



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



FINANCIAL REPORT
NOVEMBER 2023



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FOREWORD

This report presents the financial results of the Turks and Caicos Islands Government (TCIG) or (the "Government") as at the month ended November 30, 2023.

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

Over the past eight months, Government response has been and still is important in growing the economy and mitigating the effects of the cost of living crisis through a multitude of policies and programmes. The Government has ended the month with an operating surplus of \$1.6 million (Year to Date: \$64.1 million).

This report enables the Government to monitor the usage of public funds and the associated risks and challenges more closely and implement changes. Likewise, the public, financial institutions and other stakeholders can monitor the Government's finances to ensure that financial decisions are made according to prudent financial management.

The financial report is prepared using the cash basis of accounting and guided by International Public Sector Accounting Standards (IPSAS) cash basis. Revenue is recognized when received and not earned; Expenditure is recorded when it is paid rather than when incurred.

PUBLICATION: To be released by the Department website (www.gov.tc/treasury)

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 \$417.8 million, operating expenditures of \$358.6 million and Capital expenditure estimated at \$65.1 million, resulting in a projected deficit of \$6.3 million.

The first supplementary budget was approved on September 28, 2023 to increase the recurrent expenditure by \$12.8 million and to increase Capital expenditure by \$0.7 million. Significant budget increases were made towards the Community Enhancement Program (\$1.9 million), Border Control and Detention and Repatriation (\$1 million),

Consumer Price Index increase to Interhealth Canada Infraco payments (\$1.4 million), Renewal of Leases (\$1.4 million, and Social Enhancement Aid (SEA) Program (\$1 million).

The updated projections indicate that there will be a spending of \$438 million, with \$372 million allocated for operating expenses and \$66 million for capital expenses, resulting in a projected net deficit of \$20 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 October 2023 economic outlook report projects that global growth will slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. The slowdown is due to a number of factors, including: The lingering effects of the COVID-19 pandemic, the war in Ukraine, tighter financial conditions in most regions and high inflation. The IMF also warns that there are significant downside risks to the outlook. These include: A further deterioration in the war in Ukraine, a more severe-than-expected slowdown in China and a sharper-than-anticipated tightening of financial conditions. The IMF urges policymakers to take decisive action to address these risks. This includes: Providing fiscal support to vulnerable households and businesses, implementing policies to address supply chain disruptions and tightening monetary policy to combat inflation. Despite the challenges, the IMF believes that the global economy can avoid a recession. However, it will require careful policymaking and a willingness to adapt to changing circumstances.

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 6.9 percent in 2023 and 5.8 percent in 2024 due to tighter monetary policy aided by lower international commodity prices. Underlying (core) inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

For the Caribbean region, the Caribbean Development Bank forecasts¹ 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

¹ <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/>

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.

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, has fully recovered from the effects of the Covid-19 Pandemic and returned to fully operation. The government is also investing in infrastructure and other development projects, which are expected to boost economic growth. However, there are also some challenges to the economic outlook. High inflation and the rising cost of living continue to put 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 the first eight months was slightly higher than both the Estimates and the same period in the prior year. Cabinet has approved the following measures introduced to ease the cost of living burden for the citizenry;

- Extension of the reduction in the rate of Customs Processing fee from 7.5% to 5% across the board on the importation of all goods. This adjustment was effective from 1st October 2023 and is scheduled to end on 31st March 2025.
- 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 with effect from 1st April 2023.

FISCAL OVERVIEW

The Government has ended the month of November 2023 with an operating surplus of \$1.6 million and a cash increase of \$1.6 million to a closing cash balance of \$344.5 million. Revenue for November was 7% higher than budget and 9% more than the similar period in the prior year. 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, continued growth in the construction and real estate market.

FISCAL SUMMARY

The month of November recorded an operating surplus of \$1.6 million against a projected deficit of \$0.6 million. The result was \$2.2 million or 381% higher than Estimates and \$2.2 million and 371% higher than the prior year. The performance against budget is mostly driven by higher than expected revenue from Stamp duty from land transactions and an underspend on social welfare costs.

