



Government of the Turks and Caicos Islands

Monthly Financial Report (Unaudited)

Report for the Month Ended

October 31, 2013

Prepared By: Office of the Accountant General

EXECUTIVE SUMMARY

1.0 Revenue & Expenditure

	Month of October 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	12,703.0	13,898.2	11,869.0	(1,195.3)	(9%)	833.9	7%	106,077.4	107,143.8	93,438.6	(1,066.4)	(1%)	12,638.9	14%
Recurrent Expenditure	13,868.0	14,294.3	13,112.0	426.3	3%	(756.1)	(6%)	87,885.7	97,543.8	86,829.3	9,658.2	10%	(1,056.4)	(1%)
Net Recurrent Surplus/(Deficit)	(1,165.1)	(396.1)	(1,242.9)	(769.0)	194%	77.9	(6%)	18,191.8	9,600.0	6,609.3	8,591.8	89%	11,582.5	175%
Non-Recurrent Revenue	133.8	833.3	8,287.7	(699.5)	(84%)	(8,153.9)	(98%)	2,213.1	3,234.0	39,986.1	(1,020.9)	(32%)	(37,773.0)	(94%)
Non-Recurrent Expenditure	1,498.0	1,427.8	2,226.7	(70.2)	(5%)	728.7	33%	11,635.5	9,994.8	12,123.9	(1,640.7)	(16%)	488.4	4%
Operating Surplus/(Deficit)	(2,529.3)	(990.6)	4,818.1	(1,538.7)	155%	(7,347.3)	(152%)	8,769.4	2,839.2	34,471.5	5,930.2	209%	(25,702.1)	(75%)

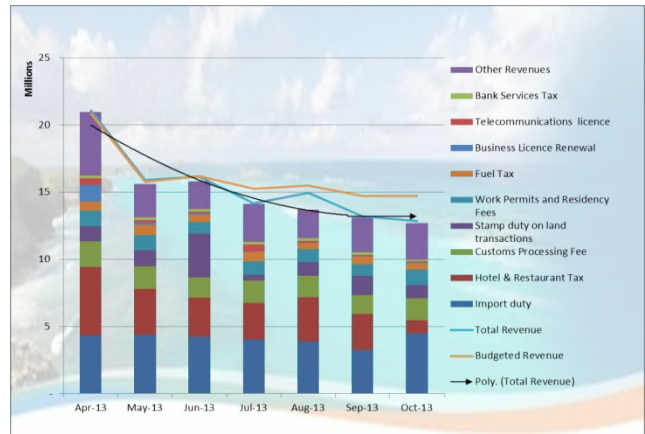
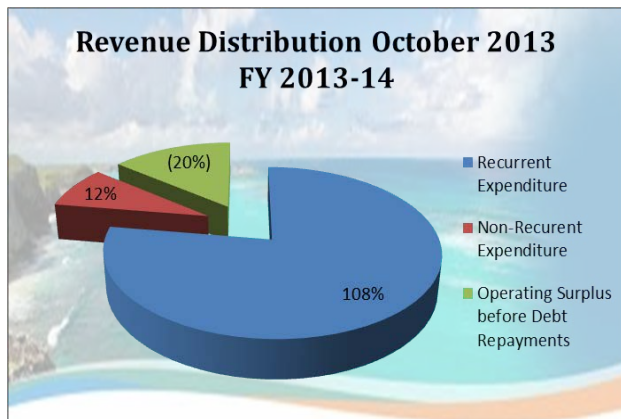
1.1 Month: Operating Deficit of \$2.5 million

The net operating balance of the consolidated fund in the month of October 2013 saw a deficit of \$2.5 million, when compared to a projected deficit of \$0.1 million and surplus of \$4.8 million in the same month of the previous year.

Recurrent revenues for the month were \$12.7 million, which was 9% or \$1.2 million below projected revenues of \$13.9 million. Import duty came in approximately \$0.5 million or 13% above budget while Hotel & Restaurant tax, stamp duty on land and fuel tax fell short of the estimated targets for the month by about \$0.3, \$0.8 and \$0.2 million respectively, due seasonality and factors such as the closure of Beaches Resort.

Total recurrent expenditure for October 2013 was approximately \$13.9 million, which was \$0.4 million or 3% below budget. This positive position is attributed to savings in personnel related costs and other operating expenses.

