



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



FINANCIAL REPORT
For the month ended January 31, 2025

FY2024/2025



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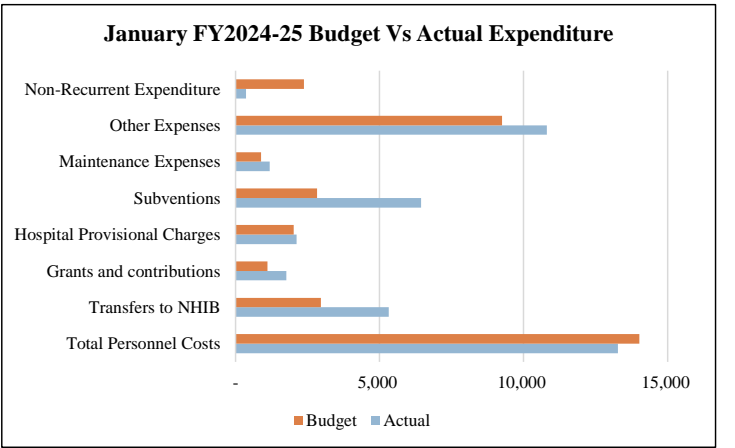
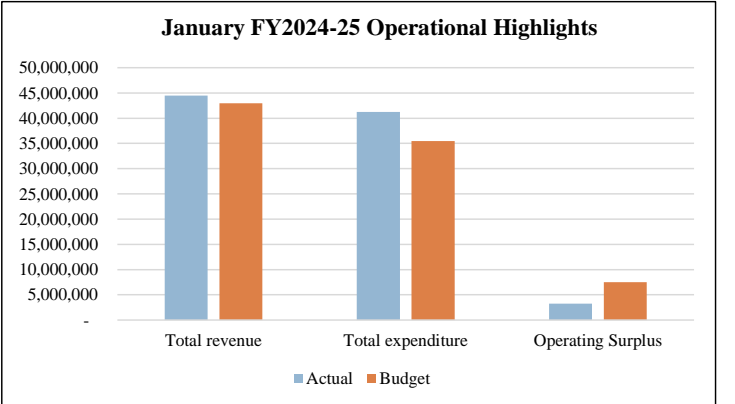
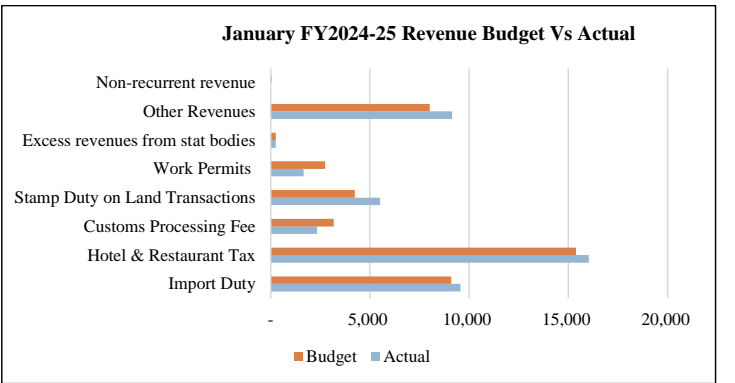
KEY HIGHLIGHTS

- **\$44.5 million revenue for the month.** The aggregate revenue collections for January were \$44.5 million against a budget of \$42.9 million.

- **\$3.2 million operating surplus.** The operating surplus for the month was \$3.2 million against the forecast surplus of \$7.5 million.

- **Decrease in the underlying Cash balances.** The underlying cash balance at the end of month showed a decrease of \$4.6 million resulting in a closing cash balance of \$403.5 million.

- **\$5 million Capital expenditure during the month.** Capital expenditure for the month amounted to \$5 million, representing a 255% increase compared to the same month in the previous year and less than 1% overperformance on Budget.



1. 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 IMF's World Economic January 2025 Outlook projects stable global growth at 3.3% for 2025 and 2026, with strong U.S. performance (2.7% growth) but warns against protectionist policies, tariffs, and digital currency risks. Meanwhile, the WEF's Global Risks Report identifies armed conflict as the top immediate global threat, alongside long-term environmental concerns like extreme weather and biodiversity loss.

