



**GOVERNMENT  
OF THE  
TURKS AND CAICOS ISLANDS**

**FINANCIAL REPORT**

**FY 2021-22**  
**Second QUARTER**  
(July-September)



**(UNAUDITED)**

# FOREWORD

The second quarter of FY2021-22 Financial Report (Unaudited) presents a summary of the results of the operations of the Government of the Turks and Caicos Islands for the period April to June 2021. The report has been prepared in adherence to the Amended Public Finance Management Ordinance 2018 (Section 36. 01) which requires that the Accountant General prepares and submits unaudited budget report within 28 days after the end of each quarter.

The preparation and publication of this report represents the Government's continued commitment to transparent reporting of the Turks and Caicos Islands Government's (TCIG) finances, as well as relevant and timely provision of financial information, overall accountability and quality of governance for decision making.

This enables the Government to monitor more closely the usage of public funds and the associated risks and challenges, and implement changes. Likewise, the public, financial institutions and other stakeholders are able to monitor the finances of the Government to be assured that financial decisions are made in accordance with prudent financial management.

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## KEY POINTS

- **\$64.4 million year to date operating surplus**

The operating balance as at the end of September 2021 was a surplus of \$64.4 million against the forecast deficit of \$23.8 million.

- **\$58.4 million increase in underlying cash balance**

The underlying cash balance as at the quarter ending 30 September 2021 showed an increase of \$58.4 million against the profiled decrease of \$37.5 million.

- **Revenue up by 160% at the end of the second quarter**

At the end of the second quarter Receipts totaling \$199.0 million outperformed the estimates by \$58.0 million (29%). Receipts were up by \$122.4 million (160%) when compared to the second quarter of 2020.

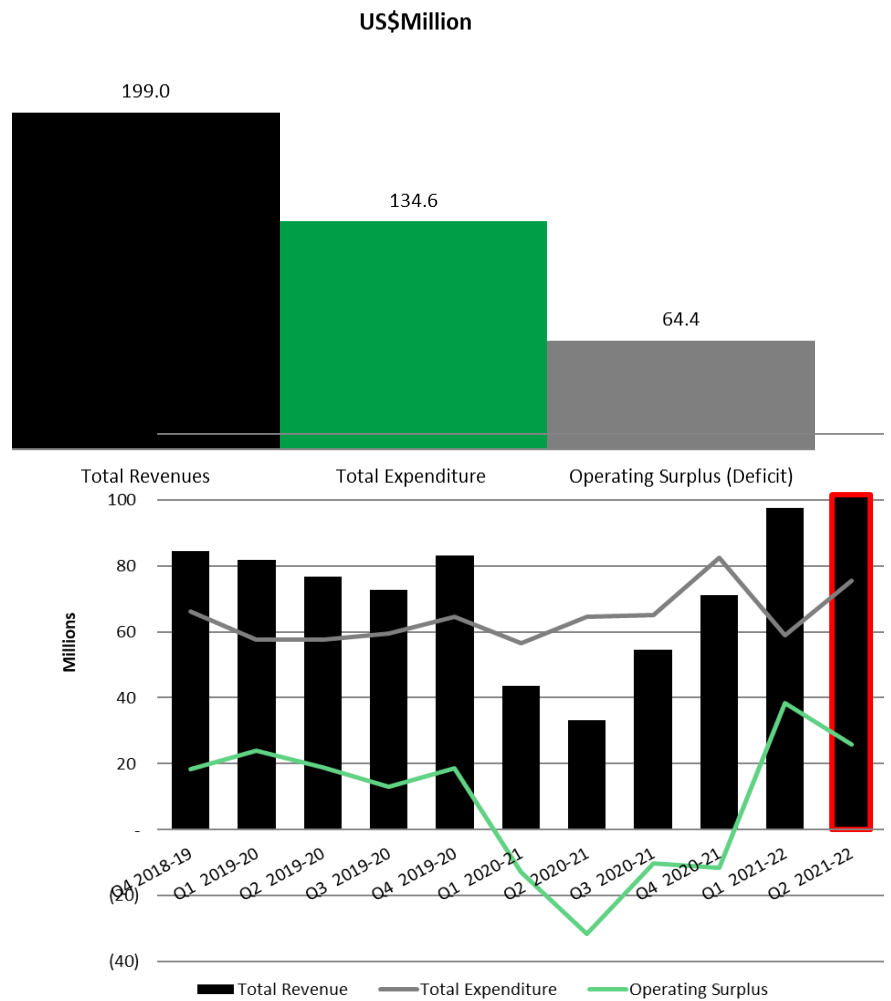
- **Spending down by 18% against estimates**

Expenditure at the end of the second quarter totaled \$134.6 million. This was \$30.2 million or (18%) lower than the estimates.