FISCAL SUMMARY	November			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	29,355	27,481	26,807	1,875	7%	2,549	10%	277,764	259,903	264,726	17,861	7%	13,038	5%
Non-Recurrent Revenue	12	20	64	(8)	-41%	(52)	-81%	817	2,169	3,889	(1,352)	-62%	(3,072)	-79%
Total Revenue	29,367	27,501	26,871	1,866	7%	2,497	9%	278,581	262,072	268,614	16,509	6%	9,967	4%
Recurrent Expenditure	27,085	27,544	26,363	(459)	-2%	722	3%	209,953	258,830	197,476	(48,877)	-19%	12,477	6%
Non-Recurrent Expenditure	666	532	1,104	133	25%	(438)	-40%	4,499	7,618	6,476	(3,119)	-41%	(1,978)	-31%
Total Expenditure	27,751	28,076	27,467	(325)	-1%	283	1%	214,452	266,448	203,952	(51,996)	-20%	10,500	5%
Net Operating Surplus	1,617	(575)	(597)	2,192	-381%	2,213	-371%	64,129	(4,376)	64,662	68,505	-1566%	(533)	-1%

CASH FLOW

The underlying cash balance increased by \$1.6 million during the month of November. This resulted in an increase in TCIG's cash and cash equivalents from \$342.9 million at the end of the prior month to \$344.5 million at November 30, 2023. Cash balances comprise cash at bank, short term fixed deposits and cash-in-transit.

	November			Variance				Year to Date			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	%
Cash Flow from Operations	1,617	(575)	(597)	2,192	-381%	2,213	-371%	64,129	(4,376)	64,662	68,505	-1566%	(533)	-1%
Less:														
Development Fund Expenditure	(746)	(5,278)	(3,200)	4,533	-86%	2,454	-77%	(17,202)	(47,153)	(10,570)	29,952	-64%	(6,631)	63%
Debt Repayments	-	-	-	-	0%	-	0%	(245)	(95)	(130)	(150)	0%	(221)	0%
Borrowing	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
Bond Inflows	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
Net receipts/(payments) of public accounts	726	-	(1,815)	726	0%	(2,541)	140%	7,996	-	2,709	7,996	0%	(5,287)	-195%
Net Cash Flow	1,597	(5,853)	(5,611)	7,450	-127%	7,208	128%	54,679	(51,624)	56,671	106,303	-206%	(1,992)	-31%
Opening cash balance	342,909		258,076					289,827		195,794				
Closing cash balance	344,506		252,465					344,506		252,465				
Attributable to:														
Consolidated Fund	194,238							194,238						
Development Fund	92,972							92,972						
National Forfeiture Fund	6,463							6,463						
National Wealth Fund	50,833							50,833						
Closing cash balance	344,506							344,506						

