GOVERNMENT OF THE TURKS AND CAICOS ISLANDS

FINANCIAL SERVICES AND SUPPLIES MANAGEMENT DEPARTMENT

FINANCIAL REPORT

For the month ended 31 July, 2025

FY2025/2026

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KEY HIGHLIGHTS

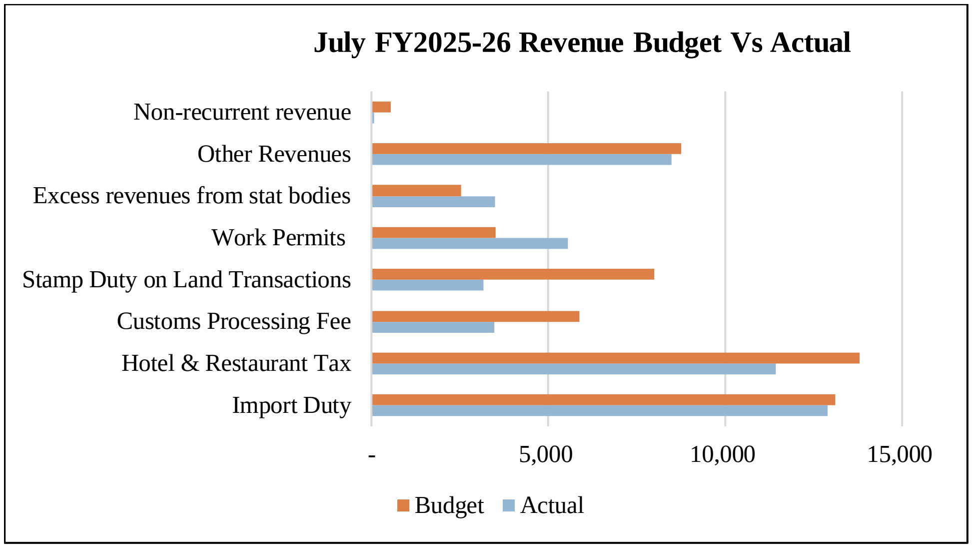
- **$48.6 million revenue for the month.** The aggregate revenue collections for July were $48.6 million against a budget of $56.1 million.

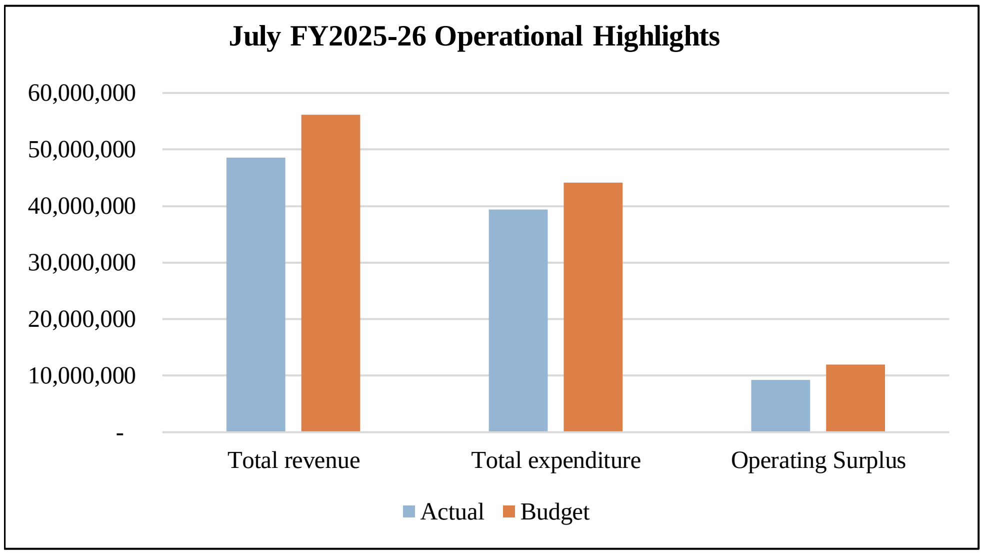
- **$39.4 million expenditure for the month.** The total expenditure for the month of July was $39.4 million compared to the budget of $44.2 million.

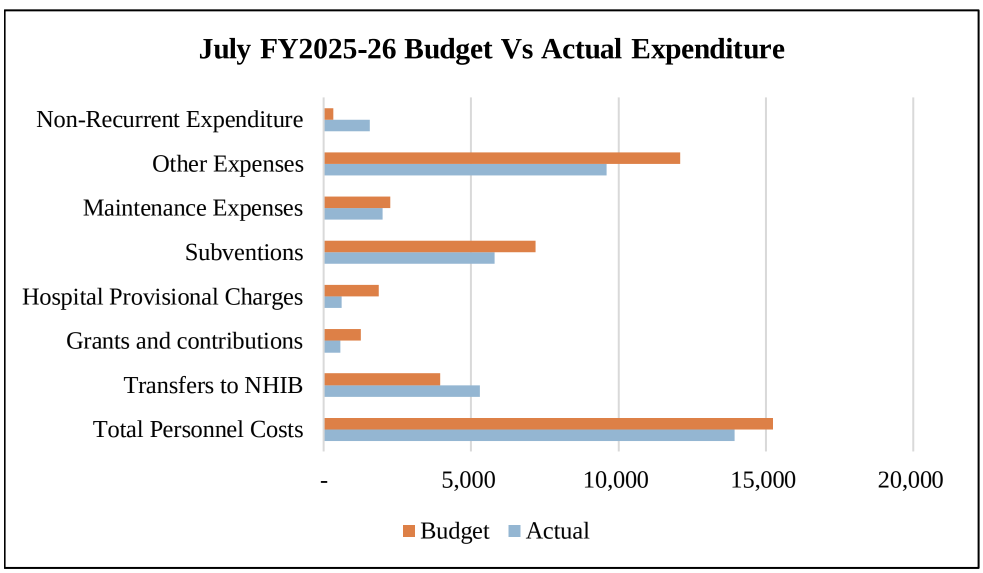
- **$7.5 million Capital expenditure during the year to date.** Capital expenditure for the month amounted to $1.5 million, representing a 61% decrease compared to the same month in the previous year and 67% underperformance on Budget. YTD CAPEX of $7.5 million was 51% behind the budget and 45% less than the same period in the prior year.

