



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



FINANCIAL REPORT
For the Third Quarter of FY2024/2025
(1 October 2024 to 31 December 2024)

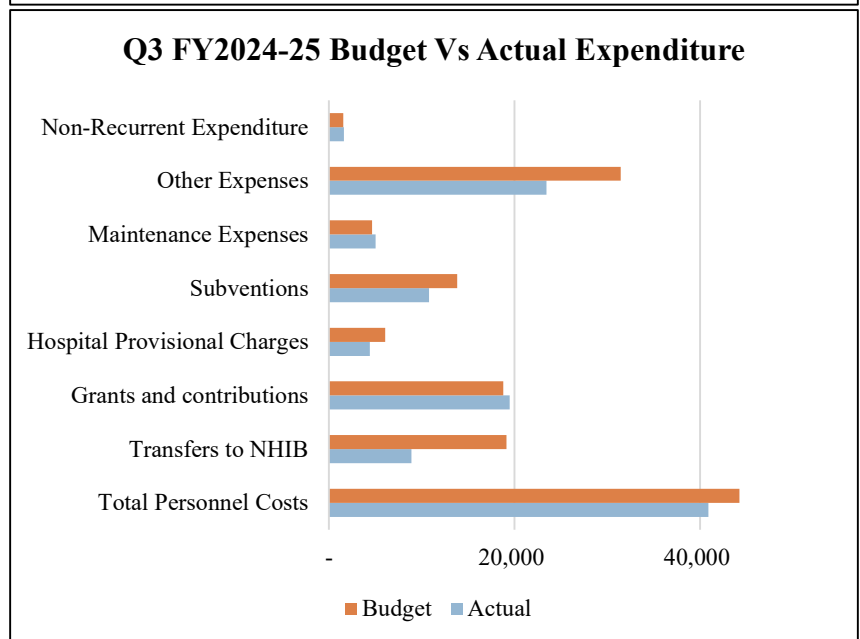
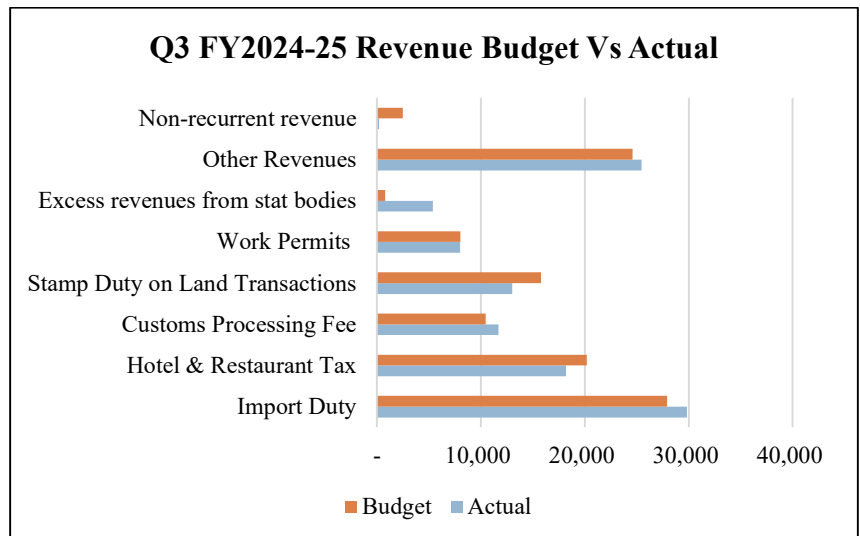
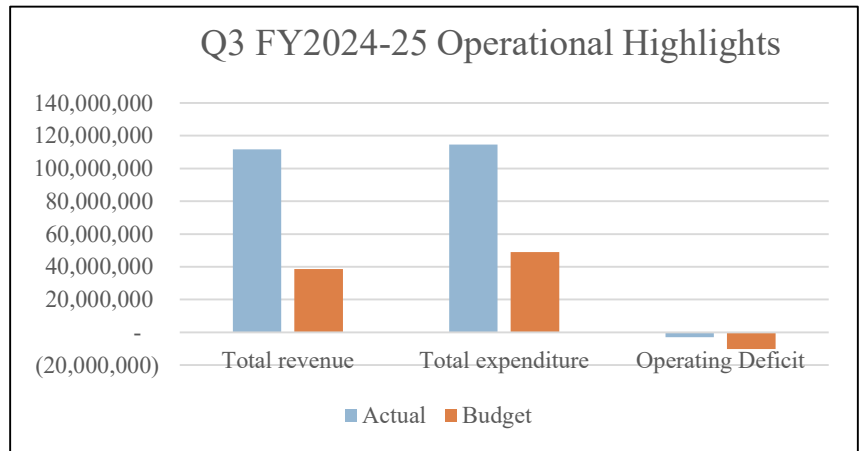


Contents

1. FOREWORD	8
2. ECONOMIC OVERVIEW	9
3. FISCAL OVERVIEW	10
3.1 FISCAL SUMMARY	6
3.2 CASH FLOW	6
4. REVENUE	7
4.1 REVENUE BY ECONOMIC CLASSIFICATION	7
4.1.1 RECURRENT REVENUE	7
4.1.2 OTHER RECURRENT REVENUE	10
4.1.3 NON-RECURRENT REVENUE	10
5. EXPENDITURE	11
5.1 EXPENDITURE BY ECONOMIC CLASSIFICATION	11
5.1.1 RECURRENT EXPENDITURE	11
5.1.2 OTHER RECURRENT EXPENDITURE	15
5.1.3 NON RECURRENT EXPENDITURE	16
6. OUTSTANDING PUBLIC DEBT	17
7. DEVELOPMENT FUND	17
7.1 DEVELOPMENT FUND ANALYSIS	17
7.2 TOP CAPITAL PROJECTS BY EXPENDITURE AMOUNT	18
8. NATIONAL WEALTH FUND	19
8.1 STATEMENT OF ACCOUNT	19
8.2 STATEMENT OF FUNDS	19
9. NATIONAL FORFEITURE FUND	20
10. DESTINATION ENHANCEMENT FUND (DEF)	20
10.1 STATEMENT OF DEF FUNDS	20
10.2 STATEMENT OF DEF ARREARS	21
11. PUBLIC SECTOR EMPLOYEES PENSION FUND (PSEPF)	21
12. HUMAN RESOURCE MANAGEMENT	21
13. FINANCIAL OUTLOOK	21

KEY POINTS

- **\$111.8 million revenue for the Quarter.** The aggregate revenue collections for Q3 were \$111.8 million against a budget of \$110.3 million.
- **\$14 million paid out towards the Cost of Living Relief program (CoLR).** The Quarter 3 included \$14 million expended towards the CoLR stimulus program against a budget of \$15 million.
- **Decrease in the underlying Cash balances.** The closing cash balance at the end of the quarter was \$408.1 million which was a \$7.5 million reduction from Q2.
- **\$25.2 million Capital expenditure during the year to date.** Capital expenditure for the quarter amounted to \$6.2 million, representing a 42% increase compared to the same quarter in the previous year but a 51% over performance on Budget. YTD CAPEX of \$25.2 million was 54% behind budget and 27% more than the same quarter in the prior year.



1. FOREWORD

The third Quarter of the FY2024-25 Financial Report (Unaudited) summarizes the results of operations for the Government of the Turks and Caicos Islands for October to December 2024.

