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TURKS AND CAICOS ISLANDS

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# GOVERNMENT OF THE TURKS AND CAICOS ISLANDS



## DECEMBER 2021

# FINANCIAL REPORT

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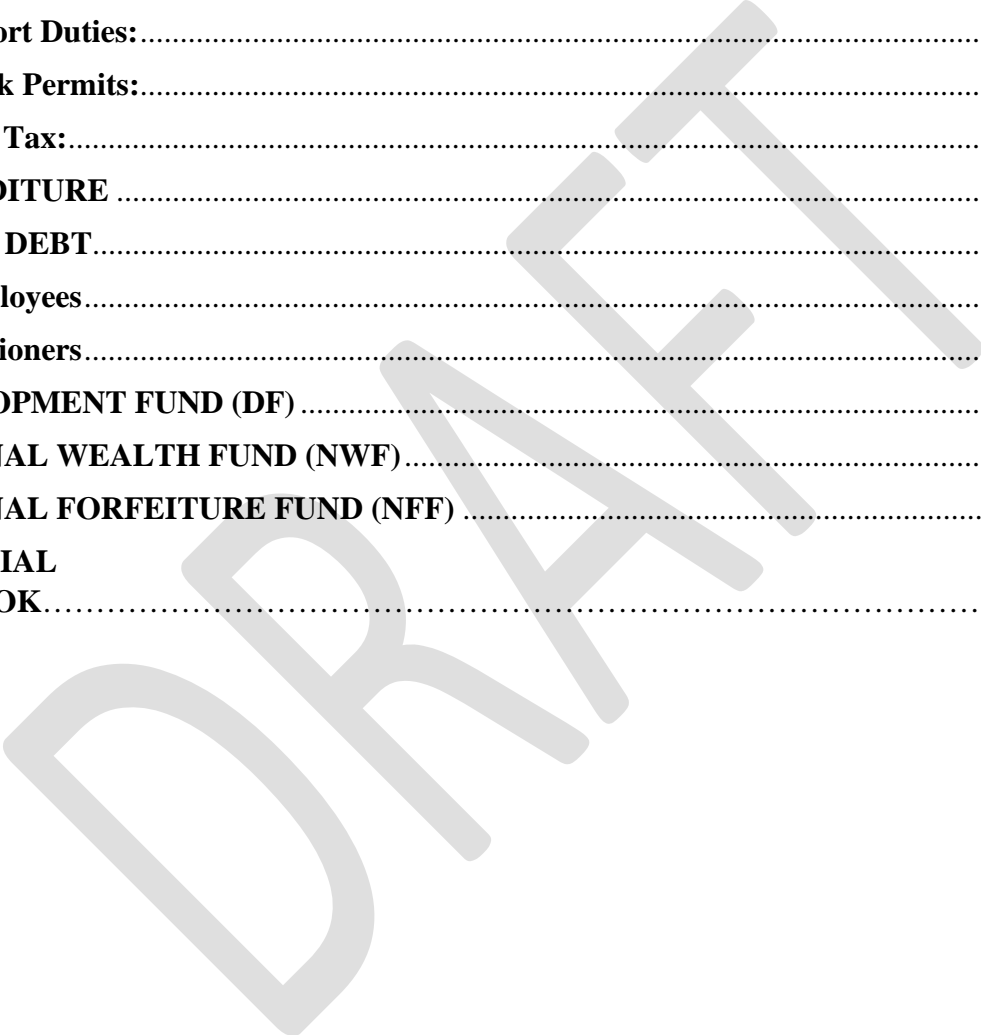
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## KEY POINTS

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- ❖ *The monthly Financial Report for December 2021 shows the performance against revised estimates as well as the prior year's performance.*
  - ❖ ***The 1st Supplementary Appropriation Bill was enacted where total expenditure was increased by \$3.5 million.***
  - ❖ *The net operating surplus as at the end of December 2021 totaled \$75.4 million.*
  - ❖ *Development Fund Expenditure for the month totaled \$0.8 million.*
  - ❖ *Outstanding Public Debt stood at \$0.6 million after principal repayments of \$0.3 million.*
  - ❖ *The underlying cash balance increased by \$66.7 million bringing Cash and Cash equivalents to a total of \$188.4 million at the end of December 2021.*
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## OVERVIEW

Like the rest of the world, the Turks and Caicos Islands continue to live through an unprecedented crisis with ongoing uncertainty as to what the short to medium term will bring in terms of any significant return to normalcy or levels of economic growth and prosperity. However, unlike most countries globally, the Turks and Caicos Islands have been quite fortunate to experience a moderate economic recovery and a return to surplus financial position quite early in this calendar year. Economic resilience was primarily attributable to the relatively high volume of tourist arrivals since the last Quarter of the calendar year 2020/21 and unprecedented activities within the real estate sector during the 1<sup>st</sup> two quarters of financial year 2021/22.