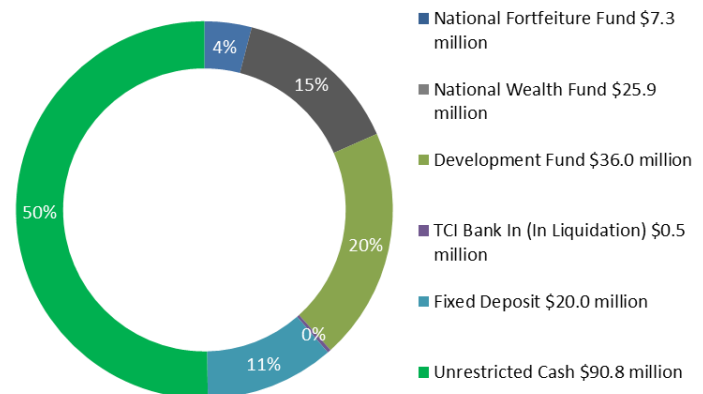
Expenditure was up by 11% when compared to the prior year's outturn.

- **\$11.8 million Development Fund expenditure**

Spending on capital projects for the first quarter showed a 3% decrease when compared to the prior year whilst being 11% below estimates.



### Breakdown of Cash & Cash Equivalents



Restricted cash of \$90.8m represents that which is set aside in specific government established funds for specific purposes as follows: National Forfeiture Fund \$7.3m, National Wealth Fund \$25.9m, Development Fund \$36.0m, and TCI Bank \$0.5m.

## OVERVIEW

One year into the Covid-19 Pandemic, Government's responses have been substantial in mitigating the contraction in economic activity while providing relief for citizens and businesses alike. However, it is these responses along with the significant fallout in revenue which resulted in TCIG ending the previous financial year with a deficit of \$66 million and an \$87 million reduction in cash reserves. Entering this new financial year against this backdrop, fiscal policy priorities includes continuing support as needed while, introducing new and strengthening existing macroeconomic strategies and policies that will bolster the country's recovery and ensure sustainable growth and development.

During the first quarter, TCIG operated on a provisional budget equal to one-third the final appropriation for the prior financial year (2020-21). The Estimates of Revenue and Expenditure (the "Estimates") for the financial year (FY) 2021-22 was approved by the House of Assembly on June 30th, 2021. It included revenues of \$273.4 million, operating expenditures of \$304.2 million and contributions to the Development Fund of \$27.0 million resulting in budgeted deficit of \$11.7 million.

GTCC and TCIG, in accordance with the Development Agreement between the two parties, agreed to set up an Infrastructure Development Account (IDA). The IDA which was created to fund infrastructure projects that would enhance visitor's experience on Grand Turk, will also fund \$4.0 million in development projects

# FISCAL SUMMARY

For the three months ended September 30, 2020

(Figures in US\$'000)

	3 Month Actual	3 Month Estimate	Prior Year Actual	Change from Estimate	% Change	Change from Prior Year	% Change
<b>Revenue</b>	101,503	58,654	33,154	42,849	↑ 73%	68,349	↑ 206%
<b>Expenditure</b>							
Recurrent	65,394	78,674	57,897	13,280	↓ 17%	(7,497)	↑ -13%
Non-Recurrent	10,177	14,129	922	3,952	↓ 28%	(9,255)	↑ -1003%
<b>Total Expenditure</b>	75,571	92,802	58,819	17,231	↓ 19%	(16,752)	↑ -28%
<b>Operating Surplus (Deficit)</b>	<b>25,932</b>	<b>(34,149)</b>	<b>(25,665)</b>	<b>60,080</b>	<b>↑ 176%</b>	<b>51,597</b>	<b>↑ 201%</b>

The second quarter of FY 2021-22 recorded an operating surplus of \$25.9 million against a projected deficit of \$34.1 million, an outperformance of \$60.1 million or 176%. On a year over year basis, results were up \$51.6 million or 201%. During the first nine months of 2021 the economy has been exhibiting solid growth. The second quarter results however, with one of the primary drivers being the real estate market, have seen revenue intake that surpassed even the pre-covered levels. While country experts originally forecasted an economic expansion of circa 2% for 2021, if the country is able to continue on its current trajectory (barring any vast resurgence of Covid-19) it is expected that this will be far exceeded.

## CASH FLOW

The underlying cash balance at the end of the second quarter, inclusive of the Development Fund expenditure, showed a positive cash flow balance of \$58.4 million, which was \$95.9 million ahead of the estimates and approximately \$113.2 million greater than the prior year's outturn. This resulted in an increase in TCIG's cash and cash equivalents from \$122.1 million at the beginning of the financial year to \$180.1 million at the end of the first quarter. \$38.6 million sits in an on-call money market account at Scotiabank (Turks and Caicos) currently earning interest at a rate of 0.55% per annum and \$20.0 million in a fixed term deposit with CIBC First Caribbean International Bank currently earning interest at a rate of 0.32% for six (6) months.