- **$9.2 million operating surplus**. The operating surplus for the month was $9.2 million against the forecast surplus of $11.9 million.

- **Increase in the underlying Cash balances**. The underlying cash balance at the end of month showed an increase of $7.7 million resulting in a closing cash balance of $438.5 million.







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.

The July 2025 World Economic Outlook projected Global growth at 3.0% for 2025 and 3.1% in 2026. The forecast for 2025 is 0.2 percentage point higher than that in the reference forecast of the April 2025 World Economic Outlook (WEO) and 0.1 percentage point higher for 2026. This reflects stronger-than-expected front-loading in anticipation of higher tariffs; lower average effective US tariff rates than announced in April; an improvement in financial conditions, including due to a weaker US dollar; and fiscal expansion in some major jurisdictions.

Global headline inflation is expected to fall to 4.2% in 2025 and 3.6% in 2026, a path similar to the one projected in April. The overall picture hides notable cross-country differences, with forecasts predicting inflation will remain above target in the United States and be more subdued in other large economies.

Geopolitical tensions could disrupt global supply chains and push commodity prices up. Larger fiscal deficits or increased risk aversion could raise long-term interest rates and tighten global financial conditions. Combined with fragmentation concerns, this could reignite volatility in financial markets. On the upside, global growth could be lifted if trade negotiations lead to a predictable framework and to a decline in tariffs. Policies need to bring confidence, predictability, and sustainability by calming tensions, preserving price and financial stability, restoring fiscal buffers, and implementing much-needed structural reforms.

https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025

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

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

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.

2. 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 July of FY2025-2026 with an operating surplus of $9.2 million and a net cash increase of $7.7 million, bringing the total cash balance to $438.5 million. Monthly revenue fell short of budget by 13% but was 3% higher compared to July 2024. 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 July recorded an operating surplus of $9.2 million against a projected surplus of $11.9 million, unfavourable performance of $2.7 million or 23%. The adverse performance against the Budget is attributed to under performance of Stamp Duty on Land transactions, Hotel & Restaurant Tax, Import Duty and Customs processing fee offset by favourable performance on Work permits and Excess revenue from statutory bodies.

	July-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	48,512	55,586	47,048	(7,074)	-13%	1,464	3%	202,901	205,691	191,513	(2,790)	-1%	11,388	6%
Non-Recurrent Revenue	80	540	47	(460)	-85%	33	69%	950	2,765	325	(1,815)	-66%	624	192%
Total Revenue	**48,592**	**56,125**	**47,095**	**(7,534)**	**-13%**	**1,497**	**3%**	**203,851**	**208,456**	**191,838**	**(4,605)**	**-2%**	**12,012**	**6%**
Recurrent Expenditure	37,809	43,874	34,659	(6,065)	-14%	3,150	9%	124,252	167,017	122,252	(42,765)	-26%	2,000	2%
Non-Recurrent Expenditure	1,572	322	358	1,250	388%	1,214	339%	1,960	3,530	2,851	(1,570)	-44%	(891)	-31%
Total Expenditure	**39,381**	**44,196**	**35,017**	**(4,815)**	**-11%**	**4,364**	**12%**	**126,212**	**170,548**	**125,104**	**(44,336)**	**-26%**	**1,108**	**1%**
Net Operating Surplus/Deficit	**9,211**	**11,930**	**12,078**	**(2,719)**	**-23%**	**(2,867)**	**-24%**	**77,639**	**37,908**	**66,735**	**39,731**	**105%**	**10,904**	**16%**

2.2. CASH FLOW

In July, the underlying cash balance increased by $7.7 million, rising from $430.7 million at the end of June 2025 to $438.5 million as of July 31, 2025. This balance encompasses cash at the bank and short-term fixed deposits.