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). It 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 paid rather than when incurred.

PERIODICITY:	Quarterly (Qtr. 3: October – December 2024)
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)

2. ECONOMIC OVERVIEW

The local economy and, by extension, the world continues to face inflationary pressures in FY 2024/25 arising from geopolitical tensions in Ukraine and the Middle East.

The International Monetary Fund (IMF), in its October 2024 projected global economic growth to remain steady yet modest, with a forecasted rate of 3.2% for both 2024 and 2025. This projection aligned with the April 2024 WEO forecast, indicating a consistent outlook for the global economy. The IMF noted that while disinflation is ongoing, services inflation continues to pose challenges, complicating the normalization of monetary policy. Additionally, the IMF highlighted that elevated central bank rates aimed at combating inflation, coupled with the withdrawal of fiscal support amid high debt levels, are weighing on economic activity. The IMF emphasizes that, despite these challenges, a smooth landing for the global economy is within reach, provided that appropriate policy measures are implemented to address rising threats and maintain economic stability.

According to the World Bank (published January 2024), the Caribbean region's growth forecast (excluding Guyana) for 2025 is 3.8% reflecting a gradual recovery from previous years. Key growth drivers include steady remittances and a strong tourism industry. However, the region remains susceptible to numerous challenges like high public debt, dependency on tourism, inflation, high dependency on fossil fuels for energy, migration of skilled labour (brain drain), income and wealth disparities, supply chain disruptions, narrow tax bases etc. These challenges pose substantial economic stability and development risks. The World Bank emphasizes the need for Caribbean countries to build fiscal and financial resilience by; Leveraging digital technologies to improve governance (digital transformation), investing in green energy (transition to renewable energy resources), and enhancing disaster preparedness to mitigate these risks. Structural reforms to improve the investment climate, increase connectivity, and foster new economic sectors are crucial for sustainable growth and high-productivity jobs¹.

According to TCI Statistics Authority, The Turks and Caicos Islands (TCI) economy is poised for continued growth in 2025, with nominal GDP projected to increase by 6.5% in 2025, driven by strong performance in tourism, real estate, and construction. Key contributors include private and public investments in infrastructure, digitalization, and large-scale commercial and residential developments, along with expanded hotel room inventory and rising demand for short-term rentals. While inflation is expected to stabilize between 2.5% and 3.0%, external factors such as geopolitical conflicts and supply chain disruptions pose risks, with high costs for fuel, housing, and essentials continuing to challenge residents. Despite a robust post-pandemic recovery and steady economic momentum, challenges like limited access to finance and infrastructure constraints must be addressed to ensure sustainable development and improved living standards.

¹ <https://www.worldbank.org/en/country/caribbean>

3. FISCAL OVERVIEW

The Estimates of Revenue and Expenditure for the financial year 2024-25 were approved in the House of Assembly on April 19, 2024, with a focus on implementing strategies, development programs, and projects aimed at the well-being of the people of the Turks and Caicos Islands, as well as achieving social, economic, and environmental progress. The approved budget includes revenues of \$476.2 million, operating expenditures of \$438.3 million, and capital expenditure estimated at \$60.3 million, resulting in a projected deficit of \$22.4 million.

Three supplementary budgets have been approved to date, reflecting significant adjustments in both recurrent and capital expenditures.

Supplementary Budget No. 1 was approved on October 11, 2024. This budget increased recurrent expenditures by \$8 million and capital expenditures by \$8.5 million. Key areas of additional funding included \$4.9 million for professional and consultancy services, \$4.6 million for subventions, \$1 million for personal emoluments, and \$0.6 million for grants and contributions.

On November 12, 2024, Supplementary Budget No. 2 was approved, introducing variations, reductions, and reallocations within the Consolidated Fund. Additional funding allocations included \$14.5 million for grants and contributions, \$1.2 million for recurrent programs and projects, \$0.8 million for personnel costs, \$0.7 million for subventions, and \$0.3 million for hosting and entertainment. These increases were offset by significant reductions in other areas, including \$7.1 million from the development fund, \$3.4 million from professional and consultancy services, \$2.5 million from the contingency fund, \$2.1 million from operating and maintenance expenses, \$1.1 million from land acquisition, \$0.8 million from special projects, and \$0.5 million from other sundry expenses.

The third supplementary budget, approved on December 18, 2024, authorized further issuance of \$1.7 million from the Consolidated Fund and included significant reallocations and reductions. While an additional \$1.7 million was allocated to revenue from grants and contributions, expenditure allocations included \$10 million for the Treatment Abroad Programme, \$1.9 million for maintenance, \$1.7 million for subventions, \$0.8 million for other expenses, \$0.6 million for professional and consultancy services, and \$3,000 for personnel costs. This budget also saw a substantial reduction in the capital expenditure budget, amounting to \$13.3 million.

Updated fiscal projections for FY 2024-25 indicate planned revenues of \$485.8 million and total expenditures of \$516.9 million, comprising \$468.4 million in operating expenses and \$48.5 million in capital expenses. While the revised estimates project an operating surplus of \$17.4 million, the overall fiscal outlook reflects a net deficit of \$31.1 million due to increased spending. The adjustments across the supplementary budgets demonstrate a focus on addressing immediate priorities.

TCIG ended the third Quarter of FY2024-2025 with an operating deficit of \$2.8 million and a cash decrease of \$7.5 million, bringing the closing cash balance to \$408.1 million. Revenue for Q3 was 1% higher than budget and 24% more than that of a similar period in the prior year. Despite inflationary pressures, the Turks & Caicos Islands Government continues to experience continued growth in cash flow and strong employment. This improved economic resilience can be attributed to the high volume of tourist arrivals and continued growth in the construction and real estate market. Increased expenditure was mainly attributed to the Cost of living Relief program.

Due to a cyberattack experienced by financial systems TCIG in December 2024, access to certain financial information was restricted. Consequently, the completeness of the information provided in this report may be affected.

1.1 FISCAL SUMMARY

The third Quarter of FY 2024/25 recorded an operating deficit of \$2.8 million against a projected deficit of \$29.4 million. The result was 139% or \$10 million lower than the prior year. The performance against budget is mostly driven by higher than expected Import Duties, Customs Processing Fee, Excess revenue from Statutory bodies and other revenues.

	Quarter 3			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	111,566	107,766	89,674	3,800	4%	21,892	24%	368,197	352,966	298,850	15,231	4%	69,347	23%
Non-Recurrent Revenue	205	2,491	503	(2,286)	-92%	(298)	-59%	700	4,273	1,353	(3,573)	-84%	(653)	-48%
Total Revenue	111,771	110,257	90,178	1,514	1%	21,594	24%	368,897	357,239	300,203	11,658	3%	68,694	23%
Recurrent Expenditure	112,977	138,142	81,447	(25,165)	-18%	31,529	39%	299,690	354,245	235,504	(54,555)	-15%	64,186	27%
Non-Recurrent Expenditure	1,616	1,537	1,574	79	5%	42	3%	5,405	3,814	5,017	1,591	42%	388	8%
Total Expenditure	114,593	139,679	83,021	(25,086)	-18%	31,571	38%	305,095	358,058	240,521	(52,963)	-15%	64,574	27%
Net Operating Surplus/Deficit	(2,821)	(29,422)	7,156	26,601	-90%	(9,977)	-139%	63,801	(819)	59,682	64,621	-7886%	4,120	7%

1.2 CASH FLOW

The underlying cash balance at the end of the Quarter decreased by \$7.5 million from the prior Quarter's outturn. This reduced TCIG's cash and cash equivalents from \$415.5 million at the end of Q2 (September 2024) to \$408.1 million at December 31 2024. Cash balances comprise cash at Bank, short term fixed deposits and cash-in-transit.

