

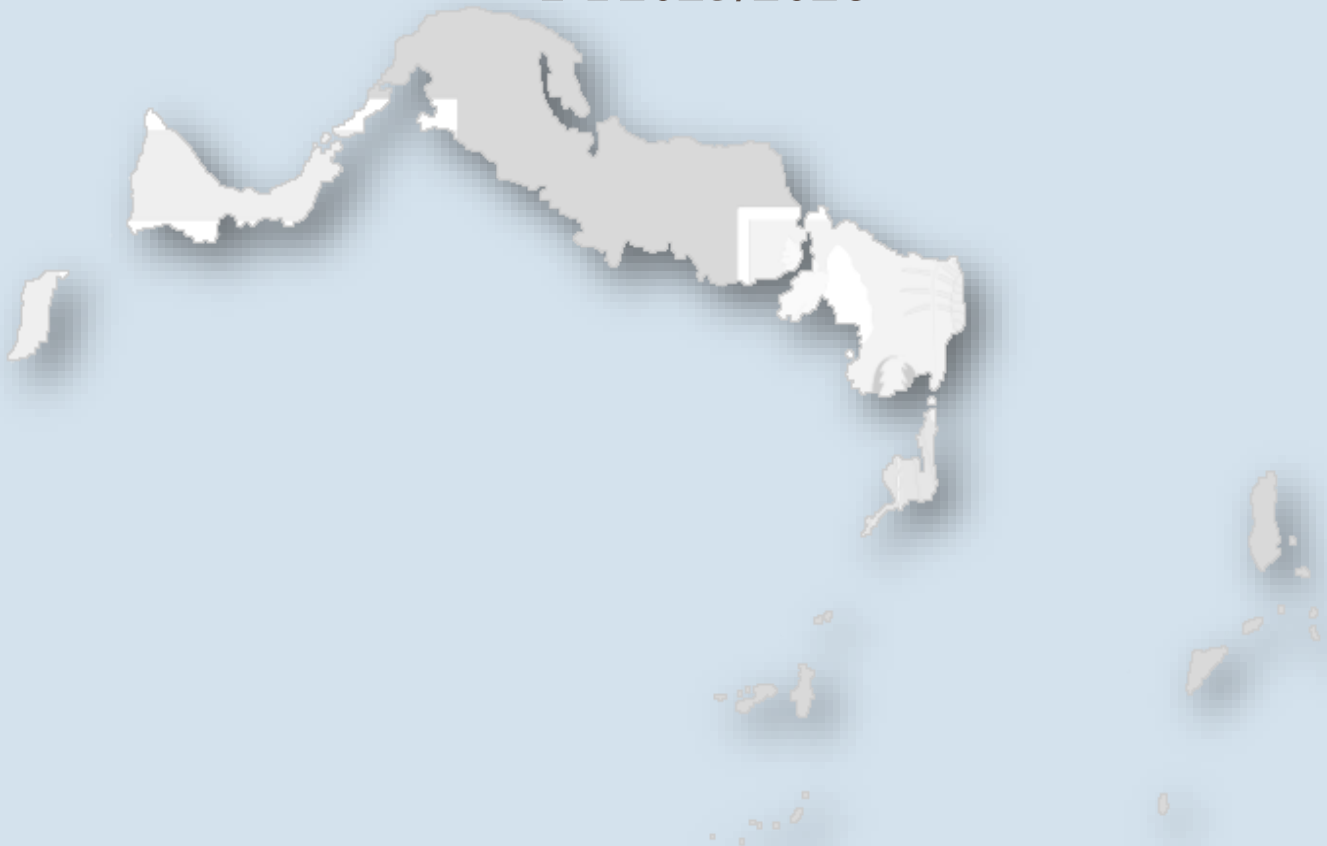


GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
FINANCIAL SERVICES AND SUPPLIES MANAGEMENT DEPARTMENT



FINANCIAL REPORT
For the month ended 31 May, 2025

FY2025/2026



Contents

KEY HIGHLIGHTS	3
1. ECONOMIC OVERVIEW	4
2. FISCAL OVERVIEW	5
2.1. FISCAL SUMMARY	6
2.2. CASH FLOW	6
3. REVENUE	7
3.1. REVENUE BY ECONOMIC CLASSIFICATION	7
3.1.1. RECURRENT REVENUE	7
3.1.2. OTHER RECURRENT REVENUE	10
4. EXPENDITURE	11
4.1. EXPENDITURE BY ECONOMIC CLASSIFICATION	11
4.1.1. RECURRENT EXPENDITURE	11
4.1.2. OTHER RECURRENT EXPENDITURE	14
4.1.3. NON-RECURRENT EXPENDITURE	14
5. OUTSTANDING PUBLIC DEBT	15
6. DEVELOPMENT FUND	15
6.1. DEVELOPMENT FUND ANALYSIS	15
6.2. TOP CAPITAL PROJECTS BY EXPENDITURE AMOUNT	15
7. NATIONAL WEALTH FUND (NWF)	16
7.1. STATEMENT OF NWF ACCOUNT	16
7.2. STATEMENT OF NWF FUNDS	16
8. NATIONAL FORFEITURE FUND	16
9. DESTINATION ENHANCEMENT FUND (DEF)	17
9.1. STATEMENT OF DEF FUNDS	17
10. PUBLIC SECTOR EMPLOYEES PENSION FUND (PSEPF)	18
11. HUMAN RESOURCE MANAGEMENT	18
12. FINANCIAL OUTLOOK	18

KEY HIGHLIGHTS

➤ **\$52.5 million revenue for the month.** The aggregate revenue collections for May were \$52.5 million against a budget of \$49.1 million.

