



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



FINANCIAL REPORT
QUARTER 1
APRIL TO JUNE 2023



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KEY POINTS

- **\$27 million increase in underlying cash balance**

The underlying cash balance as at the quarter ending 30 June 2023 showed an increase of \$27 million against the expected increase of \$3.6 million.

- **\$36.3 million operating surplus**

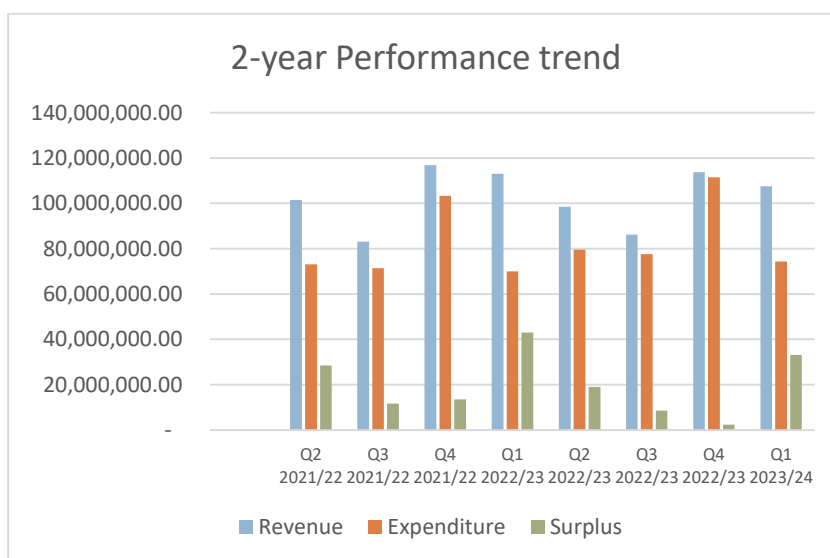
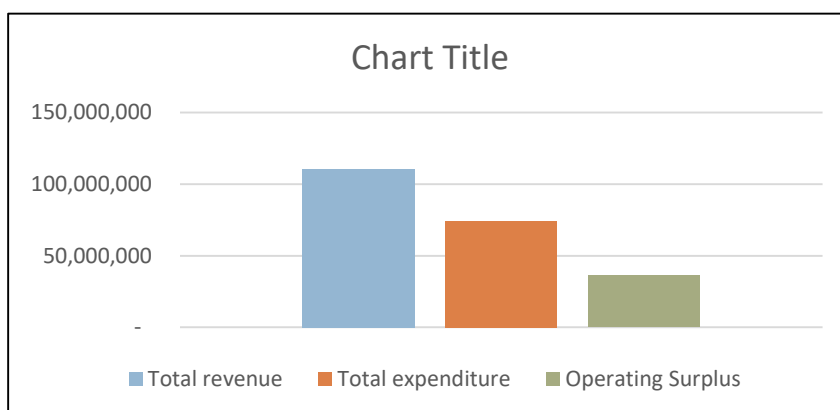
The operating balance for the quarter was a surplus of \$36.3 million against the forecast surplus of \$18.3 million.

- **Minimum wage revision from \$6.25 to \$8 an hour**

Effective April 1, 2023 the minimum wage was revised from \$6.25 per hour to \$8 per hour and \$9.00 per hour for sectors such as Security, Manufacturing, Construction and Banking.

- **\$8.4 Million Capital Expenditure**

During the Quarter \$8.4 Million was spent on capital projects.



Cash Balances as at June 30 2023:	US\$ '000	% share
<i>Unrestricted cash balances</i>	157,158	50%
<i>Development Fund</i>	101,033	32%
<i>National Forfeiture Fund</i>	7,184	2%
<i>National Wealth Fund</i>	50,805	16%
<i>TCI Bank</i>	170	0%
Cash and cash equivalents	316,350	100%

FOREWORD

The First Quarter of the FY2023-24 Financial Report (Unaudited) summarizes the Government of the Turks and Caicos Islands operations results for April to June 2023.