	Quarter 3			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	%
Cash Flow from Operations	(2,821)	(29,422)	7,156	26,601	-90%	(9,977)	-139%	63,801	(819)	59,682	64,621	-7886%	4,120	7%
Less:														
Capital Expenditure	(6,204)	(4,109)	(4,380)	(2,095)	51%	(1,824)	42%	(25,201)	(54,395)	(19,828)	29,194	-54%	(5,373)	27%
Debt Repayments	(58)	-	(89)	(58)	0%	31	0%	(263)	-	(245)	(263)	0%	(18)	0%
Net receipts	1,625	-	4,737	1,625	0%	3,112	66%	2,772	-	16,938	2,772	0%	14,166	84%
Net Cash Flow	(7,458)	(33,531)	7,424	26,073	-78%	(14,882)	-200%	41,109	(55,214)	56,547	96,323	-174%	(15,437)	-27%
Opening cash balance	415,532		338,719					366,965		289,827				
Closing cash balance	408,074		346,143					408,074		346,374				
Attributable to:														
Consolidated Fund	225,446							225,446						
Development Fund	82,808							82,808						
NFF	5,252							5,252						
National Wealth Fund	92,996							92,996						
DEF	1,572							1,572						
Closing cash balance	408,074							408,074						

2. REVENUE

2.1 REVENUE BY ECONOMIC CLASSIFICATION

2.1.1 RECURRENT REVENUE

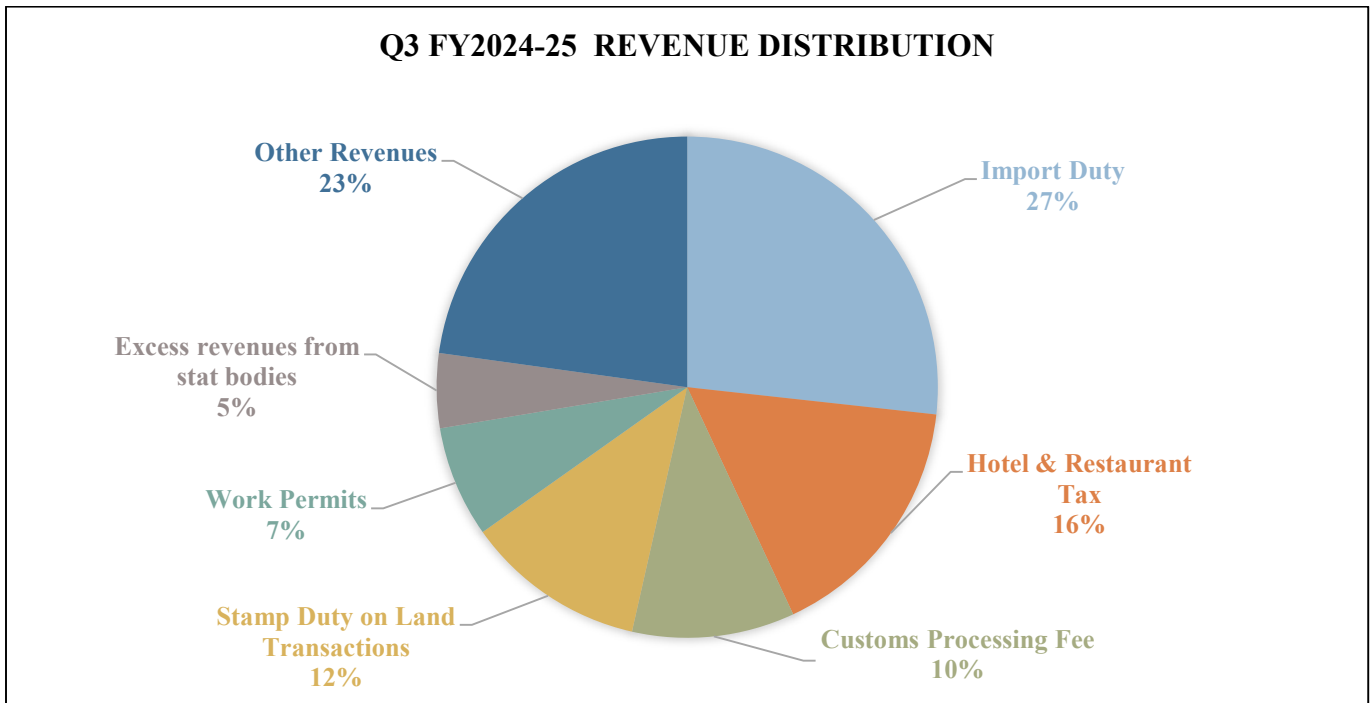
Q3: \$111.6 million YTD: \$368.2 Million

	Quarter 3			Variances				Year to date			Variances			
	Actual	Budget	Prior	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Recurrent Revenues														
Import Duty	29,831	27,922	27,006	1,909	7%	2,825	10%	84,195	84,835	76,485	(639)	-1%	7,710	10%
Hotel & Restaurant Tax	18,200	20,185	15,294	(1,985)	-10%	2,906	19%	84,031	82,665	72,083	1,366	2%	11,948	17%
Customs Processing Fee	11,700	10,461	10,291	1,239	12%	1,409	14%	28,454	28,707	26,173	(253)	-1%	2,281	9%
Stamp Duty on Land Transactions	13,002	15,794	8,759	(2,791)	-18%	4,244	48%	44,151	40,433	34,523	3,718	9%	9,628	28%
Work Permits	8,006	8,031	7,505	(25)	0%	501	7%	27,901	23,454	22,737	4,447	19%	5,164	23%
Excess revenues from stat bodies	5,372	795	2,141	4,577	575%	3,231	151%	26,894	23,293	10,834	3,601	15%	16,060	148%
Other Revenues	25,455	24,578	18,679	877	4%	6,776	36%	72,569	69,579	56,013	2,991	4%	16,556	30%
Total Recurrent Revenue	111,566	107,766	89,674	3,800	4%	21,892	24%	368,197	352,966	298,850	15,231	4%	69,347	23%

Aggregate Revenue for the Quarter totaled \$111.6 million. This result was 4% ahead of budget and 24% higher the prior year's collections. This is attributed to higher-than-expected Import Duty, Customs Processing Fee and Excess Revenue from Statutory Bodies. The four main revenue lines of Hotel and Restaurant tax, import duty, stamp duty on land transactions and Work permit fees contributed 62% of the total Revenue.

Year to date, the aggregate recurrent revenue is \$368.2 million, which is 4% higher than the budget and 23% more than the same period in the prior year. This increase is mainly due to the over performance of work permits, Stamp duty on Land Transactions, Excess Revenue from Statutory Bodies, Hotel & Restaurant Tax and Other Revenues.