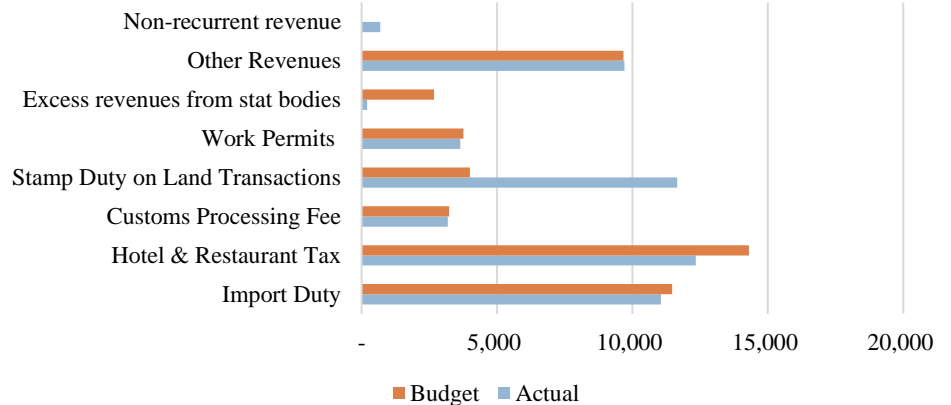
➤ **\$28.7 million expenditure for the month.** The total expenditure for the month of May was \$28.7 million compared to the budget of \$35.6 million.

➤ **\$3.2 million Capital expenditure during the year to date.** Capital expenditure for the month amounted to \$2.9 million, representing a 69% increase compared to the same month in the previous year and 35% underperformance on Budget. YTD CAPEX of \$3.2 million was 52% behind the budget and 50% less than the same period in the prior year.

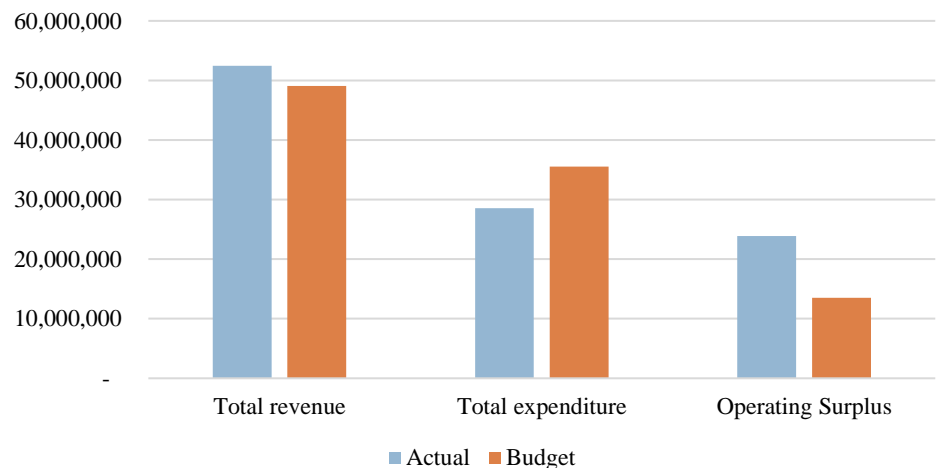
➤ **\$23.8 million operating surplus.** The operating surplus for the month was \$23.8 million against the forecast surplus of \$13.5 million.

➤ **Increase in the underlying Cash balances.** The underlying cash balance at the end of month showed an increase of \$20.9 million resulting in a closing cash balance of \$418.6 million.

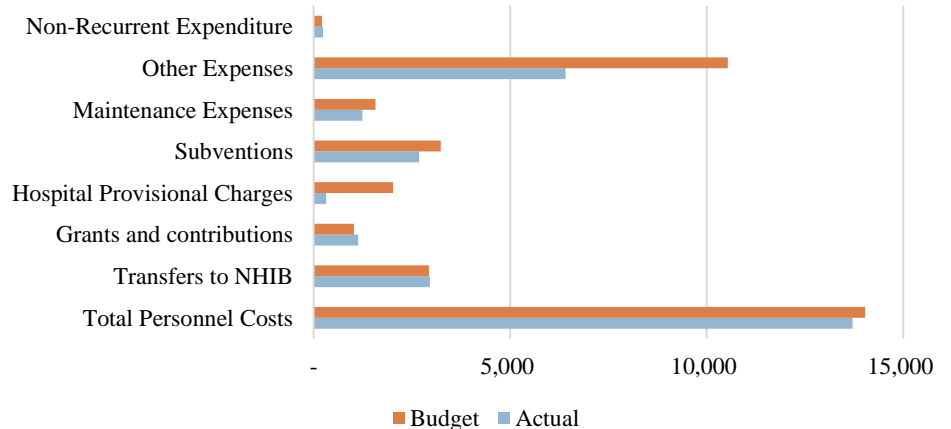
May FY2025-26 Revenue Budget Vs Actual



May FY2025-26 Operational Highlights



May FY2025-26 Budget Vs Actual Expenditure



1. ECONOMIC OVERVIEW

The local economy, like much of the global economy, continues to face inflationary pressures in FY 2025/26 arising from geopolitical tensions in Ukraine and the Middle East.

In its April 2025 World Economic Outlook, the IMF downgraded global GDP growth to 2.8%, citing escalating trade tensions, particularly between the U.S. and China and heightened policy uncertainty. The U.S. growth forecast was sharply revised downward from 2.7% to 1.8%, while China's was cut from 4.6% to 4.0%, reflecting the impact of tariffs and domestic challenges. Global trade is now expected to grow by just 1.7%. The World Economic Forum noted that elevated uncertainty and weakening momentum are contributing to a more fragile global economic environment. Inflation is generally expected to decline, though some countries may experience upward revisions.

