GOVERNMENT OF THE TURKS AND CAICOS ISLANDS

FINANCIAL SERVICES AND SUPPLIES MANAGEMENT DEPARTMENT

FINANCIAL REPORT

For the month ended 31 August, 2025

FY2025/2026

Contents

KEY HIGHLIGHTS

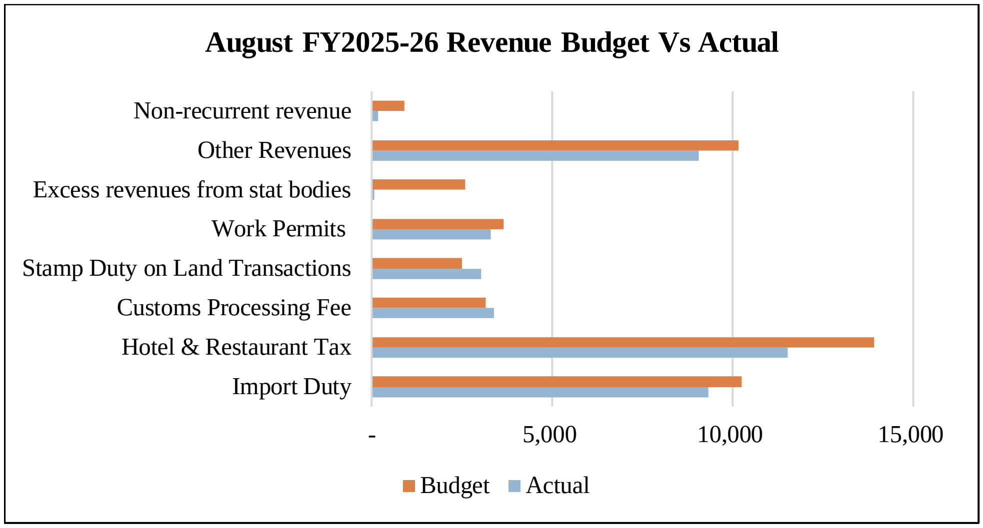
- **$39.8 million revenue for the month.** The aggregate revenue collections for August were $39.8 million against a budget of $47.1 million.

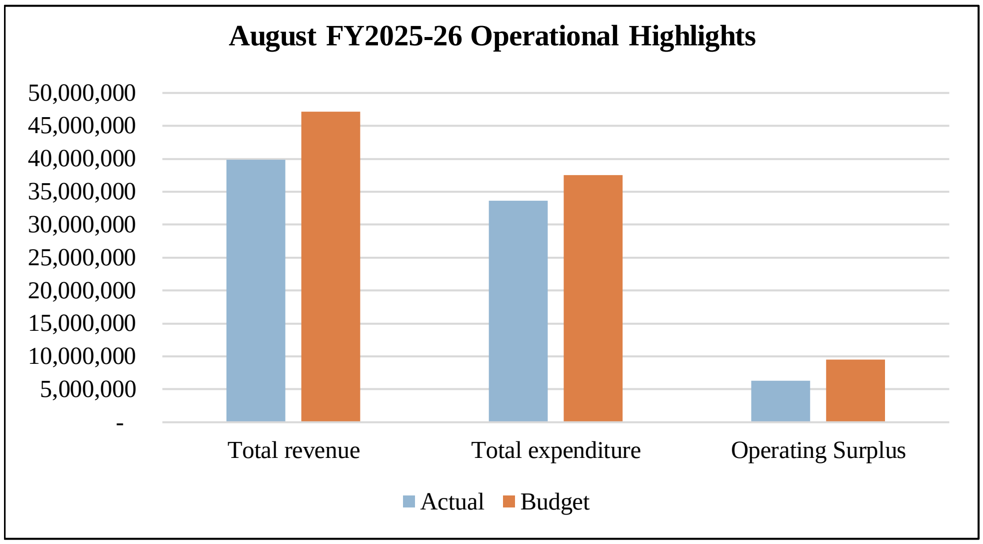
- **$33.6 million expenditure for the month.** The total expenditure for the month of August was $33.6 million compared to the budget of $37.6 million.