	July-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	**9,211**	**11,930**	**12,078**	**(2,719)**	**-23%**	**(2,867)**	**-24%**	**77,639**	**37,908**	**66,735**	**39,731**	**105%**	**10,904**	**16%**
Less:											-			
Capital Expenditure	(1,467)	(4,500)	(3,737)	3,033	-67%	2,270	-61%	(7,520)	(15,500)	(13,558)	7,980	-51%	6,038	-45%
Debt Repayments	(68)	-	(105)	-	0%	37	35%	(136)	-	(205)	(136)	0%	69	33%
Net receipts		-	1,203	-	0%	1,203	100%	1,565	-	958	1,565	0%	(607)	-63%
Net Cash Flow	**7,744**	**7,430**	**9,439**	**314**	**4%**	**(1,695)**	**-18%**	**71,548**	**22,408**	**53,930**	**49,140**	**219%**	**17,618**	**33%**
Opening cash balance	430,714		411,456					366,910		366,965				
Closing cash balance	**438,458**		**420,895**					**438,458**		**420,895**				
Attributable to:														
Consolidated Fund	237,877							237,877						
Development Fund	103,706							103,706						
NFF	2,566							2,566						
National Wealth Fund	94,074							94,074						
DEF	234							234						
Closing cash balance	**438,458**							**438,458**						

3. REVENUE

3.1. REVENUE BY ECONOMIC CLASSIFICATION

3.1.1. RECURRENT REVENUE

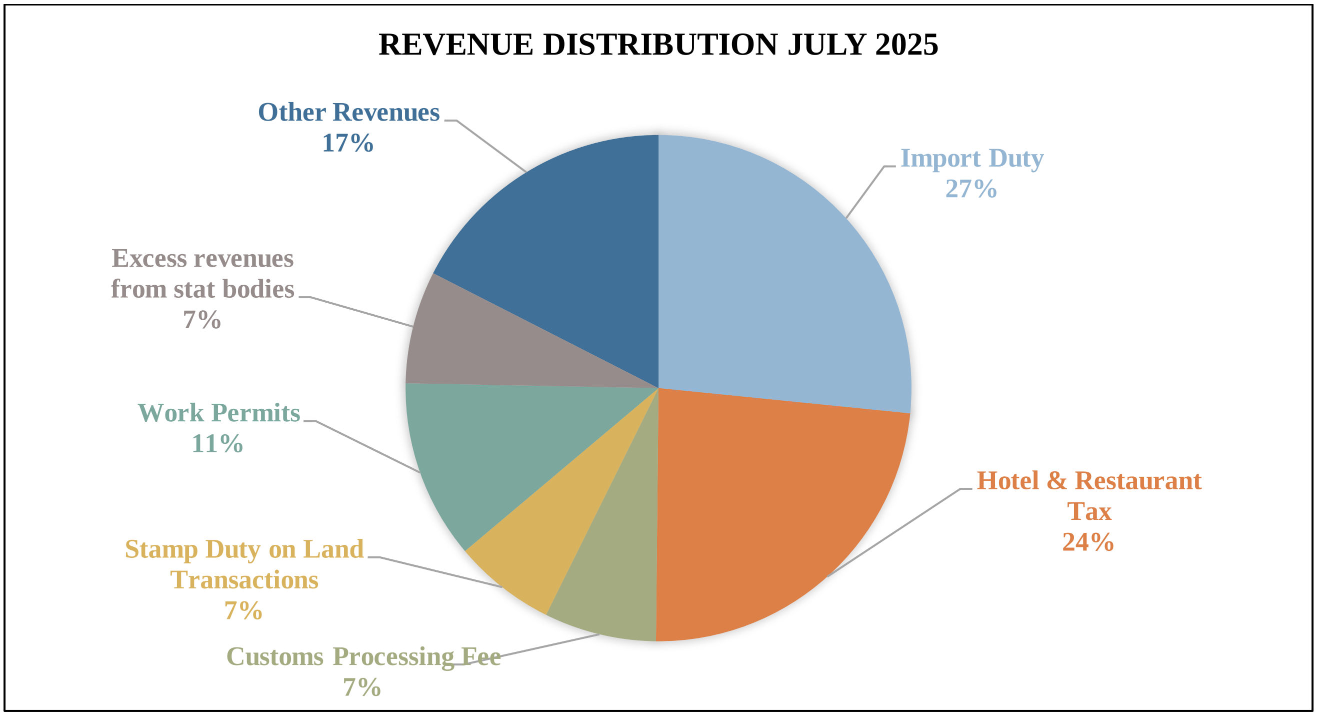
July 2025: $48.5 million, YTD: $202.9 Million

	July - 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	11,901	13,118	10,850	(1,218)	-9%	1,051	10%	43,898	46,063	37,403	(2,165)	-5%	6,496	17%
Hotel & Restaurant Tax	11,433	13,793	11,079	(2,360)	-17%	354	3%	52,362	57,945	49,097	(5,582)	-10%	3,265	7%
Customs Processing Fee	4,480	5,887	3,091	(1,407)	-24%	1,389	45%	14,413	15,342	11,239	(929)	-6%	3,174	27%
Stamp Duty on Land Transactions	3,169	8,000	7,492	(4,831)	-60%	(4,323)	-58%	21,386	28,060	26,876	(6,674)	-24%	(5,490)	-20%
Work Permits	5,548	3,508	3,367	2,039	58%	2,181	65%	15,843	13,825	13,230	2,019	15%	2,613	20%
Excess revenues from stat bodies	3,493	2,529	2,422	964	38%	1,071	44%	18,238	7,923	20,478	10,315	130%	(2,240)	-11%
Other Revenues	8,488	8,750	8,747	(262)	-3%	(259)	-3%	36,760	36,534	33,190	226	1%	3,570	11%
Total Recurrent Revenue	**48,512**	**55,586**	**47,048**	**(7,074)**	**-13%**	**1,464**	**3%**	**202,901**	**205,691**	**191,513**	**(2,790)**	**-1%**	**11,388**	**6%**

Recurrent revenue totaled $48.5 million in July, falling short of the budget by $7.1 million (13%) but exceeding July 2024 by $1.5 million (3%). The shortfall was primarily driven by lower-than-projected collections from Stamp Duty, HRTT, Import Duty, and the Customs Processing Fee (CPF), partially offset by stronger-than-expected receipts from Work Permits and Statutory Bodies. The five largest revenue streams together accounted for 75% of total collections.