Total non-recurrent expenditure was \$1.5 million, which was marginally above the budgeted amount of \$1.4 million for the period



1.2 Year to Date: Operating Surplus of \$8.8 million.

The year to date operating surplus was \$8.8 million, compared to a projected surplus of \$2.8 million, a positive variance of \$5.9 million.

Total year to date revenue was \$108.3 million, which was \$2.1 million or about 2% below budget and \$25.1 million or 19% below last year's results. Most revenue streams for the period were ahead or on par with the projection, with the exception of the hotel & restaurant tax and customs processing fees which were marginally below the budget; while fuel taxes and Telecommunication licence were short their targets by 7% and 18% respectively.

Total year to date expenditure of \$99.5 million came in about \$8.0 million or 7% above budget estimates of \$107.5 million and 1% or \$0.5 million above results for the same period last year. Major areas of savings include personnel costs of about \$3.0 million, and operating expenses of \$0.9 million.

2.0 Cash Flow Statement

	Month of October 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	%	
Cash Flow from Operations	(2,529.3)	(990.6)	4,818.1	(1,538.7)	155%	(7,347.3)	(152%)	8,769.4	2,839.2	34,471.5	5,930.2	209%	(25,702.1)	(75%)
Less:														
Capital Contributions	(86.4)	(1,398.1)	(386.5)	1,311.6	(94%)	300.0	23%	(4,642.7)	(9,786.4)	(5,083.2)	5,143.7	(53%)	440.5	9%
Debt Repayments	(1,590.8)	(1,046.4)	(1,046.3)	(544.5)	52%	(544.5)	100%	(5,488.0)	(6,006.1)	(9,950.2)	518.1	(9%)	4,462.3	861%
Bond Inflows	702.7	218.1	-	484.7	222%	702.7	145%	1,943.1	1,866.9	150.0	76.2	4%	1,793.1	2352%
Herzog Payment	(167.0)	(167.0)	(167.0)	-	0%	-	0%	(1,169.0)	(1,169.0)	(1,169.0)	-	0%	-	0%
Transfers from/(to) NFF	815.0	-	-	815.0	100%	-	0%	2,096.0	1,280.9	-	815.0	39%	2,096.0	100%
Transfers to Sinking Fund	(14.8)	(4,000.0)	(8,130.0)	3,985.2	(100%)	8,115.2	(100%)	(2,683.2)	(6,668.4)	(15,563.5)	3,985.2	(60%)	12,880.3	323%
Net Payables	184.6	-	(616.1)	184.6	100%	800.8	0%	2,820.3	-	(1,056.2)	2,820.3	100%	3,876.5	-367%
Net Cash Flow	(2,686.0)	(7,383.9)	(5,527.8)	4,697.9	(64%)	2,841.8	(51%)	1,645.9	(17,642.9)	1,799.3	19,288.8	(109%)	(153.4)	(1%)

The month of October 2013 recorded a cash flow deficit of \$2.7 million compared to a budgeted deficit of \$7.4 million and prior year deficit of \$5.5 million. The year to date net cash flow was \$1.6 million, which compares favorably with the projected cash flow deficit for the year to date of \$17.6 million and prior year surplus of \$1.8 million. Previous year cash surplus was due primarily to non-recurrent revenues.

Recurrent payments for Inter-Health Canada, National Health Insurance Board, Herzog and debt servicing payments were made during the month of October, as scheduled.

The cash forecast for ensuing months indicates that cash flow should remain positive and there should not be a need to draw on the credit facility.

3.0 Outstanding Public Debt

The Turks and Caicos Government's outstanding debt as of October 31, 2013 is \$210.2 million, as shown in the table adjacent. Total debt repayments for the year to date were \$6.7 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.

All loan principal and interest payments are up to date as of October 31, 2013.

Debt Type	Opening	October 31, 2013	
	01-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	(4,195.9)	19,620.2
TCInvest Loans - Unsecured	12,254.1	(1,292.1)	10,962.0
Total Bonds & Loans	215,070.3	(5,488.0)	209,582.3
Other Debt	1,832.8	(1,169.0)	663.8
Total Outstanding Public Debt	216,903.0	(6,657.0)	210,246.1

4.0 Sinking Fund

The Sinking Fund balance as at end October 2013 stood at \$43.7 million. Net public debt outstanding at the end of October 2013 is therefore about \$166.5 million, when the Sinking Fund is taken into consideration.

5.0 National Forfeiture Fund

The National Forfeiture Fund had a balance of \$4.3 million at the end of October 2013 after transferring \$0.8 million to the Consolidate Fund to finance the acquisition of new vehicles for the Police department.