The month of December recorded a surplus of \$8.6 million and a year-to-date financial surplus of \$75.4 million.

These surpluses would have contributed positively to our cash flows leading to an overall increase in the cash position by over \$66.7 million to \$188.4 million.

## OPERATING BALANCE

**Net Operating Surplus: Month \$8.6 million, Year to Date \$75.4 million**

	Month			Variance				Year to Date			Variance			
	Actual	Revised Budget	Prior Year	Budget		Prior Year		Actual	Revised 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	30,950.3	25,652.2	19,968.9	5,298.1	21%	10,981.4	55%	280,956.6	199,909.2	125,166.2	81,047.4	41%	155,790.4	124%
Recurrent Expenditure	21,942.9	23,828.8	14,048.7	1,885.9	8%	(7,894.2)	(56%)	189,979.8	214,915.2	176,946.2	24,935.4	12%	(13,033.6)	(7%)
<b>Net Recurrent Surplus</b>	<b>9,007.4</b>	<b>1,823.3</b>	<b>5,920.2</b>	<b>7,184.0</b>	<b>394%</b>	<b>3,087.2</b>	<b>52%</b>	<b>90,976.8</b>	<b>(15,006.0)</b>	<b>(51,779.9)</b>	<b>105,982.8</b>	<b>-706%</b>	<b>142,756.8</b>	<b>(276%)</b>
Non-Recurrent Revenue	151.8	63.6	5,783.6	88.2	139%	(5,631.8)	(97%)	1,176.7	1,320.6	6,151.1	(143.9)	(11%)	(4,974.4)	(81%)
Non-Recurrent Expenditure	603.6	3,324.2	6,272.9	2,720.6	82%	5,669.2	90%	16,723.2	28,373.6	9,307.3	11,650.4	41%	(7,416.0)	(80%)
<b>Net Operating Balance</b>	<b>8,555.5</b>	<b>(1,437.3)</b>	<b>5,430.9</b>	<b>9,992.8</b>	<b>(695%)</b>	<b>3,124.6</b>	<b>58%</b>	<b>75,430.3</b>	<b>(42,059.1)</b>	<b>(54,936.1)</b>	<b>117,489.3</b>	<b>-279%</b>	<b>130,366.4</b>	<b>(237%)</b>

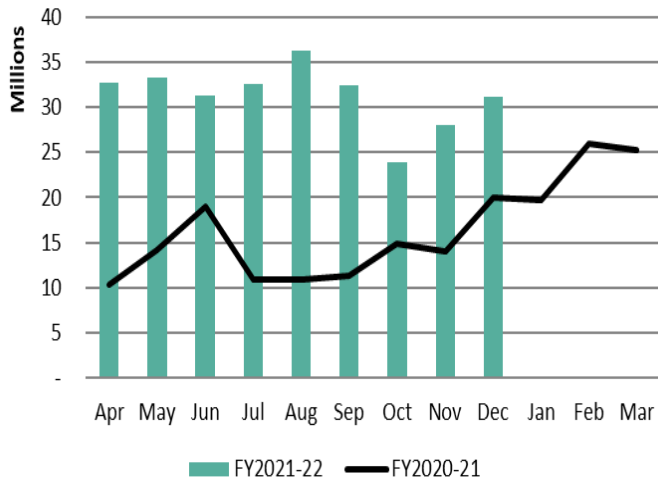
The month of December 2021 recorded an operating surplus of \$8.5 million. Approximately \$10.0 million is greater than the budgeted deficit of \$1.4 million and a year-to-date outturn of \$117.45 million ahead of the estimates. However an uptick in revenue is expected in the ensuing months as the country prepares for high tourist season. The forecast is to continue an impressive revenue performance as the Government prepares for the winter tourist season. Year on year performance shows that the current period's performance exceeded the prior year by \$3.1 million, and YTD's outturn of \$75.4 million is \$130.3 million greater than the preceding year's performance.