On a year-to-date basis, recurrent revenue stands at $202.9 million, 1% below budget but 6% higher than the same period last year. The shortfall is mainly attributable to the underperformance of Stamp Duty on Land Transactions, Hotel & Restaurant Tax, Import Duty, and the Customs Processing Fee. This was partly offset by favorable performance in Work Permits and excess contributions from Statutory Bodies.

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



The Hotel, Restaurant, and Tourism Tax (HRTT) contributed the second largest portion of recurrent revenue, accounting for 24% of the total collected during July. HRTT collections for the month reached $11.4 million, 17% or $2.4 million below the Estimates and 3% or $0.4 million more than the collections from the same period. Year-to-date, HRTT collections amounted to $52.4 million, which was $5.6 million (10%) below the budget and $3.3 million (7%) higher than the same period in the previous year. The unfavorable variance against the budget is primarily attributed to a lower-than-projected number of stayover arrivals in line with data provided by Experience Turks and Caicos.

Import duties were the largest contributor to recurrent revenue, accounting for 27% of the total. Collections continued to be shaped by legislative measures such as restrictions on the importation of older vehicles, extended waivers on breadbasket items, and reduced surcharges on fuel imports. In July, import duty collections totaled $11.9 million, which was $1.2 million (9%) below budget but $1.1 million (10%) higher than July 2024. Year-to-date, collections reached $43.9 million, falling short of the budget by $2.2 million (5%) but surpassing the prior year by $6.5 million (17%). The shortfall relative to budget was largely due to outstanding payments on assessed entries. According to the Border Force, more than $4.3 million in assessed entries remained unpaid year-to-date.

Customs Processing Fees in July amounted to $4.5 million, which was $1.4 million (24%) below budget but $1.4 million (45%) higher than July 2024. CPF revenue is particularly sensitive to changes in import activity especially as well as import inflation. The strong performance compared to the prior year reflected increased import volumes during the month. Year-to-date, CPF collections totaled $14.4 million, coming in 6% below budget but 27% higher than the prior year. As with import duties, the shortfall against budget was mainly attributed to outstanding payments on assessed entries.

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 $3.2 million. The collections were $4.8 million or 60% lower than the budget and $4.3 million or 58% below the prior year period. Year to date collections totaled $21.4 million which was $6.7 million or 24% lower than Estimates and $5.5 million or 20% less 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 $5.5 million for the month, accounting for 11% of the total recurrent Revenue. This was $2 million or 58% above the budget and $2.2 million or 65% above the collections in the prior year. Year to date, work permit fees collections totaled $15.8 million which was $2 million or 15% higher than the Estimates and $2.6 million or 20% higher 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 $3.5 million during the month mainly from TCI Airports Authority and Civil Aviation. This formed 7% of recurrent revenue. This was $1 million or 38% more than the Estimates and $1.1 million or 44% more than the prior year results. Year to date, Excess revenue from Statutory Bodies totaled $18.2 million which was $10.3 million or 130% more than Estimates and $2.2 million or 11% less than the prior year. The over performance year to date, is mainly due to windfall remittances from the Financial services Commission, TCI Airports Authority and Port Administration.

3.1.2. OTHER RECURRENT REVENUE

Other recurrent revenues totaled $8.5 million which was $0.3 million or 3% less than the estimates and $0.3 million or 3% lower than collections of prior year. The slight decrease is mainly due to lower than expected collections of Fuel Tax, Destination Management Fees, Vehicle License Renewals, Permanent Residency Fees, Stamp Duty – Vehicle hire, Overtime costs recovered and Business License renewal offset by favourable performance of PDA application fees, Telecommunication Licenses, Seaport Departure Tax and Gaming Machine Tax. Year to date, Other revenue totaled $36.8 million which was 1% higher than Estimates and 11% more than the prior year. The favourable performance against the Budget is attributed to higher than expected collections of Seaport Departure Tax, Gaming Machine Tax, Insurance Premium Tax and PDA application fees offset by adverse performance of Fuel Tax, Vehicle License Renewals, Destination Management Fees, Telecommunication Licenses and Work permits Repatriation.

The table below shows the breakdown of Other Revenue.