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

- **Monitoring performance:** The Quarterly financial report provides insights into the Government's financial performance over three months. By reviewing these reports, stakeholders can determine whether the Government is meeting its financial goals and make adjustments to improve performance if necessary.
- **Transparency and accountability:** The Quarterly financial report provides transparency and accountability to stakeholders. This report discloses a Government's financial condition, including its revenues, expenses, net cash flow, and losses (if any), and helps stakeholders make informed decisions about investing or borrowing.
- **Compliance with regulations:** The report has been prepared per the Amended Public Finance Management Ordinance 2014 (Section 36. 01), which requires that the Accountant General prepares and submits an unaudited budget report within 28 days after the end of each quarter.
- **Planning and forecasting:** The Quarterly financial report helps the Government and MDAs to plan and forecast their financial performance for future quarters. By analyzing trends and patterns in the data, MDAs can identify areas for improvement and adjust their strategies accordingly.

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 budgetary data are prepared using a 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 incurred and paid.

PERIODICITY: Quarterly (Qtr. 1: April – June 2023)
TIMELINESS: Within 28 days after the end of the referenced quarter as per PFMO section 36(1)
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 \$358.5 million and Capital expenditure estimated at \$65.1 million, resulting in a projected deficit of \$6.3 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 April 2023 edition of the World Economic Outlook (WEO), predicted an uncertain outlook amid financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID-19. It is forecast that most countries would avoid a recession in 2023 and cautioned that many countries would still have some of the slowest global growth in decades, and inflation's return to target is unlikely before 2025.

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 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.

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/>

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 Q1 was slightly lower than the same period in the prior year. It remains to be seen whether the global headwinds mentioned above will significantly impact Revenue. 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. Cabinet has approved an extension, effective April 1 2023 for the following measure introduced to ease the cost of living burden for the citizenry;

- Reduction in rate of additional charge on fuel importation by 25% for 6 months, subject to review.
- Reduction in the rate of Customs Processing fee from 7.5% to 5% across the board on the importation of all goods, for 6 months, subject to review.
- 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.

FISCAL OVERVIEW

The Government has ended the quarter with an operating surplus of \$36.3 million and a cash increase of \$27 million to a closing cash balance of \$316.4 million. Revenue for the Quarter was 3% lower than budget and in line with the similar period in the prior year. It is imperative to closely monitor expenditure against revenues and both budget and the prior year while continue reinforcing the current macroeconomic strategies. 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.

FISCAL SUMMARY

The first Quarter of FY 2023/24 recorded an operating surplus of \$36.3 million. This was 98% higher than the projected surplus and 15% lower than the prior year. The performance against is mostly driven by lower than expected Stamp duty from land transactions, offset by underspend on Personnel costs and Grants and Contributions.

FISCAL SUMMARY	Quarter 1			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	110,366	113,426	110,455	(3,060)	-3%	(88)	0%
Non-Recurrent Revenue	271	164	2,435	107	65%	(2,164)	-89%
Total Revenue	110,638	113,590	112,890	(2,952)	-3%	(2,253)	-2%
Recurrent Expenditure	72,458	91,769	67,824	(19,311)	-21%	4,634	7%
Non-Recurrent Expenditure	1,907	3,512	2,445	(1,605)	-46%	(537)	-22%
Total Expenditure	74,366	95,281	70,268	(20,915)	-22%	4,097	6%
Net Operating Surplus	36,272	18,309	42,622	17,963	98%	(6,350)	-15%

CASH FLOW

The underlying cash balance at the quarter increased by \$27 million from the prior quarter's outturn. This resulted in an increase in TCIG's cash and cash equivalents from \$289.3 million at the end of March 2023 to \$316.4 million at the end of June 2023.

	Quarter 1			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Cash Flow from Operations	36,272	18,309	42,622	17,963	98%	(6,350)	-15%
Less:				-			
Development Fund Expenditure	(8,440)	(14,638)	(3,364)	6,198	-42%	(5,076)	151%
Debt Repayments	(66)	(47)	(24)	(19)	0%	(42)	0%
Borrowing	-	-	-	-	0%	-	0%
Bond Inflows	-	-	-	-	0%	-	0%
Net receipts/(payments) of public accounts	(753)	-	5,023	(753)	0%	5,776	115%
Net Cash Flow	27,013	3,624	44,257	23,388	645%	(17,244)	-39%
Opening cash balance *	289,337	*					
Closing cash balance	316,350						
Attributable to:							
Consolidated Fund	157,328						
Development Fund	101,033						
National Forfeiture Fund	7,184						
National Wealth Fund	50,805						
Closing cash balance	316,350						

RESTATEMENT OF CASH BALANCES

Included in the General ledger is a Revenue clearing account which operates as a clearing account for any Revenue journals recorded from Sigtas matched against the bank deposits recorded in Smartstream. We have restated the Revenue clearing balance as at March 31, 2023 to reflect the actual cash in transit (Lodgements in Sigtas that had not been processed by the bank by period end). The details of the restatement are shown below.