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



Import Duties formed the largest portion of the Revenue collected (27%). Import duty collections totaled \$29.8 million, which was 7% higher than budget and 10% higher than the prior year. Year-to-date, import duty collections amounted to \$84.2 million, which was below the budget by \$0.6 million (1%) and outpacing the prior year by \$7.7 million (10%). Current legislative decisions impacting import duty collection include restrictions on importing old vehicles, extended waivers on breadbasket items, and reduced additional charges on fuel imports. Per the reports released by the Border Force, the trade value of imports has steadily increased, with the primary import items being alcohol(15%), construction materials (14%), vehicles (14%) and household items (14%). 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, Restaurant and Tourism Tax (HRTT) formed the second-largest portion of the Revenue collected (16%) during the Quarter. Tourism activities have remained steady during the fall months and tourism arrivals have continued to increase and in 2024 were 11% higher than 2023 (source: <https://tourismanalytics.com/turksandcaicos-statistics.html>). HRT collections of \$18.2 million were \$2 million or 10% below the Estimates and \$2.9 million or 19% more than the prior year. Year-to-date, HRTT collections amounted to \$84 million, which was \$1.4 million (2%) above the budget and \$11.9 million (17%) higher than the same period in the previous year. The performance against budget is attributed to a revision in the estimated budget for HRTT, where the full impact of the Supplementary Budget 1 increase was applied to Q3.

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 third Quarter totaled \$13 million. The collections are \$2.8 million or 18% lower than the Estimates and \$4.2 million or 48% more than the prior year period. Year to date collections totaled \$44.2 million which was \$3.7 million or 9% higher than Estimates and \$9.6 million or 28% more 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. Current factors affecting the Stamp duty from Land Transactions include booms and busts in the real estate market and implementing the BOTC Stamp Duty Rate Reduction Policy. A transfer with a consideration band that would normally attract a Stamp Duty rate of 10% may be reduced to 6% under the policy.

Customs Processing Fees (CPF) were \$11.7 million, this was \$1.2 million or 12% higher than the budget and \$1.4 million or 14% higher than prior year results. Customs processing fees revenue can be affected by either increased or decrease in import activities especially in the construction industry, and inflation on imports. Performance against budget can be attributed to an increase in imports during the quarter. Year to date, Customs processing fees totaled \$28.5 million which was 1% lower than Estimates and 9% more than the prior year.

Receipts from Work Permits were \$8 million for Q3, accounting for 7% of the total Revenue. These results were lower than the Estimates by \$25 thousands or less than 1% and higher than prior year by \$0.5 million or 7%. Year to date, work permit fees collections totaled \$27.9 million which was \$4.4 million or 19% higher than the Estimates and \$5.2 million or 23% higher than the prior year. 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 \$4.6 million or 575% ahead of budget and \$3.2 million or 151% more than the prior year results. Year to date, Excess revenue from Statutory Bodies totaled \$26.9 million which was \$3.6 million or 15% more than Estimates and \$16.1 million or 148% more than the prior year. This performance is attributed to remittances from TCI Airports Authority, FSC and TCI Ports Authority.

2.1.2 OTHER RECURRENT REVENUE

Other recurrent revenues totaled \$25.5 million for Q3 which was \$0.9 million or 4% higher than Estimates and \$6.8 million or 36% higher than the prior year. The favourable performance is attributed to Destination Management Fees, Stamp duty Miscellaneous, Fuel Tax offset by adverse performance of Vehicle License Renewals, Seaport Departure Tax and Communication Tax. Year to date, Other revenue totaled \$72.6 million which was 4% higher than Estimates and 30% more than the prior year. The favourable performance is attributed to Fuel tax, Seaport Departure Tax, Destination Management Fees, Stamp duty Miscellaneous, Work permits Repatriation, and PDA application fees offset by adverse performance of Vehicle License Renewals, Communication Tax and Overtime Costs Recovered.

The table below shows the breakdown of Other Revenue.

	Quarter 3			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	%
Seaport Departure Tax	2,435	2,901	1,579	(465)	(16%)	857	54%	7,999	7,053	5,434	946	13%	2,565	47%
Destination Management Fees	2,611	1,275	-	1,336	105%	2,611	-	4,738	3,945	-	793	20%	4,738	-
Business License renewal	231	193	148	38	20%	83	56%	2,830	2,793	2,621	36	1%	208	8%
Communication Tax	1,234	1,502	1,232	(269)	(18%)	2	0%	4,085	4,382	4,021	(297)	(7%)	63	2%
Gaming Machine Tax	1,257	1,396	1,315	(139)	(10%)	(59)	(4%)	4,026	4,149	3,633	(124)	(3%)	393	11%
Telecommunication Licenses	894	762	750	132	17%	144	19%	3,025	2,866	2,958	159	6%	68	2%
Overtime Costs Recovered	369	453	399	(84)	(19%)	(30)	(7%)	1,468	1,896	1,563	(429)	(23%)	(95)	(6%)
Fuel Tax	2,828	2,376	2,090	453	19%	739	35%	6,503	6,196	5,768	307	5%	735	13%
Vehicle License Renewals	1,919	3,678	2,089	(1,758)	(48%)	(169)	(8%)	3,870	5,502	3,734	(1,632)	(30%)	136	4%
Permanent Residency Fees	1,006	1,277	1,129	(272)	(21%)	(124)	(11%)	3,673	3,422	3,538	251	7%	135	4%
Insurance Premiums tax	269	430	351	(161)	(37%)	(82)	(23%)	1,620	1,765	1,508	(145)	(8%)	112	7%
Stamp duty - vehicle hire	213	336	362	(123)	(37%)	(149)	(41%)	1,736	1,493	1,523	244	16%	213	14%
Stamp duty Miscellaneous	821	80	411	741	921%	410	100%	993	238	671	755	317%	322	48%
PDA application fees	811	925	450	(114)	(12%)	360	80%	2,133	2,025	1,873	108	5%	260	14%
Work Permits Repatriation	731	726	801	5	1%	(70)	(9%)	2,843	2,204	2,095	639	29%	748	36%
Other Revenues	7,825	6,267	5,572	1,558	25%	2,253	40%	21,027	19,649	15,072	1,378	7%	5,955	40%
OTHER REVENUE	25,455	24,578	18,679	877	4%	6,776	36%	72,569	69,579	56,013	2,991	4%	16,556	30%

2.1.3 NON-RECURRENT REVENUE

Non-recurrent Revenue of \$0.2 million mainly related to land sales and Revenue from Grants was recorded during the Quarter. This was 92% lower than Estimates and 59% lower than the prior year. Year to date, Non-recurrent revenue totaled \$3.6 million which was 84% below budget and 48% less than last year. The unfavorable variances are as result of Grant Income, expected but not received during the period.