(Figures in US\$'000)	Quarter1 2020/21			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget	Prior Year			Actual	Budget	Prior Year	Budget	Prior Year		
Recurrent Revenue	101,214.0	58,434.4	32,964.0	42,779.6	73%	68,250.0	207%	198,044.7	140,695.1	76,326.5	57,349.6	41%	121,718.2	159%
Recurrent Expenditure	65,394.0	78,673.6	57,896.8	13,279.6	17%	(7,497.3)	(13%)	121,750.9	146,453.4	120,169.1	24,702.4	17%	(1,581.9)	(1%)
<b>Net Recurrent Surplus</b>	<b>35,820.0</b>	<b>(20,239.2)</b>	<b>(24,932.8)</b>	<b>56,059.2</b>	<b>-277%</b>	<b>60,752.8</b>	<b>(244%)</b>	<b>76,293.7</b>	<b>(5,758.3)</b>	<b>(43,842.6)</b>	<b>82,052.0</b>	<b>-1425%</b>	<b>120,136.3</b>	<b>(274%)</b>
Non-Recurrent Revenue	288.7	219.3	189.7	69.4	-	99.1	52%	999.6	349.7	345.0	649.9	186%	654.7	190%
Non-Recurrent Expenditure	10,177.1	14,128.8	922.3	3,951.7	28%	(9,254.8)	(1003%)	12,879.6	18,393.3	1,490.6	5,513.7	30%	(11,389.0)	(764%)
<b>Operating Surplus (Deficit)</b>	<b>25,931.7</b>	<b>(34,148.7)</b>	<b>(25,665.3)</b>	<b>60,080.4</b>	<b>-176%</b>	<b>51,597.0</b>	<b>(201%)</b>	<b>64,413.8</b>	<b>(23,801.9)</b>	<b>(44,988.2)</b>	<b>88,215.7</b>	<b>-371%</b>	<b>109,402.0</b>	<b>(243%)</b>

(Figures in US\$'000)	Quarter1 2020/21			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget	Prior Year			Actual	Budget	Prior Year	Budget	Prior Year		
<b>Cash Flow from Operations</b>	<b>25,931.7</b>	<b>(34,148.7)</b>	<b>(25,665.3)</b>	<b>60,080.4</b>	<b>-176%</b>	<b>51,597.0</b>	<b>(201%)</b>	<b>64,413.8</b>	<b>(23,801.9)</b>	<b>(44,988.2)</b>	<b>88,215.7</b>	<b>-371%</b>	<b>109,402.0</b>	<b>(243%)</b>
Less:														
Capital Expenditure	(7,379.8)	(6,260.6)	(6,642.7)	(1,119.1)	18%	(737.1)	11%	(11,781.7)	(13,235.5)	(12,135.5)	1,453.8	(11%)	353.9	(3%)
Debt Repayments	(21.7)	(271.7)	(271.7)	250.0	(92%)	250.0	(92%)	(251.8)	(501.8)	(1,105.8)	250.0	(50%)	854.0	(77%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	21.6	-	183.6	21.6	-	(162.0)	(88%)
Transfers from/(to) NWF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net receipts/(payments) of public accou	5,195.2	-	(1,977.9)	5,195.2	-	7,173.1	(363%)	5,952.1	-	3,233.0	5,952.1	-	2,719.2	84%
<b>Net Cash Flows</b>	<b>23,725.4</b>	<b>(40,681.1)</b>	<b>(34,557.7)</b>	<b>64,406.4</b>	<b>-158%</b>	<b>58,283.0</b>	<b>(169%)</b>	<b>58,354.0</b>	<b>(37,539.1)</b>	<b>(54,813.0)</b>	<b>95,893.2</b>	<b>(255%)</b>	<b>113,167.0</b>	<b>(206%)</b>

(Figures in US\$'000)	Quarter 2 2021/22			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget	Prior Year			Actual	Budget	Prior Year	Budget	Prior Year		
Recurrent Revenue	101,214.0	58,434.0	32,964.0	42,780.0	73%	68,250.0	207%	198,044.7	140,695.1	76,326.5	57,349.6	41%	121,718.2	159%
Recurrent Expenditure	65,394.0	78,673.6	57,896.8	13,279.6	17%	(7,497.2)	(13%)	121,750.9	146,453.4	120,169.1	24,702.5	17%	(1,581.8)	(1%)
<b>Net Recurrent Surplus</b>	<b>35,820.0</b>	<b>(20,239.6)</b>	<b>(24,932.8)</b>	<b>56,059.6</b>	<b>-277%</b>	<b>60,752.8</b>	<b>(244%)</b>	<b>76,293.8</b>	<b>(5,758.3)</b>	<b>(43,842.6)</b>	<b>82,052.1</b>	<b>-1425%</b>	<b>120,136.4</b>	<b>(274%)</b>
Non-Recurrent Revenue	288.7	219.3	189.7	69.4	-	99.0	52%	999.6	349.7	345.0	649.9	186%	654.6	190%
Non-Recurrent Expenditure	10,177.1	14,128.8	922.3	3,951.7	28%	(9,254.8)	(1003%)	12,879.6	18,393.3	1,490.6	5,513.7	30%	(11,389.0)	(764%)
<b>Operating Surplus</b>	<b>25,931.7</b>	<b>(34,148.7)</b>	<b>(25,665.3)</b>	<b>60,080.4</b>	<b>-176%</b>	<b>51,597.0</b>	<b>(201%)</b>	<b>64,413.8</b>	<b>(23,801.9)</b>	<b>(44,988.2)</b>	<b>88,215.7</b>	<b>-371%</b>	<b>109,402.0</b>	<b>(243%)</b>