In 2025, the Caribbean region is projected to experience modest economic growth, with GDP expected to rise by approximately 2.5%. This growth is anticipated to be driven by improvements in private consumption, more accommodative monetary policies, and enhanced export performance. 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. The freeze on U.S. foreign aid also has significant implications, prompting Caribbean nations to seek self-reliance and alternative funding sources. Additionally, the region faces a substantial sustainable financing gap, estimated at \$99 billion annually. 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 jobs.¹.

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://caribbean.un.org/en/287093-caribbean-economic-growth-hold-steady-2025-challenges-remain>

2. 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.

The Government ended the month of January of FY2024-2025 with an operating surplus of \$3.2 million and a cash decrease of \$4.6 million, bringing the closing cash balance to \$403.5 million. Revenue for January was 4% higher than the Budget and 9% 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.

2.1. FISCAL SUMMARY

The month of January recorded an operating surplus of \$3.2 million against a projected surplus of \$7.5 million, unfavourable performance of \$4.3 million or 57%. The performance against Budget is mostly attributed to under performance of Work Permits and overspending on major lines of Recurrent Expenditure like Transfers to NHIB, Subventions and other Expenses during the month.

Commented [A1]: I thought that the allocation of \$10million wasn't touched until January.. how did we get to over spend in January. Its perhaps best to say that you catch up with underspends in December due to the system being down for close to two weeks and also the slower performance in prior periods.

	January 2025			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	44,482	42,877	40,673	1,605	4%	3,809	9%	412,679	395,843	338,968	16,836	4%	73,711	22%
Non-Recurrent Revenue	-	49	-	(49)	-100%	-	-	700	4,323	1,353	(3,623)	-84%	(653)	-48%
Total Revenue	44,482	42,927	40,673	1,555	4%	3,809	9%	413,378	400,166	340,321	13,213	3%	73,058	21%
Recurrent Expenditure	40,902	33,072	31,561	7,829	24%	9,340	30%	342,194	387,317	267,065	(45,122)	-12%	75,129	28%
Non-Recurrent Expenditure	359	2,372	256	(2,013)	-85%	103	40%	5,764	6,186	5,273	(422)	-7%	491	9%
Total Expenditure	41,260	35,444	31,817	5,816	16%	9,443	30%	347,958	393,503	272,338	(45,544)	-12%	75,620	28%
Net Operating Surplus	3,222	7,483	8,856	(4,261)	-57%	(5,635)	-64%	65,420	6,663	67,983	58,757	882%	(2,563)	-4%

2.2. CASH FLOW

The underlying cash balance decreased by \$4.6 million during the month. This attributed to the movement in TCIG's cash and cash equivalents from \$408.1 million at the end of December 2024 to \$403.5 million at January 31, 2025. Cash balances comprise cash at the bank, short-term fixed deposits and cash-in-transit.

	January 2025			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	3,222	7,483	8,856	(4,261)	-57%	(5,635)	-64%	65,420	6,663	67,983	58,757	882%	(2,563)	-4%
Less:														
Capital Expenditure	(5,004)	(5,000)	(1,408)	(4)	0%	(3,596)	255%	(31,441)	(59,395)	(21,236)	27,954	-47%	(10,205)	48%
Debt Repayments	-	-	(89)	-	0%	89	0%	(263)	-	(245)	(263)	0%	(18)	0%
Net receipts	(2,838)	-	(44)	(2,838)	0%	2,794	-6350%	2,772	-	16,938	2,772	0%	14,166	84%
Net Cash Flow	(4,621)	2,483	7,315	(7,103)	-286%	(11,936)	-163%	36,488	(52,732)	63,440	89,220	-169%	(26,952)	-42%
Opening cash balance	408,074		344,109					366,965		289,827				
Closing cash balance	403,453		351,424					403,453		353,267				
Attributable to:														
Consolidated Fund	228,681							228,681						
Development Fund	76,568							76,568						
NFF	4,507							4,507						
National Wealth Fund	92,996							92,996						
DEF	701							701						
Closing cash balance	403,453							403,453						