3. EXPENDITURE

5.1. EXPENDITURE BY ECONOMIC CLASSIFICATION

5.1.1. RECURRENT EXPENDITURE

Recurrent Expenditure: Q3: \$113 million YTD:299.7 million

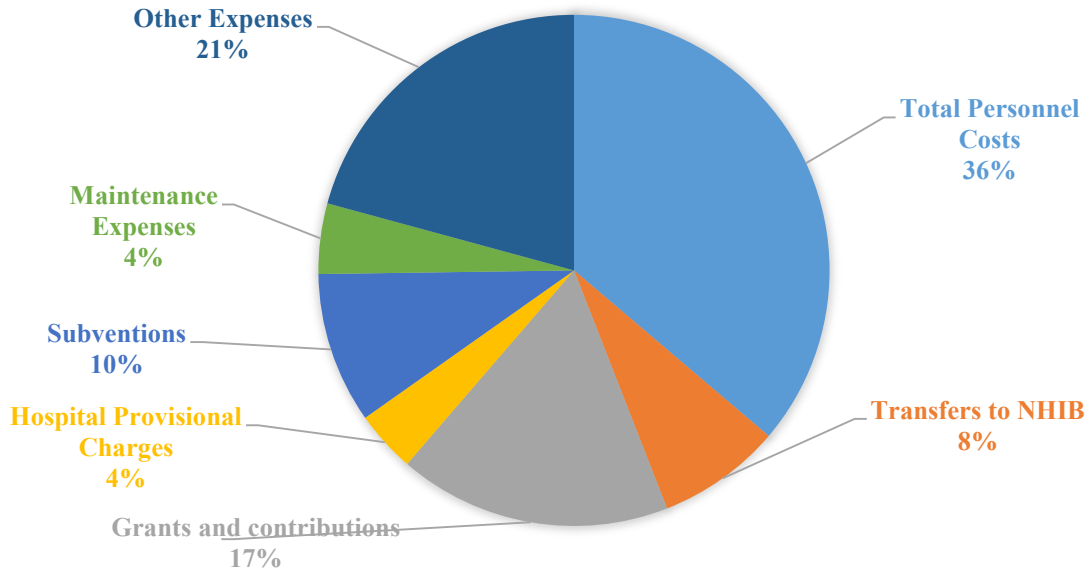
	Quarter 3			Variances				Year to date			Variances			
	Actual	Budget	Prior	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	\$000	\$000	\$000	\$000	%	\$000	%	\$000	\$000	\$000	\$000	%	\$000	%
Total Personnel Costs	40,915	44,258	34,903	(3,344)	-8%	6,012	17%	119,936	125,926	95,859	(5,990)	-5%	24,077	25%
Transfers to NHIB	8,873	19,120	8,873	(10,247)	-54%	0	0%	26,619	36,866	26,619	(10,247)	-28%	-	0%
Grants and contributions	19,490	18,776	2,921	715	4%	16,569	567%	25,658	29,406	7,652	(3,749)	-13%	18,005	235%
Hospital Provisional Charges	4,403	6,054	6,054	(1,651)	-27%	(1,650)	-27%	18,328	19,604	19,579	(1,275)	-7%	(1,250)	-6%
Subventions	10,794	13,833	4,685	(3,038)	-22%	6,109	130%	28,225	30,813	18,575	(2,588)	-8%	9,651	52%
Maintenance Expenses	5,035	4,642	4,193	392	8%	842	20%	12,795	16,575	10,468	(3,780)	-23%	2,327	22%
Other Expenses	23,467	31,460	19,819	(7,993)	-25%	3,648	18%	68,129	95,054	56,753	(26,925)	-28%	11,376	20%
Total Recurrent Expenditure	112,977	138,142	81,447	(25,165)	-18%	31,529	39%	299,690	354,245	235,504	(54,555)	-15%	64,186	27%

Recurrent expenditure for Q3 totaled \$113 million. The results were 18% or \$25.2 million less than the Estimates and \$31.5 million or 39% higher than the Prior Year. The underspend against the budget is mainly attributed to vacancies within the Civil Service, supplemental budget approved for the Treatment Abroad Program, less than expected spending on Subventions, hospital provisional charges and Professional and consultancy costs offset by overspending on Grants and contributions and Maintenance Expenses.

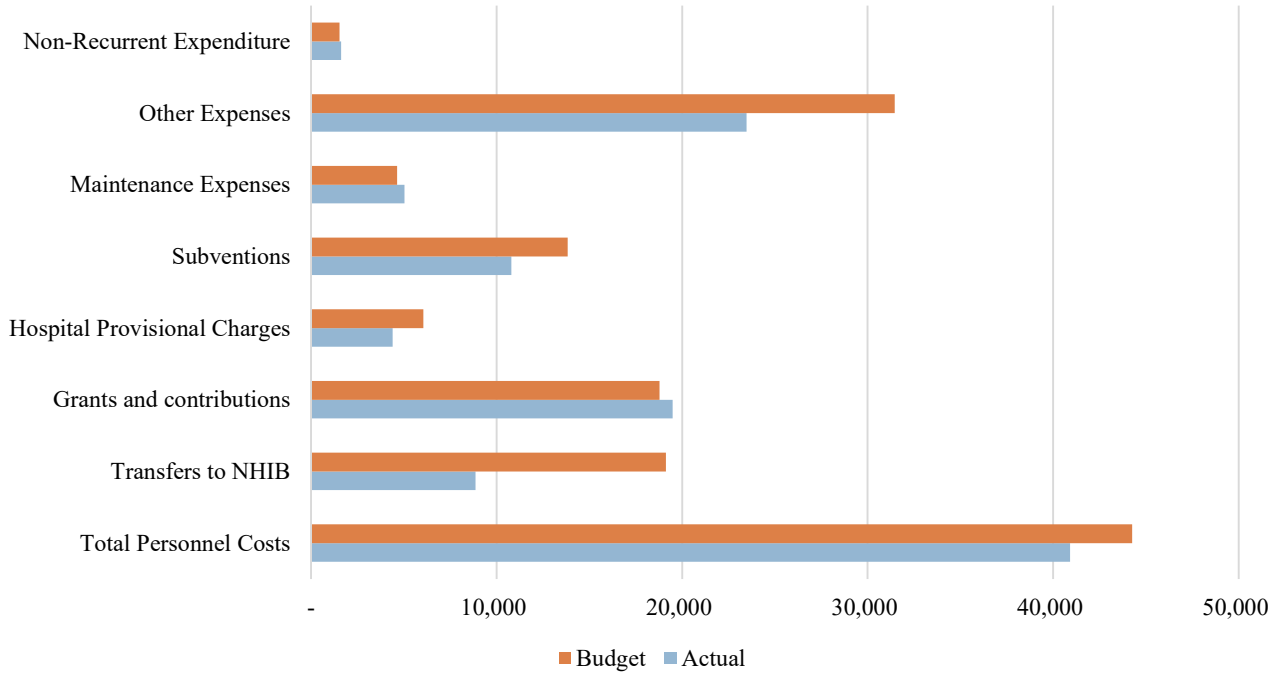
Year to date, total recurrent expenditure totaled \$299.7 million which was 15% behind the Estimates and 27% higher than prior year. The year to date underspend on grants, Transfers to NHIB and professional expenses is as a result of timing differences between program execution and budget profiling.