(Figures in US\$'000)	Quarter 2 2021/22			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget	Prior Year			Actual	Budget	Prior Year	Budget	Prior Year		
<b>Cash Flow from Operations</b>	<b>25,931.7</b>	<b>(34,148.7)</b>	<b>(25,665.3)</b>	<b>60,080.4</b>	<b>-176%</b>	<b>51,597.0</b>	<b>(201%)</b>	<b>64,413.8</b>	<b>(23,801.9)</b>	<b>(44,988.2)</b>	<b>88,215.7</b>	<b>-371%</b>	<b>109,402.0</b>	<b>(243%)</b>
Less:														
Capital Expenditure	(7,379.8)	(6,260.6)	(6,642.7)	(1,119.1)	18%	(737.1)	11%	(11,781.7)	(13,235.5)	(12,135.5)	1,453.8	-	353.8	(3%)
Debt Repayments	(21.7)	(271.7)	(271.7)	250.0	(92%)	250.0	(92%)	(251.8)	(501.8)	(1,105.8)	250.0	(50%)	854.0	(77%)
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflows	-	-	-	-	-	-	-	21.6	-	183.6	21.6	-	(162.0)	(88%)
Transfers from/(to) NWF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Working Capital	5,195.2	-	(1,977.9)	5,195.2	-	7,173.1	(363%)	5,952.1	-	3,233.0	5,952.1	-	2,719.1	84%
<b>Net Cash Flows</b>	<b>23,725.4</b>	<b>(40,681.0)</b>	<b>(34,557.7)</b>	<b>64,406.4</b>	<b>-158%</b>	<b>58,283.0</b>	<b>(169%)</b>	<b>58,354.0</b>	<b>(37,539.2)</b>	<b>(54,813.0)</b>	<b>95,893.2</b>	<b>(255%)</b>	<b>113,167.0</b>	<b>(206%)</b>

## REVENUE RESULTS

Aggregate Revenue for the second quarter totaled \$101.2 million, \$26.0 million or 26% of which came from Hotel & Restaurant Tax (HRT). This result was \$42.8 million (73%) ahead of projected revenue of \$58.7 million. On a year-over-year basis, Revenue was up \$68.3 million (206%) when compared to the results of the second quarter of 2020. Commencing in the third quarter of the previous financial year collections from tourism activities have been making significant gains, as reflected in the HRT Tax results of \$26.0 million collected for the quarter compared to \$1.7 million collected during the prior year. The impact of the revised COVID measures that came into effect on September 1<sup>st</sup> are not expected to be seen until the end of the third quarter as the busy winter season begins in November. It is hopeful however, that revenue collections will remain stable given the recent declines in COVID-19 cases along with the resulting measures both locally and internationally.

Stamp Duty collected during for the second quarter, totaled \$23.2 million bringing the year to date collections to \$52.1 million (26% of total revenue). According to The Agency (Turks & Caicos) Q3 Market report, this historic year saw over \$489.4 million in sales being recorded from January to September, a 146.7% increase from 2020. Of this total \$153.6 million were recorded during the second quarter of this FY, with vacant land sales being the largest contributor. The overall average sale price for the quarter was \$1.2 million with average price for the luxury market being \$3.2 million. As such the stamp duty outturn has been performing as it has, as stamp duty is contingent on the amount of high value (>\$1M) transactions during the period that would be subject to stamp duties.

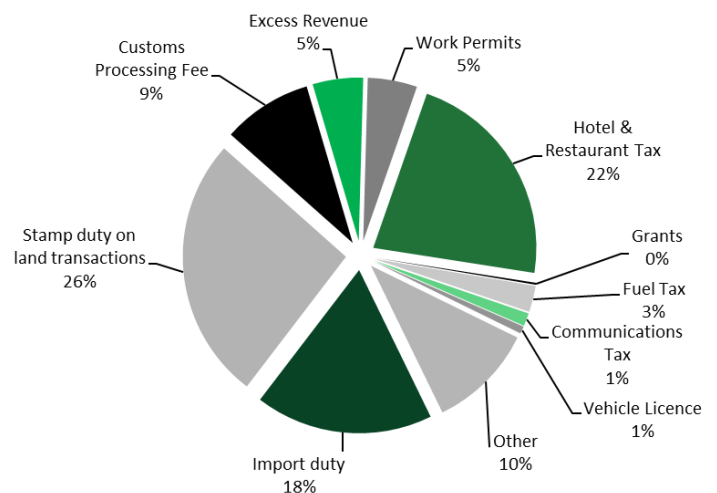
Import Duties also saw a significant increase due to the normalization of business activities and the increased economic activity. Totalling \$35.1 million at the end of the second quarter (18% of total revenue), these results were \$11.0 million or 45% ahead of estimates whilst up \$18.2 million (108%) from the prior year's results.