3. REVENUE

3.1. REVENUE BY ECONOMIC CLASSIFICATION

3.1.1. RECURRENT REVENUE

January 2025: \$44.5 million YTD: \$412.7 Million

	Month of January 2025			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	10,063	9,089	8,514	975	11%	1,549	18%	95,259	93,923	84,999	1,335	1%	10,259	12%
Hotel & Restaurant Tax	16,024	15,385	14,176	639	4%	1,848	13%	100,905	98,050	86,259	2,855	3%	14,646	17%
Customs Processing Fee	3,636	3,175	2,584	460	14%	1,052	41%	32,090	31,883	28,757	207	1%	3,333	12%
Stamp Duty on Land Transactions	5,515	4,229	2,408	1,286	30%	3,108	129%	49,666	44,662	36,930	5,005	11%	12,736	34%
Work Permits	1,654	2,738	2,531	(1,084)	-40%	(877)	-35%	29,555	26,192	25,268	3,364	13%	4,287	17%
Excess revenues from stat bodies	250	250	2,890	-	0%	(2,640)	-91%	27,144	23,543	13,725	3,601	15%	13,420	98%
Other Revenues	7,339	8,011	7,571	(672)	-8%	(231)	-3%	78,059	77,590	63,029	468	1%	15,030	24%
Total Recurrent Revenue	44,482	42,877	40,673	1,605	4%	3,809	9%	412,679	395,843	338,968	16,836	4%	73,711	22%

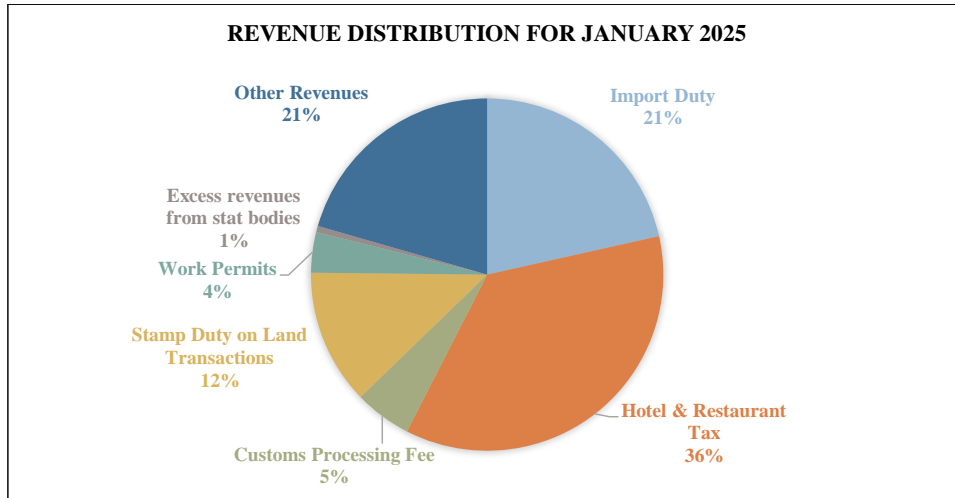
In January, the recurrent Revenue totaled \$44.5 million, over performed the Budget by \$1.6 million (4%) and surpassing the prior year's collections by \$3.8 million (9%). The over performance of Hotel & Restaurant Tax, Import Duty and Stamp Duty on Land Transactions contributed to this result. The five main revenue lines accounted for 79% of the total recurrent Revenue.

Year to date, the aggregate recurrent revenue is \$412.7 million, which is 4% higher than the budget and 22% more than the same period in the prior year. **This increase is mainly due to the over performance of Hotel & Restaurant Tax, Work Permits, Stamp duty on Land Transactions, Excess Revenue from Statutory Bodies and Other Revenues.**

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The chart below shows the percentage distribution of recurrent Revenue for the period.



The **Hotel, Restaurant, and Tourism Tax (HRTT)** accounted for the largest share of recurrent revenue, representing 36% of the total recurrent revenue collected during the month. HRTT collections for the month totaled \$16 million, performing over the budget by \$0.6 million (4%) and \$1.8 million or 13% higher than the collections in the same period last year. Year-to-date, HRTT collections amounted to \$100.9 million, which was \$2.9 million (3%) above the budget and \$14.6 million (17%) higher than the same period in the previous year. This performance against the Budget is attributed to increased economic activity in the tourism sector during the period. According to the Ministry of Tourism, TCI saw 1,959,563 arrivals across air and cruise from January to December 2024. There were 734,308 air arrivals, a 10.66 percent Year on Year increase over 2023 while cruise 1,225,255 passengers, a whopping 30.48 percent Year on Year increase over the previous year. The top months for air arrivals were March (77,559), June (72,583) and July (71,958) while cruise, which started off slowly in 2024, rebounded strongly, peaking in July with 136,990 passengers, followed by August (108,454) and October (110,329).