REVENUE

November: \$29.4 million YTD: \$278.6 million

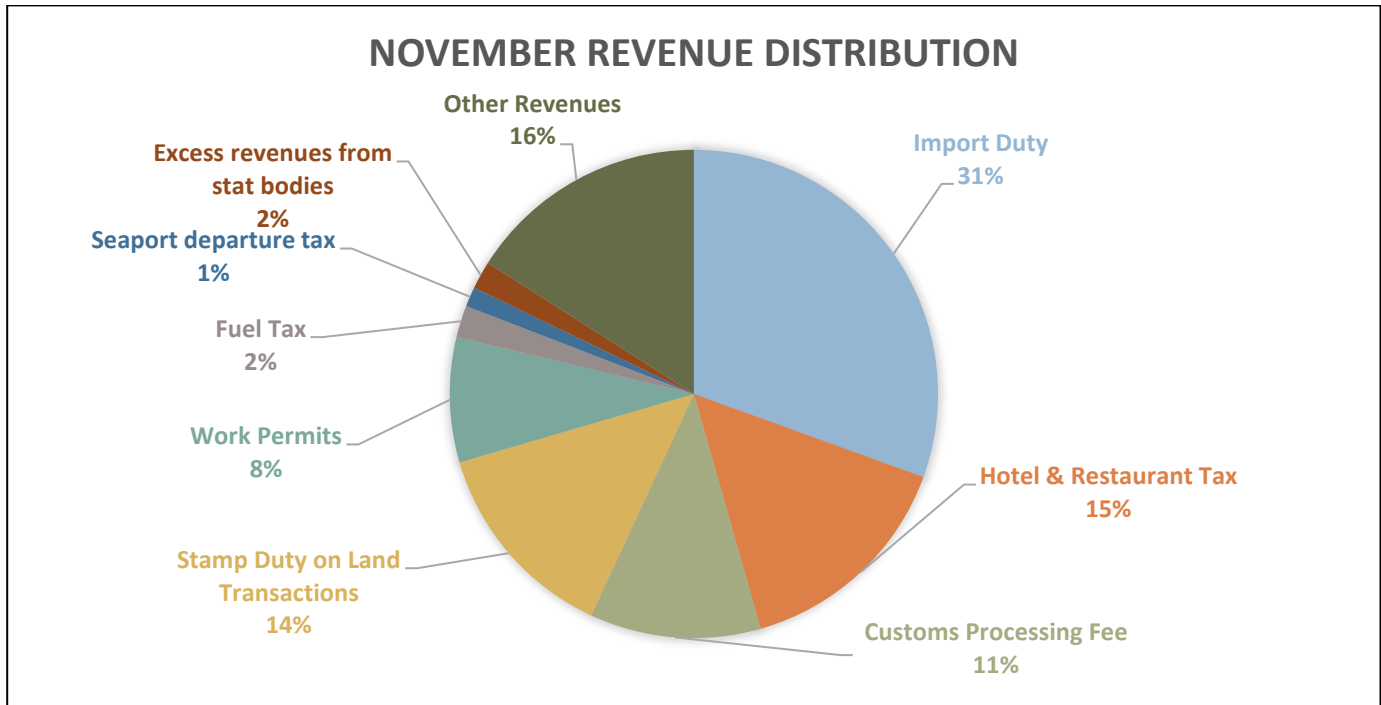
	November	Variances	Year to Date	Variances
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	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Recurrent Revenues														
Import Duty	8,961	9,159	7,907	(198)	-2%	1,053	13%	70,657	61,819	61,245	8,838	14%	9,413	15%
Hotel & Restaurant Tax	4,423	3,921	3,488	501	13%	935	27%	68,140	65,816	63,112	2,324	4%	5,028	8%
Customs Processing Fee	3,321	3,365	2,504	(43)	-1%	817	33%	23,916	22,051	22,130	1,865	8%	1,786	8%
Stamp Duty on Land Transactions	3,984	2,932	4,366	1,052	36%	(382)	-9%	33,508	37,408	42,787	(3,900)	-10%	(9,279)	-22%
Work Permits	2,432	2,308	2,338	124	5%	94	4%	21,095	17,097	16,555	3,998	23%	4,540	27%
Fuel Tax	618	683	597	(65)	-10%	20	3%	5,249	5,073	5,148	177	3%	102	2%
Seaport Departure Tax	383	378	368	5	1%	15	4%	4,257	3,378	3,292	879	26%	965	29%
Excess revenues from stat bodies	543	250	1,000	293	117%	(458)	-46%	9,942	8,766	15,347	1,176	13%	(5,406)	-35%
Other Revenues	4,691	4,484	4,238	207	5%	453	11%	41,000	38,495	35,110	2,505	7%	5,891	17%
Total Recurrent Revenue	29,355	27,481	26,807	1,875	7%	2,549	10%	277,764	259,903	264,726	17,861	7%	13,038	5%
Non- Recurrent Revenues														
Civil Recovery Income	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
Land Sales	12	20	64	(8)	-41%	(52)	-81%	799	842	2,103	(42)	-5%	(1,303)	-62%
Revenue From Grants	-	-	0	-	-	(0)	-100%	18	1,328	1,786	(1,310)	-99%	(1,769)	-99%
Insurance Proceeds	-	-	-	-	0%	-	0%	-	-	-	-	0%	-	0%
	12	20	64	(8)	-41%	(52)	-81%	817	2,169	3,889	(1,352)	-62%	(3,072)	-79%
Total Revenue	29,367	27,501	26,871	1,866	7%	2,497	9%	278,581	262,072	268,614	16,509	6%	9,967	4%

Aggregate Revenue for November totaled \$29.4 million. This result was 15% ahead of budget and 2% lower the prior year's collections. The performance against budget is attributed to over performance of Import Duty revenue. The five main revenue lines of Hotel and Restaurant tax, import duty, stamp duty on land transactions, customs processing fees and Work permit fees contributed 79% of the total Revenue.

Year to date, aggregate revenue stands at \$278.6 million which is 6% higher than Estimates and 3% more than the prior year. This is mainly attributed to over performance of Import duties, Hotel and Restaurant Taxes and Work permit fees.

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



Import duties accounted for the largest share of the revenue collected, making up 31% of the total. During the period, import duty collections reached \$9 million, falling short of the budget by 2% and exceeding the previous year's results by 9%. Year-to-date, import duty revenue amounted to \$70.7 million, exceeding estimates by 14% and surpassing the previous year's results by 15%. The increase in inflationary pressures has resulted in price hikes for imported items. Additionally, the growth in economic activity in the tourism and construction sectors has led to a higher volume of imports.