Others revenues consist primarily of \$9.9 million in returns from Statutory bodies, \$5.2 million in fuel tax \$2.6 million in gaming machine taxes, \$2.5 million in communications tax, and \$2.4 million in business license fees. Detailed breakdown of revenues can be found in the appendices.

Revenue	Quarter 2 2021/22		
	Actual	Budget	Prior Year
<i>(Figures in US\$'000)</i>			
Stamp duty on land transactions	23,160	6,324	2,206
Hotel & Restaurant Tax	25,980	17,806	1,685
Import duty	17,917	12,566	9,612
Customs Processing Fee	9,022	6,205	5,075
Work Permits and Residency Fees	4,958	4,491	4,205
Other Revenues	20,176	11,043	10,181
<b>Total Recurrent Revenue</b>	<b>101,214</b>	<b>58,434</b>	<b>32,964</b>
Nonrecurrent Revenue	289	219	190
<b>Total Revenue</b>	<b>101,503</b>	<b>58,654</b>	<b>33,154</b>

Revenue	Year to Date		
	Actual	Budget	Prior Year
<i>(Figures in US\$'000)</i>			
Stamp duty on land transactions	52,081	34,560	12,795
Hotel & Restaurant Tax	44,034	34,821	2,445
Import duty	35,071	24,115	16,837
Customs Processing Fee	17,679	12,365	8,911
Work Permits and Residency Fees	9,747	8,533	6,138
Other Revenues	39,434	26,301	29,201
<b>Total Recurrent Revenue</b>	<b>198,045</b>	<b>140,695</b>	<b>76,326</b>
Nonrecurrent Revenue	1,000	350	345
<b>Total Revenue</b>	<b>199,044</b>	<b>141,045</b>	<b>76,671</b>

### YTD Revenue 21-22



## EXPENDITURE

Aggregate expenditure for the second quarter was \$75.6 million, \$17.2 million (19%) below the projected amount while up \$16.8 million (28%) from the second quarter of 2020. Overall, the underperformance against projected expenditure is expected to be somewhat absorbed during the second half of the financial year as the procurement plan for the Development Fund gets underway.

Personnel costs, which accounted for 33% of expenditure for the second quarter, totaled \$25.2 million and was \$2.7 million behind budget, while being up \$1.8 million from prior year's cost. Year to date cost totaled \$49.4 million (37% of total expenditure) largely owing to the recent strides in filling vacant posts. Transfers to NHIB and Hospital Provisional Charges together accounted for 21% of total expenditure for the second quarter, while Subventions and Rental of Assets accounted for 7% and 2% of expenditure respectively. Other recurrent expenditure of \$19.4 million accounted for a further 23% of total expenditure. The significant underspend in this area is mainly due to Operating Expenses, Maintenance cost and Grants & Contributions and utility expenses, all of which were >25% behind the budget.

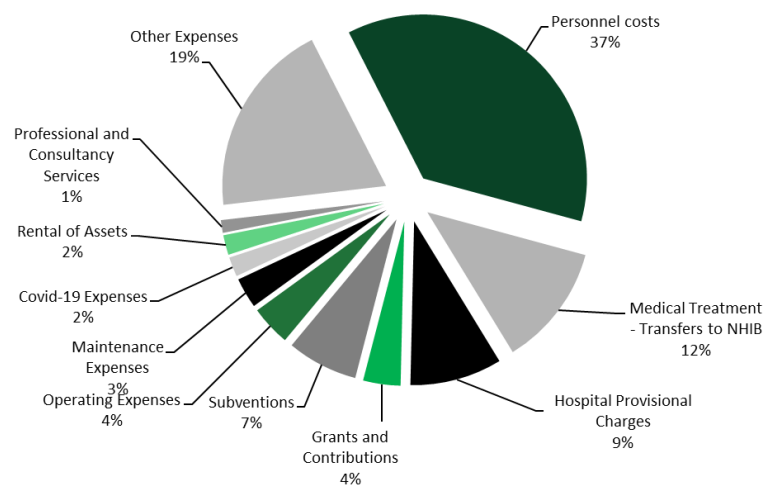
Non-recurrent expenditure totaling \$10.2 million accounted for 13% of total expenditure for the quarter. This resulted in year to date expenditure totaling \$12.9 million comprising \$8.3 million in cost relating to statutory land acquisition, \$2.6 million in Covid-19 related expenses, \$1.6 million in SIPT expenses and \$0.4 million for Civil Recoveries.

A further breakdown of expenditure can be found in the appendices.

