

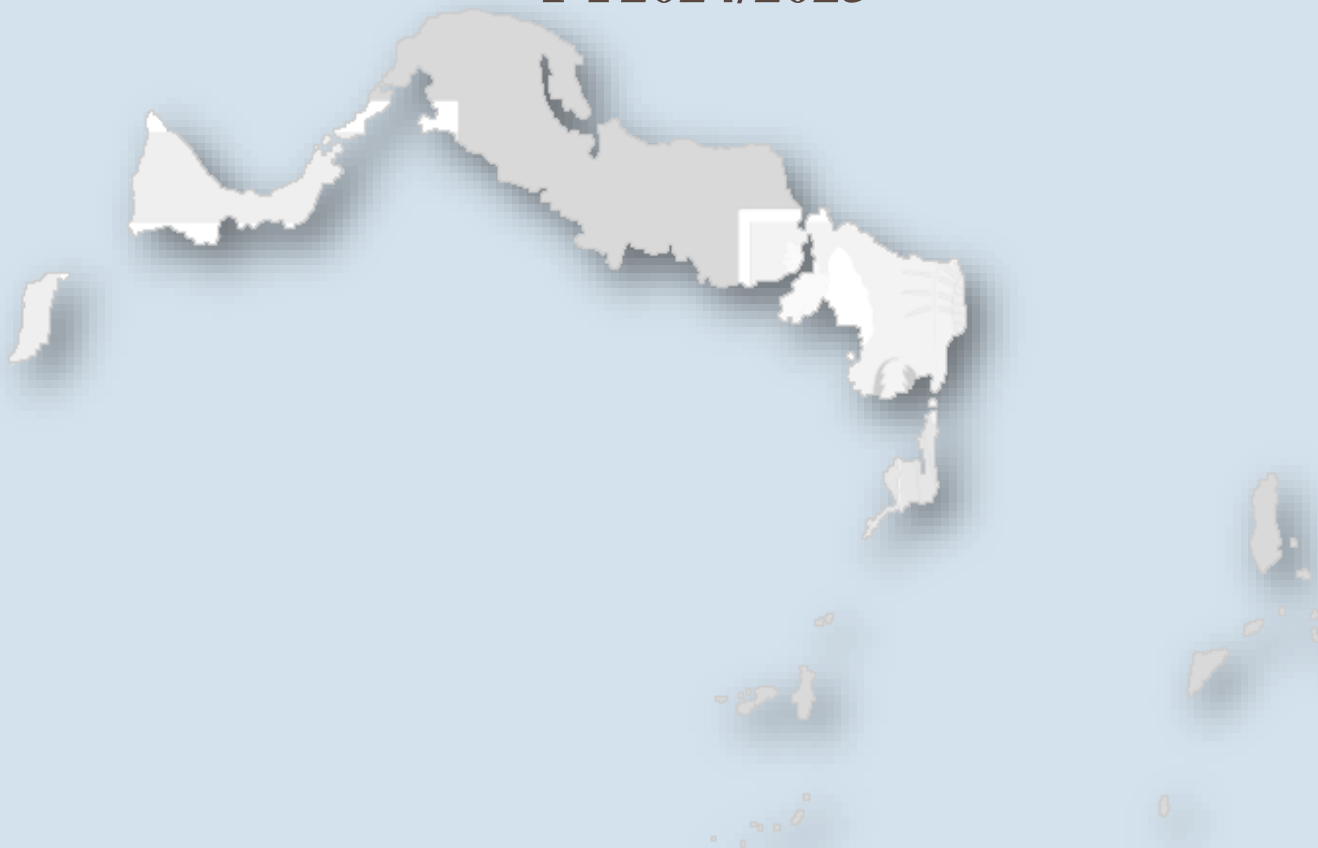


GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
FINANCIAL SERVICES AND SUPPLIES MANAGEMENT DEPARTMENT



FINANCIAL REPORT
For the month ended 28 February, 2025

FY2024/2025



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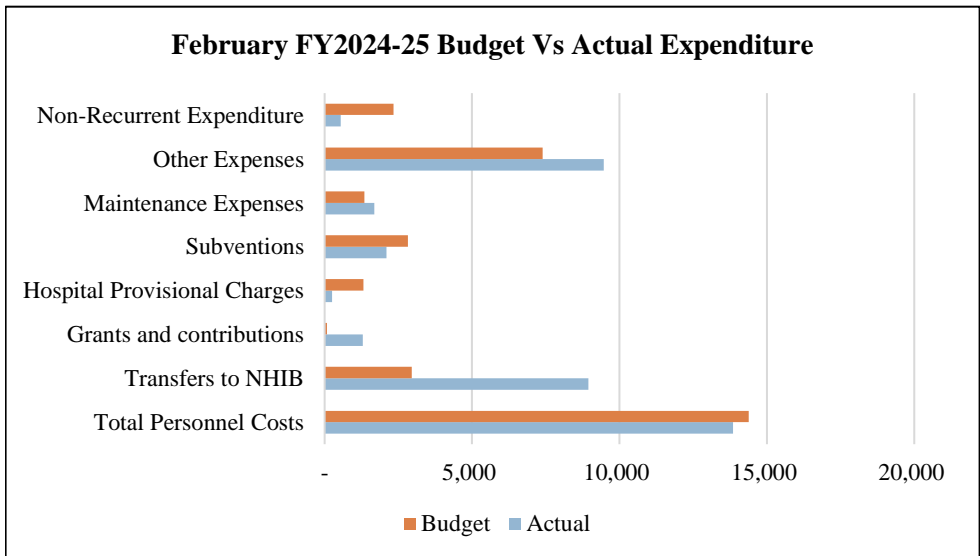
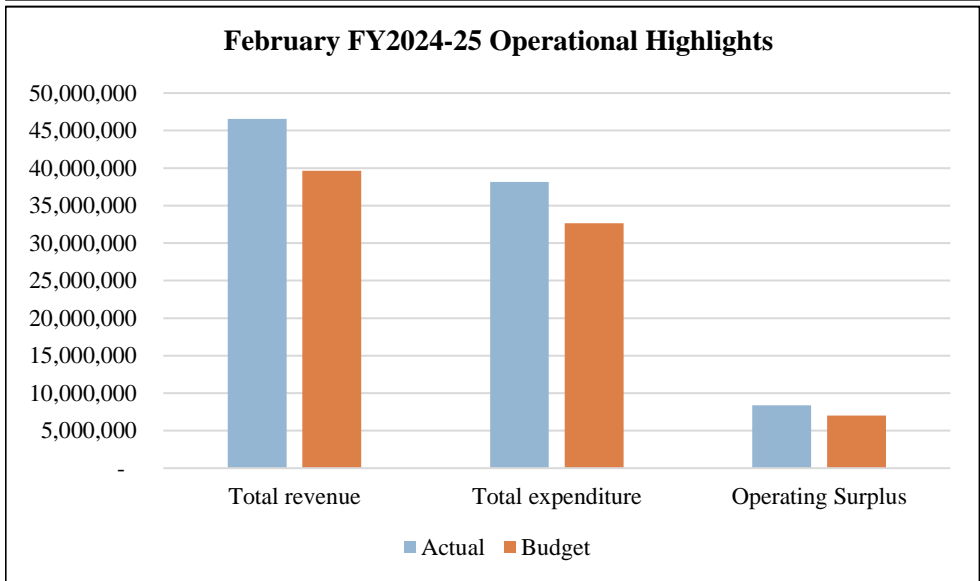
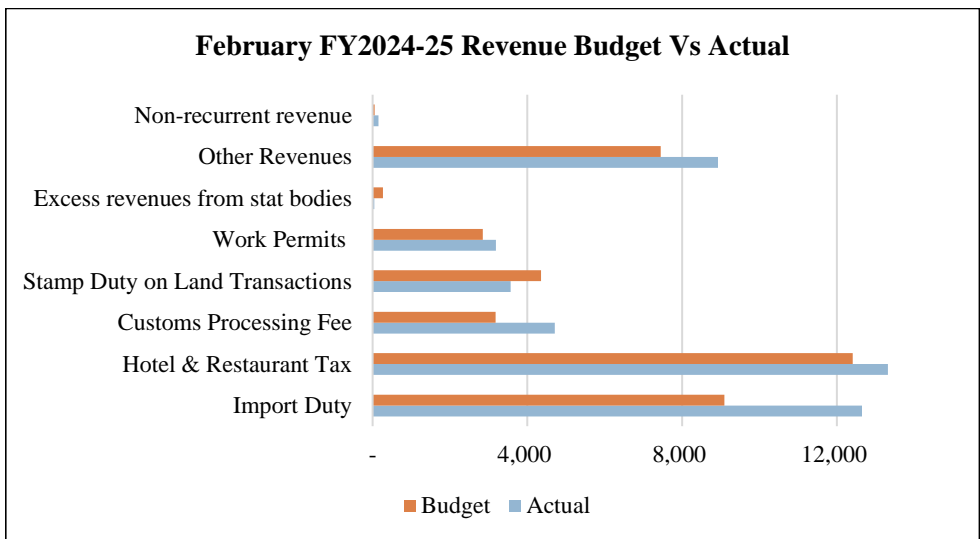
KEY HIGHLIGHTS

➤ **\$46.6 million revenue for the month.** The aggregate revenue collections for February were \$46.6 million against a budget of \$39.6 million.

➤ **\$8.4 million operating surplus.** The operating surplus for the month was \$8.4 million against the forecast surplus of \$7 million.

➤ **Increase in the underlying Cash balances.** The underlying cash balance at the end of month showed an increase of \$8.8 million resulting in a closing cash balance of \$412.3 million.