	July - 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	859	704	939	154	22%	(81)	(9%)	3,701	3,408	3,477	293	9%	224	6%
Destination Management Fees	-	500	1,227	(500)	(100%)	(1,227)	(100%)	1,978	2,200	1,382	(222)	(10%)	596	43%
Business License renewal	169	210	197	(41)	(20%)	(28)	(14%)	2,477	2,477	2,326	(0)	(0%)	151	6%
Communication Tax	524	522	491	1	0%	33	7%	2,230	2,133	2,003	97	5%	227	11%
Gaming Machine Tax	625	498	648	127	25%	(23)	(4%)	2,216	2,093	2,119	123	6%	97	5%
Telecommunication Licenses	611	452	388	159	35%	223	58%	1,531	1,765	1,515	(233)	(13%)	17	1%
Overtime Costs Recovered	130	176	218	(46)	(26%)	(87)	(40%)	562	613	845	(51)	(8%)	(283)	(34%)
Fuel Tax	663	1,551	660	(888)	(57%)	2	0%	3,176	4,225	2,607	(1,050)	(25%)	569	22%
Vehicle License Renewals	355	450	317	(95)	(21%)	38	12%	1,460	1,975	1,332	(515)	(26%)	129	10%
Permanent Residency Fees	478	563	509	(86)	(15%)	(31)	(6%)	1,585	1,497	1,841	87	6%	(257)	(14%)
Insurance Premiums tax	248	272	256	(24)	(9%)	(8)	(3%)	1,587	1,053	988	534	51%	598	61%
Stamp duty - vehicle hire	212	275	258	(63)	(23%)	(46)	(18%)	1,094	1,140	1,078	(46)	(4%)	16	1%
Stamp duty Miscellaneous	10	32	4	(23)	(70%)	6	169%	112	119	111	(7)	(6%)	1	1%
PDA application fees	604	201	292	404	201%	312	107%	1,183	667	998	515	77%	185	19%
Work Permits Repatriation	355	362	361	(8)	(2%)	(7)	(2%)	1,219	1,452	1,449	(234)	(16%)	(230)	(16%)
Other Revenues	2,647	1,981	1,983	666	34%	663	33%	10,649	9,443	9,118	1,205	13%	1,531	17%
OTHER REVENUE	**8,488**	**8,750**	**8,747**	**(262)**	**-3%**	**(259)**	**-3%**	**36,760**	**36,263**	**33,190**	**497**	**1%**	**3,570**	**11%**

NON-RECURRENT REVENUE

Non-recurrent Revenue of $80 thousands relating to land sales was recorded during the month. This was $0.5 million lower than Estimates and $33 thousands or 69% higher than the prior year. Year to date, Non-recurrent revenue totaled $1 million which was 66% below budget and 192% more than last year. The unfavorable variance against the budget is as a result of less Grant Income received during the period as expected.

