



**Government of the Turks and Caicos Islands**

# **Monthly Financial Report (Unaudited)**

**Report for the Month Ended**

**February 28, 2014**

*Prepared By: Office of the Accountant General  
March 27, 2014*

# GOVERNMENT OF THE TURKS AND CAICOS ISLANDS

## Monthly Financial Report (Unaudited)

### February 28, 2014

#### 1.0 Revenue & Expenditure

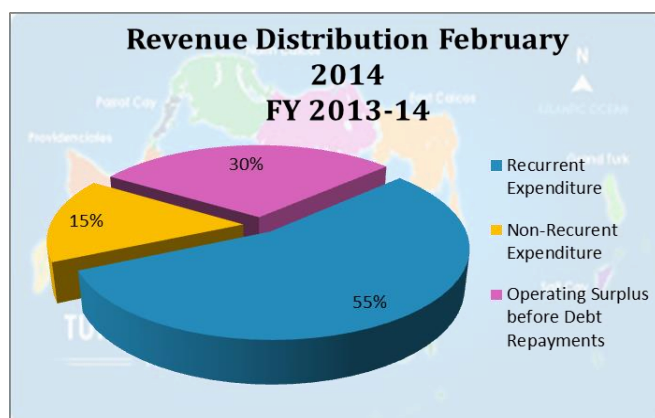
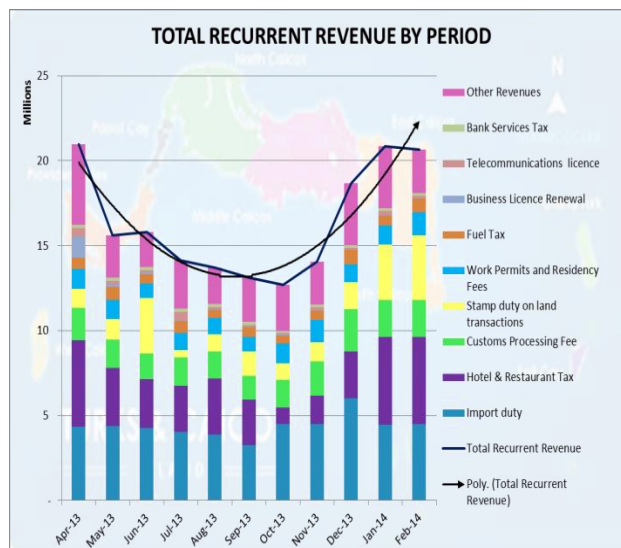
	Month of February 2014			Variance				Year to Date			Variance			
	Actual	Budget	Prior Year	Budget		Prior Year		Actual	Budget	Prior Year	Budget		Prior Year	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%	\$ 000's	\$ 000's	\$ 000's	\$ 000's	%	\$ 000's	%
Recurrent Revenue	20,663.9	16,680.1	14,850.1	3,983.8	24%	5,813.8	39%	180,617.2	172,083.8	163,780.9	8,533.4	5%	16,836.2	10%
Recurrent Expenditure	11,376.1	15,381.6	11,638.3	4,005.5	26%	262.2	2%	137,410.2	151,079.8	130,639.8	13,669.5	9%	(6,770.5)	(5%)
<b>Net Recurrent Surplus/(Deficit)</b>	<b>9,287.8</b>	<b>1,298.4</b>	<b>3,211.8</b>	<b>7,989.3</b>	<b>615%</b>	<b>6,076.0</b>	<b>189%</b>	<b>43,206.9</b>	<b>21,004.0</b>	<b>33,141.2</b>	<b>22,202.9</b>	<b>106%</b>	<b>10,065.8</b>	<b>30%</b>
Non-Recurrent Revenue	10.3	583.3	112.5	(573.0)	(98%)	(102.2)	(91%)	2,492.0	7,317.3	58,194.7	(4,825.3)	(66%)	(55,702.6)	(96%)
Non-Recurrent Expenditure	3,186.7	1,981.2	4,206.7	(1,205.5)	(61%)	1,020.0	24%	17,605.7	16,812.8	26,177.0	(792.9)	(5%)	8,571.3	33%
<b>Operating Surplus/(Deficit)</b>	<b>6,111.4</b>	<b>(99.4)</b>	<b>(882.4)</b>	<b>6,210.8</b>	<b>-6249%</b>	<b>6,993.8</b>	<b>(793%)</b>	<b>28,093.3</b>	<b>11,508.5</b>	<b>65,158.8</b>	<b>16,584.7</b>	<b>144%</b>	<b>(37,065.6)</b>	<b>(57%)</b>

#### 1.1 Month: Operating Surplus of \$6.1 million

The net operating balance of the consolidated fund in the month of February 2014 saw a surplus of \$6.1 million, when compared to a projected deficit of \$0.1 million and a deficit of \$0.9 million for the same period last year.

Recurrent revenues for the month amounted to \$20.7 million, which was 24% or \$4.0 million above projected revenues of \$16.7 million. Import duty was marginally above budget while hotel & restaurant tax, customs processing fee and fuel tax exceeded estimated targets for the month by about 29%, 29% and 52% respectively.

Total recurrent expenditure for February 2014 was \$11.4 million, which was \$4.0 million or 26% below budget.



Total non-recurrent expenditure was \$3.2 million, which was 61% above the budgeted amount of \$2.0 million for the period.