➤ **\$2.5 million Capital expenditure during the month.** Capital expenditure for the month amounted to \$2.5 million, representing a 45% increase compared to the same month in the previous year and 51% underperformance 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 by the House of Assembly on April 19, 2024. The Budget emphasizes implementing strategic initiatives, development programs, and projects designed to enhance the well-being of the people of the Turks and Caicos Islands and drive social, economic, and environmental progress. It includes projected revenues of \$476.2 million, operating expenditures of \$438.3 million, and capital expenditures of \$60.3 million, resulting in a forecasted 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 January 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 NHIB and hospital charges, \$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 pressures. The adjustments across the supplementary budgets demonstrate a focus on addressing immediate priorities.

The Government ended the month of February of FY2024-2025 with an operating surplus of \$8.4 million and a cash increase of \$8.8 million, bringing the closing cash balance to \$412.3 million. Revenue for February was 17% higher than the Budget and 8% less 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 February recorded an operating surplus of \$8.4 million against a projected surplus of \$7 million, favourable performance of \$1.4 million or 20%. The performance against Budget is mostly attributed to over performance of Import Duty, Customs Processing Fee and Work Permits and underspending on Personnel Costs and Professional and consultancy costs during the month.

	February 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	46,404	39,594	48,013	6,810	17%	(1,608)	-3%	458,083	435,437	386,980	22,646	5%	71,102	18%
Non-Recurrent Revenue	148	49	2,520	98	198%	(2,372)	-94%	847	4,372	3,873	(3,525)	-81%	(3,025)	-78%
Total Revenue	46,552	39,643	50,532	6,909	17%	(3,980)	-8%	458,930	439,809	390,853	19,121	4%	68,077	17%
Recurrent Expenditure	37,607	30,305	31,861	7,302	24%	5,746	18%	380,344	417,622	298,926	(37,278)	-9%	81,418	27%
Non-Recurrent Expenditure	548	2,340	797	(1,792)	-77%	(249)	-31%	6,311	8,526	6,069	(2,214)	-26%	242	4%
Total Expenditure	38,155	32,645	32,657	5,510	17%	5,497	17%	386,656	426,148	304,995	(39,492)	-9%	81,661	27%
Net Operating Surplus	8,397	6,998	17,875	1,399	20%	(9,478)	-53%	72,275	13,662	85,858	58,613	429%	(13,583)	-16%

2.2. CASH FLOW

In February, the underlying cash balance increased by \$8.8 million, rising from \$403.5 million at the end of January 2025 to \$412.3 million as of February 28, 2025. This balance encompasses cash at the bank, short-term fixed deposits, and cash-in-transit.

	February 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	8,397	6,998	17,875	1,399	20%	(9,478)	-53%	72,275	13,662	85,858	58,613	429%	(13,583)	-16%
Less:														
Capital Expenditure	(2,455)	(5,000)	(1,696)	2,545	-51%	(759)	45%	(34,767)	(65,457)	(22,933)	30,690	-47%	(11,835)	52%
Debt Repayments	-	-	(89)	-	0%	89	0%	(263)	-	(245)	(263)	0%	(18)	0%
Net receipts	2,900	-	(44)	2,900	0%	(2,944)	6691%	8,086	-	16,938	8,086	0%	8,852	52%
Net Cash Flow	8,842	1,998	16,046	6,843	342%	(7,204)	-45%	45,330	(51,796)	79,619	97,126	-188%	(34,289)	-43%
Opening cash balance	403,453		344,109					366,965		289,827				
Closing cash balance	412,295		360,155					412,295		369,446				
Attributable to:														
Consolidated Fund	241,678							241,678						
Development Fund	73,242							73,242						
NFF	4,108							4,108						
National Wealth Fund	93,243							93,243						
DEF	24							24						
Closing cash balance	412,295							412,295						