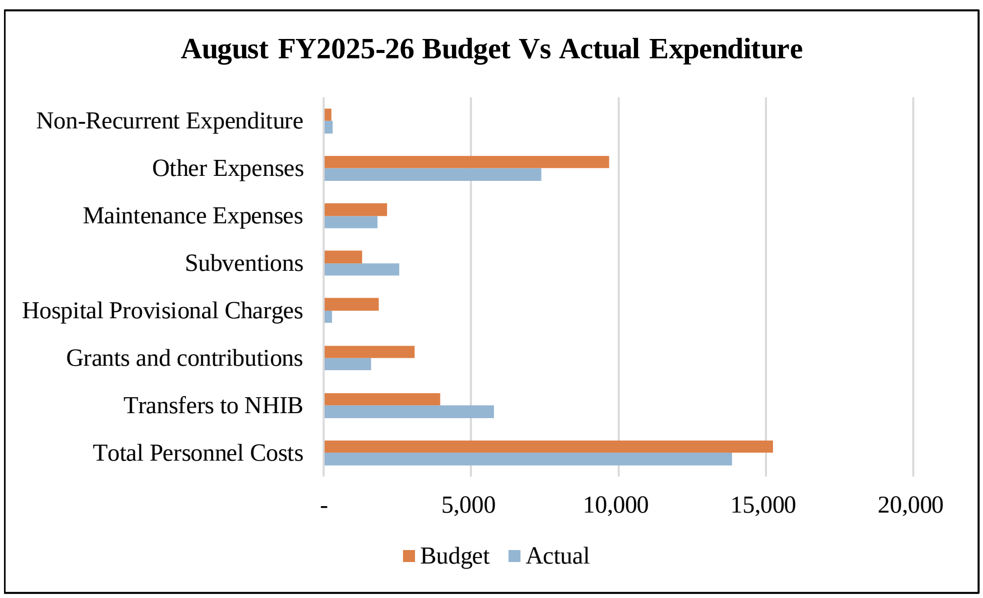
- **$10.3 million Capital expenditure during the year to date.** Capital expenditure for the month amounted to $2.2 million, representing a 10% decrease compared to the same month in the previous year and 50% underperformance on Budget. YTD CAPEX of $10.3 million was 48% behind the budget and 36% less than the same period in the prior year.

- **$6.1 million operating surplus**. The operating surplus for the month was $6.1 million against the forecast surplus of $9.5 million.

- **Increase in the underlying Cash balances**. The underlying cash balance at the end of month showed an increase of $3.9 million resulting in a closing cash balance of $439.9 million.







1. ECONOMIC OVERVIEW

Tourism remains the cornerstone of TCI's economy, contributing significantly to GDP and employment. In 2025, the sector continues to thrive, bolstered by strong visitor arrivals and construction boom in the hospitality industry. At the same time, the economy faces headwinds including high dependence on imported goods, rising healthcare costs, inflationary pressures, and security concerns, all of which could affect fiscal performance and the cost of living.

According to the Turks and Caicos Islands Statistics Department, the economy expanded by about 5.6 percent in real terms in 2024, with nominal GDP estimated at US$1.37 billion and per capita GDP around US$37,500. The outlook for 2025 is for continued but more moderate growth compared with 2024. Standard & Poor's upgraded TCI's credit rating to A-, citing sound fiscal management, a strong cash reserve position of about US$412 million (around 24 percent of GDP), and continued resilience in the tourism and financial services sectors.

Globally, economic conditions remain an important driver of TCI's performance. The International Monetary Fund's July 2025 World Economic Outlook Update projects global growth at 3.0 percent in 2025 and 3.1 percent in 2026, slightly above earlier forecasts, as lower-than-expected U.S. tariffs and more favorable financial conditions help support activity. Global headline inflation is forecast to moderate to 4.2 percent in 2025 and 3.6 percent in 2026, although price pressures are expected to remain above target in the United States while easing in other large economies. https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025

Within the Caribbean, growth is projected at around 2.5 percent in 2025, supported by stronger private consumption, more accommodative monetary policies, and improvements in export performance. Nevertheless, the region continues to face persistent structural challenges, including high public debt, dependency on tourism and fossil fuels, narrow tax bases, and vulnerability to supply chain disruptions and natural disasters. The World Bank stresses the importance of digital transformation, investment in renewable energy, and strengthened disaster preparedness as central to long-term fiscal and financial resilience.[1]

Looking ahead, the Turks and Caicos Islands are expected to maintain solid growth momentum in 2025, though at a slightly slower pace than 2024. Nominal GDP is expected to rise modestly, with per capita income projected to remain just above US$35,000. Inflation is anticipated to stabilize between 2.5 and 3.5 percent, although imported inflation, especially in food, fuel, housing, and construction inputs remains a significant risk. While strong tourism demand and investment in real estate and infrastructure should continue to support the economy, external shocks such as higher global commodity prices, geopolitical instability, and any deterioration in the U.S. economy could affect performance. Moreover, fiscal pressures from rising healthcare costs and the need to address security concerns may require careful management to preserve recent fiscal gains.