Hotel and Restaurant Tax (HRT) accounted for the second largest share (15%) of the total revenue collected during the period. Tourism activities remained stable even through the slow season. HRT collections amounted to \$4.4 million, which was \$0.5 million or 13% higher than the estimated amount and \$0.9 million or 27% higher than the previous year. Year-to-date, the revenue from Hotel and Restaurant tax stands at \$68.1 million, which is 4% higher than the estimated amount and 8% higher than the previous year. Tourist arrivals have returned to pre-pandemic levels during the current fiscal 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 the period totaled \$4 million. The collections were 36% higher than the Estimates and 9% less than the prior year period. Year to date, revenue from Stamp Duty for land transactions amounted to \$33.5 million which was 10% behind Estimates and 22% less than the prior year. It is important to note that land transactions do not follow a cyclical pattern, and historical data may not accurately predict future revenue trends. The current factors influencing stamp duty from land transactions include fluctuations in the real estate market and the implementation of the BOTC Stamp Duty Rate Reduction Policy. Under this policy, a transfer with a consideration band that would typically incur a 10% stamp duty rate may be reduced to 6%.

Customs Processing Fees (CPF) for the period amounted to \$3.3 million, was in line with the Estimates and surpassing the prior year's results by \$0.8 million or 33%. Year to date, revenue from Customs processing fees reached \$23.9 million, which was 8% higher than the estimated amount and 8% higher than the previous year's results. The rise in customs processing fees revenue can be attributed to increased import activities especially in the construction industry, and inflation on imports.

Work Permits fees were \$2.4 million for period, accounting for 8% of the total Revenue. These exceeded Estimates by \$0.1 million or 5% and were \$0.1 million or 4% more than the collections in the prior year. Year to date, revenue from Work permit fees totaled \$21.1 million which was 23% higher than Estimates and 27% more than the prior year results. Work permit Revenue collection increased as most work permit holders are employed in the tourism and hospitality sector, and hiring would have increased with increased business activity.

Excess revenue from Statutory bodies totaled \$0.5 million. This was \$0.3 million or 117% ahead of budget and \$0.5 million or 46% less than the prior year results. Year to date, Excess revenue received from Statutory Bodies totaled \$9.9 million which was 13% ahead of Estimates and 35% less than the prior year.

Seaport departure tax totaled \$0.4 million which was in line with the Estimates and 4% higher than the prior year. The Grand Turk Cruise Terminal collects \$16 in fees per passenger. Of this \$7(43.75%) is paid to the TCI Government. There was an increase in cruise arrivals which led to increased collections of the Seaport departure tax.

Other revenues totaled \$4.7 million for the period which was \$0.2 million or 5% higher than Estimates and \$0.5 million or 11% higher than the prior year. Year to date, other recurrent revenues stand at \$41 million which is 7% more than the Estimates and 17% more than the prior year. The table below shows the breakdown of Other revenue.

	November			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	%
Business License renewal	64	69	70	(5)	(8%)	(7)	(9%)	2,638	2,665	2,620	(28)	(1%)	18	1%
Communication Tax	274	530	464	(256)	(48%)	(190)	(41%)	3,542	3,945	3,312	(403)	(10%)	230	7%
Gaming Machine Tax	401	443	220	(42)	(9%)	181	82%	3,354	4,183	3,261	(829)	(20%)	93	3%
Telecommunication Licenses	201	351	342	(150)	(43%)	(141)	(41%)	2,747	2,659	2,602	88	3%	145	6%
Overtime Costs Recovered	200	171	221	29	17%	(21)	(10%)	2,800	2,071	2,100	729	35%	700	33%
Vehicle License Renewals	383	390	340	(7)	(2%)	43	13%	2,372	2,279	2,152	94	4%	221	10%
Permanent Residency Fees	422	200	115	222	111%	307	266%	3,000	1,545	1,520	1,455	94%	1,480	97%
Crown lands rent	26	106	151	(80)	(75%)	(124)	(82%)	405	1,183	817	(777)	(66%)	(412)	(50%)
Insurance Premiums tax	99	127	102	(28)	(22%)	(3)	(3%)	1,565	1,137	1,011	428	38%	554	55%
Bank services tax	91	74	60	16	22%	30	50%	707	701	593	6	1%	115	19%
Stamp duty - vehicle hire	111	94	87	17	19%	24	27%	1,445	1,439	1,410	6	0%	35	2%
Driver's License	120	140	136	(20)	(14%)	(16)	(12%)	966	935	905	31	3%	61	7%
Duty free shops Royalties	117	146	91	(29)	(20%)	27	29%	745	837	766	(92)	(11%)	(21)	(3%)
ID Card Fees	114	94	94	20	21%	20	21%	952	745	718	207	28%	234	33%
Labour Clearance Fees	133	140	137	(7)	(5%)	(4)	(3%)	1,077	783	754	293	37%	322	43%
PDA application fees	236	250	470	(14)	(6%)	(234)	(50%)	1,857	1,471	1,598	386	26%	258	16%
Work Permits Repatriation Program	290	172	171	118	69%	119	70%	1,897	1,145	1,100	752	66%	797	72%
Temporary Work Permits	148	114	117	34	30%	31	26%	952	948	925	4	0%	27	3%
Other Revenues	1,261	873	848	388	44%	412	49%	7,979	7,824	6,946	155	2%	1,033	15%
TOTAL OTHER REVENUE	4,691	4,484	4,238	207	5%	453	11%	41,000	38,495	35,110	2,505	7%	5,891	17%