3. REVENUE

3.1. REVENUE BY ECONOMIC CLASSIFICATION

3.1.1. RECURRENT REVENUE

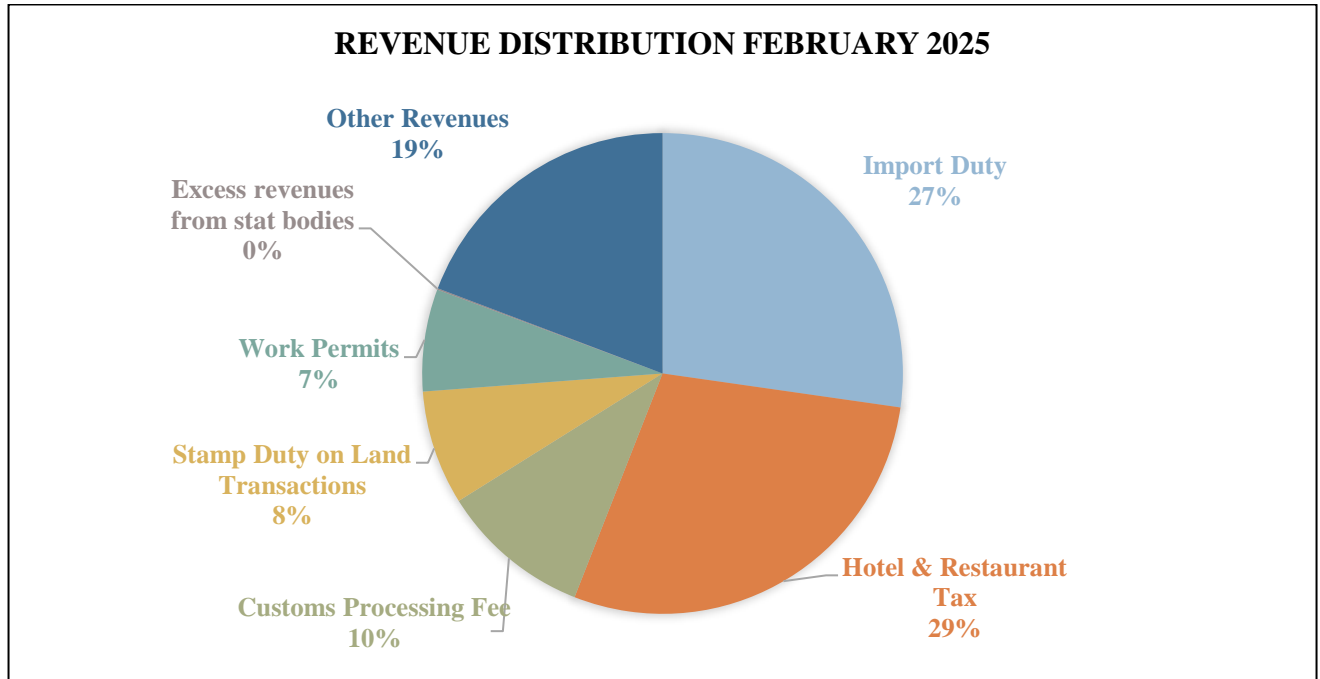
February 2025: \$46.4 million YTD: \$458.1 Million

	Month of February 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	12,650	9,089	8,339	3,562	39%	4,311	52%	106,409	103,012	93,338	3,397	3%	13,071	14%
Hotel & Restaurant Tax	13,319	12,411	12,139	908	7%	1,180	10%	114,224	110,461	98,398	3,763	3%	15,826	16%
Customs Processing Fee	4,706	3,175	2,710	1,531	48%	1,996	74%	35,496	35,058	31,467	438	1%	4,029	13%
Stamp Duty on Land Transactions	3,570	4,354	4,338	(784)	-18%	(768)	-18%	53,237	49,016	41,269	4,221	9%	11,968	29%
Work Permits	3,189	2,851	2,592	338	12%	597	23%	31,744	29,043	27,861	2,702	9%	3,884	14%
Excess revenues from stat bodies	43	267	6,250	(224)	-84%	(6,208)	-99%	27,187	23,810	19,975	3,377	14%	7,212	36%
Other Revenues	8,927	7,447	11,644	1,480	20%	(2,717)	-23%	89,786	85,037	74,673	4,749	6%	15,113	20%
Total Recurrent Revenue	46,404	39,594	48,013	6,810	17%	(1,608)	-3%	458,083	435,437	386,980	22,646	5%	71,102	18%

In February, recurrent revenue amounted to \$46.4 million, exceeding the budget by \$6.8 million (17%) but falling \$1.6 million (3%) short of the previous year's collections. The over performance in Hotel & Restaurant Tax is primarily due to timing adjustments, as the supplementary budget's intended revision of fourth-quarter revenue estimates was fully incorporated in January. The five main revenue streams constituted 81% of the total recurrent revenue for the month.

Year-to-date, total recurrent revenue stands at \$458.1 million, which is 5% above budget and 18% higher than the same period in the prior year. This increase is largely attributed to the over performance of Hotel & Restaurant Tax, Import Duty, Work Permits, Stamp Duty on Land Transactions, Surplus Revenue from Statutory Bodies, and Other Revenues.

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



The Hotel, Restaurant, and Tourism Tax (HRTT) contributed the largest portion of recurrent revenue, accounting for 29% of the total collected during February. HRTT collections for the month reached \$13.3 million, exceeding the budget by \$0.9 million (7%) and surpassing the collections from the same period last year by \$1.2 million (10%). Year-to-date, HRTT collections have totaled \$114.2 million, which is \$3.8 million (3%) above the budgeted amount and \$15.8 million (16%) greater than the collections during the equivalent period in the previous year. This favorable performance compared to the budget is attributed to an increase in tourist arrivals.

Import duties were the second largest contributor to recurrent revenue, accounting for 27% of the total. Several legislative decisions currently impact import duty collections, including restrictions on importing older vehicles, extended waivers on breadbasket items, and reduced additional charges on fuel imports. In February, import duty collections reached \$12.7 million, exceeding budget estimates by \$3.6 million (39%) and surpassing the same period last year by \$4.3 million (52%). Year-to-date, import duty collections have totaled \$106.4 million, which is \$3.4 million (3%) above the budget and \$13.1 million (14%) higher than the previous year. According to Border Force reports, the trade value of imports has shown a steady increase, with the primary import categories being: Alcohol (15%), Construction materials (14%), Vehicles (14%), and Household items (14%). This performance is influenced by inflationary fluctuations affecting the prices of imported goods and changes in economic activity within the tourism and construction sectors, which drive import volumes.