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 month totaled \$5.5 million. The collections were \$1.3 million or 30% higher than the Estimates and \$3.1 million or 129% higher than the prior year period. Year to date collections totaled \$49.7 million which was \$5 million or 11% higher than Estimates and \$12.7 million or 34% 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.

Import duties accounted for the second largest share of recurrent revenue, representing 21% of the total. Key legislative decisions currently influencing import duty collections include restrictions on importing older vehicles, extended waivers on breadbasket items, and reduced additional charges on fuel imports. During the month, import duty collections totaled \$10 million, over the budget estimates by \$1 million 11% and \$1.5 million (18%) the same period in the prior year. Year-to-date, import duty collections amounted to \$95.3 million, which was higher than the budget by \$1.3 million (1%) and outpacing the prior year by \$10.3 million (10%). According to reports from the Border Force, the trade value of imports has steadily increased, with the primary import categories being: Alcohol: 15%, Construction materials: 14%, Vehicles: 14%, Household items: 14%. This performance is affected by inflationary fluctuations leading to either higher or lower prices for imported goods, as well as economic activity changes in the tourism and construction sectors that drive import volumes.

Customs Processing Fees (CPF) for the month amounted to \$3.6 million, which was \$0.5 million or 14% higher than the Estimates and \$1.1 million or 41% higher than the prior year's 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. Year to date, Customs processing fees totaled \$32.1 million which was 1% higher than Estimates and 12% more than the prior year.

Work Permits fees were \$1.7 million for the month, accounting for 4% of the total recurrent Revenue. This was \$1.1 million or 40% behind the Estimates and \$0.9 million or 35% less than the collections in the prior year. Year to date, work permit fees collections totaled \$29.6 million which was \$3.4 million or 13% higher than the Estimates and \$4.3 million or 17% higher than the prior year. Work permit Revenue collection year to date 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 \$0.3 million during the month. This formed 1% of recurrent revenue. This was in line with the Budget and \$2.6 million or 91% less than the prior year results. Year to date, Excess revenue from Statutory Bodies totaled \$27.1 million which was \$3.6 million or 15% more than Estimates and \$13.4 million or 98% more than the prior year. This performance is attributed to mainly remittances from TCI Airports Authority, Financial Services Commission, Gaming Control Commission, Ports Authority, Invest TC and Civil Aviation year to date.

3.1.2. OTHER RECURRENT REVENUE

	January 2025			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	902	839	779	63	8%	124	16%	8,902	7,892	6,213	1,009	13%	2,689	43%
Destination Management Fees	211	850	-	(639)	(75%)	211	-	4,949	4,795	-	154	3%	4,949	-
Business License renewal	48	46	40	2	3%	7	18%	2,877	2,839	2,662	38	1%	215	8%
Communication Tax	513	510	494	3	1%	19	4%	4,598	4,892	4,516	(294)	(6%)	82	2%
Gaming Machine Tax	437	465	624	(28)	(6%)	(187)	(30%)	4,462	4,615	4,257	(152)	(3%)	206	5%
Telecommunication Licenses	412	517	543	(106)	(20%)	(131)	(24%)	3,437	3,383	3,501	54	2%	(63)	(2%)
Overtime Costs Recovered	150	184	140	(34)	(18%)	10	7%	1,617	2,080	1,703	(463)	(22%)	(85)	(5%)
Fuel Tax	518	800	694	(282)	(35%)	(176)	(25%)	7,021	6,996	6,461	24	0%	559	9%
Vehicle License Renewals	1,555	511	1,209	1,044	204%	345	29%	5,425	6,013	4,943	(588)	(10%)	482	10%
Permanent Residency Fees	457	426	407	31	7%	50	12%	4,130	3,848	3,945	282	7%	185	5%
Insurance Premiums tax	80	137	104	(57)	(42%)	(25)	(24%)	1,700	1,902	1,613	(202)	(11%)	87	5%
Stamp duty - vehicle hire	107	238	238	(131)	(55%)	(131)	(55%)	1,843	1,730	1,761	113	7%	82	5%
Stamp duty Miscellaneous	0	26	1	(26)	(99%)	(0)	(56%)	994	265	116	729	275%	877	753%
PDA application fees	344	61	62	283	466%	281	453%	2,477	2,086	1,936	391	19%	541	28%
Work Permits Repatriation	106	263	244	(156)	(60%)	(137)	(56%)	2,950	2,467	2,339	483	20%	611	26%
Other Revenues	1,499	2,138	1,991	(638)	(30%)	(492)	(25%)	20,676	21,786	17,063	(1,110)	(5%)	3,613	21%
OTHER REVENUE	7,339	8,011	7,571	(672)	-8%	(231)	-3%	78,059	77,590	63,029	468	1%	15,030	24%