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, including high public debt, dependency on tourism, inflation, high dependence on fossil fuels for energy, migration of skilled labour (brain drain), income and wealth disparities, supply chain disruptions, and 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. These challenges pose significant risks to economic stability and development. The World Bank emphasises 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 enhance the investment climate, increase connectivity, and foster new economic sectors are crucial for sustainable growth and high-productivity jobs.¹

Real GDP for 2024 is \$1.7 billion (Statistics Authority 2025). The economy is poised for continued growth in 2025, with nominal GDP projected to increase by 4.5% and per capita GDP expected to surpass \$35,000. A strong performance in tourism, real estate, and construction drives this growth. Key contributors include private and public investments in infrastructure, digitalisation, 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 stabilise 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. The TCI economy is highly exposed to imported inflation due to ongoing global trade instability.

¹ <https://caribbean.un.org/en/287093-caribbean-economic-growth-hold-steady-2025-challenges-remain>

FISCAL OVERVIEW

The Estimates of Revenue and Expenditure for the financial year 2025-26 were approved in the House of Assembly on May 27, 2025, 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 \$549.4 million, operating expenditures of \$480.2 million, and capital expenditure estimated at \$59.7 million, resulting in a projected surplus of \$9.5 million.

The Government ended May of FY2025-2026 with an operating surplus of \$23.8 million and a net cash increase of \$20.9 million, bringing the total cash balance to \$418.6 million. Revenue for the month was 7% higher than Budget and 1% less than that of a similar period in the prior year. Despite ongoing inflationary pressures, the Turks and Caicos Islands Government continues to experience strong cash flow and robust employment levels, driven primarily by continued growth in the tourism and real estate sectors. These key industries continue to support strong performance in major revenue categories, including Hotel, Restaurant and Tourism Taxes, Import Duties, and Stamp Duty from land transactions.

2.1. FISCAL SUMMARY

The month of May recorded an operating surplus of \$23.8 million against a projected surplus of \$13.5 million, a favourable performance of \$10.3 million or 76%. The performance against the Budget is mostly attributed to over performance of Stamp Duty on Land Transactions and underspending on Subventions, Maintenance Expenses and Personnel Costs during the month.

	May-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	51,777	49,094	53,077	2,683	5%	(1,300)	-2%	114,601	108,114	108,414	6,487	6%	6,187	6%
Non-Recurrent Revenue	688	5	71	683	13670%	618	873%	836	1,180	273	(345)	-29%	562	206%
Total Revenue	52,465	49,099	53,148	3,367	7%	(683)	-1%	115,436	109,294	108,687	6,142	6%	6,749	6%
Recurrent Expenditure	28,443	35,345	35,989	(6,902)	-20%	(7,546)	-21%	52,663	76,425	55,461	(23,762)	-31%	(2,799)	-5%
Non-Recurrent Expenditure	235	215	450	19	9%	(216)	-48%	334	1,492	1,017	(1,158)	-78%	(683)	-67%
Total Expenditure	28,677	35,561	36,439	(6,883)	-19%	(7,762)	-21%	52,996	77,917	56,478	(24,921)	-32%	(3,482)	-6%
Net Operating Surplus/Deficit	23,788	13,538	16,709	10,250	76%	7,079	42%	62,440	31,377	52,209	31,063	99%	10,231	20%

2.2. CASH FLOW

In May, the underlying cash balance increased by \$20.9 million, rising from \$397.7 million at the end of April 2025 to \$418.6 million as of May 31, 2025. This balance encompasses cash at the bank and short-term fixed deposits.

	May-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	23,788	13,538	16,709	10,250	76%	7,079	42%	62,440	31,377	52,209	31,063	99%	10,231	20%
Less:														
Capital Expenditure	(2,907)	(4,500)	(1,720)	1,593	-35%	(1,187)	69%	(3,197)	(6,640)	(6,429)	3,443	-52%	3,233	-50%
Debt Repayments	-	-	-	-	0%	-	0%	(68)	-	(100)	(68)	0%	32	0%
Net receipts	-	-	342	-	0%	342	100%	826	-	3,666	826	0%	2,840	77%
Net Cash Flow	20,881	9,038	15,331	11,843	131%	5,550	36%	60,001	24,737	49,345	35,264	143%	10,656	22%
Opening cash balance	397,730		403,889					358,611		369,875				
Closing cash balance	418,612		419,220					418,612		419,220				
Attributable to:														
Consolidated Fund	209,159							209,159						
Development Fund	110,013							110,013						
NFF	5,130							5,130						
National Wealth Fund	94,069							94,069						
DEF	240							240						
Closing cash balance	418,612							418,612						

