



GOVERNMENT OF THE  
TURKS AND CAICOS ISLANDS

# SUMMARY FINANCIAL REPORT

# NOVEMBER 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 was severely curtailed and this continues to be reflected in the operating results for the month of October.*

*The overall fiscal impact of these natural disasters is still being determined.*

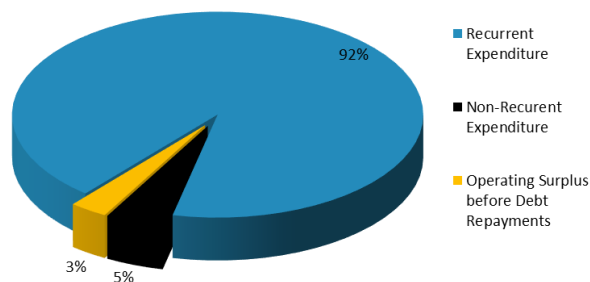
## OPERATING SURPLUS

	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	%				
Recurrent Revenue	15,780.7	19,336.0	18,711.8	(3,555.3)	(18%)	(2,931.0)	(16%)	160,221.8	175,971.9	170,414.2	(15,750.1)	(9%)	(10,192.4)	-6%
Recurrent Expenditure	14,624.1	16,126.4	16,275.6	1,502.3	9%	1,651.5	10%	130,498.7	138,585.5	128,150.1	8,086.8	6%	(2,348.6)	(2%)
<b>Net Recurrent Surplus</b>	<b>1,156.7</b>	<b>3,209.6</b>	<b>2,436.2</b>	<b>(2,053.0)</b>	<b>(64%)</b>	<b>(1,279.5)</b>	<b>(53%)</b>	<b>29,723.1</b>	<b>37,386.5</b>	<b>42,264.0</b>	<b>(7,663.3)</b>	<b>-20%</b>	<b>(12,540.9)</b>	<b>(30%)</b>
Non-Recurrent Revenue	45.9	28.1	87.1	17.8	-	(41.2)	-	20,481.9	359.4	708.0	20,122.4	5598%	19,773.9	2793%
Non-Recurrent Expenditure	728.1	810.2	496.4	82.1	10%	(231.7)	(47%)	4,203.0	8,802.6	4,816.6	4,599.6	52%	613.7	13%
<b>Operating Surplus</b>	<b>474.5</b>	<b>2,427.5</b>	<b>2,026.9</b>	<b>(1,953.1)</b>	<b>(80%)</b>	<b>(1,552.4)</b>	<b>(77%)</b>	<b>46,002.0</b>	<b>28,943.3</b>	<b>38,155.4</b>	<b>17,058.7</b>	<b>59%</b>	<b>7,846.6</b>	<b>21%</b>

**The Consolidated Fund** recorded an overall deficit of \$6.9 million during October, when compared to the budgeted deficit of \$3.4 million. The overall year to date operating surplus of \$45.9 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 \$28.9 million, 29% ahead of the budgeted amount. **On a year-over-year basis**, the Consolidated Fund decreased when compared to October of the previous year by \$4.4 million and year to date results had an increase of \$9.8 million (27%) when compared to results of the previous year.

**Recurrent Revenues** for the month amounted to \$14.1 million compared to the budgeted revenues of \$15.9 million, representing a shortfall of \$1.8 million. Year to date Recurrent Revenue totaled \$144.4 million. This performance was less than the budgeted amount by \$12.2 million. On a year-over-year basis recurrent revenues had a decrease of \$7.3 million (4%) when compared to the outturn as at October of the prior year.

**Revenue Distribution November 2017**



**Non-recurrent Revenue** collected for the month of October totaled \$0.4 million which represents an insurance payout from the Caribbean Catastrophic Risk Insurance Facility. **Year to Date** receipts totaled \$20.4 million consisting of 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, both of which were received in September.

**Recurrent Expenditure** for October was \$20.7 million, which was \$2.3 million (12%) above the budgeted amount and up 18% from the previous year's outturn. Year to date expenditure totaled \$115.5 million, underperforming against the budgeted amount by \$18.7 million (14%) while being above the previous year's expenditure by 3%. The excess expenditure during the month was expected as the processing of payments is brought up to date as a result of the business interruption experienced during the previous month.