Other recurrent revenues totaled \$7.3 million for the month which was \$0.7 million or 8% lower than Estimates and \$1.6 million or 21% higher than the prior year. Over performance was mainly driven by Vehicle License Renewals, PDA application fees and Seaport Departure. Year to date, Other revenue totaled \$78.1 million which was 1% higher than Estimates and 24% more than the prior year. The favourable performance is attributed to Seaport Departure, Stamp duty Miscellaneous, Work permits Repatriation, Tax Fuel tax, Destination Management Fees, and PDA application fees offset by adverse performance of Vehicle License Renewals, Communication Tax and Overtime Costs Recovered.

3.1.3. NON-RECURRENT REVENUE

There were no collections for Non-recurrent Revenue during the month. Year to date, Non-recurrent revenue totaled \$0.7 million which was 84% below budget and 48% less than last year. The underperformance is due to lower Grant Income and Land Sales.

4. EXPENDITURE

4.6.4.1. EXPENDITURE BY ECONOMIC CLASSIFICATION

4.6.4.1.1. RECURRENT EXPENDITURE

Recurrent Expenditure: January 2025: \$40.9 million YTD:342.2 million

	Month of January 2025			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	13,273	14,020	13,768	(748)	-5%	(496)	-4%	132,909	139,947	109,627	(7,037)	-5%	23,282	21%
Transfers to NHIB	5,319	2,958	2,958	2,361	80%	2,361	80%	31,938	39,824	29,577	(7,886)	-20%	2,361	8
Grants and contributions	1,766	1,110	1,139	655	59%	626	55%	28,531	30,516	8,791	(1,985)	-7%	19,740	225
Hospital Provisional Charges	2,114	2,018	233	96	5%	1,881	807%	20,442	21,622	19,812	(1,180)	-5%	630	3%
Subventions	6,436	2,830	4,878	3,606	127%	1,558	32%	34,773	33,643	23,453	1,130	3%	11,320	48
Maintenance Expenses	1,187	881	1,007	306	35%	180	18%	13,992	17,456	11,475	(3,464)	-20%	2,517	22
Other Expenses	10,808	9,255	7,578	1,553	17%	3,230	43%	79,610	104,309	64,331	(24,699)	-24%	15,279	24
Total Recurrent Expenditure	40,902	33,072	31,561	7,829	24%	9,340	30%	342,194	387,317	267,065	(45,122)	-12%	75,129	28%

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Commented [A4]: What is happening her with subvention? Is it also payments due in December not made?

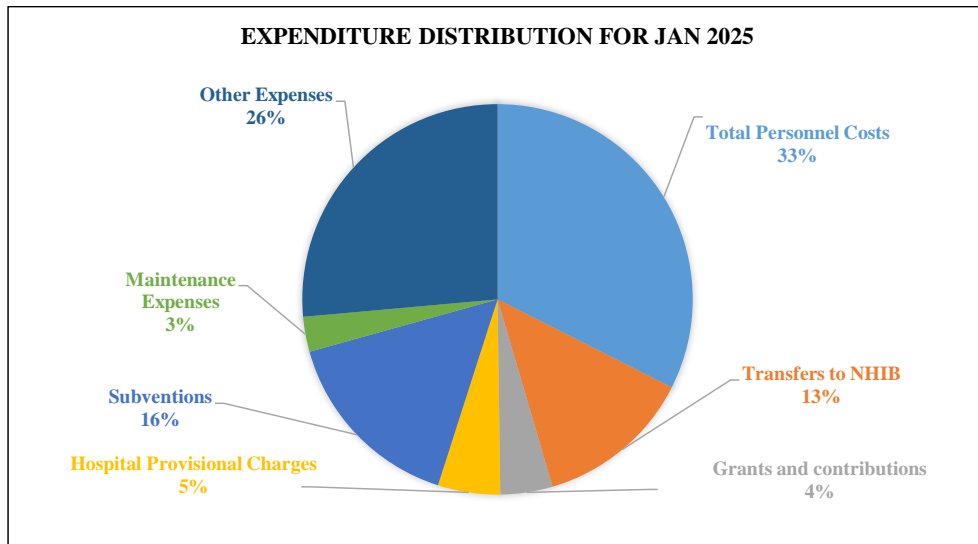
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Recurrent expenditure for January totaled \$40.9 million. The results were \$7.8 million or 24% higher than the Estimates and \$9.3 million or 30% higher than the same period in the prior year. The overspend against the budget is mainly attributed to higher Transfers to NHIB, Subventions, Grants and Contributions, Hospital Provisional Charges, Maintenance Expenses and Other Expenses than expected spending offset by underspending on Personnel Costs due to vacancies within the Civil Service.