## CASH FLOW

	Month			Variance				Year to Date			Variance			
	Actual	Revised Budget	Prior Year	Budget		Prior Year		Actual	Revised 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>8,555.5</b>	<b>(1,437.3)</b>	<b>5,430.9</b>	<b>9,992.8</b>	<b>(695%)</b>	<b>3,124.6</b>	<b>58%</b>	<b>75,430.3</b>	<b>(42,059.1)</b>	<b>(54,936.1)</b>	<b>117,489.3</b>	<b>(279%)</b>	<b>130,366.4</b>	<b>-237%</b>
<b>Less:</b>														
Development Fund Expenditure	(772.5)	-	(2,718.4)	(772.5)	-	1,945.9	-	(17,257.7)	(26,178.3)	(19,661.0)	8,920.6	(34%)	2,403.2	(12%)
Debt Repayments	-	-	-	-	-	-	-	(565.2)	(501.8)	(1,127.6)	(63.4)	13%	562.3	(50%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	171.9	-	-	(171.9)	-	885.7	-	907.3	885.7	-	(21.6)	(2%)
Transfers from/(to) NWF	-	-	-	-	-	-	-	(6.5)	-	-	(6.5)	-	(6.5)	-
Add Depreciation and other non-cash items	(6,245.8)	-	(6,259.0)	(6,245.8)	-	13.2	(0%)	8,208.8	-	9,492.6	8,208.8	-	(1,283.8)	(14%)
<b>Net Cash Flow</b>	<b>1,537.3</b>	<b>(1,437.3)</b>	<b>(3,374.6)</b>	<b>2,974.6</b>	<b>(207%)</b>	<b>4,911.8</b>	<b>(146%)</b>	<b>66,695.4</b>	<b>(68,739.2)</b>	<b>(65,324.7)</b>	<b>135,434.6</b>	<b>(197%)</b>	<b>132,020.1</b>	<b>(202%)</b>

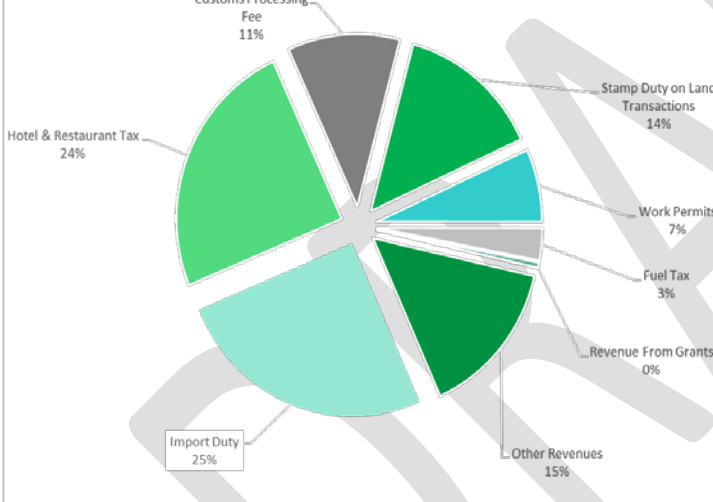
Comparatively, the outturn showed a \$4.9 million increase against the same period last year. As a result, Cash and Cash Equivalents increased from \$121.7 million at the beginning of the financial year to \$188.4 million at the end of November. It represents a total net cash flow increase of \$66.7 million over the first nine months of the financial year. The results to date also reflect Development Fund Expenditure of \$17.3 million, debt servicing of \$0.6 million, bond inflows of \$0.9 million, and net receipts of \$8.2 million.