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 August of FY2025-2026 with an operating surplus of $6.1 million and a net cash increase of $3.9 million, bringing the total cash balance to $440 million. Monthly revenue fell short of budget by 16% but was 15% higher compared to August 2024. Despite ongoing inflationary pressures, the Turks and Caicos Islands

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

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 August recorded an operating surplus of $6.1 million against a projected surplus of $9.5 million, unfavourable performance of $3.4 million or 36%. The adverse performance against the Budget is attributed to under performance of Excess revenue from statutory bodies, Hotel & Restaurant Tax, Import Duty and Work permits offset by favourable performance on Stamp Duty on Land transactions and Customs processing fee.

	August - 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	39,574	46,218	34,652	(6,644)	-14%	4,922	14%	242,475	251,909	226,165	(9,434)	-4%	16,310	7%
Non-Recurrent Revenue	186	903	60	(717)	-79%	126	212%	1,135	3,668	385	(2,532)	-69%	751	195%
Total Revenue	**39,760**	**47,121**	**34,711**	**(7,361)**	**-16%**	**5,048**	**15%**	**243,610**	**255,576**	**226,550**	**(11,966)**	**-5%**	**17,060**	**8%**
Recurrent Expenditure	33,315	37,305	32,409	(3,990)	-11%	906	3%	158,275	204,322	154,661	(46,047)	-23%	3,614	2%
Non-Recurrent Expenditure	300	266	330	34	13%	(30)	-9%	2,260	3,797	3,181	(1,537)	-40%	(921)	-29%
Total Expenditure	**33,615**	**37,571**	**32,739**	**(3,957)**	**-11%**	**876**	**3%**	**160,535**	**208,119**	**157,843**	**(47,584)**	**-23%**	**2,693**	**2%**
Net Operating Surplus/Deficit	**6,145**	**9,549**	**1,972**	**(3,404)**	**-36%**	**4,172**	**212%**	**83,075**	**47,457**	**68,707**	**35,618**	**75%**	**14,368**	**21%**

2.2. CASH FLOW

In August, the underlying cash balance increased by $3.9 million, rising from $415.5 million at the end of July 2025 to $419.4 million as of August 31, 2025. This balance encompasses cash at the bank and short-term fixed deposits.

	August - 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	**6,145**	**9,549**	**1,972**	**(3,404)**	**-36%**	**4,172**	**212%**	**83,075**	**47,457**	**68,707**	**35,618**	**75%**	**14,368**	**21%**
Less:											-			
Capital Expenditure	(2,233)	(4,500)	(2,491)	2,267	-50%	258	-10%	(10,303)	(20,000)	(16,049)	9,697	-48%	5,746	-36%
Debt Repayments	-	-	-	-	0%	-	0%	(136)	-	(205)	(136)	0%	69	0%
Net receipts		-	1,956	-	0%	1,956	100%	970	-	2,914	970	0%	1,944	67%
Net Cash Flow	**3,912**	**5,049**	**1,437**	**(1,137)**	**-23%**	**2,475**	**172%**	**73,606**	**27,457**	**55,367**	**46,149**	**168%**	**18,239**	**33%**
Opening cash balance	436,014		420,895					336,319		366,965				
Closing cash balance	**439,926**		**422,332**					**439,926**		**422,332**				
Attributable to:														
Consolidated Fund	242,155							242,155						
Development Fund	100,923							100,923						
NFF	2,539							2,539						
National Wealth Fund	94,075							94,075						
DEF	234							234						
Closing cash balance	**439,926**							**439,926**						