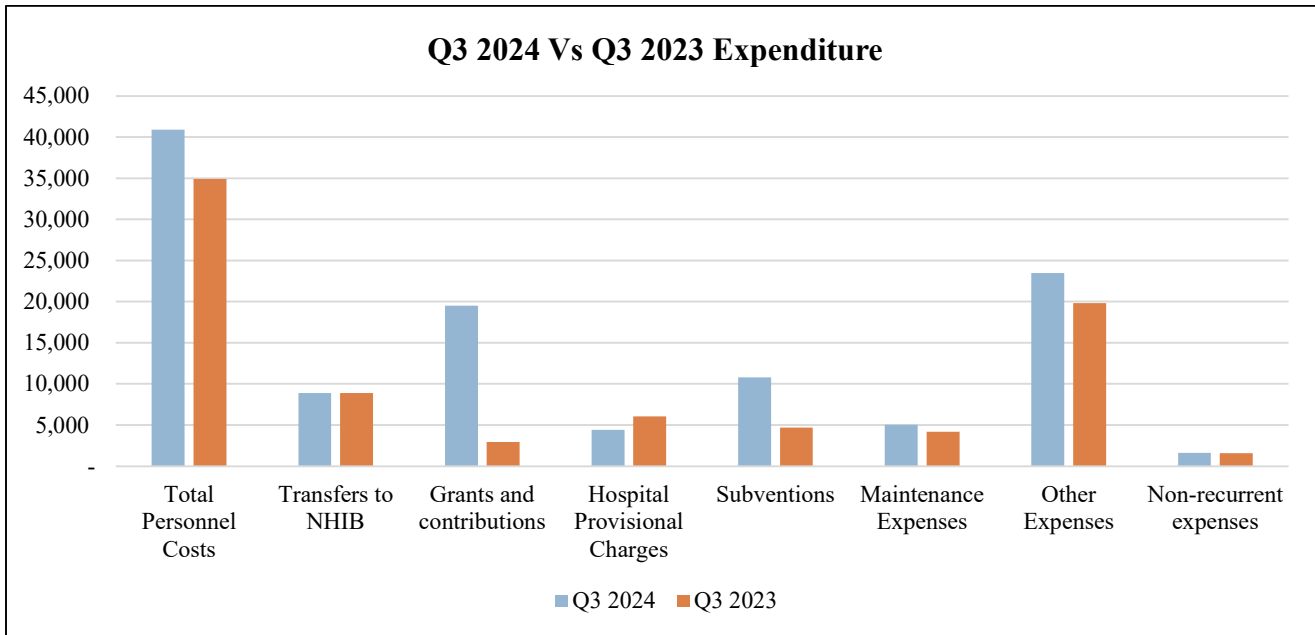
Recurrent expenditures were distributed as shown below;

Q3 FY2024-25 EXPENDITURE DISTRIBUTION



Q3 FY2024-25 Budget Vs Actual Expenditure





NHIB transfers totaled \$8.9 million and **Hospital Provisional Charges** totaled \$4.4 million against Estimates of \$19.1 million and \$6.1 million respectively. The budget variance on the Hospital Costs is due to payments to Interhealth Canada for Q3 that will clear out in the fourth Quarter as a result of delayed payments in December due to system outages. Transfers to NHIB were \$10.2 million or 54% lower than the Estimates due to supplementary budget No.3 approved in December 2024 to cater for outstanding payables for the treatment abroad program. These payments were not executed in Q3 and are expected to clear out in Q4. Year to date, the Transfers to NHIB totaled to \$26.6 million which was \$10.2 million or 28% lower than the budget and is in line with Prior year results. While Hospital Provisional Charges year to date expenditure totaled to \$18.3 million which was \$1.3 million (7%) below the budget and \$1.3 million (6%) lower than prior year.

Grants and contributions totaled \$19.5 million. This was \$0.7 million or 4% more than Estimates and \$16.6 million or 567% higher than the prior year. The variance against budget is attributable to the senior citizen’s Financial Assistance Program (FAP) arrears for Q1 and Q2 that were paid in Q3. The variance against prior year results is mainly attributed to introduction of Cost of Living Relief programme in Q3. Year to date Grants and Contributions totaled to \$25.7 million which was \$3.7 million or 13% below the estimates and \$18 million or 235% higher than prior year.

Subventions totaled \$10.8 million, 22% less than the Q3 Estimates. Year to date Subventions totaled to \$28.2 million which was \$2.6 million or 8% below the estimates and \$9.7 million or 52% higher than prior year. The underspend is attributed to a revision in the estimated budget for subventions following a pay regrading exercise for Statutory bodies, where the full impact of the Supplementary Budget 1 increase was applied to the three months of October, November and December.

Maintenance expenses for the Quarter totaled \$5 million. This was \$0.4 million or 8% higher than Estimates and \$0.8 million or 20% higher than the prior year. YTD, maintenance expenses stand at \$12.8 million which is 23% behind the Estimates and 22% higher than the same quarter in the prior year.

Personnel Costs for the Quarter accounted for 36% of the recurrent expenditure, totaling \$40.9 million, compared to the Estimates of \$44.3 million leading to \$3.3 million or 8% underspend. The Personnel costs were \$6 million or 17% higher than the prior year. The increase against the prior year is mainly attributed to the pay and regarding review. The performance against budget results from existing vacancies that are yet to be filled throughout the civil service. Year to date, PE costs totaled \$119.9 million which was lower than the Budget by \$6 million or 5% and 25% higher than the prior year. Personnel costs are further itemized below.

	Quarter 3			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	30,613	33,802	24,923	(3,188)	-9%	5,690	23%	89,318	95,251	67,443	(5,933)	-6%	21,875	32%
Contribution to NIB and NHIB	2,614	2,380	2,107	234	10%	507	24%	7,682	7,123	5,955	559	8%	1,727	29%
Housing Allowances	1,562	1,835	1,436	(273)	-15%	126	9%	4,538	5,322	4,217	(784)	-15%	321	8%
Transport Allowances	270	441	243	(172)	-39%	27	11%	791	1,314	751	(523)	-40%	40	5%
Telephone Allowances	298	343	282	(45)	-13%	16	6%	870	1,023	811	(153)	-15%	59	7%
Other Allowances	1,338	1,257	1,712	81	6%	(374)	-22%	3,816	3,904	5,511	(88)	-2%	(1,695)	-31%
Total compensation of employees	36,695	40,058	30,703	(3,363)	-8%	5,992	20%	107,015	113,938	84,689	(6,923)	-6%	22,326	26%
Members of the House of Assembly														
Salaries - Ministers and Members	598	626	520	(28)	-4%	78	15%	1,886	1,879	1,456	7	0%	430	30%
NIB and NHIB	25	34	25	(9)	-26%	1	3%	76	103	73	(26)	-26%	3	4%
Allowances for Ministers and Members	137	139	138	(2)	-1%	(0)	0%	413	418	413	(5)	-1%	-	0%
Total	761	800	683	(38)	-5%	78	11%	2,376	2,399	1,942	(23)	-1%	433	22%
Pensions and gratuities														
Pensions (PSPP and RAP)*	1,749	1,569	1,194	181	12%	555	47%	4,548	4,196	3,446	352	8%	1,102	32%
Employer's Contribution (PSEPF)*	845	930	1,378	(85)	-9%	(533)	-39%	2,428	2,758	2,589	(330)	-12%	(161)	-6%
Gratuities	338	90	359	248	275%	(21)	-6%	1,982	811	1,507	1,171	144%	475	31%
Pensions - Legislators	526	445	441	81	18%	86	19%	1,588	1,335	1,277	253	19%	311	24%
Gratuities - Legislators	-	367	146	(367)	100%	(146)	100%	-	490	408	(490)	100%	(408)	100%
Total pensions and gratuities	3,458	3,401	3,517	58	2%	(59)	-2%	10,545	9,589	9,228	956	10%	1,317	14%
Total PE Cost	40,915	44,258	34,903	(3,344)	-8%	6,012	17%	119,936	125,926	95,859	(5,990)	-5%	24,077	25%