## TOTAL REVENUE COLLECTED



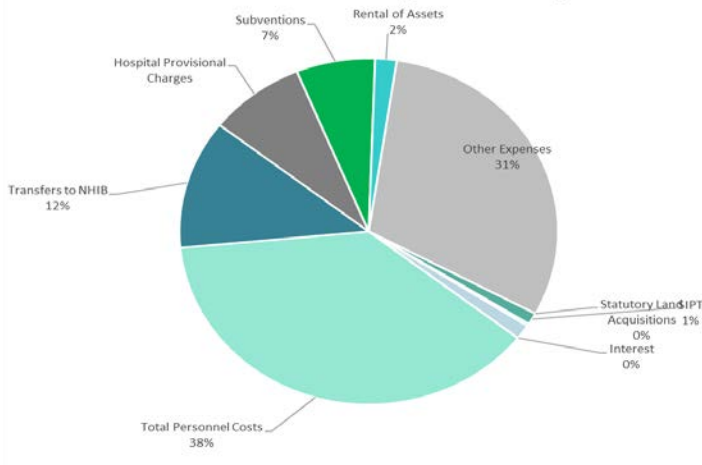
In November, revenue collection totaled \$28 million, an increase of \$9.5 million compared to the estimates and \$14.1 million over the prior year period. All major revenue heads have been performing near or exceeding their pre-COVID levels. As a result, Import Duties led this performance with a revenue intake of \$7.2 million, followed by Stamp Duty on Land Transaction - \$5.0 million, \$4.1 million from CPF and Hotel & Restaurant Tax - \$4.0 million. The top revenue accounted for 72% of TCIG's revenue performance for the month of November. Results are expected to increase even further in December as tourist arrivals are expected to increase along with high imports as individuals prepare to shop abroad for the holiday season.

### REVENUE BY SOURCE (DECEMBER 2021)



Expenditure for November was \$25.7 million, approximately 7 percent above the projected amount, and \$1.8 million or 23 percent above the prior year results. The overperformance for November is due to timing differences between actual and planned expenditure. In addition, original estimates for the month of November was affected after the supplementary amount was enacted. This exercise reduced the profile for the month resulting in over performance in personnel costs. We anticipate that the expenditure trajectory will change throughout the later months in the 4th Quarter.

### EXPENDITURE BY FUNCTION (DECEMBER 2021)



## REVENUE

### Recurrent Revenue: Month \$31 million, Year to Date \$280.9 million

RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Revised Budget	Last Year	Actual	Revised Budget	Last Year	Revised Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Import Duty	7,902.8	7,200.3	5,138.0	702.5	2,764.8	56,229.9	41,855.3	29,762.0	14,374.6	26,467.9
Hotel & Restaurant Tax	7,603.3	5,682.9	2,789.2	1,920.4	4,814.1	58,593.6	44,472.9	8,765.8	14,120.8	49,827.8
Customs Processing Fee	3,408.9	3,100.1	2,227.1	308.8	1,181.9	27,975.1	20,466.6	14,719.6	7,508.6	13,255.5
Stamp Duty on Land Transactions	4,362.9	3,068.0	2,848.3	1,294.9	1,514.6	65,735.0	40,309.7	18,360.0	25,425.2	47,375.0
Work Permits	2,131.6	1,830.1	2,141.2	301.4	(9.7)	15,601.3	14,025.5	12,711.4	1,575.8	2,889.9
Fuel Tax	936.5	962.1	655.6	(25.6)	280.9	7,687.4	6,213.4	4,593.3	1,474.0	3,094.1
Other Revenues	4,604.4	3,808.7	4,169.5	795.7	434.9	49,134.3	32,565.9	36,254.1	16,568.4	12,880.2
<b>TOTAL RECURRENT REVENUE</b>	<b>30,950.3</b>	<b>25,652.2</b>	<b>19,968.9</b>	<b>5,298.1</b>	<b>10,981.4</b>	<b>280,956.6</b>	<b>199,909.2</b>	<b>125,166.2</b>	<b>81,047.4</b>	<b>155,790.4</b>

Recurrent Revenue for November totalled \$28 million against the Estimates of \$18.1 million. As a result, revenue collection exceeded estimates by \$9.6 million in the current period and double the amount year-over-year. Comparatively, the results show significant improvement in collection from Import Duty, Hotel and Restaurant Tax, Customs Processing Fee and Stamp Duty on Land Transactions. Collectively they accounted for approximately 72 percent of the revenue collection for the month. The resilient performance continues to be encouraging as it signals a significant change in local economic activities.

*The major Revenue Heads are summarised as follows:*

#### Stamp Duty on Land Transactions:

Stamp Duty collected during November totalled \$5.0 million compared to a budget of \$1.2 million. Revenue collected from Stamp Duty has shown an encouraging trend since the beginning of the financial year due to many high-value transactions. YTD actuals of \$61.4 million also surpassed both budget and prior year results by \$24.1 million and \$45.9 million, respectively, showing the highest intake for Stamp Duty in recent years. This positive variance in collections is due to one hundred and sixteen (116) high value transfers ranging from \$1-\$3.5M and approximately thirty-three (33) transfers with consideration ranging from \$4M-\$18.7M with the exception of four (4) transfers not applicable for the 10% stamp duty. The Turks and Caicos' property market rebounded strongly after the country reopened its borders and implemented more relaxed COVID measures which is now causing a major attraction to both foreign and residential sectors to purchase.