Year to date, total recurrent expenditure totaled \$342.2 million which was 12% behind the Estimates and 28% 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.

Commented [A5]: No.... Two issues occurring... NHIB was budgeted in December and began paying out in January; 2) Hospital Provisional Charges for January not paid because of breaches in contractual obligations; Staff costs did not off set the over expenditure.



NHIB transfers during January amounted to \$5.3 million. This made up 13% of the total recurrent expenditure. This was \$2.4 million or 80% higher than the Estimates and \$2.4 million or 80% higher than the results of the same period prior year. Year to date, the expenditure totaled to \$31.9 million which was \$7.9 million or 20% lower than the budget and \$2.4 million or 8% higher than Prior year results. ~~This is attributed to Treatment abroad costs that were initially appropriated under the NHIB budget but are now being handled by the Ministry of Health.~~

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Hospital Provisional Charges for January amounted to \$2.1 million. The result was \$96 thousands or 5% higher than the Estimates and 807% higher than the prior year's performance. Year to date, the expenditure is \$1.2 million (5%) below the budget and \$0.6 million (3%) higher than prior year. The performance against the budget and the increase on prior year is attributed to the timing differences ~~between~~ the budget profiling and execution. These timing differences are expected to even out as the financial year progresses.

Commented [A6]: Payment was withheld in December but following guidance from the legal team it was made in January.

Subventions to Statutory Bodies for the month of January, amounted to \$6.4 million. This figure was higher than the budget by \$3.6 million, or 127%, and was \$1.6 million, or 32%, higher than the expenditure for the same period last year. The overspend 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 increase was applied to the first months upon approval.

Personnel Costs accounted for 33% of the recurrent expenditure, totaling \$13.3 million in January 2025. The result was lower than the Estimates by \$0.7 million or 5%. Compared to the prior year, the Personnel costs were \$0.5 million or 4% lower. Performance against budget is attributed to vacancies existing within the civils service. Year to date, PE costs totaled \$132.9 million which was lower than the Budget by \$7 million or 5% and 21% higher than the prior year. Personnel Costs are further itemized below.