Customs Processing Fees (CPF) for February amounted to \$4.7 million, which was \$1.5 million (48%) higher than the estimates and \$2 million (74%) more than the prior year's results. Customs processing fees revenue is sensitive to increases or decreases in import activities, particularly in the construction industry, and inflation on imports. The performance against the budget for February is attributed to a an increase in imports during the month. Year-to-date, Customs processing fees totaled \$35.5 million, representing a 1% increase over estimates and a 13% rise compared to the previous year.

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 \$3.6 million. The collections were \$0.8 million or 18% lower than the Estimates and \$0.8 million or 18% lower than the prior year period. Year to date collections totaled \$53.2 million which was \$4.2 million or 9% higher than Estimates and \$12 million or 29% 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.

Work Permits fees were \$3.2 million for the month, accounting for 7% of the total recurrent Revenue. This was \$0.3 million or 12% above the Estimates and \$0.6 million or 23% more than the collections in the prior year. Year to date, work permit fees collections totaled \$31.7 million which was \$2.7 million or 9% higher than the Estimates and \$3.9 million or 14% 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 \$43 thousands during the month. This formed less than 1% of recurrent revenue. This was 0.2 million or 84% less than the Estimates and \$6.2 million or 99% less than the prior year results. Year to date, Excess revenue from Statutory Bodies totaled \$27.2 million which was \$3.4 million or 14% more than Estimates and \$7.2 million or 36% more than the prior year. This performance is attributed to mainly remittances from TCI Airports Authority, Financial Services Commission, Gaming Inspectorate, Port Administration, Invest TC and Civil Aviation year to date.

3.1.2. OTHER RECURRENT REVENUE

	February 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	3,299	2,138	1,991	1,162	54%	1,308	66%	23,476	21,786	17,063	1,690	8%	6,413	38%
OTHER REVENUE	9,139	8,011	7,571	1,128	14%	1,569	21%	80,859	77,590	63,029	3,268	4%	17,830	28%

Other recurrent revenues totaled \$9.1 million for the month which was \$1.1 million or 14% higher 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 \$80.9 million which was 4% higher than Estimates and 28% 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

Non-recurrent Revenue of \$0.1 million related to land sales was recorded during the month. This was 198% higher than Estimates and 94% lower than the prior year. Year to date, Non-recurrent revenue totaled \$0.8 million which was 81% below budget and 78% less than last year. The underperformance is due to lower Grant Income and Land Sales.