### **Hotel & Restaurant Tax:**

For November, Hotel & Restaurant Tax receipts totalled \$4.0 million against estimates and prior year receipts of \$2.5 million and \$1.2 million, respectively. It accounts for 14% of revenue collected. The Tourism Industry has been one of the most impacted during this COVID-19 pandemic. However, revenue collections have been gradually improving since the beginning of the year; the summer months showed unprecedented performance leading up to a vast improvement YTD of \$51.0 million collected. The revenue collection has exceeded that of the prior year by \$45.0 million due to increased tourist arrivals as hotels and restaurants are now fully opened. Recent reports show that vaccine rollout has been successful, with over 78% of the country's adult population vaccinated. Together with the upcoming relaxed measures, HRT is expected to increase further as TCI expects an uptick in tourist arrivals in the winter season.

### **Import Duties:**

Import Duties collected for November totalled \$7.2 million, \$1.5 million higher than budget and the prior year's receipts of \$4.1 million. These results were expected as high volume of imported goods due to the holiday season. Year-to-date actuals of \$48.3 million outpaced the preceding year by \$23.7 million and \$13.7 million higher than Estimates. Local economic activities on the island continue to pick up. As a result, the need for imported goods relatively increases as tourist-related consumption increases due to the growth in tourist arrivals.

### **Customs Processing Fees:**

For November, Customs Processing Fees (CPF) totalled \$4.1 million, \$2.1 million above the prior year's results and \$0.9 million above budget. The increase in CPF correlates with Import Duties activity over the year where the month of November is the peak of the holiday season where persons travel abroad for holiday shopping. As a result, year to date, actuals totalled \$24.6 million. This result was up by \$12.1 million compared to prior year receipts of \$17.4 million and \$7.2 million against the budget. Supermarkets, Utilities/Fuel, Construction and Electrical were the main contributors towards the increase.

### **Work Permits:**

Receipts from Work Permits totalled \$1.8 million for November and accounted for 7% of total revenue collected. These results were below the budget and prior-year results by \$0.008 million and \$0.5 million respectively. Year to date actuals totalled \$13.5 million compared to a budget of \$12.2 million and was above prior year results by \$2.9 million. Revenue collection is expected to continue to increase as most work permit holders are employed in the tourism and hospitality sector, significantly affected as major hotels and the Cruise Port were closed last year. TCI is looking forward to an even more substantial increase in the ensuing months as the Cruise Port is expected to re-open in early December and the hotels are now fully open and accomodating tourist arrivals.

### Fuel Tax:

For the month of November, fuel tax receipts were \$0.8 million, an increase of \$0.1 when compared to budget and \$0.4 million above the prior year's outturn. Revenue collected from Fuel Tax only accounted for 3% of total income but has shown positive outturn for the month of November. Year-to-date actuals of \$6.7 million was also favourable as the results surpassed prior results and budget by \$2.8 million and and \$1.5 million respectively due to an increase in fuel prices world wide.