#### 1.2 Year to Date: Operating Surplus of \$28.1 million.

The year to date operating surplus was \$28.1 million, compared to a projected surplus of \$11.5 million.

Total year to date revenue was \$183.1 million, which was \$3.7 million above budget and \$38.9 million or 18% below last year's results, due to civil recovery and other non-recurrent receipts. Most revenue streams for the period were ahead or on par with the projections for the period.

Total year to date expenditure of \$155.0 million came in about \$12.9 million or 8% below budget estimates of \$167.9 million and \$1.8 million below results for the same period last year. Major areas of savings include personnel costs of about \$2.7 million, Hospital Charges \$3.0 million, rental of Assets of \$1.1 million and operating expenses of \$2.0 million.

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**2.0 Cash Flow Statement**

	Month of February 2014			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	6,111.4	(99.4)	(882.4)	6,210.8	-6249%	6,993.8	(793%)	28,093.3	11,508.5	65,158.8	16,584.7	144%	(37,065.6)	(57%)
Less:														
Capital Contributions	(1,369.9)	(1,398.1)	(1,695.3)	28.1	(2%)	325.4	1156%	(7,834.1)	(13,922.6)	(7,924.2)	6,088.5	(44%)	90.1	1%
Debt Repayments	.0	-	-	.0	-	.0	100%	(7,187.5)	(8,098.8)	(10,483.6)	3,296.0	(41%)	3,296.0	100%
Bond Inflows	-	-	750.0	-	-	(750.0)	-	2,829.5	3,366.9	1,826.2	1,003.2	30%	1,003.2	100%
Herzog Payment	(162.8)	(167.0)	(167.0)	4.2	(3%)	4.2	-3%	(1,832.8)	(1,837.0)	(1,837.0)	4.2	(0%)	4.2	0%
Transfers from/(to) NFF	2,579.3	-	-	2,579.3	-	-	-	4,675.2	1,280.9	-	3,394.3	265%	4,675.2	100%
Transfers to Sinking Fund	(4,477.6)	(15.0)	-	(4,462.6)	29751%	(4,477.6)	-	(9,204.9)	(6,728.4)	(15,563.5)	(2,476.5)	37%	6,358.6	(257%)
Net Working Capital	(2,491.0)	-	(1,343.4)	(2,491.0)	-	(1,147.6)	85%	1,597.7	-	3,169.5	1,597.7	-	(1,571.8)	-50%
<b>Net Cash Flow</b>	<b>189.4</b>	<b>(1,679.4)</b>	<b>(3,338.1)</b>	<b>1,868.9</b>	<b>(111%)</b>	<b>3,527.5</b>	<b>(106%)</b>	<b>11,136.4</b>	<b>(14,430.4)</b>	<b>34,346.3</b>	<b>25,566.8</b>	<b>(177%)</b>	<b>(23,209.9)</b>	<b>(91%)</b>

The month of February 2014 recorded a positive net cash flow of \$0.2 million compared to a budgeted deficit of \$1.7 million and prior year deficit of \$3.3 million. The year to date net cash flow was \$11.1 million, which compares favorably with the projected cash flow deficit for the year to date of \$14.4 million, but was \$23.2 million below prior year cash surplus of \$34.3 million, due to nonrecurrent revenue in the prior year.

Recurrent payments for Inter-Health Canada, National Health Insurance Board and debt servicing payments were made during the month of February, as scheduled. The final payment to settle the Herzog account was made during the month.

The cash flow forecast for ensuing month indicates that cash flow should remain positive and there should not be a need to draw on the credit facility.

**3.0 Outstanding Public Debt**

Debt Type	Opening	February 28, 2014	
	01-Apr-13	Principal Repayment	Outstanding Principal
	\$ 000's	\$ 000's	\$ 000's
RBTT Bonds 2016 - Guaranteed	170,000.0	-	170,000.0
Scotia Bank Loan 2016 - Guaranteed	9,000.0	-	9,000.0
Other TCI Bank Loans - Unsecured	23,816.1	(5,529.7)	18,286.4
TCInvest Loans - Unsecured	12,254.1	(1,657.5)	10,596.6
<b>Total Bonds &amp; Loans</b>	<b>215,070.3</b>	<b>(7,187.3)</b>	<b>207,883.0</b>
Other Debt	1,832.8	(1,832.8)	-
<b>Total Outstanding Public Debt</b>	<b>216,903.0</b>	<b>(9,020.0)</b>	<b>207,883.0</b>

The Turks and Caicos Government's outstanding debt as of February 28, 2014 is \$207.9 million, as shown in the adjacent table. Total debt repayments for the year to date were \$9.0 million.

The guaranteed loans are secured by a United Kingdom/DFID guarantee in the amount of \$260 million.

All loan principal and interest payments are up to date as of February 28, 2014.

**4.0 Sinking Fund**

The Sinking Fund balance as at end February 2014 stood at \$50.2 million. Net public debt outstanding at the end of February 2014 is therefore about \$157.7 million, when the Sinking Fund is taken into consideration.

**5.0 National Forfeiture Fund**

The National Forfeiture Fund had a balance of \$2.0 million at the end of February 2014. This is due to \$2.3 million being transferred to the Consolidated Fund during the month and immediately transferred to the Sinking Fund.