Expenditure	Quarter 2 2021/22		
	Actual	Budget	Prior Year
<i>(Figures in US\$'000)</i>			
Personnel Costs	25,166	27,907	23,367
Transfers to NHIB	8,151	8,074	5,542
Hospital Provisional Charges	7,462	5,805	7,453
Subventions	5,611	6,884	3,265
Rental of Assets	1,324	1,604	1,258
Other Recurrent Expenditure	17,679	28,400	17,012
<b>Total Recurrent Expenditure</b>	<b>65,394</b>	<b>78,674</b>	<b>57,897</b>
Nonrecurrent Expenditure	10,177	14,129	922
<b>Total Expenditure</b>	<b>75,571</b>	<b>92,802</b>	<b>58,819</b>

Expenditure	Year to Date		
	Actual	Budget	Prior Year
<i>(Figures in US\$'000)</i>			
Personnel Costs	49,423	53,627	46,547
Transfers to NHIB	16,233	16,387	13,856
Hospital Provisional Charges	12,244	12,322	13,976
Subventions	9,431	11,280	7,465
Rental of Assets	2,632	3,050	2,613
Other Recurrent Expenditure	31,788	49,787	35,712
<b>Total Recurrent Expenditure</b>	<b>121,751</b>	<b>146,453</b>	<b>120,169</b>
Nonrecurrent Expenditure	12,880	18,393	1,491
<b>Total Expenditure</b>	<b>134,631</b>	<b>164,847</b>	<b>121,660</b>

YTD Expenditure 21-22



# REVENUE & EXPENDITURE BY MINISTRY

All programme expenditure outturn came in less than estimated for the second quarter of FY 2021-22 resulting in an underperformance of \$17.2 million when compared to the budget estimates. It is expected that program expenditure will experience a significant uptick during the second half of the financial year as driving program priorities is a key focus in this financial year.

(All figures in US\$'000)	Quarter				Year to Date			
	Actual	Revised Budget	Variance		Actual	Revised Budget	Variance	
<b>CASH INFLOWS</b>								
01 Governor's Office	113	111	2	2%	149	286	(137)	-48%
03 Police	127	187	(60)	-32%	472	208	265	127%
04 Attorney General's Chambers	23,638	6,848	16,790	245%	52,823	35,446	17,377	49%
05 Judiciary	172	189	(17)	-9%	393	365	28	8%
14 Statutory Charges	288	169	119		621	213	408	191%
16 Immigration, Citizenship, Labor and Employment Services	55,310	22,022	33,288	151%	62,832	43,001	19,832	46%
54 Finance Trade & Investment	4,337	20,775	(16,438)	-79%	60,771	45,590	15,181	33%
57 Education, Youth, Culture, Social and Library Services	11,577	5,401	6,176	114%	11,583	10,293	1,291	13%
59 Home Affairs, Public Utilities and Transportaion Office of the Deputy Premier, Ministry of Infrastructure, Housing, 60 Planning and Development	3,490	1,351	2,139	158%	4,798	2,779	2,019	73%
61 Tourism and Environment	352	249	102	41%	539	430	109	25%
62 Health Agriculture & Human Services	1,903	1,215	688	57%	3,758	2,209	1,549	70%
	195	106	90	85%	304	196	108	55%
<b>TOTAL RECEIPTS</b>	<b>101,503</b>	<b>58,623</b>	<b>42,879</b>	<b>73%</b>	<b>199,044</b>	<b>141,014</b>	<b>58,030</b>	<b>41%</b>
<b>PAYMENTS</b>								
01 Governor's Office	1,345	1,840	495	27%	2,757	3,360	603	18%
03 Police	6,904	8,421	1,517	18%	12,651	15,207	2,556	17%
04 Attorney General's Chambers	1,595	2,449	855	35%	3,415	4,479	1,063	24%
05 Judiciary	2,036	2,560	524	20%	3,491	4,396	904	21%
14 Statutory Charges	12,065	14,505	2,440	17%	15,900	19,205	3,306	17%
16 Immigration, Citizenship, Labor and Employment Services	3,357	4,344	987	23%	6,084	7,943	1,859	23%
54 Finance Trade & Investment	4,620	4,052	(568)	(14%)	7,714	11,198	3,484	31%
56 Deputy Governor's Office	584	853	269	32%	1,004	1,411	407	29%
57 Education, Youth, Culture, Social and Library Services	9,780	11,367	1,587	14%	16,914	20,407	3,493	17%
58 Director of Public Prosecutions	313	460	147	32%	575	788	213	27%
59 Home Affairs, Public Utilities and Transportaion Office of the Deputy Premier, Ministry of Infrastructure, Housing, 60 Planning and Development	3,810	5,414	1,604	30%	7,267	10,226	2,959	29%
61 Tourism and Environment	6,397	8,056	1,659	21%	11,169	12,770	1,601	13%
62 Health Agriculture & Human Services	2,482	3,663	1,182	32%	4,400	6,084	1,684	28%
63 House of Assembly	18,516	22,256	3,741	17%	38,196	43,520	5,324	12%
64 Office of the Premier, Local Government and Community Affairs	855	1,081	227	21%	1,624	1,830	206	11%
65 National Security	499	622	123	20%	872	1,030	158	15%
	414	859	445	52%	599	994	395	40%
<b>TOTAL PAYMENTS BEFORE DEPRECIATION &amp; CAPITAL</b>	<b>75,571</b>	<b>92,802</b>	<b>17,231</b>	<b>19%</b>	<b>134,631</b>	<b>164,846.7</b>	<b>30,216</b>	<b>18%</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>25,932</b>	<b>(34,179)</b>	<b>(60,111)</b>	<b>176%</b>	<b>64,414</b>	<b>(23,832)</b>	<b>88,246</b>	<b>-370%</b>