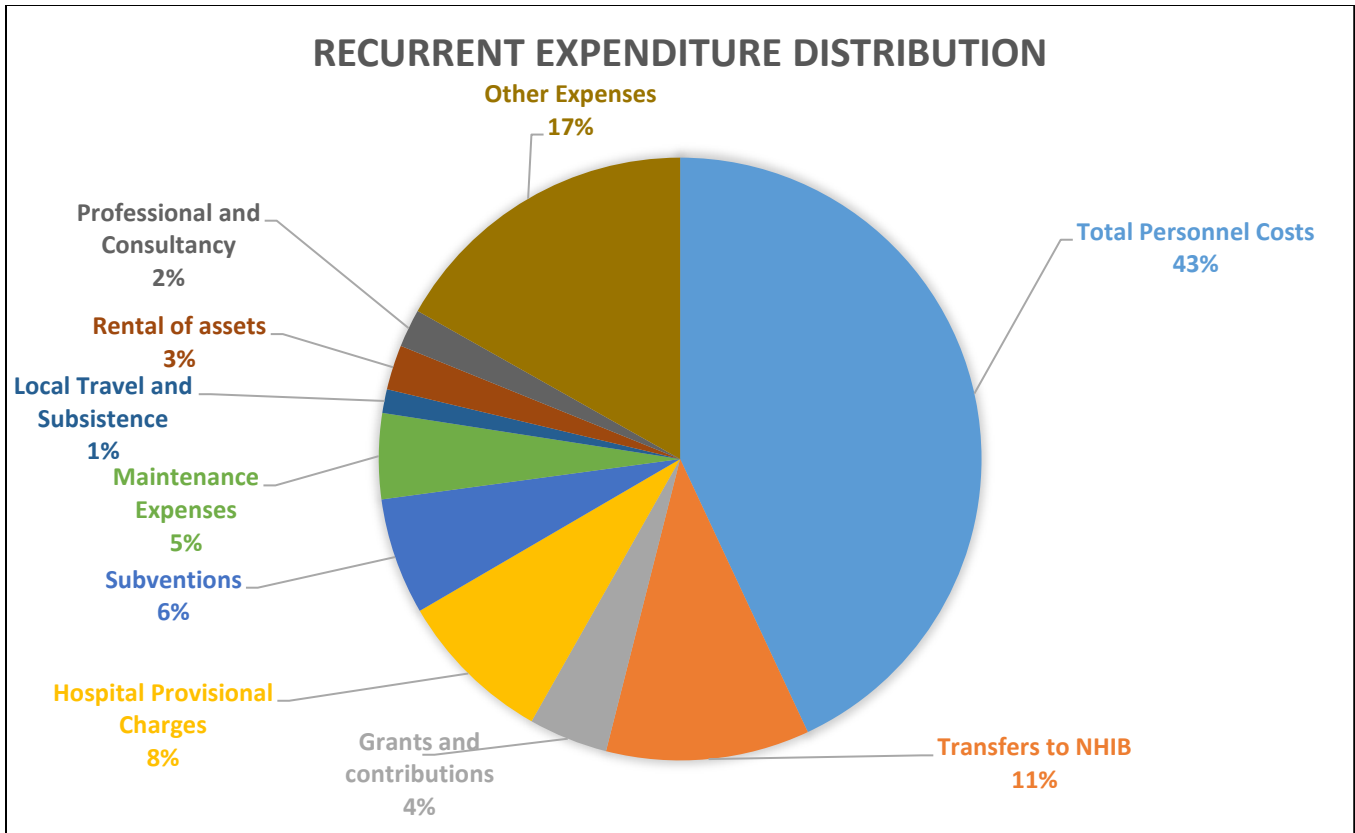
Non-recurrent revenue collected during the period totaled \$0.01 million which related to land sales. Year to date, Non-recurrent revenue totaled \$0.8 million mainly relating to land sales. This was 62% lower than Estimates and 79% lower than the prior year. The unfavorable variances are as result of Grant Income for the RESEMBID project but not received during the period.