4. EXPENDITURE

4.1. EXPENDITURE BY ECONOMIC CLASSIFICATION

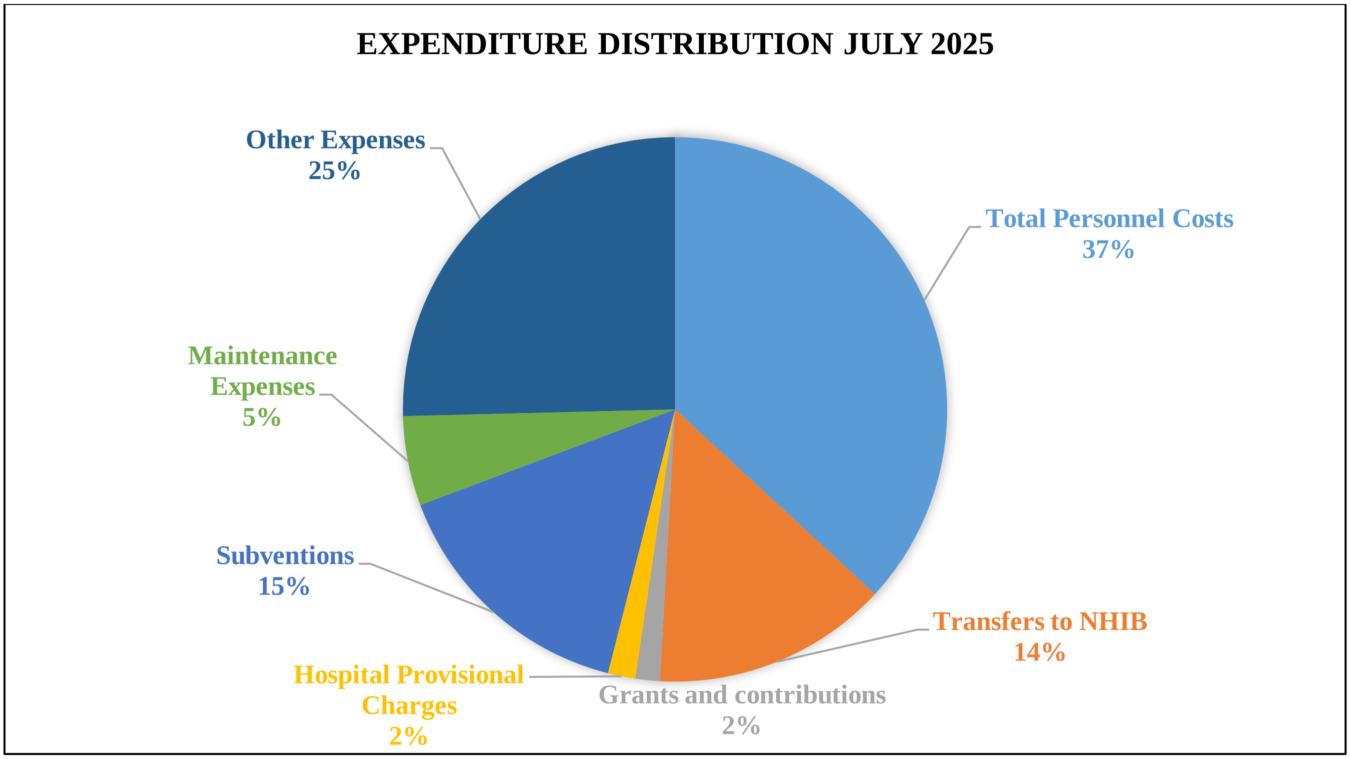
4.1.1. RECURRENT EXPENDITURE

Recurrent Expenditure: ***July 2025: $37.8 million, YTD: 124.3 million***

	July - 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	13,934	15,251	13,224	(1,317)	-9%	711	5%	54,752	59,148	52,548	(4,396)	-7%	2,204	4%
Transfers to NHIB	5,298	3,963	2,958	1,334	34%	2,340	79%	11,213	13,785	11,831	(2,572)	-19%	(618)	-5%
Grants and contributions	558	1,272	1,165	(713)	-56%	(606)	-52%	4,990	6,097	2,318	(1,107)	-18%	2,672	115%
Hospital Provisional Charges	616	1,867	5,762	(1,252)	-67%	(5,146)	-89%	2,463	9,218	9,763	(6,755)	-73%	(7,301)	-75%
Subventions	5,789	7,185	1,809	(1,396)	-19%	3,979	220%	13,685	16,675	12,382	(2,990)	-18%	1,303	11%
Maintenance Expenses	2,011	2,250	1,452	(239)	-11%	559	38%	5,704	9,763	4,274	(4,059)	-42%	1,430	33%
Other Expenses	9,604	12,085	8,290	(2,481)	-21%	1,313	16%	31,445	52,331	29,137	(20,885)	-40%	2,309	8%
Total Recurrent Expenditure	**37,809**	**43,874**	**34,659**	**(6,065)**	**-14%**	**3,150**	**9%**	**124,252**	**167,017**	**122,252**	**(42,765)**	**-26%**	**2,000**	**2%**

Recurrent expenditure for July totaled $37.8 million. The results were $6.1 million or 14% less than the Estimates and $3.2 million or 9% more than the Prior Year. The underspend against the budget is mainly attributed to less spending on Personnel costs due to the number of vacancies that remain unfilled, delayed payments for Hospital Provisional Charges, Subventions and Grants and Contributions, Maintenance Expenses. Year to date, total recurrent expenditure totaled $124.3 million which was 26% behind the Estimates and 2% higher than prior year.

Recurrent expenditures were distributed as shown below;



NHIB transfers in July totaled $5.3 million, representing 14% of total recurrent expenditure. This was $1.3 million (34%) above the Estimates and $2.3 million (79%) higher than the same period last year. The increase reflects invoicing changes agreed between the Ministry of Health and NHIB, whereby the Ministry is now billed for the actual expenditure of the Treatment Abroad Program rather than a standard monthly payment. This adjustment is intended to more accurately reflect the full cost of the program and to facilitate real-time monitoring of outstanding payments. Year-to-date, expenditure is $2.6 million (19%) below budget and $0.6 million (5%) lower than the same period in the prior year.

Subventions to Statutory Bodies for the month of July, totaled $5.8 million. This was $1.4 million (19%) lower than budgeted and $4 million (220%) higher than the expenditure for the same period last year. Year to date, the expenditure is $3 million or 18% lower than the budget and $1.3 million or 11% higher than Prior year results. As the year progresses these should normalise.

Hospital Provisional Charges for July amounted to $0.6 million. The result was $1.3 million or 67% below the Estimates and 89% lower than the prior year's performance. Year to date, the expenditure is $6.8 million or 73% lower than the budget and $7.3 million or 75% lower than Prior year results. The underspend is as a result of delayed payments to Interhealth Canada due to ongoing reconciliations and negotiations.

Personnel Costs accounted for 37% of the recurrent expenditure, totaling $13.9 million in July 2025. The result was lower than the Estimates by $1.4 million or 9%. Compared to the prior year, the Personnel costs were $0.7 million or 5% higher. Performance against budget is attributed to vacancies existing within the civil service.
Year to date, Personnel costs totaled $54.8 million which was $4.4 million or 7% lower than the Budget and $2.2 million or 4% higher than the prior year.

Personnel Costs are further itemized below.