RESTATEMENT OF CASH AND CASH EQUIVALENTS

	Original	Restated
	31-Mar-23	31-Mar-23
	US\$'000	US\$'000
Cash and Cash Equivalents		
<u>Cash & Domestic Banks</u>		
Deposits in transit	(17,282)	1,768
CIBC First Caribbean International Bank - Operating accounts	137,095	136,605
RBC Royal Bank - Operating accounts	1,616	1,616
Scotiabank (Turks and Caicos) Limited - Operating accounts	26,073	26,073
TCI Bank Limited -Non-operating accounts	548	548
National Wealth Fund account	50,805	50,805
National Forfeiture Fund account	7,184	7,184
Development Fund account	44,362	44,362
Total Cash and Domestic Bank balances	250,401	268,961
<u>International Bank Accounts</u>		
Crown Agents Bank - Pounds Sterling	38	38
Crown Agents Bank - USD	6	6
Total International Bank Accounts	44	44
<u>Fixed Deposits- Short term</u>		
CIBC First Caribbean International Bank	20,333	20,333
	20,333	20,333
Total Cash and Cash Equivalents	270,778	289,337

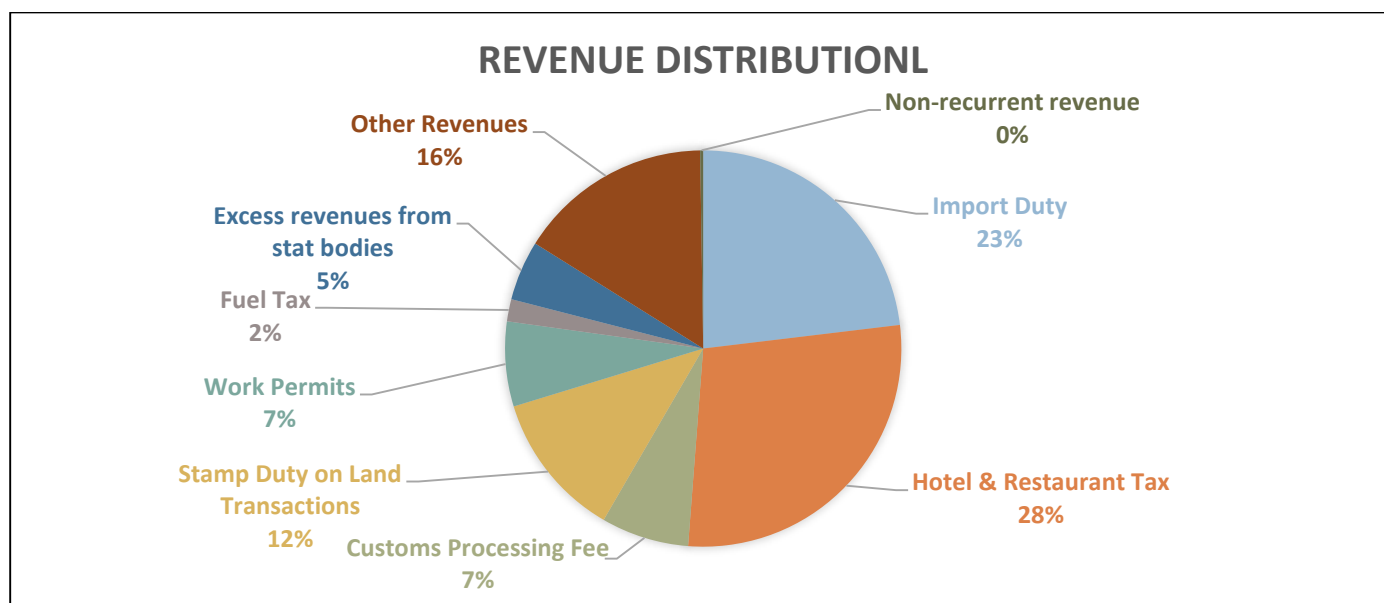
REVENUE

Q1 and YTD: \$110.6 million

	Quarter 1			Variances			
	Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%
Recurrent Revenues							
Import Duty	25,555	23,800	22,562	1,755	7%	2,992	13%
Hotel & Restaurant Tax	31,111	31,954	30,809	(843)	-3%	302	1%
Customs Processing Fee	7,918	8,668	8,674	(751)	-9%	(756)	-9%
Stamp Duty on Land Transactions	13,171	19,221	19,137	(6,050)	-31%	(5,967)	-31%
Work Permits	7,657	5,431	5,169	2,226	41%	2,488	48%
Fuel Tax	2,002	2,149	2,257	(146)	-7%	(254)	-11%
Excess revenues from stat bodies	5,405	5,216	5,870	189	4%	(466)	-8%
Other Revenues	17,549	16,988	15,976	561	3%	1,573	10%
Total Recurrent Revenue	110,366	113,426	110,455	(3,060)	-3%	(88)	0%
Non- Recurrent Revenues							
Civil Recovery Income	-	-	-	-	0%	-	0%
Land Sales	262	164	1,367	99	60%	(1,105)	-81%
Revenue From Grants	9	0	1,068	9	8230%	(1,059)	-99%
Insurance Proceeds	-	-	-	-	0%	-	0%
	271	164	2,435	107	65%	(2,164)	-89%
Total Revenue	110,638	113,590	112,890	(2,952)	-3%	(2,253)	-2%