EXPENDITURE

Recurrent Expenditure: November: \$27.1 million YTD: \$210 million

	November			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	%
Total Personnel Costs	11,657	11,586	9,700	71	1%	1,957	20%	84,352	93,359	73,018	(9,007)	-10%	11,334	16%
Transfers to NHIB	2,958	2,982	2,898	(24)	-1%	59	2%	23,661	23,563	23,006	98	0%	656	3%
Grants and contributions	1,150	499	1,428	650	130%	(278)	-19%	7,087	11,021	17,476	(3,934)	-36%	(10,389)	-59%
Hospital Provisional Charges	2,274	2,294	2,166	(19)	-1%	108	5%	19,860	19,879	18,834	(19)	0%	1,026	5%
Subventions	1,695	2,166	2,766	(470)	-22%	(1,071)	-39%	17,481	20,398	17,069	(2,917)	-14%	412	2%
Maintenance Expenses	1,243	1,143	1,271	100	9%	(28)	-2%	9,074	11,874	8,443	(2,800)	-24%	631	7%
Local Travel and Subsistence	345	278	421	67	24%	(76)	-18%	2,619	3,156	2,366	(537)	-17%	253	11%
Rental of assets	651	712	740	(60)	-8%	(89)	-12%	4,490	6,381	3,904	(1,891)	-30%	586	15%
Professional and Consultancy	554	216	423	338	156%	132	31%	3,817	13,334	2,719	(9,517)	-71%	1,098	40%
Other Expenses	4,558	5,668	4,549	(1,111)	-20%	8	0%	37,512	55,865	30,641	(18,353)	-33%	6,871	22%
Total Recurrent Expenditure	27,085	27,544	26,363	(459)	-2%	722	3%	209,953	258,830	197,476	(48,877)	-19%	12,477	6%

Recurrent expenditure for November 2023 totaled \$27.1 million. The results were 2% or \$0.5 million less than the Estimates and \$0.7 million or 3% higher than the Prior Year. Year to date, total recurrent expenditure totaled \$210 million which was \$48.9 million or 19% below Estimates and \$12.5 million or 6% higher than the prior year. The underspending against the budget can be primarily attributed to vacancies within the Civil Service and lower-than-expected spending on professional and consultancy services. This was due to delays in the procurement process for various professional services. Recurrent expenditures were distributed as show below



NHIB transfers totaled \$3 million and **Hospital Provisional Charges** totaled \$2.3 million in November. These were both in line with the Estimates. The Hospital Provisional Charges are 5% higher than the prior year due to changes in the Consumer Price Index factored into INFRACO payments to Interhealth Canada. Year to date, NHIB transfers totaled \$23.7 million (in line with budget and 3% ahead of prior year) and Hospital Provisional Charges totaled \$19.9 million (in line with Budget and 5% higher than prior year).

Grants and contributions totaled \$1.2 million. This was \$0.7 million or 130% higher than Estimates and \$0.3 million or 19% less than the prior year. Year to date, Grants and Contributions totaled \$7.1 million which was 36% lower than the Estimates and 59% less than the prior year. The variance against prior year is as a result of the Citizen’s adjustment stimulus that was awarded in FY2022/23. The variance against budget is due to supplementary funding to the community enhancement programme that has not yet been expended. It is expected that the Grants expenditure will align with budget as the year progresses, as departments work towards completing their KPIs.

Professional and Consultancy costs totaled \$0.6 million in November. This was \$0.3 million or 156% higher than Estimates and \$0.1 million or 31% higher than the prior year. The Year to date cost amounted to \$3.8 million, 71% lower than the Estimates and 40% higher than the prior year. The variance against budget is due to delays in the procurement processes of various professional services across different ministries.

Personnel Costs accounted for 43% of the recurrent expenditure, totaling \$11.7 million in November. This was in line with the Estimates of \$11.6 million. Compared to the prior year, the Personnel costs were \$2 million or 20% higher. Year to date, total Personnel Costs are \$84.4 million which is 10% behind Estimates and 16% more than the prior year. The increase against the prior year is mainly attributed to a 10% increase in police salaries and general increases in salaries and wages across the civil service to match the minimum wage changes and payments towards pension and gratuity of civil servants. The year-to-date performance against budget results from existing vacancies that are yet to be filled throughout the civil service, offset by an overspend on pension and gratuity costs. Personnel costs are further itemized below