	January 2025			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	9,989	10,665	9,362	(676)	-6%	627	7%	99,350	105,916	76,805	(6,566)	-6%	22,545	
Contribution to NIB and NHIB	855	793	747	62	8%	108	14%	8,543	7,917	6,702	626	8%	1,841	
Housing Allowances	506	605	452	(99)	-16%	55	12%	5,046	5,927	4,669	(881)	-15%	377	
Transport Allowances	81	146	71	(65)	-44%	10	14%	871	1,461	822	(590)	-40%	48	
Telephone Allowances	97	114	91	(18)	-15%	6	6%	967	1,138	903	(170)	-15%	65	
Other Allowances	422	419	394	3	1%	28	7%	4,241	4,323	5,906	(82)	-2%	(1,664)	
Total compensation of employees	11,951	12,743	11,118	(791)	-6%	833	7%	119,018	126,681	95,807	(7,663)	-6%	23,211	
Members of the House of Assembly														
Salaries - Ministers and Members	119	209	209	(90)	-43%	(90)	-43%	2,005	2,087	1,664	(83)	-4%	340	
NIB and NHIB	4	11	8	(7)	-63%	(4)	-50%	81	114	82	(33)	-29%	(4)	
Allowances for Ministers and Members	37	46	46	(9)	-20%	(9)	-19%	450	464	459	(14)	-3%	(9)	
Total	160	267	263	(107)	-40%	(103)	-39%	2,536	2,665	2,205	(130)	-5%	330	
Pensions and gratuities														
Pensions (PSPP and RAP)*	467	523	449	(56)	-11%	19	4%	4,664	4,718	3,895	(54)	-1%	769	
Employer's Contribution (PSEPF)*	278	310	1,732	(32)	-10%	(1,454)	-84%	2,706	3,067	4,322	(362)	-12%	(1,616)	
Gratuities	240	30	58	210	701%	182	314%	2,222	841	1,565	1,381	164%	657	
Pensions - Legislators	175	148	148	27	18%	27	18%	1,763	1,483	1,425	280	19%	338	
Gratuities - Legislators	-	-	-	-	-	-	-	-	490	408	(490)	-100%	(408)	
Total pensions and gratuities	1,161	1,011	2,387	150	15%	(1,226)	-51%	11,356	10,600	11,615	755	7%	(260)	
Total PE Cost	13,273	14,020	13,768	(748)	-5%	(496)	-4%	132,909	139,947	109,627	(7,037)	-5%	23,282	

*PSPP-Public Service Pension Plan
 *RAP- Retiring Allowance Plan
 *PSEPF- Public Sector Employees Pension Fund

4.6.2.4.1.2. OTHER RECURRENT EXPENDITURE

Other Recurrent Expenditure: *January 2025: \$10.8 million YTD:79.6 million*

	January 2025			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	781	554	800	227	41%	(19)	-2%	8,131	9,179	6,742	(1,048)	-11%	1,390	21%
Professional and Consultancy	1,619	1,681	762	(62)	-4%	857	112%	11,470	17,094	7,315	(5,624)	-33%	4,155	57%
Recurrent Sub Programmes	2,590	876	608	1,713	196%	1,981	326%	11,493	16,117	3,731	(4,624)	-29%	7,762	20%
Rental of assets	637	615	544	23	4%	93	17%	5,366	6,376	5,450	(1,010)	-16%	(84)	-2%
Utilities	557	458	663	98	21%	(106)	-16%	4,365	4,841	4,203	(476)	-10%	162	4%
Local Travel and Subsistence	289	656	236	(367)	-56%	53	22%	3,785	4,778	3,168	(993)	-21%	617	19%
Security expenses	475	353	210	121	34%	265	126%	2,876	3,067	1,849	(191)	-6%	1,026	55%
International Travel&Subsistence	123	107	139	16	15%	(16)	-11%	1,821	2,813	1,876	(992)	-35%	(55)	-3%
Communication Expenses	426	330	195	97	29%	231	119%	2,045	2,360	1,821	(315)	-13%	224	12%
Bank charges	125	122	159	3	2%	(34)	-22%	1,259	1,220	1,211	39	3%	47	4%
Data Communication cost	307	157	119	150	96%	187	157%	1,720	1,567	1,316	154	10%	404	31%
Insurance Expenses	67	16	72	52	331%	(5)	-6%	2,264	2,567	1,928	(303)	-12%	336	17%
Hosting and Entertainment	247	197	123	50	25%	124	100%	2,149	2,961	2,077	(812)	-27%	72	3%
Repatriation and exportation	857	1,019	396	(162)	-16%	461	116%	4,996	5,939	4,480	(943)	-16%	516	12%
Other supplies & Material	214	101	234	113	112%	(20)	-9%	1,876	2,965	1,760	(1,089)	-37%	116	7%
Fuel	145	249	134	(104)	-42%	11	8%	1,282	1,394	1,356	(112)	-8%	(74)	-5%
Other Recurrent Expenditure	1,349	1,764	2,183	(414)	-23%	(834)	-38%	12,711	19,072	14,046	(6,361)	-33%	(1,335)	-10%
TOTAL	10,808	9,255	7,578	1,553	17%	3,230	43%	79,610	104,309	64,331	(24,699)	-24%	15,279	24%

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In January, Other recurrent expenses totaled \$10.8 million which was \$1.6 million or 17% above the Estimates and \$3.2 million or 43% higher than the prior year. The performance against Budget was mainly due to timing differences between the budget profiling and execution. These timing differences are expected to even out as the financial year progresses.