2. REVENUE

3.1. REVENUE BY ECONOMIC CLASSIFICATION

3.1.1. RECURRENT REVENUE

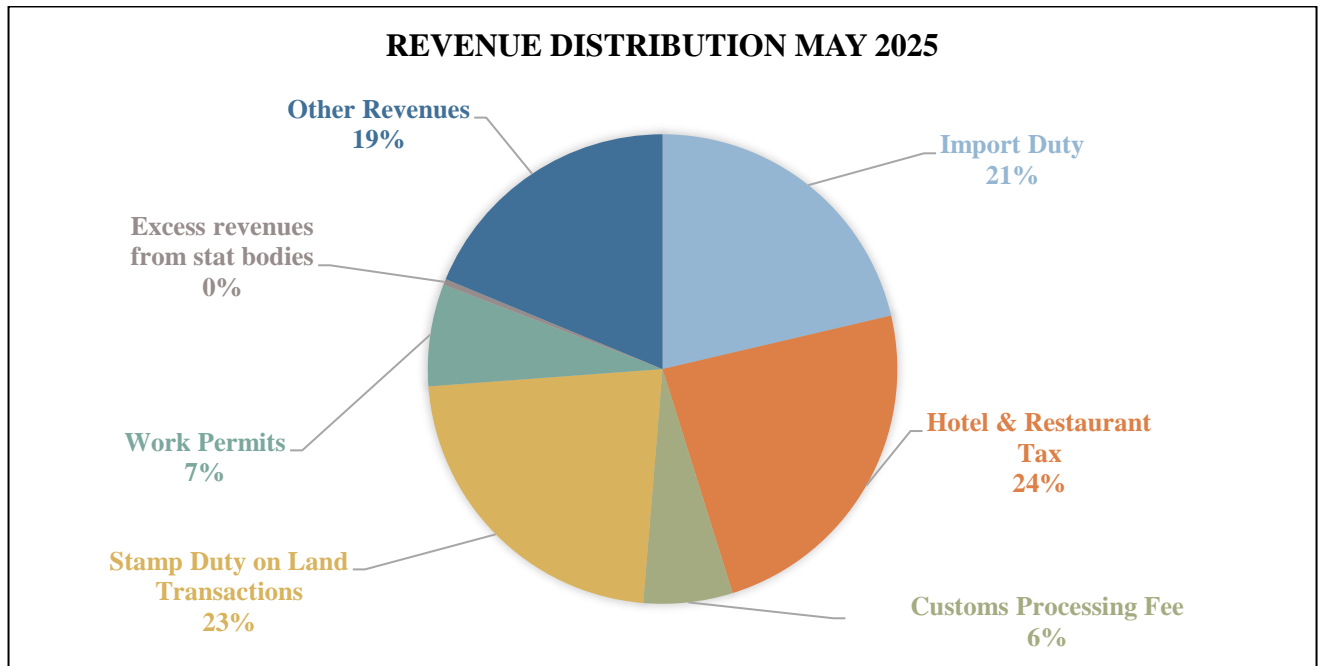
May 2025: \$51.8 million, YTD: \$114.6 Million

	May - 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	11,050	11,470	9,852	(420)	-4%	1,198	12%	22,419	21,978	18,863	441	2%	3,555	19%
Hotel & Restaurant Tax	12,341	14,298	11,531	(1,958)	-14%	810	7%	29,614	31,357	27,700	(1,743)	-6%	1,914	7%
Customs Processing Fee	3,177	3,226	2,788	(49)	-2%	389	14%	6,960	6,839	5,901	121	2%	1,059	18%
Stamp Duty on Land Transactions	11,657	4,000	3,815	7,657	191%	7,843	206%	15,514	13,560	13,909	1,955	14%	1,605	12%
Work Permits	3,639	3,765	3,618	(126)	-3%	21	1%	6,643	7,414	7,080	(770)	-10%	(437)	-6%
Excess revenues from stat bodies	208	2,669	13,477	(2,461)	-92%	(13,270)	-98%	13,995	7,031	17,478	6,964	99%	(3,483)	-20%
Other Revenues	9,705	9,665	7,997	40	0%	1,708	21%	19,456	19,936	17,483	(480)	-2%	1,973	11%
Total Recurrent Revenue	51,777	49,094	53,077	2,683	5%	(1,300)	-2%	114,601	108,114	108,414	6,487	6%	6,187	6%

In May, recurrent revenue amounted to \$51.8 million. This result was \$2.7 million or 5% more than the budget and \$1.3 million or 2% less than prior year. The performance against the budget is mainly attributed to Stamp Duty on Land Transactions. The five main revenue streams constituted 81% of the total recurrent revenue for the month.

Year to date, the aggregate recurrent revenue is \$114.6 million, which is 6% higher than the budget and 6% more than the same period in the prior year. This increase is mainly due to one off collection from the FSC as excess revenue.

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 24% of the total collected during May. HRTT collections for the month reached \$12.3 million, 14% or \$2 million below the Estimates and 7% or \$0.8 million more than the collections from the same period. Year-to-date, HRTT collections amounted to \$29.6 million, which was \$1.7 million (6%) below the budget and \$1.9 million (7%) higher than the same period in the previous year. May typically marks the end of the high tourist season and a transition from the busy winter/spring travel period into the warmer quieter summer months.

Import duties were the third largest contributor to recurrent revenue, accounting for 21% 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 May, import duty collections reached \$11.1 million which was \$0.4 million or 4% less than the Budget and \$1.2 million or 12% higher than the same period last year. Year-to-date, import duty collections amounted to \$22.4 million, which was above the budget by \$0.4 million (2%) and higher than the prior year by \$3.6 million (19%).

Customs Processing Fees (CPF) for May amounted to \$3.2 million, which was \$49 thousands (2%) lower than the the Budget and \$0.4 million or 14% higher than 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 prior period attributed to a an increase in imports during the month. Year to date, Customs processing fees totaled \$7 million which was 2% higher than Estimates and 18% more than the prior 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 \$11.7 million. The collections were \$7.6 million or 191% higher than the budget and \$7.8 million or 206% above the prior year period. Year to date collections totaled \$15.5 million which was \$2 million or 14% higher than Estimates and \$1.6 million or 12% 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 \$3.6 million for the month, accounting for 7% of the total recurrent Revenue. This was \$0.1 million or 3% below the budget and \$21 thousands or 1% above the collections in the prior year. Year to date, work permit fees collections totaled \$6.6 million which was \$0.8 million or 10% lower than the Estimates and \$0.4 million or 6% lower than the prior year. Work permit Revenue collection overtime is expected to increase as most work permit holders are employed in the tourism and hospitality sector, and hiring would increase with increased business activity.