### Other Revenue: *Month \$4.6 million, Year to date \$49.1 million*

OTHER REVENUE	Month					Year to Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Revised Budget	Last Year	Actual	Revised Budget	Last Year	Revised Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
In USD thousands of dollars										
Business Licence renewal	85.8	33.9	84.8	51.9	1.0	2,716.8	1,826.0	2,009.3	890.8	707.4
Communication Tax	433.1	303.9	353.2	129.2	79.9	3,644.2	3,111.0	3,021.8	533.2	622.4
Gaming Machine Tax	542.7	319.2	146.1	223.5	396.5	3,851.7	2,253.3	855.8	1,598.4	2,995.9
Seaport Departure Tax	-	-	-	-	-	228.0	-	73.1	228.0	154.9
Telecommunication Licences	234.5	408.8	191.6	(174.3)	42.9	1,855.4	2,622.0	1,696.8	(766.6)	158.6
Overtime Costs Recovered	312.0	151.5	136.0	160.6	176.0	2,122.5	1,142.3	790.8	980.2	1,331.7
Vehicle Licence Renewals	743.0	656.0	872.0	87.0	(129.0)	2,854.5	2,041.0	2,523.8	813.5	330.7
Permanent Residency Fees	210.7	165.0	98.7	45.7	112.0	2,074.3	1,287.8	1,072.5	786.5	1,001.9
Excess Revenue	-	153.5	500.0	(153.5)	(500.0)	10,527.7	4,677.4	13,234.4	5,850.3	(2,706.7)
Other Revenues	2,042.5	1,616.9	1,787.1	425.6	255.5	19,259.2	13,605.2	10,975.8	5,654.1	8,283.4
<b>TOTAL OTHER REVENUE</b>	<b>4,604.4</b>	<b>3,808.7</b>	<b>4,169.5</b>	<b>795.7</b>	<b>434.9</b>	<b>49,134.3</b>	<b>32,565.9</b>	<b>36,254.1</b>	<b>16,568.4</b>	<b>12,880.2</b>

Other Revenues for November totalled \$5.1 million, which was above both budget and prior year results by \$1.9 million and \$2.1 million, respectively.

The top performing heads consist mainly of \$0.4 million in Vehicle License renewals, \$0.3 million from Gaming Machine Tax, \$0.2 in Permanent Residency Fees and \$0.1 million in excess revenue which all accounted for 42% of the other revenues collected by TCIG for the period.

The \$0.1 million excess revenue received from Port Authority. Year to date actuals of \$44.5 million was above both estimates and prior year by \$15.8 million and \$12.4 million, respectively.

**Non-Recurrent Revenue: *Month \$0.2 million Year to date \$1.2 million***

NON-RECURRENT REVENUE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Revised Budget	Last Year	Actual	Revised Budget	Last Year	Revised Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Civil Recovery Income	-	-	-	-	-	-	-	-	-	-
Land Sales	151.8	38.6	37.1	113.2	114.7	797.2	352.8	298.1	444.5	499.1
Revenue From Grants	0.1	25.0	5,746.6	(24.9)	(5,746.5)	379.5	967.8	5,853.0	(588.3)	(5,473.5)
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-RECURRENT REVENUE</b>	<b>151.8</b>	<b>63.6</b>	<b>5,783.6</b>	<b>88.2</b>	<b>(5,631.8)</b>	<b>1,176.7</b>	<b>1,320.6</b>	<b>6,151.1</b>	<b>(143.9)</b>	<b>(4,974.4)</b>

For the month of November, revenue collection was below estimates by \$0.1 million due to profiling as grants were projected to be received for Financial Services & Supplies Management and Social Development. Year to date actuals of \$1 million, was below estimates by \$0.2 million due to the underperformance in revenue from grants. Comparing results to prior year, actual revenue surpassed prior year results by \$0.6 million due to immense increase in Land sales and revenue from grants.

**EXPENDITURE**

**Recurrent Expenditure: *Month \$21.9 million, Year to Date \$190 million***

RECURRENT EXPENDITURE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Revised Budget	Last Year	Actual	Revised Budget	Last Year	Revised Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total Personnel Costs	8,555.7	9,865.7	8,202.2	1,310.0	(353.6)	74,970.7	79,310.8	70,679.9	4,340.1	(4,290.8)
Transfers to NHIB	2,716.9	2,691.2	2,771.2	(25.7)	54.3	24,383.9	24,460.8	24,940.8	77.0	557.0
Hospital Provisional Charges	1,858.8	1,764.3	(726.3)	(94.5)	(2,585.2)	17,816.2	18,550.6	16,931.9	734.4	(884.3)
Subventions	1,520.4	2,212.9	568.9	692.5	(951.5)	15,118.1	16,681.2	10,723.9	1,563.1	(4,394.2)
Rental of Assets	415.3	519.2	435.5	103.9	20.2	4,000.5	4,609.6	3,895.9	609.2	(104.6)
Other Expenses	6,875.8	6,775.5	2,797.2	(100.3)	(4,078.5)	53,690.5	71,302.2	49,773.7	17,611.7	(3,916.7)
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>21,942.9</b>	<b>23,828.8</b>	<b>14,048.7</b>	<b>1,885.9</b>	<b>(7,894.2)</b>	<b>189,979.8</b>	<b>214,915.2</b>	<b>176,946.2</b>	<b>24,935.4</b>	<b>(13,033.6)</b>

Recurrent expenditure for November totalled \$23.5 million and was above both estimates and prior year by \$3.3 million and \$4.5 million respectively due to profiling after the 1<sup>st</sup> supplementary as higher actuals reported for Personnel costs, transfer to NHIB, Subventions and other expenditure.