4.6.3.4.1.3. NON-RECURRENT EXPENDITURE

The results for January totaled \$0.4 million. This was \$2 million or 85% lower than Estimates and \$0.1 million or 40% above the same period in the prior year. The budget under performance was due to non execution of the Contingency fund budget during the month due to timing differences.

Non Recurrent Expenditure in the month is mainly attributed to SIPT.

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5. OUTSTANDING PUBLIC DEBT

Statement of Outstanding Public Debt	Interest Rates	Outstanding Balance	New Drawdowns	Principal Repayment During	Outstanding Balance
		01-Apr-24	2024/25	2024/25	31-Jan-25
	%	US\$'000	US\$'000	US\$'000	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 January 31, 2025 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.

6. DEVELOPMENT FUND

6.1.DEVELOPMENT FUND ANALYSIS

The development fund balance as of January 31, 2025 was \$76.6 million, and the Capital expenditure year to date is \$31.4 million. The movement in the fund balance is as 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)
As at 31 March 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	(31,440,924)
As at 31 January 2025	76,568,027

6.2.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	11,947,514.74
2	5682	Highway and Road Improvements	2,331,468.01
3	5806	Leeward Highway Rehabilitation Works	1,982,381.91
4	5763	Bridges, Ponds and Roads - GDT Roads	1,293,802.50
5	5624	Prison Works	1,105,548.99
6	5788	Ambulances for Islands	855,228.13
7	5566	Construction of New Primary School PLS- Phase 2	851,643.93
8	5762	Back-up Generators including Housing	850,232.05
9	5734	Housing Project Initiative	805,157.02
10	5668	Digitization Phase 2 - Consultancy for National Identification System	782,307.20

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7. NATIONAL WEALTH FUND (NWF)

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.

7.1. STATEMENT OF NWF ACCOUNT

As of January 31, 2025, 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 31/01/2025 (US\$' 000)
Actual revenue	Estimates	Excess	%					
458,890	417,847	41,043	10%	20,522	58,376	13,000	1,098	92,996

7.2. STATEMENT OF NWF FUNDS

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	31 Jan-25 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	40,350	7,005
Cash receivable from the Consolidated Fund	-	-
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.

8. NATIONAL FORFEITURE FUND

The National Forfeiture Fund (NFF) has a balance of \$4.5 million as at January 31, 2025. During the year, the NFF received funding from the Consolidated Fund through appropriation. This is 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-Jan-25 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	1,584	1,587
Total payments	3,264	1,587
Net increase in National Forfeiture Fund balance	(2,325)	(352)
National Forfeiture Fund balance at the end of the period	4,507	6,832

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9. 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, 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.

9.1. STATEMENT OF DEF FUNDS

The Destination Enhancement Fund balance as at January 31, 2025 is shown below;

(All figures in US\$'000)	31-Jan-25	31-Mar-24
Opening Balance	1,164	-
Receipts		
Destination management fees	4,949	1,164
Total receipts	6,113	1,164
Payments		
Subvention to the DMMO	(5,413)	-
Other payments	-	-
Total payments	(5,413)	-
Destination Enhancement Fund balance at the end of the period	701	1,164

*DMMO- Destination Marketing and Management Organisation

9.2. 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	6,113	1,583

10. PUBLIC SECTOR EMPLOYEES PENSION FUND (PSEPF)

The Fund was reconciled as follows at January 31, 2025.

	31-Jan-25	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	2,705,741.61	2,700,047.05
TCIG Employees' contributions- YTD	2,705,741.61	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	27,215,835.19	21,179,406.46
Bank balance as at January 31, 2025	24,964,173.95	
Amounts due from TCIG	2,251,661.24	

PSEPF pay-out beneficiaries - year to date – 34.

Commented [A8]: Is there an actuarial assessment on this fund to determine if it is appropriately funded or needs to be continuously funded?

11. HUMAN RESOURCE MANAGEMENT

Employees

There were 2,109 people employed by TCIG at the end of January 2025, consisting of 1,819 monthly paid employees and 290 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there were 38 new recruits and 16 attritions in the month of January.

Pensioners

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

12. FINANCIAL OUTLOOK

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