Excess Revenue from Statutory bodies totaled \$0.2 million during the month mainly from Gaming Control Commission. This formed less than 1% of recurrent revenue. This was \$2.5 million or 92% less than the Estimates and \$13.3 million or 98% less than the prior year results. Year to date, Excess revenue from Statutory Bodies totaled \$14 million which was \$7 million or 99% more than Estimates and \$3.5 million or 20% less than the prior year. The overperformance year to date, is mainly due to windfall remittances from the Financial services Commission, TCI Airports Authority and Gaming Control Commission.

3.1.2. OTHER RECURRENT REVENUE

Other recurrent revenues totaled \$9.7 million was on par with the estimates and \$1.7 million or 21% higher than collections of prior year. The slight increase is mainly attributed to higher collections of Insurance Premiums Tax, PDA application fees, Fuel Tax, Communication Tax, Vehicle License Renewals, Seaport Departure Tax, offset by adverse performance of Destination Management Fees, Telecommunication Licenses, Overtime Costs Recovered, Gaming Machine Tax and Work Permits Repatriation. Year to date, Other revenue totaled \$19.5 million which was 2% lower than Estimates and 11% more than the prior year. The unfavourable performance against the Budget is attributed to lower than expected collections of Destination Management Fees, Telecommunication Licenses, Vehicle License Renewals, Work permits Repatriation and Overtime Costs Recovered offset by favourable performance of Insurance Premium Tax, Fuel Tax, Permanent Residency Fees, PDA application fees, Communication Tax and Seaport Departure Tax.

The table below shows the breakdown of Other Revenue.

	May - 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	1,041	970	911	72	7%	130	14%	2,088	2,016	1,622	72	4%	466	29%
Destination Management Fees	-	500	-	(500)	(100%)	-	-	794	1,200	-	(406)	(34%)	794	-
Business License renewal	441	424	398	17	4%	43	11%	2,060	2,065	1,939	(5)	(0%)	121	6%
Communication Tax	663	544	511	118	22%	152	30%	1,189	1,071	1,006	117	11%	183	18%
Gaming Machine Tax	416	512	596	(96)	(19%)	(180)	(30%)	1,000	1,096	952	(96)	(9%)	48	5%
Telecommunication Licenses	218	445	382	(227)	(51%)	(164)	(43%)	447	875	751	(428)	(49%)	(304)	(40%)
Overtime Costs Recovered	55	162	203	(107)	(66%)	(148)	(73%)	185	296	371	(111)	(38%)	(187)	(50%)
Fuel Tax	866	702	611	164	23%	255	42%	1,800	1,538	1,369	262	17%	431	31%
Vehicle License Renewals	428	400	340	28	7%	88	26%	780	1,125	726	(345)	(31%)	54	7%
Permanent Residency Fees	324	349	488	(25)	(7%)	(164)	(34%)	748	578	931	170	29%	(183)	(20%)
Insurance Premiums tax	555	284	267	270	95%	288	108%	949	545	512	404	74%	437	85%
Stamp duty - vehicle hire	403	287	270	116	40%	133	49%	717	668	634	49	7%	83	13%
Stamp duty Miscellaneous	58	32	105	25	78%	(47)	(45%)	84	55	105	29	53%	(21)	(20%)
PDA application fees	137	1	146	136	13607%	(9)	(6%)	306	167	307	139	83%	(1)	(0%)
Work Permits Repatriation	301	398	398	(97)	(24%)	(96)	(24%)	510	791	787	(281)	(36%)	(278)	(35%)
Other Revenues	3,800	3,654	2,371	146	4%	1,429	60%	5,799	5,850	5,469	(51)	(1%)	330	6%
OTHER REVENUE	9,705	9,665	7,997	40	0%	1,708	21%	19,456	19,936	17,483	(480)	-2%	1,973	11%

NON-RECURRENT REVENUE

Non-recurrent Revenue of \$0.7 million relating to Revenue from Grants and land sales was recorded during the month. This was \$0.7 million higher than Estimates and \$0.6 million higher than the prior year. Year to date, Non-recurrent revenue totaled \$0.8 million which was 29% below budget and 206% more than last year. The favorable variance against the budget is as a result of Grant Income received during the period.

3. EXPENDITURE

4.1. EXPENDITURE BY ECONOMIC CLASSIFICATION

4.1.1. RECURRENT EXPENDITURE

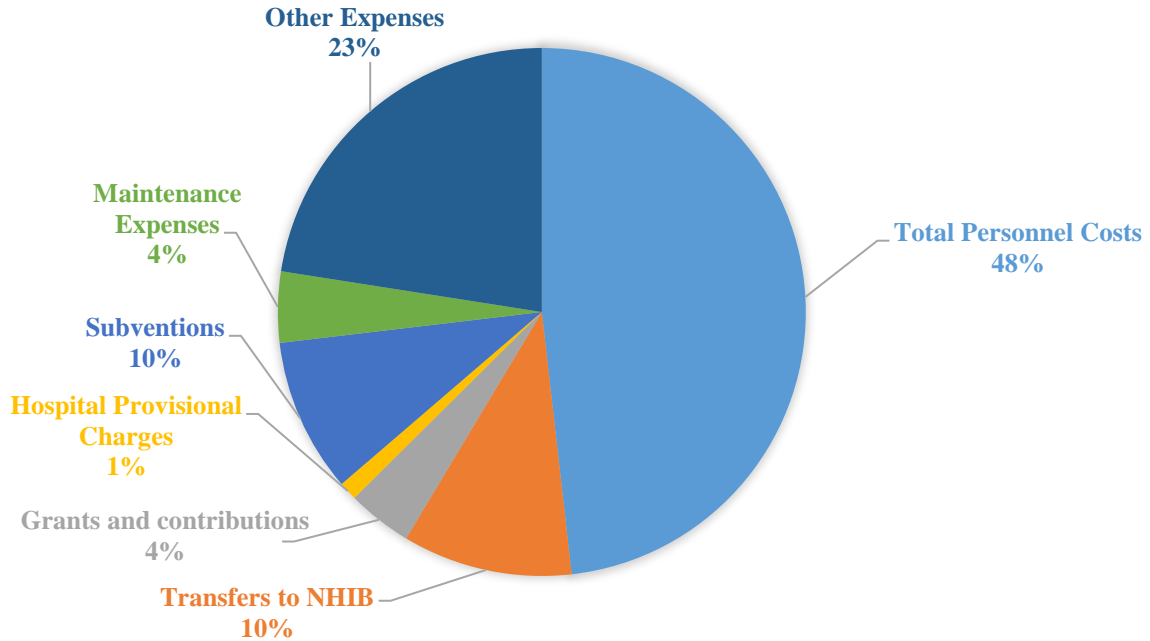
Recurrent Expenditure: May 2025: \$28.4 million, YTD: 52.7 million