*PSPP and RAP – Public Service Pension Plan and Retiring Allowance Plan

*PSEPF-Public Sector Employees Pension Plan

5.1.2. OTHER RECURRENT EXPENDITURE

Other Recurrent Expenditure: Q3: \$23.5 million YTD: \$68.1 million

	Quarter 3			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	2,250	2,382	1,830	(131)	-6%	420	23%	7,347	8,625	5,941	(1,278)	-15%	1,406	24%
Professional and Consultancy	3,698	5,576	2,382	(1,878)	-34%	1,317	55%	9,685	15,413	6,553	(5,729)	-37%	3,132	48%
Recurrent Sub Programmes	4,106	7,175	1,287	(3,069)	-43%	2,819	219%	8,809	15,241	3,123	(6,432)	-42%	5,686	182%
Rental of assets	1,345	1,906	1,721	(562)	-29%	(377)	-22%	4,726	5,761	4,906	(1,035)	-18%	(180)	-4%
Utilities	1,097	1,489	1,199	(392)	-26%	(102)	-9%	3,722	4,382	3,540	(660)	-15%	183	5%
Local Travel and Subsistence	977	1,571	974	(594)	-38%	3	0%	3,351	4,122	2,932	(771)	-19%	419	14%
Security expenses	1,000	780	584	221	28%	416	71%	2,392	2,713	1,639	(322)	-12%	752	46%
International Travel & Subsistence	512	652	548	(139)	-21%	(35)	-6%	1,694	2,706	1,736	(1,012)	-37%	(42)	-2%
Communication Expenses	538	620	459	(82)	-13%	79	17%	1,612	2,030	1,626	(418)	-21%	(14)	-1%
Bank charges	369	366	315	3	1%	54	17%	1,108	1,098	1,052	10	1%	56	5%
Data Communication cost	147	470	601	(323)	-69%	(454)	-76%	1,414	1,410	1,197	4	0%	217	18%
Insurance Expenses	218	(36)	67	254	-709%	152	228%	2,197	2,551	1,856	(354)	-14%	341	18%
Hosting and Entertainment	1,053	1,213	972	(160)	-13%	82	8%	1,880	2,763	1,954	(883)	-32%	(74)	-4%
Repatriation and exportation	1,568	1,307	1,264	261	20%	304	24%	4,129	4,921	4,084	(791)	-16%	45	1%
Other supplies & Material	696	719	504	(23)	-3%	192	38%	1,650	2,864	1,527	(1,214)	-42%	123	8%
Fuel	349	366	408	(17)	-5%	(59)	-15%	1,137	1,145	1,222	(8)	-1%	(85)	-7%
Other Recurrent Expenditure	3,542	4,903	4,705	(1,361)	-28%	(1,163)	-25%	11,275	17,309	11,863	(6,033)	-35%	(588)	-5%
TOTAL	23,467	31,460	19,819	(7,993)	-25%	3,648	18%	68,129	95,054	56,753	(26,925)	-28%	11,376	20%

Other expenses totaled \$23.5 million, which was \$8 million or 25% behind the Estimates and \$3.6 million or 18% more than the prior year. Year to date, Other expenses totaled \$68.1 million which was lower than the Budget by \$26.9 million or 28% and 20% higher than the prior year. The variances in budget are mainly due to timing differences between profiled and actual expenditure, and this gap should narrow as the year progresses.

5.1.3. NON RECURRENT EXPENDITURE

Non-Recurrent Expenditure: Q3: \$1.6 million YTD: \$5.4 million

	Quarter 3			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	%
Non-Recurrent Expenditure														
Statutory Land Acquisitions	-	350	450	(350)	-100%	(450)	-100%	1,200	1,150	450	50	4%	750	167%
SIPT	1,587	(226)	959	1,814	-802%	629	66%	3,609	3,578	3,523	31	1%	87	2%
Civil Recovery Costs	23	(227)	158	249	-110%	(135)	-86%	578	700	1,023	(122)	-17%	(446)	-44%
Covid-19 Expenses	-	2	1	(2)	-100%	(1)	-100%	-	(1)	1	1	-100%	(1)	-100%
Contingency	-	1,650	-	(1,650)	-100%	-	0%	-	(1,650)	-	1,650	-100%	-	0%
Finance costs	6	(12)	7	18	-148%	(1)	-17%	18	36	20	(18)	-50%	(2)	-10%
TOTAL NON-RECURRENT EXPENDITURE	1,616	1,537	1,574	79	5%	42	3%	5,405	3,814	5,017	1,591	42%	388	8%

Non-Recurrent Expenditure results for Q3 totaled \$1.6 million mainly attributed to transfer to SIPT of \$1.6 million and Civil Recovery Costs of \$23 thousands. Non-recurrent expenditures were 5% above Estimates for the Quarter and 3% above the same period in the prior year. Year to date, Non-Recurrent Expenditure totaled \$5.4 million which was higher than the Budget by \$1.6 million or 42% and \$0.4 million or 8% higher than the prior year.

4. OUTSTANDING PUBLIC DEBT

Statement of Outstanding Public Debt	Interest Rates	Outstanding Balance 01-Apr-24 US\$'000	New Drawdowns 2024/25	Principal Repayment During 2024/25 US\$'000	Outstanding Balance 31-Dec-24 US\$'000
Financial Liabilities - Borrowings	%				
Further Education (04/SFR-OR-TCI)	2.5%	370	-	(65)	304
Climate Resilient Coastal Protection and Management (4/OR-TCI)	4.90%	112	-	(112)	-
Integrated Solid Waste Management (5/OR-TCI)	4.90%	218	121	(86)	253
Total unsecured debts		700	121	(263)	558

TCIG holds three debt instruments with the Caribbean Development Bank (CDB). The outstanding debt as of December 31, 2024 was \$0.6 million. Year to date, new drawdowns of \$121k were made, \$263k principal repayments were made, and \$20k 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	289,454	2,716,354
Outstanding Amount as at 31/03/2024 (US\$)	304,348	-	253,273	557,620
Year of first disbursement	2000	2021	2023	
Maturity Date	01-Apr-28	01-Jul-24	01-Jul-26	
Principal Repaid YTD (US\$)	65,217	112,367	85,562	263,147
Interest Paid YTD (US\$)	6,386	2,086	8,931	17,403
Commitment fees paid YTD (US\$)	-	71	2,785	2,855
Other charges paid YTD (US\$)	0	0	150	150
Total Debt Servicing YTD (US\$)	71,603	114,524	97,279	283,406

5. DEVELOPMENT FUND

7.1. DEVELOPMENT FUND ANALYSIS

The Development Fund balance as of December 31, 2024 was \$82.8 million, and the Capital expenditure year to date is \$25.2 million.

The movement in the fund balance is shown below.

Closing 31/03/2023	45,772,571
Awards and commitments	41,710,022
Completed projects - savings returned to CF	(375,778)
CAPEX 2023/24	(27,610,359)
Closing 31/03/2024	59,496,455
Appropriation for FY 2024-25	60,336,000
FY 2024-25 Supplementary 1 Appropriation	8,516,031
FY 2024-25 Supplementary 2 Appropriation	(7,059,066)
FY 2024-25 Supplementary 3 Appropriation	(13,280,470)
Capex YTD	(25,201,173)
As at December 31 2024	82,807,777

7.2. TOP CAPITAL PROJECTS BY EXPENDITURE AMOUNT

The top capital projects expended Year to Date are shown below.