	July - 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	10,434	11,336	9,821	(902)	-8%	612	6%	41,112	43,839	39,112	(2,727)	-6%	1,999	5%
Contribution to NIB and NHIB	885	996	851	(111)	-11%	34	4%	3,523	3,985	3,374	(462)	-12%	149	4%
Housing Allowances	451	724	470	(273)	-38%	(19)	-4%	2,050	2,896	1,957	(846)	-29%	93	5%
Transport Allowances	87	148	95	(62)	-42%	(9)	-9%	337	626	376	(290)	-46%	(39)	-10%
Telephone Allowances	102	125	91	(23)	-18%	12	13%	406	502	375	(96)	-19%	31	8%
Other Allowances	381	371	356	11	3%	25	7%	1,865	1,482	1,546	383	26%	319	21%
Total compensation of employees	**12,340**	**13,701**	**11,685**	**(1,361)**	**-10%**	**655**	**6%**	**49,292**	**53,331**	**46,740**	**(4,039)**	**-8%**	**2,552**	**5%**
Members of the House of Assembly														
Salaries - Ministers and Members	214	222	204	(8)	-4%	9	5%	855	888	870	(33)	-4%	(15)	-2%
NIB and NHIB	10	12	8	(3)	-23%	1	13%	38	49	34	(11)	-23%	4	13%
Allowances for Ministers and Members	55	57	46	(2)	-4%	10	21%	221	230	184	(8)	-4%	37	20%
Total	**279**	**292**	**259**	**(13)**	**-4%**	**20**	**8%**	**1,115**	**1,167**	**1,088**	**(52)**	**-4%**	**26**	**2%**
Pensions and gratuities														
Pensions (PSPP and RAP)*	473	500	456	(27)	-5%	16	4%	1,907	1,956	1,847	(49)	-2%	60	3%
Employer's Contribution (PSEPF)*	283	333	255	(50)	-15%	27	11%	1,132	1,331	1,055	(199)	-15%	77	7%
Gratuities	384	250	420	134	54%	(36)	-9%	603	660	1,225	(57)	-9%	(622)	-51%
Pensions - Legislators	176	176	148	-	0%	28	19%	704	704	593	-	0%	111	19%
Gratuities - Legislators	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total pensions and gratuities	**1,316**	**1,259**	**1,280**	**57**	**5%**	**36**	**3%**	**4,346**	**4,651**	**4,721**	**(305)**	**-7%**	**(375)**	**-8%**
Total PE Cost	**13,934**	**15,251**	**13,224**	**(1,317)**	**-9%**	**711**	**5%**	**54,752**	**59,148**	**52,548**	**(4,396)**	**-7%**	**2,204**	**4%**

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

4.1.2. OTHER RECURRENT EXPENDITURE

Other Recurrent Expenditure: ***July 2025: $9.6 million, YTD: 31.4 million***

	July - 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	1,019	1,576	1,143	(557)	-35%	(124)	-11%	3,663	5,029	3,333	(1,366)	-27%	330	10%
Professional and Consultancy	1,347	2,527	727	(1,179)	-47%	620	85%	4,527	8,764	3,451	(4,237)	-48%	1,076	31%
Recurrent Sub Programmes	743	1,380	1,091	(637)	-46%	(348)	-32%	2,885	5,407	2,876	(2,522)	-47%	9	0%
Rental of assets	588	695	506	(107)	-15%	82	16%	2,476	2,790	2,183	(314)	-11%	293	13%
Utilities	431	528	428	(97)	-18%	3	1%	1,640	2,075	1,580	(435)	-21%	60	4%
Local Travel and Subsistence	455	399	502	56	14%	(48)	-9%	1,511	2,216	1,677	(705)	-32%	(166)	-10%
Security expenses	744	455	290	289	64%	454	156%	1,775	2,116	816	(341)	-16%	959	118%
International Travel & Subsistence	437	424	186	13	3%	251	135%	1,076	1,954	688	(877)	-45%	389	57%
Communication Expenses	210	238	123	(28)	-12%	87	71%	708	927	641	(219)	-24%	67	10%
Bank charges	36	77	137	(41)	-53%	(100)	-73%	440	434	548	6	1%	(108)	-20%
Data Communication cost	158	184	214	(26)	-14%	(56)	-26%	356	984	790	(627)	-64%	(434)	-55%
Insurance Expenses	186	355	3	(169)	-48%	183	6060%	2,141	2,717	1,919	(576)	-21%	222	12%
Hosting and Entertainment	176	245	186	(69)	-28%	(10)	-5%	666	1,242	641	(576)	-46%	25	4%
Repatriation and exportation	0	(1,090)	369	1,090	-100%	(368)	-100%	358	4	1,647	354	9487%	(1,289)	-78%
Other supplies & Material	246	356	194	(111)	-31%	52	27%	471	2,037	590	(1,565)	-77%	(118)	-20%
Local Training	435	430	197	5	1%	239	121%	597	1,005	393	(408)	-41%	204	52%
Other Sundry Expenses	106	109	140	(3)	-2%	(34)	-24%	415	609	397	(193)	-32%	18	5%
Fuel	180	198	173	(19)	-9%	6	4%	487	619	515	(131)	-21%	(28)	-5%
Other Recurrent Expenditure	2,108	3,001	1,682	(893)	-30%	425	25%	5,253	11,403	4,452	(6,150)	-54%	801	18%
TOTAL	**9,604**	**12,085**	**8,290**	**(2,481)**	**-21%**	**1,313**	**16%**	**31,445**	**52,331**	**29,137**	**(20,885)**	**-40%**	**2,309**	**8%**

In July, Other recurrent expenses totaled $9.6 million which was $2.5 million or 21% below the Estimates and $1.3 million or 16% higher than the prior year. Year to date, Other expenses totaled $31.4 million which was lower than the Budget by $20.9 million or 40% and 8% 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 July totaled $1.6 million. This was $1.3 million or 388% higher than Estimates and $1.2 million or 339% above 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 $0.9 million and Statutory Land Acquisitions $0.6 million. Year to date, Non-Recurrent Expenditure totaled $2 million which was lower than the Budget by $1.6 million or 44% and $0.9 million or 31% lower than the prior year.