## OUTSTANDING PUBLIC DEBT

Public Debt	Opening	September 30, 2021	
	1-Apr-21	Principal Repayment	Outstanding Principal
(Figures in US\$'000)	\$ 000's	\$ 000's	\$ 000's
TCIG Loans - Unsecured	838.8	(251.8)	587.0
<b>Total Outstanding Public Del</b>	<b>838.8</b>	<b>(251.8)</b>	<b>587.0</b>

TCIG's outstanding debt as at 30 September 2021 was \$0.6 million. Total principal debt repayment for the year was \$0.3 million while total finance costs for the year was \$13.7 thousand. There were no new borrowings during the financial year, neither were there any drawdown on the previously approved \$80 million credit facility with Republic bank Limited however a fee \$16,667 is paid monthly.

## DEVELOPMENT FUND

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 \$7.4 million for the quarter resulting in year to date spending of \$11.8 million. \$7.4 million of the year to spending was on the construction, renovation & upgrading of Government's buildings for projects committed in the prior financial year. It should be noted that the amounts above \$3.2 million was spent on educational facilities throughout the islands.

Spending on capital projects is expected to increase within the ensuing months as the procurement plan for the current financial year is underway and tendering for projects listed in the current development budget has commenced. Driving capital expenditure will be a key focus for the Government as this financial year progresses.

## NATIONAL WEALTH FUND (NWF).

The balance of the National Wealth Fund as at September 30, 2021 stood at \$25.9 million. No transfers to the NWF are expected during this financial year.

## NATIONAL FORFEITURE FUND.

The National Forfeiture Fund has a balance of \$7.3 million as at September 30, 2021.

## FISCAL OUTLOOK

In the World Bank's latest Global Economic Prospects report, it is forecasted that the world economy will grow 5.6% this year, up from the 4.1% it forecast in January. The projected expansion would make 2021 the fastest year of growth globally since 1973's 6.6%. Similarly, experts are expecting the Turks and Caicos Islands to experience growth of 5.6%.

Government's revenue generation has shown significant growth from the beginning of the year to present with revenue collection for the first two quarters of the financial year surpassing even the pre-covid levels. With the country being fully reopened the uptick in both revenue generation and government spending are expected to continue. It is especially promising noting the activity in the real estate markets during 2021. It still remains to be seen whether the revised COVID measures that came into effect on September 1, 2021, will have any significant impact on revenue as the busy winter season usually begins in the month of November.

The rapid rollout of effective vaccines & the easing of Public health restrictions however, still offers hope of a sustained economic recovery. While we are still faced with an overall economy that will still be more vulnerable in the near-term than pre-COVID levels, it is also rebounding faster than anticipated at the beginning of the year, driven by a rebound in consumption and given a further boost by a partial rundown of household savings built up over consecutive lockdowns.

Despite this, the uncertainty around the economic outlook remains, with the course of the pandemic still the greatest single risk. Any setbacks in the rollout of the vaccines, the emergence of new vaccine-resistant variants, or 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 still remain an urgent requirement. Actively monitoring revenue collection, cash balance position and cash flow requirements remains at the forefront of the Treasury's immediate agenda to safeguard TCIG's liquidity position.

Within this context, the Government continues to act decisively in the national interest. This is being done whilst continuing to provide value for money as well as an efficient and effective public service. TCIG will also continue to focus on prudent expenditure management as well as strengthening and broadening the revenue enhancement efforts especially during these uncertain times.