4. EXPENDITURE

4.1. EXPENDITURE BY ECONOMIC CLASSIFICATION

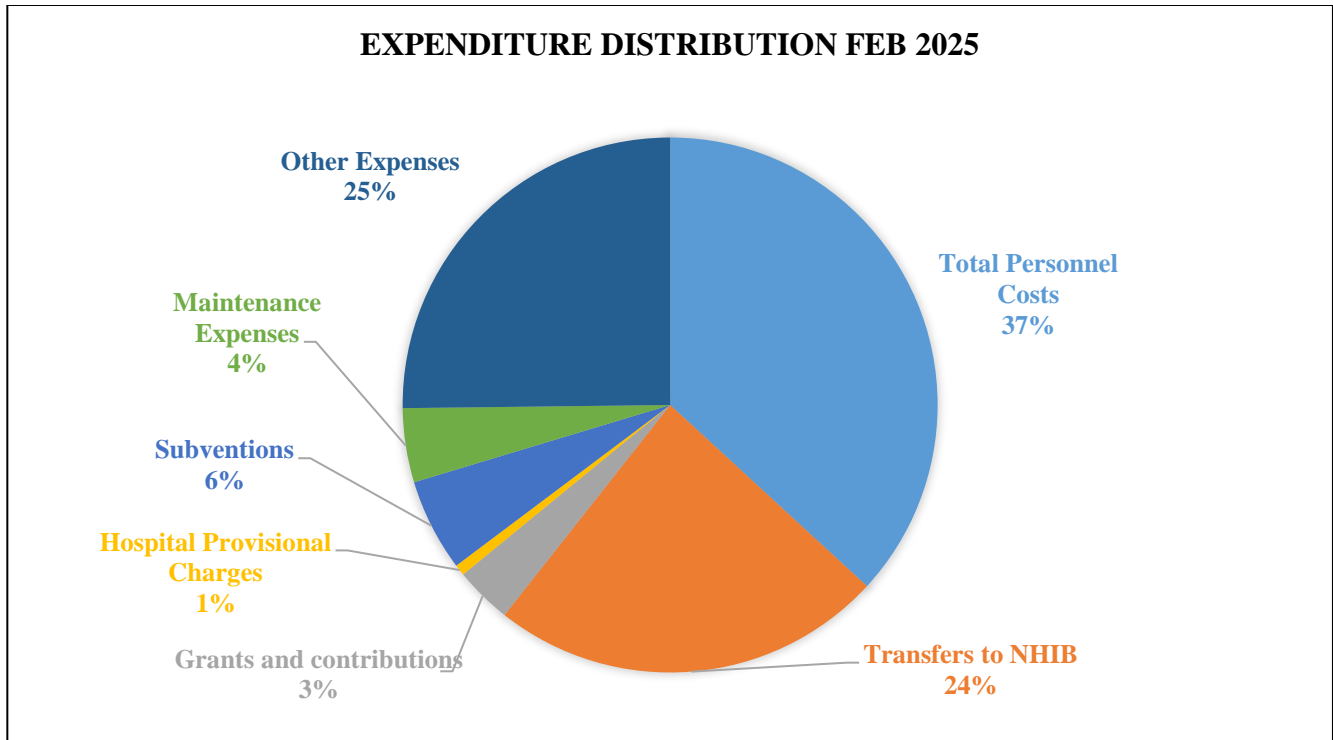
4.1.1. RECURRENT EXPENDITURE

Recurrent Expenditure: February 2025: \$37.6 million YTD: 380.3 million

	Month of February 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	13,855	14,381	12,982	(526)	-4%	873	7%	146,718	154,327	122,609	(7,609)	-5%	24,109	20%
Transfers to NHIB	8,947	2,958	2,958	5,989	202%	5,989	202%	40,884	42,782	32,534	(1,897)	-4%	8,350	26%
Grants and contributions	1,297	84	1,234	1,214	1452%	64	5%	29,976	30,600	10,025	(624)	-2%	19,951	199%
Hospital Provisional Charges	251	1,314	3,784	(1,063)	-81%	(3,534)	-93%	20,693	22,936	23,596	(2,243)	-10%	(2,903)	-12%
Subventions	2,101	2,830	1,759	(729)	-26%	342	19%	36,932	36,473	25,211	460	1%	11,721	46%
Maintenance Expenses	1,685	1,345	920	339	25%	765	83%	15,676	18,801	12,395	(3,125)	-17%	3,281	26%
Other Expenses	9,472	7,394	8,225	2,078	28%	1,247	15%	89,465	111,703	72,556	(22,238)	-20%	16,909	23%
Total Recurrent Expenditure	37,607	30,305	31,861	7,302	24%	5,746	18%	380,344	417,622	298,926	(37,278)	-9%	81,418	27%

Recurrent expenditure for February totaled \$37.6 million. This result was \$7.3 million (24%) higher than estimated and \$5.7 million (18%) greater than the same period in the prior year. The overspend in February compared to the budget is primarily attributed to Transfers to the National Health Insurance Board (NHIB) that were budgeted in December but executed in February, and Grants and Contributions (specifically COLR payments budgeted in December but paid in February). This overspending was partially offset by underspending on Hospital Provisional Charges due to payments withheld by the Ministry of Health pending ongoing arbitration.

Year-to-date, total recurrent expenditure has reached \$380.3 million, which is 9% below estimates but 27% higher than the previous year. The year-to-date underspend on Grants, Maintenance Costs, Transfers to NHIB, and professional expenses is due to timing differences between program implementation and budget profiling.



NHIB transfers during February amounted to \$8.9 million. This made up 24% of the total recurrent expenditure. This was \$6 million or 202% higher than the Estimates and \$6 million or 202% higher than the results of the same period prior year. The variance is a timing difference between profiling and execution. Year to date, the expenditure totaled to \$10.9 million which was \$1.9 million or 4% lower than the budget and \$8.4 million or 26% higher than Prior year results.

Hospital Provisional Charges for February amounted to \$0.3 million. The result was \$1.1 million or 81% lower than the Estimates and 93% lower than the prior year’s performance. Year to date, the expenditure is \$20.7 million (10%) below the budget and \$2.9 million (12%) lower than prior year. **The performance against the budget and the decrease on prior year is attributed to payments withheld by the Ministry of Health pending ongoing arbitration.**

Subventions to Statutory Bodies for the month of February, totaled \$2.1 million. This was \$0.7 million (26%) lower than budgeted and \$0.3 million (19%) higher than the expenditure for the same period last year. The underspend is due to a timing difference between the monthly profiling of subventions and their disbursement, which can sometimes occur quarterly. These discrepancies are anticipated to balance out by the end of the fiscal year. Year-to-date, expenditure on subventions is \$36.5 million, which is \$0.5 million (1%) above budget and \$11.7 million (46%) higher than the previous year.