Personnel Costs accounted for 33% of the total expenditure, totalling \$8.5 million, up \$2.4 million from the budget while exceeding the prior year's results by \$0.5 million. Transfers to NHIB totalled \$2.7 million and was slightly over budget by \$0.03 million while under prior year results by \$0.05 million.

Hospital provisional charges totalled \$1.9 million, approximately \$0.9 million, below estimates whilst up \$0.08 million when compared to prior year results. The overall variance to budget is mainly due to timing differences between profiled and actual expenditure. Subvention performance of \$2.2 million was \$1.1 million above the Estimates due to decreased in estimates after the passing of the 1<sup>st</sup> Supplementary bill.

**Other Recurrent Expenditure: Month \$6.9 million, Year to date \$53.7 million**

OTHER RECURRENT EXPENDITURE	Month			Monthly Variance		Year to Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Revised Budget	Last Year	Actual	Revised Budget	Last Year	Revised Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Expenses	1,319.5	1,004.9	1,611.2	(314.6)	291.7	8,941.9	12,016.2	8,541.5	3,074.3	(400.4)
Maintenance Expenses	1,083.2	650.3	891.4	(432.9)	(191.9)	7,046.9	8,668.2	7,867.2	1,621.2	820.2
Professional and Consultancy Services	129.6	85.2	54.0	(44.4)	(75.6)	2,196.4	5,324.1	2,520.2	3,127.7	323.8
Grants and Contributions	1,344.0	1,503.5	901.0	159.5	(443.0)	7,908.0	11,548.0	14,362.2	3,640.0	6,454.2
Utilities	252.9	465.5	151.3	212.6	(101.6)	2,578.0	3,435.1	2,216.4	857.0	(361.6)
Other Recurrent Expenditure	2,746.5	3,066.0	(811.7)	319.5	(3,558.2)	25,019.2	30,310.6	14,266.2	5,291.4	(10,752.9)
<b>TOTAL OTHER RECURRENT EXPENDITURE</b>	<b>6,875.8</b>	<b>6,775.5</b>	<b>2,797.2</b>	<b>(100.3)</b>	<b>(4,078.5)</b>	<b>53,690.5</b>	<b>71,302.2</b>	<b>49,773.7</b>	<b>17,611.7</b>	<b>(3,916.7)</b>

Some major heads were below the estimates, except Grants and Contributions and other recurrent expenditure, which exceeded estimates by \$0.7 million and \$1.2 million respectively. As a result, actual expenditure for the month totalled \$7.6 million, which was \$0.6 million above and \$2.7 million above prior year. Year to date actuals of \$46.8 million was below estimates by \$17.7 million and down \$0.2 million from the prior year. The significant variance to budget is primarily due to timing variances between actual and profiled expenditure throughout the different periods. The expectation is that expenditure will be normalized before the end of the FY.

**Non-Recurrent Expenditure: Month \$0.6 million, Year to date \$16.7 million**

NON-RECURRENT EXPENDITURE	Month			Monthly Variance		Year To Date			Year to Date Variance	
	Actual	Revised Budget	Last Year	Revised Budget	Last Year	Actual	Revised Budget	Last Year	Revised Budget	Last Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Statutory Land Acquisitions	-	750.0	-	750.0	-	9,957.8	16,981.9	-	7,024.1	(9,957.8)
SIPT	245.1	306.9	225.1	61.8	(20.0)	2,434.7	2,533.8	1,630.4	99.1	(804.3)
Civil Recovery	51.8	-	8.9	(51.8)	(42.9)	569.2	700.0	751.7	130.8	182.5
Covid-19 Expense	306.7	277.4	6,038.8	(29.3)	5,732.1	3,744.2	5,767.3	6,809.6	2,023.1	3,065.3
Contingency	-	1,900.0	-	1,900.0	-	-	2,470.3	-	2,470.3	-
Interest	-	89.9	-	89.9	-	17.3	(79.6)	115.6	(96.9)	98.3
<b>TOTAL NON-RECURRENT EXPENDITURE</b>	<b>603.6</b>	<b>3,324.2</b>	<b>6,272.9</b>	<b>2,720.6</b>	<b>5,669.2</b>	<b>16,723.2</b>	<b>28,373.6</b>	<b>9,307.3</b>	<b>11,650.4</b>	<b>(7,416.0)</b>