	May - 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	13,708	14,028	13,383	(320)	-2%	324	2%	27,062	27,884	26,346	(822)	-3%	716	3%
Transfers to NHIB	2,958	2,929	5,915	29	1%	(2,958)	-50%	5,915	5,858	5,915	58	1%	0	0%
Grants and contributions	1,131	1,028	496	103	10%	635	128%	2,025	3,094	536	(1,069)	-35%	1,489	278%
Hospital Provisional Charges	322	2,018	481	(1,696)	-84%	(159)	-33%	322	4,517	481	(4,195)	-93%	(159)	-33%
Subventions	2,682	3,237	3,343	(556)	-17%	(662)	-20%	4,727	6,373	7,193	(1,646)	-26%	(2,466)	-34%
Maintenance Expenses	1,236	1,570	1,445	(334)	-21%	(209)	-14%	1,884	3,997	1,709	(2,113)	-53%	176	10%
Other Expenses	6,407	10,536	10,925	(4,129)	-39%	(4,518)	-41%	10,726	24,702	13,281	(13,975)	-57%	(2,554)	-19%
Total Recurrent Expenditure	28,443	35,345	35,989	(6,902)	-20%	(7,546)	-21%	52,663	76,425	55,461	(23,762)	-31%	(2,799)	-5%

Recurrent expenditure for May totaled \$28.4 million. The results were 20% or \$7 million less than the Estimates and \$7.5 million or 21% less than the Prior Year. The underspend against the budget is mainly attributed to delayed payments for Hospital Provisional Charges, less spending on Personnel costs due to the number of vacancies that remain unfilled and Subventions, Maintenance Expenses offset by more spending on Grants and Contributions. Year to date, total recurrent expenditure totaled \$52.7 million which was 31% behind the Estimates and 5% lower than prior year.

Recurrent expenditures were distributed as shown below;

EXPENDITURE DISTRIBUTION MAY 2025



NHIB transfers during May amounted to \$3 million. This made up 11% of the total recurrent expenditure. This was \$29 thousand or 1% higher than the Estimates and \$3 million or 50% lower than the results of the same period prior year. Year to date, the expenditure is \$58 thousands or 1% higher than the budget and in line with Prior year results.

Subventions to Statutory Bodies for the month of May, totaled \$2.7 million. This was \$0.6 million (17%) lower than budgeted and \$0.7 million (20%) lower than the expenditure for the same period last year. As the year progresses these should normalise.

Hospital Provisional Charges for May amounted to \$0.3 million. The result was \$1.7 million or 84% below the Estimates and 33% lower than the prior year's performance. The underspend is as a result of delayed payments to Interhealth Canada due to ongoing arbitration and reconciliations.

Personnel Costs accounted for 48% of the recurrent expenditure, totaling \$13.7 million in May 2025. The result was lower than the Estimates by \$0.3 million or 2%. Compared to the prior year, the Personnel costs were \$0.3 million or 2% higher. Performance against budget is attributed to vacancies existing within the civil service. Year to date, Personnel costs totaled \$27.1 million which was \$0.8 million or 3% lower than the Budget and \$0.7 million or 3% higher than the prior year.

Personnel Costs are further itemized below.

	May - 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	10,219	10,542	10,094	(323)	-3%	125	1%	20,315	21,044	19,493	(729)	-3%	822	4%
Contribution to NIB and NHIB	878	804	861	74	9%	17	2%	1,751	1,612	1,677	139	9%	75	4%
Housing Allowances	543	600	505	(56)	-9%	38	7%	1,066	1,198	997	(132)	-11%	68	7%
Transport Allowances	91	148	89	(58)	-39%	1	2%	173	300	178	(127)	-42%	(4)	-2%
Telephone Allowances	104	115	97	(12)	-10%	7	7%	204	233	191	(29)	-12%	13	7%
Other Allowances	492	426	424	66	15%	68	16%	939	872	827	67	8%	112	13%
Total compensation of employees	12,326	12,636	12,070	(309)	-2%	257	2%	24,449	25,258	23,364	(810)	-3%	1,085	5%
Members of the House of Assembly														
Salaries - Ministers and Members	214	209	222	5	2%	(8)	-4%	428	417	444	10	2%	(16)	-4%
NIB and NHIB	10	11	8	(2)	-16%	1	13%	19	23	17	(4)	-16%	2	13%
Allowances for Ministers and Members	55	46	46	9	19%	9	20%	111	93	92	18	19%	18	20%
Total	279	267	277	12	5%	2	1%	557	533	553	24	5%	4	1%
Pensions and gratuities														
Pensions (PSPP and RAP)*	477	478	457	(1)	0%	20	4%	952	956	929	(4)	0%	22	2%
Employer's Contribution (PSEPF)*	283	311	282	(29)	-9%	1	0%	565	624	544	(59)	-9%	21	4%
Gratuities	167	160	150	7	5%	17	11%	187	160	659	27	17%	(472)	-72%
Pensions - Legislators	176	176	148	-	0%	28	19%	352	352	297	-	0%	55	19%
Gratuities - Legislators	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total pensions and gratuities	1,103	1,125	1,037	(23)	-2%	66	6%	2,056	2,092	2,429	(36)	-2%	(373)	-15%
Total PE Cost	13,708	14,028	13,383	(320)	-2%	324	2%	27,062	27,884	26,346	(822)	-3%	716	3%