Aggregate Revenue for the quarter totaled \$110.6 million. This result was 3% less than budget and 2% below the prior year's collections. This is attributed to lower-than-expected stamp duty from land transactions and Hotel and Restaurant Tax receipts. The four main revenue lines of Hotel and Restaurant tax, import duty, stamp duty on land transactions and customs processing fees contributed 70% of the total Revenue.

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



HRTT formed the largest portion of the Revenue collected (28%) during the quarter. Tourism activities have remained steady during the spring months. HRT collections were \$0.8 million or 3% behind the Estimates and \$0.3 million or 1% more than prior year.

Import Duties formed the second largest portion of the Revenue collected (23%). Import duty collections totaled \$25.6 million which was 7% higher than budget and 13% higher than the prior year. Inflationary pressures have led to price increases of imported items. The increased economic activity in the tourism and construction sectors has also increased imports.

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 first quarter totaled \$13.2 million. The collections are \$6.1 million or 31% less than the Estimates and \$6 million or 31% less than the prior year period. During the quarter, there were 247 transactions which incurred stamp duty. Of these, four transactions had a consideration over \$5 million, 43 transactions over \$1 million and the rest had a value of less than \$1 million. Land transactions may be tainted by worries of a looming recession which in turn would have an adverse effect of stamp duty collections.

Customs Processing Fees (CPF) were \$7.9 million, this was \$0.8 million below the budget and prior year results.

Receipts from Work Permits were \$7.7 million for Q1, accounting for 7% of the total Revenue. These results were greater than the Estimates by \$2.2 million or 41% and higher than prior year by \$2.5 million or 48%. 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.