	November			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	%
Compensation of employees														
Salaries and Wages	8,088	8,166	7,110	(78)	-1%	978	14%	57,989	64,797	52,865	(6,808)	-11%	5,124	10%
Contribution to NIB and NHIB	698	933	606	(235)	-25%	92	15%	5,225	5,792	4,597	(568)	-10%	628	14%
Housing Allowances	527	492	501	34	7%	26	5%	4,079	4,982	3,773	(903)	-18%	306	8%
Transport Allowances	86	151	96	(66)	-43%	(11)	-11%	701	1,238	666	(537)	-43%	35	5%
Telephone Allowances	104	134	98	(29)	-22%	6	6%	825	1,014	705	(189)	-19%	121	17%
Other Allowances	653	620	583	33	5%	70	12%	4,988	5,530	4,522	(543)	-10%	465	10%
Total compensation of employees	10,155	10,496	8,993	(341)	-3%	1,162	13%	73,807	83,353	67,127	(9,546)	-11%	6,680	10%
Compensation to Members of the House of Assembly														
Salaries - Ministers and Members	156	156	156	(0)	0%	0	0%	1,247	1,247	1,247	(0)	0%	0	0%
NIB and NHIB for Ministers and Members	8	10	8	(2)	-16%	0	1%	65	77	67	(12)	-16%	(2)	-3%
Allowances for Ministers and Members	4	7	0	(3)	-49%	3	1308%	38	52	0	(15)	-28%	37	14959%
Total compensation of members of the House of Assembly	168	172	164	(5)	-3%	4	2%	1,350	1,376	1,314	(27)	-2%	35	3%
Pensions and gratuities														
Pensions	371	313	500	58	19%	(129)	-26%	2,997	2,503	3,717	494	20%	(720)	-19%
Employees' Pension Contribution	216	245	1	(29)	-12%	214	14798%	1,630	1,853	9	(223)	-12%	1,622	18903%
Employer's Pension Contribution	216	95	-	121	127%	216	-	1,620	1,619	-	1	0%	1,620	-
Gratuities	235	93	41	142	154%	194	467%	1,412	891	544	520	58%	867	159%
Pensions - Legislators	150	129	-	21	16%	150	-	1,129	1,032	-	96	9%	1,129	-
Gratuities - Legislators	146	43	-	103	239%	146	-	408	731	307	(322)	-44%	102	33%
Total pensions and gratuities	1,334	917	543	416	45%	791	146%	9,196	8,630	4,577	566	7%	4,619	101%
Total Wages, Salaries and benefits	11,657	11,586	9,700	71	1%	1,957	20%	84,352	93,359	73,018	(9,007)	-10%	11,334	16%

Other Recurrent Expenditure: November: \$4.6 million YTD: \$37.5 million

In November, Other recurrent expenses totaled \$4.6 million which was \$1.1 million or 20% behind the Estimates and in line with the prior year. Year to date, Other recurrent expenditure totaled \$37.5 million which was 33% behind budget and 22% higher than the prior year. The performance against budget was mainly driven by underspend on social welfare, security expenses and recurrent sub programmes. The monthly budget variances are mainly due to timing differences between profiled and actual expenditure and this gap should narrow as the year progresses.

	November			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	%
Social welfare	598	1,640	376	(1,042)	-64%	222	59%	5,273	8,496	4,137	(3,223)	-38%	1,136	27%
Recurrent Sub Programmes and Projects	373	310	445	63	20%	(72)	-16%	2,721	5,440	2,241	(2,719)	-50%	481	21%
Utilities	496	482	583	14	3%	(87)	-15%	3,353	3,813	3,008	(460)	-12%	345	11%
Security expenses	149	307	231	(158)	-52%	(82)	-36%	1,455	2,818	1,374	(1,362)	-48%	81	6%
International Travel and Subsistence	234	100	140	134	134%	95	68%	1,672	2,169	1,536	(497)	-23%	136	9%
Communication Expenses	123	162	132	(39)	-24%	(8)	-6%	1,137	1,414	824	(277)	-20%	312	38%
Bank charges	111	118	73	(7)	-6%	38	52%	912	945	843	(32)	-3%	69	8%
Data Communication cost	369	157	263	212	135%	106	40%	1,183	1,073	633	110	10%	550	87%
Insurance Expenses	-	20	3	(20)	-100%	(3)	0%	1,852	2,378	1,375	(525)	-22%	477	0%
Hosting and Entertainment	174	216	107	(43)	-20%	66	62%	1,499	2,078	1,409	(579)	-28%	90	6%
Repatriation and exportation expenses	362	314	316	48	15%	46	15%	3,632	3,611	2,296	21	1%	1,336	58%
Other supplies, material & Equipment	172	681	342	(509)	-75%	(170)	-50%	1,408	3,036	1,188	(1,628)	-54%	219	18%
Computer License & Hardware	12	(868)	61	881	-101%	(49)	-80%	971	1,744	476	(773)	-44%	496	104%
Fuel	132	138	139	(5)	-4%	(6)	-5%	1,049	1,113	850	(64)	-6%	199	23%
Other Recurrent Expenditure	1,253	1,892	1,340	(639)	-34%	(87)	-7%	9,394	15,737	8,451	(6,343)	-40%	943	11%
OTHER RECURRENT EXPENDITURE	4,558	5,668	4,549	(1,111)	-20%	8	0%	37,512	55,865	30,641	(18,353)	-33%	6,871	22%