*PSPP-Public Service Pension Plan

*RAP- Retiring Allowance Plan

*PSEPF- Public Sector Employees Pension Fund

4.1.2. OTHER RECURRENT EXPENDITURE

Other Recurrent Expenditure: May 2025: \$6.4 million, YTD: 10.7 million

	May - 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	796	805	1,112	(10)	-1%	(316)	-28%	1,676	1,852	1,285	(175)	-9%	392	30%
Professional and Consultancy	1,575	1,509	1,277	66	4%	297	23%	1,854	3,840	1,618	(1,985)	-52%	236	15%
Recurrent Sub Programmes	415	869	795	(453)	-52%	(380)	-48%	907	2,822	880	(1,915)	-68%	27	3%
Rental of assets	610	626	1,029	(17)	-3%	(420)	-41%	1,181	1,262	1,137	(81)	-6%	43	4%
Utilities	519	494	356	25	5%	163	46%	814	997	738	(183)	-18%	76	10%
Local Travel and Subsistence	255	419	461	(165)	-39%	(207)	-45%	422	1,129	641	(707)	-63%	(219)	-34%
Security expenses	186	122	266	64	53%	(80)	-30%	493	832	298	(339)	-41%	196	66%
International Travel & Subsistence	234	206	243	28	13%	(9)	-4%	332	733	335	(401)	-55%	(3)	-1%
Communication Expenses	118	210	273	(93)	-44%	(155)	-57%	232	437	364	(205)	-47%	(131)	-36%
Bank charges	119	119	154	-	0%	(35)	-23%	238	238	285	-	0%	(47)	-17%
Data Communication cost	22	25	342	(3)	-13%	(320)	-94%	45	775	342	(730)	-94%	(298)	-87%
Insurance Expenses	1	2,063	1,916	(2,062)	-100%	(1,915)	-100%	11	2,184	1,916	(2,173)	-99%	(1,905)	-99%
Hosting and Entertainment	195	349	202	(155)	-44%	(7)	-4%	273	780	254	(507)	-65%	19	7%
Repatriation and exportation	410	532	741	(122)	-23%	(331)	-45%	427	1,091	741	(664)	-61%	(314)	-42%
Other supplies & Material	86	223	188	(137)	-61%	(102)	-54%	129	668	239	(539)	-81%	(111)	-46%
Local Training	33	128	65	(95)	-74%	(31)	-49%	61	280	90	(219)	-78%	(29)	-32%
Other Sundry Expenses	109	98	122	11	11%	(13)	-11%	161	283	146	(121)	-43%	15	10%
Fuel	73	129	88	(56)	-43%	(15)	-17%	155	276	206	(121)	-44%	(51)	-25%
Other Recurrent Expenditure	653	1,609	1,296	(956)	-59%	(644)	-50%	1,315	4,224	1,765	(2,909)	-69%	(450)	-26%
TOTAL	6,407	10,536	10,925	(4,129)	-39%	(4,518)	-41%	10,726	24,702	13,281	(13,975)	-57%	(2,554)	-19%

In May, Other recurrent expenses totaled \$6.4 million which was \$4.1 million or 39% below the Estimates and \$4.5 million or 41% lower than the prior year. Year to date, Other expenses totaled \$10.7 million which was lower than the Budget by \$14 million or 57% and 19% lower than the prior year. The performance against Budget was mainly due to timing differences between the budget profiling and execution (for example the CCRIF insurance payment). These timing differences are expected to even out as the financial year progresses.

4.1.3. NON-RECURRENT EXPENDITURE

The results for May totaled \$0.2 million. This was \$19 thousands or 9% higher than Estimates and \$0.2 million or 48% below the same period in the prior year. The budget performance against the budget was due to timing differences. Non Recurrent Expenditure in the month is mainly attributed to SIPT \$0.1 million and Civil Recovery Costs \$0.1 million. Year to date, Non-Recurrent Expenditure totaled \$0.3 million which was lower than the Budget by \$1.2 million or 78% and \$0.7 million or 67% lower than the prior year.

5. OUTSTANDING PUBLIC DEBT

Statement of Outstanding Public Debt	Interest Rates	Outstanding Balance	New Drawdowns	Principal Repayment During	Outstanding Balance
		01-Apr-25	2025/26	2025/26	31-May-25
Financial Liabilities - Borrowings	%	US\$'000	US\$'000	US\$'000	US\$'000
Further Education (04/SFR-OR-TCI)	2.5%	283	-	(22)	261
Integrated Solid Waste Management (5/OR-TCI)	4.90%	278	-	(46)	231
Total unsecured debts		560	-	(68)	492

TCIG holds two debt instruments with the Caribbean Development Bank (CDB). The outstanding debt as of May 31, 2025 and Year-to-date was \$0.5 million, \$68k principal repayments were made, and \$6k finance costs and commitment fees were paid.