Non-Recurrent Expenditure results for November totalled \$2.2 million, consisting of \$1.5 million in Statutory Land Acquisitions. In addition, the remaining 31% included COVID related expenditure totaling \$0.4 million, payments to SIPT totalling \$0.3 million, and \$0.05 million to Civil Recovery. YTD actuals of \$16.1 million were below estimates by \$8.9 million due to the underspend in Statutory Land acquisitions and COVID expenditure when compared to budget profile.

## PUBLIC DEBT

Public Debt Debt Type	Opening	December 31, 2021	
	1-Apr-21	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	838.8	(273.6)	565.2
<b>Total Outstanding Public Debt</b>	<b>838.8</b>	<b>(273.6)</b>	<b>565.2</b>

TCIG's outstanding debt as of December 31 2021, was \$0.6 million. Total principal debt repayment for the year was \$0.3 million, while total finance costs were \$17.3 thousand. There were no new borrowings during the financial year, neither were there any drawdowns on the previously approved \$80 million credit facility with the Republic Bank Limited. However, an undrawn commitment fee of \$16.7 thousand is incurred monthly.

## HUMAN RESOURCE MANAGEMENT

### Employees

There were 1,838 people employed by TCIG at the end of December 2021 consisting of 269 waged employees as well as 1,569 monthly paid employees, exclusive of the Royal Turks and Caicos Police Force, with 370 vacancies existing throughout the civil service.

### Pensioners

The total number of Pensioners at the end of December 2021 were 309.

## DEVELOPMENT FUND (DF)

The opening balance of the Development Fund at the beginning of the fiscal year 2021/2022 totaled \$47.4 million. To date, the total amount spent on capital projects amounted \$0.7 million for the month of December resulting in year to date spending of \$17.3 million. \$11.2 million of the year to spending was on the construction, renovation & upgrading of Government's buildings for projects committed in the prior financial year. The remaining was spent on specialist and transport equipment and Consulatncy services. Year to date actual expenditure of \$17.3 million was below budget and prior year outturn by \$8.9 million and \$2.4 million respectively.

### **NATIONAL WEALTH FUND (NWF)**

The balance in the NWF as of December 31, 2021, stood at \$25.9 million with an interest of \$2.1 thousand earned in the month of December.

### **NATIONAL FORFEITURE FUND (NFF)**

The National Forfeiture Fund had a balance of \$7.3 million as of December, as there were no receipts during the month.

### **FINANCIAL OUTLOOK**

Compared to other other countries, Turks & Caicos Islands has been fortunate enough to recover financially and economically over the one year period. This was contributed primarily from the economic resilience of high volume tourist arrivals and the exceptional activities within the real estate sector. As a result, revenue collection has shown significant growth from the beginning of the financial year leading up to November totalling \$251 million. This result was up by \$75 million compared to budget and \$145.5 million from the prior year's turnout. The country is now fully open for business, and the Government continues to implement new health measures to safeguard both the economy and the health and safety of it's residents and tourists alike as a new COVID variant recently surfaced. Despite the uncertainty of covid, the uptick in revenue generation and government spending is expected to continue as the tourist industry prepares for the winter season arrivals. Generally, expenditure is trending below estimates, but we expect spending activities to strengthen in the ensuing months, as the 1st Supplmentary Appropriation Bill has been enacted and included in the budget.

There remains hope for a more sustained economic recovery as over 78% of the adult population is now vaccinated. While we are still faced with an overall economy that will be slightly weaker in the near term than pre-COVID levels, it is also rebounding faster than anticipated.

The uncertainty of this pandemic still remains as the emergence of the delta and new surface omicron variant results in an uptick in cases, and reduced compliance with residual public health restrictions could result in more adverse consequences for the economy in the short and medium-term. As a result, Cash flow management will remain an urgent obligation for TCIG. Actively monitoring revenue collection, cash balance position and cash flow requirements remains at the forefront of the Treasury's immediate plan to safeguard TCIG's liquidity position. Within this context, the Government continues to act decisively in the national interest.

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