$3.1 million in comparison to the prior year's outturn. Of the total spent, \$3.0 million was spent on the construction, renovation & upgrading of schools throughout the islands. A further \$1.3 million was spent on the

purchase of police boats, \$0.4 million on the hosting of the CDB board of Governors meeting and \$0.3 million on the Lighthouse road project.

Spending on capital projects is expected to increase within the ensuing months in response to mitigating the effects of the hurricanes. Additionally, the procurement plan for the current financial year was expected to have been published at the end of the 2<sup>nd</sup> quarter; it is expected that there will have to be a review of the priority projects in response to the recovery efforts.

## NATIONAL FORFEITURE FUND

The National Forfeiture Fund had a balance of \$5.1 million at September 30, 2017