# APPENDICES

## REVENUE BY ECONOMIC CLASSIFICATION

	Q2 ACTUAL US\$'000	Q2 ESTIMATE US\$'000	Q2 PRIOR YEAR US\$'000	SEP-30-2021 ACTUAL US\$'000	SEP-30-2021 ESTIMATE US\$'000	SEP-30-2020 PRIOR YEAR US\$'000
TCI Financial Services Commission	2,016	-	(7,526)	5,312	3,295	3,334
Fuel Tax	2,354	1,900	1,407	5,160	3,816	2,772
Gaming Machine Tax	1,306	624	62	2,602	1,329	62
Communications Tax	1,309	996	1,014	2,547	2,161	1,978
Business Licence Renewal	471	281	906	2,441	1,690	1,760
TCI Airports Authority	2,259	-	4,000	2,259	-	4,000
Vehicle Licence	660	395	594	1,446	821	1,049
Overtime Cost recovered	733	469	217	1,446	741	504
Permanent Residency Fees	792	358	365	1,319	838	640
Telecommunications licence	735	827	569	1,312	1,651	1,090
Insurance Premiums Tax	510	417	271	956	819	548
Invest TCI Agency	904	-	46	904	-	46
TCI Telecommunications Commission	-	-	-	889	-	800
Stamp Duty - Vehicle Hire	524	228	58	881	515	83
Drivers Licence	301	161	139	578	328	234
TCI Civil Aviation Authority	564	-	-	564	-	-
Bank Services Tax	233	194	211	548	423	309
Temporary Work Permits	266	110	28	538	267	43
PDA application fees	345	225	89	524	398	308
Crown land rents received	347	377	108	472	600	909
Work Permits Repatriation Program	188	289	105	467	524	201
ID Card Fees	198	232	183	405	436	261
Other Receipts	148	108	119	395	178	149
Labour Clearance Fees	210	248	170	378	482	261
Aviation Fuel Royalty	157	130	21	354	357	50
Duty free shops Royalties	181	114	19	347	272	28
Residence Permit Fees	150	106	100	319	208	164
Gaming Location Licence	69	2	-	275	120	-
Naturalisation Fees	136	72	68	274	128	89
Fines and forfeitures	123	123	41	270	245	62
Sale of water	126	112	72	268	222	73
Belongers Status	234	35	66	240	37	69
Fishing licence	138	119	128	186	131	134
Interest Income	119	151	225	177	251	327
National Parks Fees	127	125	123	171	165	125
Visas	88	52	22	169	73	37
Stamp duty Miscellaneous	127	51	12	149	62	22
Legal fees recovered	79	49	38	146	96	58
Travel Documents	70	41	28	141	70	41
Audit fees	95	200	206	131	374	232
Casino Winning Tax	95	58	-	130	96	-

## REVENUE BY ECONOMIC CLASSIFICATION (CONT'D)

	Q1 ACTUAL US\$'000	Q1 ESTIMATE US\$'000	Q1 PRIOR YEAR US\$'000	SEP-30-2021 ACTUAL US\$'000	SEP-30-2021 ESTIMATE US\$'000	SEP-30-2020 PRIOR YEAR US\$'000
Fees for Official Search, Inspectio	58	74	40	122	140	162
Lottery Tax	92	-	91	112	-	91
Hotel Inspection Fees	10	4	5	111	17	9
Registration fees	56	59	28	107	118	78
Migrant Processing Fee	58	62	50	106	132	82
Police Records	50	49	36	91	68	50
Court and Office fees	41	48	50	79	88	80
Medical fees and charges	44	15	47	78	26	63
Casino licences	75	25	-	75	25	-
Sand and Quarry Royalties	33	17	48	69	48	70
Ship Registration and Tonnage	26	37	31	69	68	36
Liquor licences	8	13	7	44	25	9
Penalties	8	5	2	40	15	6
Sale of Stamps	20	32	12	40	57	23
Contributions towards Special Schoo	35	-	35	35	-	35
Commercials	18	5	7	20	8	14
Animal Importation Permit	8	4	3	18	12	4
TCI Complaints Commission	18	-	52	18	-	52
Survey fees	5	6	6	17	12	10
Sand and Quarry Licences	6	7	2	17	7	7
Map sales	7	-	10	17	-	12
Salt Cay Boat Fees	6	12	7	15	20	12
Dental fees	8	8	5	14	15	7
Mail Box Rental	5	8	4	14	13	7
Warehouse rents	9	22	55	13	61	91
Dormant Accounts	13	-	-	13	-	-
Casino Permits	10	-	-	10	-	-
Sale of confiscated goods	1	17	-	8	81	11
Application Fees Companies	3	4	2	6	5	4
Examination fees	-	-	-	5	2	-
Other Postal Services	2	6	1	4	12	1
Printing for third parties	2	17	13	4	25	13
Garbage Collection	2	1	2	3	3	3
Agricultural Sales	-	1	-	2	3	1
Sale of Law Books	-	-	-	-	1	1
Rent of Government property	-	6	1	-	12	2
Circulatory Coins	-	-	-	-	1	-
Bond Inflows	-	-	-	-	-	2
Water and Sewage Related Operations	-	3	-	-	6	-
CPU Third Party Sales	-	1	1	-	1	2
Immigration Refunds	-	(2)	-	-	(3)	-
TCI Port Administration	-	461	5,300	-	921	5,300
Custons Refunds	(58)	(11)	(86)	(58)	(11)	(84)
<b>TOTAL OTHER REVENUE</b>	<b>20,174</b>	<b>11,043</b>	<b>10,180</b>	<b>39,433</b>	<b>26,301</b>	<b>29,201</b>

	Q1 ACTUAL US\$'000	Q1 ESTIMATE US\$'000	Q1 PRIOR YEAR US\$'000	SEP-30-2021 ACTUAL US\$'000	SEP-30-2021 ESTIMATE US\$'000	SEP-30-2020 PRIOR YEAR US\$'000
Land Sales	288	169	133	621	213	239
Grants	-	50	57	378	136	106
<b>TOTALNONRECURRENT REVENUE</b>	<b>289</b>	<b>219</b>	<b>190</b>	<b>1,000</b>	<b>350</b>	<b>345</b>