Non-Recurrent Expenditure: November: \$0.7 million YTD: \$4.5 million

Non-Recurrent Expenditure results for the period totaled \$ 0.7 million (YTD- \$3.9) million mainly attributed to SIPT costs and Statutory Land Acquisitions. For November, Non-recurrent expenditures were 25% above Estimates and 40% behind the same period in the prior year. The variances to budget are mainly due to timing differences between profiled and actual expenditure and this gap should narrow as the year progresses.

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 30-Nov-23 US\$'000
Financial Liabilities - Borrowings	%				
Further Education (04/SFR-OR-TCI)	2.5%	457	-	(65)	391
Climate Resilient Coastal Protection and Management (4/OR-TCI)	4.90%	269	57	(157)	169
Integrated Solid Waste Management (5/OR-TCI)	4.90%	-	145	(22)	123
Total unsecured debts		725	202	(245)	682

TCIG holds three debt instruments with the Caribbean Development Bank (CDB). The outstanding debt as of November 30, 2023 was \$0.7 million. \$245k principal repayments were made during the first eight months. \$202K in new drawdowns were made on the loan facilities 4/OR-TCI (\$57K) and 5/OR-TCI (\$145K) and \$26k finance costs and commitment fees were paid. A breakdown of outstanding public debt is shown below.

Source of funding	CDB	CDB	CDB	Total
Loan description	Further Education (04/SFR-OR-TCI)	Climate Resilient Coastal Protection and Management (4/OR-TCI)	Integrated Solid Waste Management (5/OR-TCI)	
Effective Interest Rate	2.50%	4.90%	4.90%	
Total loan approved (US\$)	2,000,000	441,000	672,500	3,113,500
Total Loan Disbursed (US\$)	2,000,000	426,900	144,908	2,571,808
Outstanding Amount as at 30/11/2023 (US\$)	391,305	168,552	122,614	682,470
Year of first disbursement	2000	2021	2023	
Maturity Date	01-Apr-28	01-Jul-24		
Principal Repaid YTD (US\$)	65,217	157,170	22,294	244,681
Interest Paid YTD (US\$)	8,152	8,895	2,836	19,882
Commitment fees paid YTD (US\$)	-	433	3,610	4,043
Other charges paid YTD (US\$)	0	600	1,621	2,221
Total Debt Servicing YTD (US\$)	73,369	166,498	28,739	268,607

DEVELOPMENT FUND

Legal notice 32 of 2023 (PFM amendment No.2 Regulations 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 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 November 30, 2023 was \$93 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 2023-24 Appropriation	65,110,023
FY 2023-24 Supplementary Appropriation	700,709
CAPEX 2022/23	(17,201,557)
As at 30 November 2023	92,971,613

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 November 30, 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 30/11/2023 (US\$' 000)
Actual revenue	Revised Estimates	Variance	%				
413,848	404,215	9,633	2%	-	50,780	55	50,835

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	30-Nov-23 US\$'000	31-Mar-23 US\$'000
Stabilization Fund	30,685	30,646
Infrastructure and Competitiveness Fund	8,767	8,756
Heritage Fund	4,383	4,378
Citizen's Empowerment Fund	7,000	7,000
National Wealth Fund balance	50,835	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.

The credit union is currently being established with the goal of providing its members with access to credit for both provident and productive purposes. The consultancy contract is in its final stages and is anticipated to be completed by February 2024.

NATIONAL FORFEITURE FUND

The National Forfeiture Fund has a balance of \$6.5 million as at November 30, 2023. No transfers from the NFF into the Consolidated Fund were made during the period.

(All figures in US\$'000)	30-Nov-23 US\$'000	31-Mar-23 US\$'000
Opening Balance	7,184	7,273
Receipts		
Other receipts	572	-
Total receipts	572	-
Payments		
Other payments	1,293	89
Total payments	1,293	89
Net (decrease)/increase in National Forfeiture Fund balance	(721)	(89)
National Forfeiture Fund balance at period end	6,463	7,184

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,951 people employed by TCIG at the end of November 2023, consisting of 1,671 monthly paid employees and 273 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there were 28 new recruits and 11 attritions during the month.