	Project Number	Project Title	CAPEX YTD
1	5561	South Dock Port Redevelopment	11,165,873.28
2	5682	Highway and Road Improvements	1,707,396.81
3	5763	Bridges, Ponds and Roads - GDT Roads	1,293,802.50
4	5788	Ambulances for Islands	855,228.13
5	5566	Construction of New Primary School PLS- Phase 2	851,643.93
6	5624	Prison Works	775,230.36
7	5762	Back-up Generators including Housing	773,494.55
8	5683	Remediation Works to Ponds and Bridges	697,095.62
9	5673	Drainage and Site Works HJRHS	562,081.39
10	5741	Land Registry Digitalization Project	511,904.00
11	5610	Grand Turk Sport Complex and Shelter	492,780.68
12	5677	Purchase and Installation of New 1 million gallon SWRO Unit	455,347.14
13	5734	Housing Project Initiative	448,510.68
14	5720	DECR Equipment - Vessel	397,410.40
15	5668	Digitization Phase 2 - Consultancy for National Identification System	391,209.60
16	5807	Crown Land Project	351,112.50
17	5688	Vehicles for Departments	337,150.00
18	5752	Furniture and Equipment for Primary Schools - LOT 6	263,920.05
19	5572	Technical Block Raymond Gardiner High School	241,752.79
20	5838	Electoral Office Equipment	227,669.00
21	5696	Purchase of Patrol Vessel	222,423.00
22	5560	Radar Station	187,632.00
23	5617	Software Digitization Unit	172,724.00

6. NATIONAL WEALTH FUND

Transfers to the National Wealth Fund are governed by Section 9 (1(a)) of the National Wealth Fund Ordinance. This ordinance stipulates that if, in any financial year, actual revenue exceeds estimated revenue by 5% but less than 20%, then 50% of the excess revenue must be withdrawn from the Consolidated Fund and deposited into the National Wealth Fund. Based on the actual results of FY 2023/24, transfers amounting to \$20.5 million have been calculated. These transfers will be finalized once the financial statements have been audited.

Additional funding of \$13 million was allocated to the Mortgage Corporation Fund in the FY 2024-25 budget.

8.1. STATEMENT OF ACCOUNT

As of December 31 2024, the National Wealth Fund balance was \$93 million.

FY 2023-24 results (in US\$' '000)				Transfer of (50%) excess revenue (US\$' 000)	Opening NWF 01/04/2024 (US\$' 000)	Transfers to Mortgage Fund (US\$' 000)	Interest income (US\$' 000)	Closing NWF 31/12/2024 (US\$' 000)
Actual revenue	Estimates	Excess	%					
458,890	417,847	41,043	10%	20,522	58,376	13,000	1,098	92,996

8.2. STATEMENT OF FUNDS

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	31-Dec-24 US\$'000	31-Mar-24 US\$'000
Stabilization Fund	46,197	31,063
Infrastructure and Competiveness Fund	13,199	8,875
Heritage Fund	6,378	4,432
Citizen's Empowerment Fund	7,114	7,006
Mortgage Corporation Fund	20,108	7,000
National Wealth Fund balance at the end of the period	92,996	58,376

Represented by		
Cash at Bank	19,828	7,005
Cash receivable from the Consolidated Fund (excess reserves)	20,522	-
Fixed deposit	52,462	51,371
Investment Property	184	-
	92,996	58,376

Fixed deposit totaling to \$52.5 million is currently held by the National Wealth Fund with an interest rate of 3.1% per annum. The short term deposit can be recalled at a month's notice when liquidity is required. The Fund also holds \$184k as a deposit on an investment property.

7. NATIONAL FORFEITURE FUND

The National Forfeiture Fund (NFF) has a balance of \$5.3 million as of December 31, 2024. During the year, the NFF received additional funding from the Consolidated Fund through appropriation. This was intended to fund the operational Budget of the Anti-Money Laundering Committee.

Movement in the Fund is shown below.

(All figures in US\$'000)	31-Dec-24 US\$'000	31-Mar-24 US\$'000
Opening Balance	6,832	7,184
Receipts		
Transfers from Consolidated Fund	920	663
Other receipts	19	572
Total receipts	939	1,235
Payments		
Transfers to Consolidated Fund	1,680	
Other payments	839	1,587
Total payments	2,519	1,587
Net increase in National Forfeiture Fund balance	(1,580)	(352)
National Forfeiture Fund balance at the end of the period	5,252	6,832

8. DESTINATION ENHANCEMENT FUND (DEF)

Section 12 of the Destination Management Fee Ordinance stipulates the establishment of the Destination Enhancement Fund under the administration and control of the Permanent Secretary of Finance. All fees collected by carriers (Destination Management Fees) are to be deposited into the Fund. The Fund is intended for the following purposes: the protection and preservation of the natural, rural, agricultural, and marine environments; the promotion of sustainable tourism; the maintenance of historical and cultural heritage sites; tourism education and training of tourism businesses; the maintenance and development of tourist sites and other tourism-related activities throughout the Islands; and the marketing of the Islands as a premier tourist destination.

10.1. STATEMENT OF DEF FUNDS

The Destination Enhancement Fund balance as at December 31, 2024 is shown below;

(All figures in US\$'000)	31-Dec-24	31-Mar-24
Opening Balance	1,164	-
Receipts		
Destination management fees	4,738	1,164
Total receipts	5,902	1,164
Payments		
Subvention to the DMMO	(4,330)	-
Other payments	-	-
Total payments	(4,330)	-
Destination Enhancement Fund balance at the end of the period	1,572	1,164

*DMMO- Destination Marketing and Management Organisation

10.2. STATEMENT OF DEF ARREARS

The outstanding arrears due from the TCI Airport Authority to the Destination Enhancement Fund are shown below

Amounts billed to Airlines by TCIAA \$'000	Amounts remitted to the DEF by TCIAA \$'000	Outstanding amounts due from TCIAA \$'000
7,696	5,902	1,794

9. PUBLIC SECTOR EMPLOYEES PENSION FUND (PSEPF)

The Fund was reconciled as follows at December 31, 2024.

	31-Dec-24	31-Mar-24
Opening balance at April 1	21,179,406.46	14,870,460.00
CONTRIBUTIONS MADE:		
Contributions by Statutory bodies	884,980.61	1,714,960.38
Employer's Contributions by TCIG- YTD	2,427,671.53	2,700,047.05
TCIG Employees' contributions- YTD	2,427,671.53	2,610,305.43
BENEFITS PAID:		
Payments to beneficiaries YTD	(259,986.35)	(692,071.00)
Prior year adjustment on benefits paid		(24,272.15)
Bank charges YTD	(48.75)	(23.25)
Closing PSEPF balance	26,659,695.03	21,179,406.46
Bank balance as at December 31, 2024	24,964,173.95	
Amounts due from TCIG	1,695,521.08	

PSEPF pay-out beneficiaries - year to date – 34

10. HUMAN RESOURCE MANAGEMENT

Employees

There were 2,095 people employed by TCIG at the end of December 2024, consisting of 1,805 monthly paid employees and 295 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there were 47 new recruits and 28 attritions during the Quarter.

Pensioners

The total number of Pensioners on the Public Service Pension and Retiring Allowance Plans at the end of the Quarter was 316.

11. FINANCIAL OUTLOOK

The Turks and Caicos Islands Government (TCIG) has maintained strong financial performance, despite an operating deficit in the third Quarter of 2024. Revenue targets are expected to be met, and as funds are released, MDAs will expedite program activities.