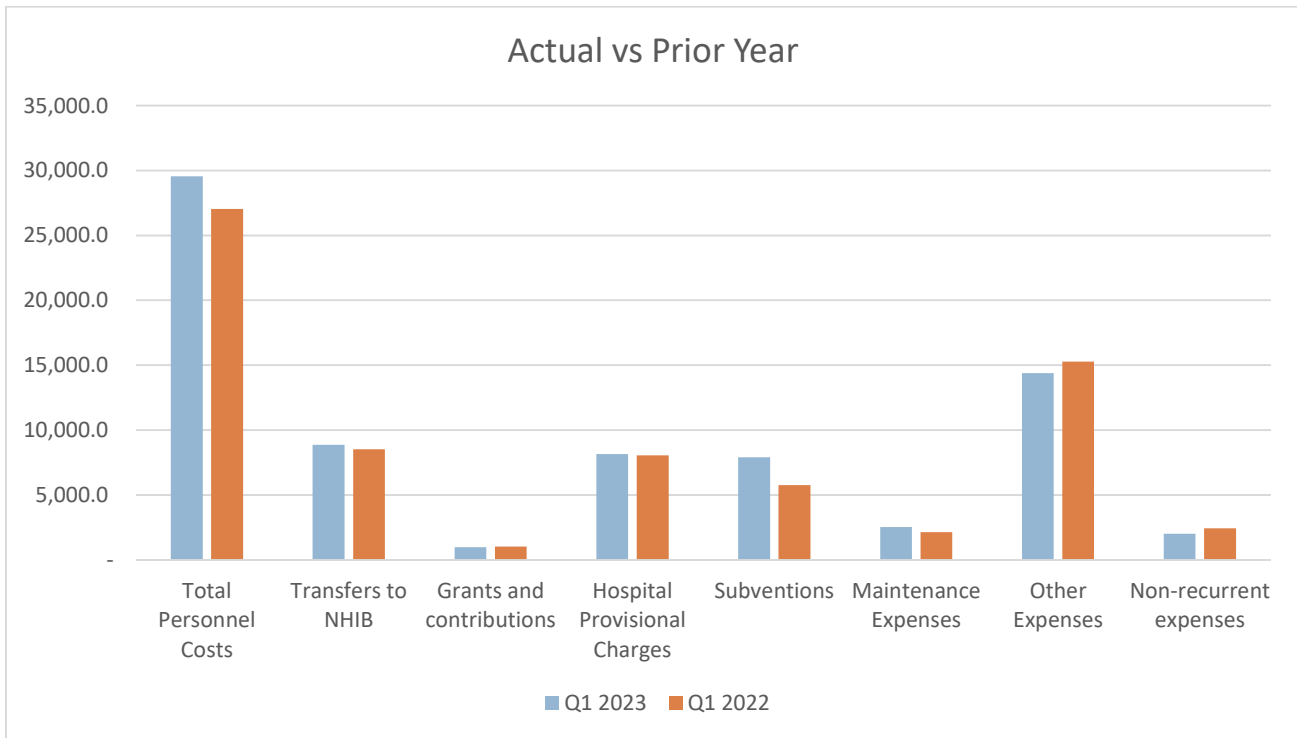
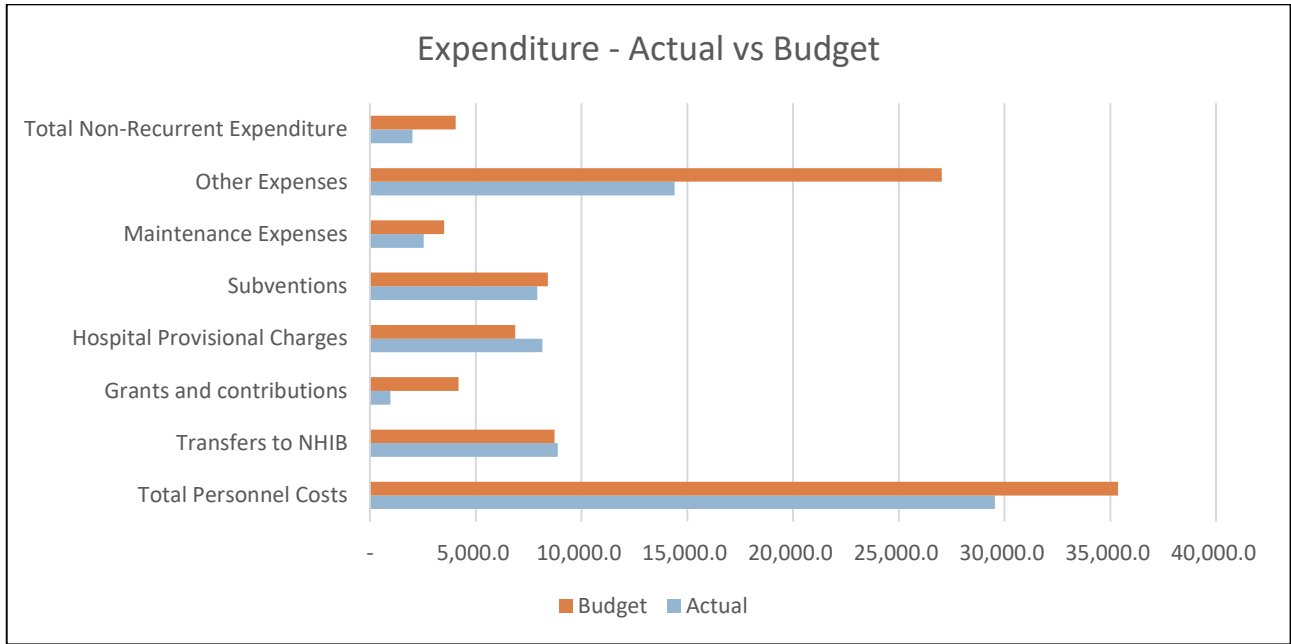
Excess revenue from Statutory bodies totaled \$5.4 million. This was \$0.2 million or 4% ahead of budget and \$0.5 million or 8% less than the prior year results. The biggest contributors were the Financial Service Commission, TCI Ports Authority and the Gaming Commission.