**Non-recurrent Expenditure** year to date had results totaling \$3.5 million which was 58% less than the budgeted amount and 20% less than the prior year's outturn, due primarily to the timing of the receipt of invoices.

## 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	%
<b>Cash Flow from Operations</b>	<b>474.5</b>	<b>2,427.5</b>	<b>2,026.9</b>	<b>(1,953.1)</b>	<b>(80%)</b>	<b>(1,552.4)</b>	<b>(77%)</b>	<b>46,002.0</b>	<b>28,943.3</b>	<b>38,155.4</b>	<b>17,058.7</b>	<b>59%</b>	<b>7,846.6</b>	<b>21%</b>
<b>Less:</b>														
Capital Contributions	(772.1)	(4,887.5)	(951.5)	4,115.4	(84%)	179.4	(19%)	(9,637.5)	(18,775.0)	(12,364.4)	9,137.5	(49%)	2,726.8	(22%)
Debt Repayments	-	(2,741.7)	(2,208.4)	2,741.7	-	2,208.4	-	(9,984.9)	(10,421.3)	(9,056.7)	436.4	-	(928.2)	10%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	23.1	-	23.1	23.1	-	-	-	206.7	-	206.7	206.7	-	.0	-
Transfers from/(to) NFF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Working Capital	(1,521.4)	-	817.3	(1,521.4)	-	(2,338.7)	(286%)	(988.5)	-	2,862.4	(988.5)	-	(3,850.9)	(135%)
<b>Net Cash Flow</b>	<b>(1,795.9)</b>	<b>(5,201.6)</b>	<b>(292.6)</b>	<b>3,405.7</b>	<b>(65%)</b>	<b>(1,503.3)</b>	<b>514%</b>	<b>25,597.8</b>	<b>(253.0)</b>	<b>19,803.5</b>	<b>25,850.9</b>	<b>(10217%)</b>	<b>5,794.3</b>	<b>29%</b>

The month of October 2017 recorded a net cash deficit of \$4.8 million, comparing favorably to the budgeted deficit of \$8.6 million, while being \$2.2 million below the prior year's outturn. Year to Date results recorded a positive net cash flow of \$27.8 million, surpassing the budgeted amount by \$34.9 million and the prior year's outturn by \$6.8 million.

To enhance the government's treasury management, an amount of \$80.2 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.

## OUTSTANDING PUBLIC DEBT

Public Debt Debt Type	Opening	November 30, 2017	
	01-Apr-17	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
Other TCIG Bank Loans - Unsecured	31,351.9	(8,960.9)	22,391.1
TCInvest Loans - Unsecured	1,024.1	(1,024.1)	.0
<b>Total Outstanding Public Debt</b>	<b>32,376.0</b>	<b>(9,984.9)</b>	<b>22,391.1</b>

Total year to date loan repayment was \$10.0 million, which reduced Loans and Bonds from a total \$32.4 million at March 31 2017, to \$22.4 million at the end of October 2017. This repayment amount included \$1.0 million paid to the Caribbean Development Bank (CDB) in the early settlement of loans relating to TCInvest.

## DEVELOPMENT FUND

DEVELOPMENT FUND SUMMARY	EXPENDITURE	APPROVED CONTRACT	AVAILABLE	
			FOR YEAR	CUMULATIVE
Opening balance			967.2	967.2
<b>2014</b>	7,900.3	9,876.9	1,976.6	2,943.9
<b>2015</b>	11,539.0	16,830.5	5,291.5	8,235.3
<b>2016</b>	23,508.5	29,226.7	5,718.2	13,953.5
<b>Nov-17</b>	10,230.4	-	(10,230.4)	3,723.2
	<b>53,178.1</b>	<b>55,934.1</b>	<b>3,723.2</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 at the half point of the financial year amounted to \$8.9 million, with an additional \$5.1 million available for expenditure. Of the total spent, \$3.7 million was spent on the construction, renovation & upgrading of schools throughout the islands. \$1.3 million was spent on the purchase of police boats and an equal amount on road development and repair. A further \$0.4 million was spent 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; however capital spending is being reprioritized in response to efforts being carried out to mitigate the effects of the hurricanes.

## NATIONAL FORFEITURE FUND

The National Forfeiture Fund had a balance of \$5.1 million at October 31, 2017