Personnel Costs accounted for 37% of the recurrent expenditure, totaling \$13.9 million in February 2025. The result was lower than the Estimates by \$0.5 million or 4%. Compared to the prior year, the Personnel costs were \$0.9 million or 7% higher. Performance against budget is attributed to vacancies existing within the civils service. Year to date, PE costs totaled \$146.7 million which was lower than the Budget by \$7.6 million or 5% and 20% higher than the prior year. Personnel Costs are further itemized below.

	February 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	10,375	10,665	9,572	(290)	-3%	803	8%	109,684	116,580	86,377	(6,896)	-6%	23,307	27%
Contribution to NIB and NHIB	865	793	762	72	9%	103	14%	9,405	8,710	7,464	695	8%	1,941	26%
Housing Allowances	525	605	467	(80)	-13%	58	12%	5,569	6,532	5,136	(963)	-15%	433	8%
Transport Allowances	92	146	80	(54)	-37%	12	15%	962	1,607	903	(645)	-40%	60	7%
Telephone Allowances	98	114	95	(17)	-15%	3	3%	1,065	1,252	997	(188)	-15%	67	7%
Other Allowances	531	417	392	114	27%	139	35%	4,773	4,741	6,298	32	1%	(1,525)	-24%
Total compensation of employees	12,485	12,741	11,368	(256)	-2%	1,118	10%	131,457	139,422	107,174	(7,965)	-6%	24,283	23%
Members of the House of Assembly														
Salaries - Ministers and Members	119	209	209	(90)	-43%	(90)	-43%	2,123	2,296	1,873	(173)	-8%	250	13%
NIB and NHIB	4	11	8	(7)	-63%	(4)	-49%	85	125	90	(41)	-32%	(5)	-6%
Allowances for Ministers and Members	37	46	46	(9)	-20%	(9)	-19%	488	510	505	(23)	-4%	(17)	-3%
Total	160	267	263	(107)	-40%	(103)	-39%	2,696	2,932	2,468	(236)	-8%	228	9%
Pensions and gratuities														
Pensions (PSPP and RAP)*	478	523	452	(45)	-9%	26	6%	5,142	5,241	4,347	(99)	-2%	796	18%
Employer's Contribution (PSEPF)*	284	310	540	(26)	-8%	(256)	-47%	2,990	3,377	4,862	(387)	-11%	(1,872)	-39%
Gratuities	272	30	211	242	807%	61	29%	2,494	871	1,776	1,623	186%	718	40%
Pensions – Legislators	175	510	148	(335)	-66%	27	18%	1,939	1,994	1,574	(55)	-3%	365	23%
Gratuities – Legislators	-	-	-	-	-	-	-	-	490	408	(490)	-100%	(408)	-100%
Total pensions and gratuities	1,210	1,373	1,351	(164)	-12%	(142)	-10%	12,565	11,974	12,967	592	5%	(402)	-3%
Total PE Cost	13,855	14,381	12,982	(526)	-4%	873	7%	146,718	154,327	122,609	(7,609)	-5%	24,109	20%

*PSPP-Public Service Pension Plan

*RAP- Retiring Allowance Plan

*PSEPF- Public Sector Employees Pension Fund

4.1.2. OTHER RECURRENT EXPENDITURE

Other Recurrent Expenditure: February 2025: \$9.5 million YTD: 89.5 million

	February 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	769	772	631	(2)	0%	138	22%	8,939	9,951	7,373	(1,011)	-10%	1,566	21%
Professional and Consultancy	1,277	1,097	1,195	180	16%	82	7%	12,789	18,192	8,511	(5,403)	-30%	4,278	50%
Recurrent Sub Programmes	1,966	691	513	1,274	184%	1,453	284%	13,496	16,809	4,244	(3,313)	-20%	9,252	218%
Rental of assets	1,124	615	690	508	83%	434	63%	6,490	6,991	6,140	(501)	-7%	349	6%
Utilities	532	480	460	53	11%	73	16%	4,929	5,320	4,662	(392)	-7%	267	6%
Local Travel and Subsistence	352	353	326	(2)	-1%	26	8%	4,180	5,132	3,494	(951)	-19%	686	20%
Security expenses	262	155	234	106	69%	28	12%	3,137	3,222	2,083	(85)	-3%	1,054	51%
International Travel & Subsistence	152	60	136	91	152%	16	12%	1,989	2,873	2,011	(884)	-31%	(22)	-1%
Communication Expenses	144	179	186	(35)	-19%	(42)	-22%	2,196	2,539	2,007	(343)	-14%	189	9%
Bank charges	36	122	133	(86)	-70%	(97)	-73%	1,291	1,342	1,344	(51)	-4%	(54)	-4%
Data Communication cost	576	752	424	(176)	-23%	152	36%	2,297	2,319	1,741	(22)	-1%	556	32%
Insurance Expenses	1	-	144	1	-	(143)	-99%	2,265	2,567	2,072	(301)	-12%	193	9%
Hosting and Entertainment	272	194	242	78	40%	30	12%	2,468	3,154	2,319	(687)	-22%	149	6%
Repatriation and exportation	257	266	430	(9)	-3%	(173)	-40%	5,253	6,206	4,910	(952)	-15%	343	7%
Other supplies & Material	267	114	505	153	134%	(238)	-47%	2,170	3,079	2,265	(909)	-30%	(95)	-4%
Fuel	137	110	164	27	24%	(27)	-17%	1,428	1,504	1,519	(76)	-5%	(91)	-6%
Other Recurrent Expenditure	1,348	1,432	1,813	(83)	-6%	(464)	-26%	14,147	20,504	15,859	(6,357)	-31%	(1,711)	-11%
TOTAL	9,472	7,394	8,225	2,078	28%	1,247	15%	89,465	111,703	72,556	(22,238)	-20%	16,909	23%