6. DEVELOPMENT FUND

6.1.DEVELOPMENT FUND ANALYSIS

The development fund balance as of May 31, 2025 was \$110 million, and the Capital expenditure year to date is \$3.2 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
Awards and commitments	33,655,489
Completed projects - savings returned to CF	(1,027,446)
Capex 2024/25	(38,616,193)
As at 31 March 2025	53,508,306
Appropriation for FY2025/26	59,701,848
Capex 2025/26 – YTD	(3,196,899)
As at 31 May 2025	110,013,255

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	5788	Ambulances for Islands	722,751.93
2	5677	Purchase and Installation of New 1 million gallon SWRO Unit	667,518.22
3	5682	Highway and Road Improvements	416,733.23
4	5683	Remediation Works to Ponds and Bridges	363,435.07
5	5624	Prison Works	232,920.34
6	5754	Repairs to RGHS Art Block	192,314.09
7	5765	Redevelopment of Regatta Village - XSC	165,081.03
8	5734	Housing Project Initiative	153,148.44
9	5590	Consultancy Framework Agreement	128,563.75
10	5696	Purchase of Patrol Vessel	69,905.41

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 2024/25, no funds are expected to be transferred to NWF as only 1% of actual revenue was in excess of the estimates for the period.

7.1. STATEMENT OF NWF ACCOUNT

As of May 31, 2025, the National Wealth Fund balance was \$94.3 million.

FY 2024-25 results (in US\$' '000)				Transfer of (50%) excess revenue (US\$' 000)	Opening NWF 01/04/2025 (US\$' 000)	Interest income (US\$' 000)	Closing NWF 31/05/2025 (US\$' 000)
Revenue	Estimates	Excess	%				
503,675	499,978	3,697	1%	-	93,427	826	94,253

7.2. STATEMENT OF NWF FUNDS

The value of the National Wealth fund is attributable to;

(All figures in US\$'000)	31-May-25 US\$'000	31-Mar-25 US\$'000
Stabilization Fund	47,077	46,499
Infrastructure and Competiveness Fund	13,450	13,285
Heritage Fund	6,491	6,417
Citizen's Empowerment Fund	7,120	7,116
Mortgage Corporation Fund	20,114	20,110
National Wealth Fund balance at the end of the period	94,253	93,427

Represented by		
Cash at Bank	10,356	10,356
Fixed deposit	83,713	82,887
Investment Property	184	184
	94,253	93,427

Fixed deposit totaling to \$83.7 million is currently held by the National Wealth Fund with an interest rate of 3.9% 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 \$5.1 million as at May 31, 2025. During the period, there were no funds from the Consolidated Fund. The purpose of NFF is to fund the operational Budget of the Anti-Money Laundering Committee. Movement in the Fund is shown below.

(All figures in US\$'000)	31-May-25 US\$'000	31-Mar-25 US\$'000
Opening Balance	5,170	6,832
Receipts		
Transfers from Consolidated Fund	-	2,610
Other receipts	-	18
Total receipts	-	2,628
Payments		
Transfers to Consolidated Fund	-	1,680
Other payments	40	2,610
Total payments	40	4,290
Net increase in National Forfeiture Fund balance	(40)	(1662)
National Forfeiture Fund balance at the end of the period	5,130	5,170

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 May 31, 2025 is shown below;

(All figures in US\$'000)	31-May-25	31-Mar-25
Opening Balance	-	1,164
Receipts		
Destination management fees	794	5,412
Total receipts	794	6,576
Payments		
Subvention to the DMMO	(554)	(6,576)
Other payments	-	-
Total payments	(554)	(6,576)
Destination Enhancement Fund balance at the end of the period	240	-

*DMMO- Destination Marketing and Management Organization

10. PUBLIC SECTOR EMPLOYEES PENSION FUND (PSEPF)

The Public Sector Employees Pension Fund Ordinance came into force on March 25, 2022 to establish a defined contribution pension fund for public sector employees. The Fund is mandatory for TCIG and Statutory bodies employees with the exception of employees covered under the Pensions Ordinance (employed before 6 April 1992), temporary employees and contract employees entitled to a gratuity. An initial transfer of \$7.9 million was seeded into the fund as per appropriation in FY 2021/22. Additional seed funding of \$7 million was provided through appropriation in FY 2023-24 and the total seed funding was transferred to a separate bank account. The Fund balances are maintained in an escrow account with RBC bank and do not form part of the Consolidated Fund cash balances.

Payments totaling \$20k were paid to beneficiaries during the year to date.

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

	31-May-25	31-Mar-25
Opening balance at May 1	29,710,811.03	21,179,406.46
CONTRIBUTIONS MADE:		
Contributions by Statutory bodies	44,489.31	1,464,622.64
Employer's Contributions by TCIG- YTD	565,311.31	3,433,103.85
TCIG Employees' contributions- YTD	565,311.31	3,433,103.85
Ex-gratia funding	-	1,000,000.00
BENEFITS PAID:		
Payments to beneficiaries YTD	(20,003.92)	(799,377.02)
Prior year adjustment on benefits paid	-	-
Bank charges YTD	(0.75)	(48.75)
Closing PSEPF balance	30,865,918.29	29,710,811.03

11. HUMAN RESOURCE MANAGEMENT

Employees

There were 2,198 people employed by TCIG at the end of May 2025, consisting of 1,908 monthly paid employees and 290 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there are no new recruits and attritions in the month of May.

Pensioners

The total number of Pensioners on the Public Service Pension and Retiring Allowance Plans by the end of the month was 328.

12. FINANCIAL OUTLOOK

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

Tourism remains the cornerstone of the economy, significantly impacting TCIG's financial outlook. S&P Global ratings upgraded TCI's credit rating from BBB+ to A- which demonstrates the territories robust economic performance and continued fiscal prudence. The Government continues to implement fiscal policies aimed at