Others revenues totaled \$17.7 million for Q1 which was \$0.4 million or 4% higher than Estimates and \$1.8 million or 6% higher than the prior year. The table below shows the breakdown of Other revenue

	Quarter 1			Variances			
	Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%
Business Licence renewal	2,134	2,115	2,108	19	1%	26	1%
Communication Tax	1,221	1,376	1,202	(154)	(11%)	19	2%
Gaming Machine Tax	1,256	1,673	1,291	(417)	(25%)	(35)	(3%)
Seaport Departure Tax	1,934	1,250	1,212	685	55%	722	100%
Telecommunication Licences	773	1,030	1,011	(257)	(25%)	(237)	(23%)
Overtime Costs Recovered	1,579	900	911	678	75%	668	73%
Vehicle Licence Renewals	824	775	750	49	6%	74	10%
Permanent Residency Fees	743	578	767	165	29%	(24)	(3%)
Crown lands rent	75	667	475	(592)	(89%)	(401)	(84%)
Insurance Premiums tax	524	466	452	58	12%	72	16%
Bank services tax	267	274	250	(7)	(3%)	17	7%
Stamp duty - vehicle hire	701	679	688	22	3%	12	2%
Drivers Licence	363	331	320	32	10%	43	14%
Duty free shops Royalties	295	334	331	(39)	(12%)	(36)	(11%)
ID Card Fees	361	234	222	128	55%	139	63%
Labour Clearance Fees	375	262	250	112	43%	125	50%
PDA application fees	329	511	522	(182)	(36%)	(193)	(37%)
Work Permits Repatriation Program	755	413	391	342	83%	364	93%
Temporary Work Permits	352	340	325	12	3%	27	8%
Other Revenues	2,688	2,780	2,499	(92)	(3%)	189	8%
TOTAL OTHER REVENUE	17,549	16,988	15,976	561	3%	1,573	10%

Non-recurrent revenue of \$0.3 million related to land sales was recorded during the quarter. This was in line with Estimates but 89% of \$2.2 million lower than the prior year

EXPENDITURE



\$74.4 million was expended during the first quarter (\$72.4 million recurrent expenditure and \$2 million non-recurrent expenditure). These results were 24% lower than budget and 6% greater than prior year.

Recurrent Expenditure: Q1 and YTD: \$72.5 million

	Quarter 1			Variances			
	Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%
Recurrent Expenditure							
Total Personnel Costs	29,542	32,544	27,029	(3,003)	-9%	2,513	9%
Transfers to NHIB	8,873	8,726	8,514	147	2%	359	4%
Grants and contributions	968	4,013	1,037	(3,044)	-76%	(69)	-7%
Hospital Provisional Charges	8,147	6,864	8,057	1,284	19%	90	1%
Subventions	7,909	6,975	5,764	934	13%	2,145	37%
Maintenance Expenses	2,529	3,502	2,137	(973)	-28%	392	18%
Other Expenses	14,491	29,146	15,286	(14,655)	-50%	(796)	-5%
Total Recurrent Expenditure	72,458	91,769	67,824	(19,311)	-21%	4,634	7%

Recurrent expenditure for Q1 totaled \$72.5 million. The results were 21% or \$19.3 million less than the Estimates and \$4.6 million or 7% higher than the Prior Year. The underspend against the budget is mainly attributed to vacancies within the Civil Service, and low absorption of grants and contributions due to slower-than-expected spending on the public works program.

Personnel Costs accounted for 41% of the recurrent expenditure, totaling \$29.5 million, compared to the Estimates of \$36.4 million leading to \$5.8 million or 16% underspend. The Personnel costs were \$2.5 million or 9% higher than the prior year. These results consist of Salaries, Wages, allowances, and pension and gratuity costs for the quarter. 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 performance against budget results from existing vacancies that are yet to be filled throughout the civil service.