In February, Other recurrent expenses totaled \$9.5 million which was \$2.1 million or 28% above the Estimates and \$1.2 million or 15% 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.

4.1.3. NON-RECURRENT EXPENDITURE

The results for February totaled \$0.5 million. This was \$1.8 million or 77% lower than Estimates and \$0.2 million or 31% below the same period in the prior year. The budget under performance was due to timing differences. Non Recurrent Expenditure in the month is mainly attributed to SIPT.

5. OUTSTANDING PUBLIC DEBT

Statement of Outstanding Public Debt	Interest Rates	Outstanding Balance	New Drawdowns	Principal Repayment During	Outstanding Balance
	%	01-Apr-24 US\$'000	2024/25 US\$'000	2024/25 US\$'000	28-Feb-25 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 February 28, 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 February 28, 2025 was \$76.6 million, and the Capital expenditure year to date is \$34.8 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	(34,767,257)
As at 28 February 2025	73,241,693

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 Re-development	12,447,711.91
2	5682	Highway and Road Improvements	2,331,468.01
3	5806	Leeward Highway Rehabilitation Works	1,982,381.91
4	5673	Drainage and Site Works HJRHS	1,368,755.82
5	5763	Bridges, Ponds and Roads - GDT Roads	1,293,802.50
6	5624	Prison Works	1,105,548.99
7	5566	Construction of New Primary School PLS- Phase 2	1,038,008.12
8	5734	Housing Project Initiative	1,036,354.85
9	5807	Crown Land Project	936,412.00
10	5762	Back-up Generators including Housing	869,838.66

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 were transferred. 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 February 28, 2025, the National Wealth Fund balance was \$93.4 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 28/02/2025 (US\$' 000)
Actual revenue	Estimates	Excess	%					
458,890	417,847	41,043	10%	20,522	58,376	13,000	1,529	93,427

7.2. STATEMENT OF NWF FUNDS

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	28 Feb-25 US\$'000	31-Mar-24 US\$'000
Stabilization Fund	46,499	31,063
Infrastructure and Competiveness Fund	13,285	8,875
Heritage Fund	6,417	4,432
Citizen's Empowerment Fund	7,116	7,006
Mortgage Corporation Fund	20,110	7,000
National Wealth Fund balance at the end of the period	93,427	58,376
Represented by		
Cash at Bank	10,356	7,005
Fixed deposit	82,887	51,371
Investment Property	184	-
	93,427	58,376

Fixed deposit totaling to \$82.9 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 \$4.1 million as at February 28, 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)	28-Feb-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	1,983	1,587
Total payments	3,663	1,587
Net increase in National Forfeiture Fund balance	(2,724)	(352)
National Forfeiture Fund balance at the end of the period	4,108	6,832

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 February 28, 2025 is shown below;

(All figures in US\$'000)	28-Feb-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	(6,089)	-
Other payments	-	-
Total payments	(6,089)	-
Destination Enhancement Fund balance at the end of the period	24	1,164

*DMMO- Destination Marketing and Management Organization

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 February 28, 2025.

	28-Feb-25 US\$'000	31-Mar-24 US\$'000
Opening balance at April 1st	21,179	14,870
<u>CONTRIBUTIONS MADE:</u>		
Contributions by Statutory bodies	1,149	1,715
Employer's Contributions by TCIG	2,990	2,700
TCIG Employees' contributions	2,990	2,610
Total Contributions	7,129	7,025
<u>BENEFITS PAID:</u>		
Payments to beneficiaries	(217)	(692)
Prior year adjustment on benefits paid	-	(24)
Bank Charges	(0)	
Total Payments made	(217)	(716)
Total Fund balance as at December 31st	28,091	21,179
Represented by :		
Cash at bank (RBC pension account)	25,229	21,179
Amounts Due from TCIG	2,862	
Payouts made	48	57

PSEPF pay-out beneficiaries - year to date – 48.

11. HUMAN RESOURCE MANAGEMENT

Employees

There were 2,134 people employed by TCIG at the end of February 2025, consisting of 1,839 monthly paid employees and 295 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there were 34 new recruits and 11 attritions in the month of February.

Pensioners

The total number of Pensioners on the Public Service Pension and Retiring Allowance Plans at the end of the year was 319.

12. FINANCIAL OUTLOOK

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