5. OUTSTANDING PUBLIC DEBT

Statement of Outstanding Public Debt Financial Liabilities - Borrowings	Interest Rates %	Outstanding Balance 01-Apr-25 US$'000	New Drawdowns 2025/26 US$'000	Principal Repayment During 2025/26 US$'000	Outstanding Balance 31-July-25 US$'000
Further Education (04/SFR-OR-TCI)	2.5%	283	-	(43)	239
Integrated Solid Waste Management (5/OR-TCI)	4.90%	278	-	(93)	185
Total unsecured debts		**560**	**-**	**(136)**	**424**

TCIG holds two debt instruments with the Caribbean Development Bank (CDB). The outstanding debt as of July 31, 2025 and Year-to-date was $0.4 million, $136k principal repayments were made, and $11k finance costs and commitment fees were paid.

6. DEVELOPMENT FUND

6.1. DEVELOPMENT FUND ANALYSIS

The development fund balance as of July 31, 2025 was $103.7 million, and the Capital expenditure year to date is $7.5 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	31,786,113
Completed projects - savings returned to CF	(1,142,163)
Capex 2024/25	(38,616,641)
As at 31 March 2025	**51,523,765**
Appropriation for FY2025/26	59,701,848
Capex 2025/26 – YTD	(7,519,581)
As at 31 July 2025	**103,706,032**

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	1,229,863.56
2	5696	Purchase of Patrol Vessel	824,913.80
3	5788	Ambulances for Islands	722,751.93
4	5677	Purchase and Installation of New 1 million gallon Salt Water Reverse Osmosis (SWRO) Unit	667,630.22
5	5624	Prison Works	662,738.65
6	5682	Highway and Road Improvements	631,037.22
7	5683	Remediation Works to Ponds and Bridges	363,435.07
8	5734	Housing Project Initiative	343,110.33
9	5765	Redevelopment of Regatta Village – XSC	318,285.60
10	5739	Police Vehicles	262,959.00

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 July 31, 2025, the National Wealth Fund balance was $94.3 million.

FY 2024-25 results (in US$' '000)				**Opening NWF 01/04/2025 (US$' 000)**	**Interest income (US$' 000)**	**Closing NWF 31/07/2025 (US$' 000)**
Revenue	Estimates	Excess	%			
515,292	499,978	15,314	3%	93,428	830	94,258

7.2. STATEMENT OF NWF FUNDS

The value of the National Wealth fund is attributable to;

(All figures in US$'000)	**31-Jul-25 US$'000**	**31-Mar-25 US$'000**
Stabilization Fund	47,080	46,499
Infrastructure and Competiveness Fund	13,451	13,285
Heritage Fund	6,492	6,417
Citizen's Empowerment Fund	7,120	7,116
Mortgage Corporation Fund	20,115	20,111
National Wealth Fund balance at the end of the period	**94,258**	**93,428**

Represented by		
Cash at Bank	10,361	10,357
Fixed deposit	83,713	82,887
Investment Property	184	184
	94,258	**93,428**

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 $2.6 million as at July 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$'000)	31-Jul-25 US$'000	31-Mar-25 US$'000
Opening Balance	**3,440**	**6,832**
Receipts		
Transfers from Consolidated Fund	-	-
Other receipts	-	18
Total receipts	**-**	**18**
Payments		
AMLC expenses	143	599
Special project expenses	731	2,148
Transfers to consolidated Fund	-	663
Total payments	**874**	**3,410**
Net increase in National Forfeiture Fund balance	**(874)**	**(3,392)**
National Forfeiture Fund balance at the end of the period	**2,566**	**3,440**

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 July 31, 2025 is shown below;

(All figures in US$'000)	31-Jul-25	31-Mar-25
Opening Balance	**-**	**1,164**
Receipts		
Destination management fees	1,978	5,412
Total receipts	**1,978**	**6,576**
Payments		
Subvention to the DMMO	(1,744)	(6,576)
Other payments	-	-
Total payments	**(1,744)**	**(6,576)**
Destination Enhancement Fund balance at the end of the period	**234**	**-**

*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 $146k were paid to beneficiaries during the year to date.

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

	31-Jul-25	31-Mar-25
Opening balance at Apr 1	**29,710,811.03**	**21,179,406.46**
CONTRIBUTIONS MADE:		
Contributions by Statutory bodies	716,913.18	1,464,622.64
Employer's Contributions by TCIG- YTD	1,131,890.27	3,433,103.85
TCIG Employees' contributions- YTD	1,131,890.27	3,433,103.85
Ex-gratia funding	-	1,000,000.00
BENEFITS PAID:		
Payments to beneficiaries YTD	(146,235.05)	(799,377.02)
Prior year adjustment on benefits paid	-	-
Bank charges YTD	(26.75)	(48.75)
Closing PSEPF balance	**32,545,242.95**	**29,710,811.03**

11. HUMAN RESOURCE MANAGEMENT

Employees

There were 2,144 people employed by TCIG at the end of July 2025, consisting of 1,855 monthly paid employees and 289 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there are 14 new recruits and 5 attritions in the month of July.

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 July. 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 providing economic relief to those affected by the cost-of-living crisis. These measures may impact government revenue and expenditure in the short term.

Overall, TCIG's financial outlook will likely be influenced by global and domestic factors. External factors can present significant downside risks.

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