NHIB transfers totalled \$8.9 million and Hospital Provisional Charges totalled \$8.1 million. Both expenditure heads were higher than the budget due to timing differences between profiled and actual expenditure. Transfers to NHIB were 4% higher than the prior year, while Hospital provisional charges were in line with the prior year.

Other Recurrent Expenditure: Q1 and YTD \$14.4 million

	Quarter 1			Variances			
	Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%
Rental of assets	1,637	2,202	1,359	(565)	-26%	277	20%
Social welfare	1,922	2,369	1,325	(447)	-19%	597	45%
Professional and Consultancy Services	1,362	3,282	832	(1,920)	-58%	530	64%
Recurrent Sub Programmes and Projects	615	1,947	635	(1,332)	-68%	(20)	-3%
Utilities	1,105	1,373	1,138	(268)	-19%	(33)	-3%
Security expenses	560	791	511	(231)	-29%	49	10%
Local Travel and Subsistence	1,058	2,892	897	(1,834)	-63%	161	18%
International Travel and Subsistence	558	965	382	(407)	-42%	176	46%
Communication Expenses	594	693	374	(99)	-14%	220	59%
Bank charges	346	356	384	(10)	-3%	(38)	-10%
Data Communication cost	219	470	339	(251)	-53%	(120)	-35%
Insurance Expenses	0	1,993	1,364	(1,993)	-100%	(1,364)	0%
Hosting and Entertainment	378	975	711	(597)	-61%	(333)	-47%
Repatriation and exportation expenses	1,056	1,042	915	15	1%	141	15%
Other supplies, material & Equipment	353	1,114	235	(760)	-68%	118	50%
Computer Licence & Hardware maintenance	204	724	275	(520)	-72%	(70)	-26%
Fuel	357	353	189	5	1%	168	89%
Other Recurrent Expenditure	2,165	5,606	3,422	(3,441)	-61%	(1,256)	-37%
TOTAL OTHER RECURRENT EXPENDITURE	14,491	29,146	15,286	(14,655)	-50%	(796)	-5%

Other expenses totaled \$14.4 million which was \$12.6 million or 47% behind the Estimates and \$0.9 million or 6% less than 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.

Non-Recurrent Expenditure: Q1 and YTD: \$2 million

	Quarter 1			Variances			
	Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%
Non-Recurrent Expenditure							
Statutory Land Acquisitions	-	1,417	284	(1,417)	-100%	(284)	-100%
SIPT	1,598	1,944	1,201	(347)	-18%	397	33%
Civil Recovery Costs	402	373	184	28	8%	218	119%
Covid-19 Expenses	0	4	773	(4)	-93%	(772)	-100%
Contingency	-	300	-	(300)	-100%	-	0%
Finance costs	6	5	3	1	15%	2	69%
Total Non-Recurrent Expenditure	2,005	4,044	2,445	(2,039)	(50%)	(439)	(18%)

Non-Recurrent Expenditure results for Q1 totaled \$2 million mainly attributed to SIPT costs of \$1.6 million and Civil recovery costs of \$0.4 million. Non-recurrent expenditures were 50% below Estimates for the quarter and 18% behind prior year.

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-Jun-23 US\$'000	Finance Cost 2023/24 US\$'000
Further Education (04/SFR-OR-TCI)	2.5%	457	-	(22)	435	3
Climate Resilient Coastal Protection and Management (4/OR-TCI)	4.90%	269	57	(45)	281	4
Integrated Solid Waste Management (5/OR-TCI)	4.90%	-	145	-	145	2
Total unsecured debts		725	202	(67)	861	8

TCIG holds three debt instruments with the Caribbean Development Bank (CDB). The outstanding debt as of June 30, 2023 was \$0.9 million. \$67k principal repayments were made during the quarter. \$202K in new drawdowns were made on the loan facilities 4/OR-TCI (\$57K) and 5/OR-TCI (\$145K) and \$8k finance costs and commitment fees were paid. A breakdown of outstanding public debt is shown below

	CDB			Totals
Source of funding	CDB	CDB	CDB	
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 30/06/2023 (US\$)	434,783	280,918	144,908	860,609
Year of first disbursement	2000	2021	2023	
Maturity Date	01-Apr-28	01-Jul-24	01-Jul-26	
Principal Repaid YTD (US\$)	21,739	44,804	-	66,543
Interest Paid YTD (US\$)	2,853	2,896	-	5,749
Commitment fees paid YTD (US\$)	-	323	1,681	2,004
Other charges paid YTD (US\$)	0	300	0	300
Total Debt Servicing YTD (US\$)	24,592	48,023	1,681	74,296

DEVELOPMENT FUND

Ordinance 32 of 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 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 June 30, 2023 was \$101 million, and the movement in the fund balance is as shown below.

Closing 31/03/2020 –Based on consultant report	59,263,733
<i>Adjust to exclude infrastructure fund</i>	<i>(614,831)</i>
Completed projects - savings returned to CF	<i>(16,413,489)</i>
Opening 1/04/2020	42,235,413
Contract awards and variations 2020/21	31,638,485
CAPEX 2020/21	(25,302,143)
Completed projects - savings returned to CF	(1,965,508)
Closing 31/03/2021	46,606,248
Awards and commitments	25,317,353
CAPEX 2021/22	(22,227,979)
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
2023-24 Appropriation	65,110,023
CAPEX 2022/23	(8,439,484)
As at June 30 2023	101,032,977

CAPITAL EXPENDITURE (YTD) BY PROJECT

The capital projects expended during the year are shown below.

Project #	Project name	Amount
5561	South Dock Port Redevelopment	6,513,200
5612	IT Command and Control System (CAD Radio Upgrade All Islands)	500,000
5575	Upgrading of Water Storage and Distribution Facilities - GDT	473,794
5697	Police Mobile Station	248,959
5592	Front Street GDT	224,383
5566	Construction of New Primary School PLS- Phase 2	158,113
5610	Grand Turk Sports Complex and Shelter	124,120
5506	NJS Francis Building	121,456
5605	Installation of Lights for Parade Ground - GDT	29,827
	Construction of Promenade/Boardwalk and Craft Market for Bottle	
5481	Creek	16,664
5270	Environmental Health Storage Buildings	15,299
5600	Mental Health Facility (GDT)	7,026
5510	Rehabilitation of Salt Shed- Salt Cay	6,468

5611	Ballistic Vests for Police	104
5722	Police Armoured vehicle	73
TOTAL		8,439,483

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 June 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 30/06/2023 (US\$' 000)
Actual revenue	Revised Estimates	Variance	%				
413,848	404,215	9,633	2%	-	50,780	25	50,805

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	30-Jun-23 US\$'000	31-Mar-23 US\$'000
Stabilization Fund	30,663	30,646
Infrastructure and Competitiveness Fund	8,760	8,756
Heritage Fund	4,382	4,378
Citizen's Empowerment Fund	7,000	7,000
National Wealth Fund balance	50,805	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.

NATIONAL FORFEITURE FUND

The National Forfeiture Fund has a balance of \$7.2 million as at June 30, 2023. No transfers from the NFF into the Consolidated Fund were made during the period.

PUBLIC SECTOR EMPLOYEES PENSION FUND

The Public Sector Employees Pension Fund Ordinance was enacted on March 25 2022, to establish a defined contribution pension fund for public sector employees. The Fund was reconciled as follows at June 30 2023.

Opening balance at April 1 2023	14,870,460
Contributions by Statutory bodies-YTD	1,189,875
Contributions by TCIG-YTD	202,230
Payments to beneficiaries - YTD	(171,064)
Total Fund balance as at June 30 2023	16,091,501

Number of persons who received benefits (YTD): 15
Cash on escrow Account at June 30 2023: 16,060,335

The pension fund bank account is not part of the Consolidated fund cash balances.

HUMAN RESOURCE MANAGEMENT

Employees

There were 1,929 people employed by TCIG at the end of June 2023, consisting of 1,645 monthly paid employees and 284 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there were 48 new recruits and 28 attritions during the quarter.

Pensioners

The total number of Pensioners at the end of June 2023 was 428.

FINANCIAL OUTLOOK

TCIG has continued its strong financial performance and has recorded an operating surplus in the quarter. The revenue targets for the financial year are expected to be met. As more funds are released, MDAs will accelerate their programme activities.

The economy is reliant on tourism, which has a significant impact on TCIG's financial outlook. Tourism generates revenue, creates jobs, and drives economic growth. Although the continued uncertainty of the impending global