3. REVENUE

3.1. REVENUE BY ECONOMIC CLASSIFICATION

3.1.1. RECURRENT REVENUE

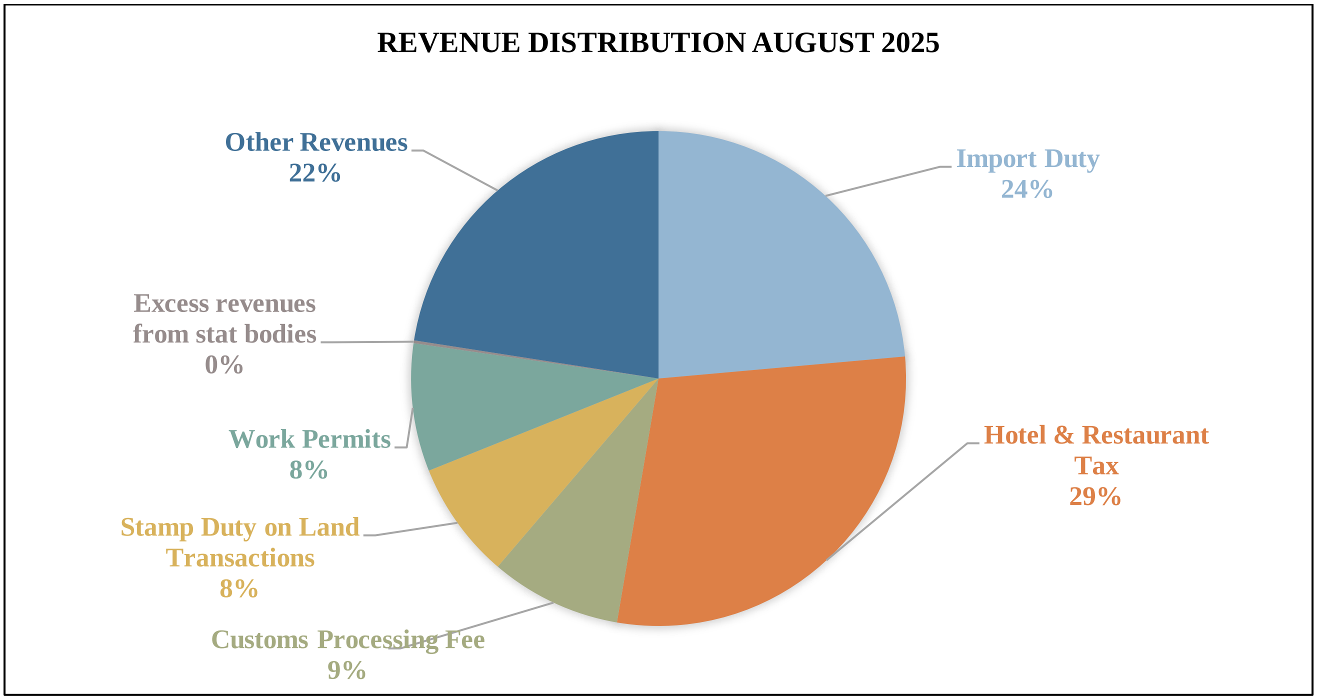
August 2025: $39.6 million, YTD: $242.5 Million

	August - 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	9,331	10,245	8,140	(914)	-9%	1,191	15%	54,230	56,308	45,543	(2,079)	-4%	8,687	19%
Hotel & Restaurant Tax	11,520	13,908	10,656	(2,388)	-17%	865	8%	63,883	71,853	59,753	(7,970)	-11%	4,130	7%
Customs Processing Fee	3,389	3,166	2,735	224	7%	654	24%	16,803	18,508	13,975	(1,705)	-9%	2,828	20%
Stamp Duty on Land Transactions	3,037	2,500	1,466	537	21%	1,571	107%	24,423	30,560	28,342	(6,137)	-20%	(3,919)	-14%
Work Permits	3,306	3,662	3,507	(356)	-10%	(201)	-6%	19,149	17,486	16,737	1,663	10%	2,412	14%
Excess revenues from stat bodies	73	2,585	294	(2,513)	-97%	(221)	-75%	18,311	10,508	20,772	7,803	74%	(2,461)	-12%
Other Revenues	8,917	10,152	7,854	(1,235)	-12%	1,063	14%	45,677	46,686	41,043	(1,009)	-2%	4,633	11%
Total Recurrent Revenue	**39,574**	**46,218**	**34,652**	**(6,644)**	**-14%**	**4,922**	**14%**	**242,475**	**251,909**	**226,165**	**(9,434)**	**-4%**	**16,310**	**7%**

Recurrent revenue totaled $39.6 million in August, falling short of the budget by $6.6 million (14%) but exceeding August 2024 by $4.9 million (14%). The shortfall was primarily driven by lower-than-projected collections from Statutory Bodies, HRTT, Import Duty and Work. The five largest revenue streams together accounted for 77% of total collections.

On a year-to-date basis, recurrent revenue stands at $242.5 million, 4% below budget but 7% 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 revenue contributions from Statutory Bodies.

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



The Hotel, Restaurant, and Tourism Tax (HRTT) remained the single largest source of recurrent revenue in August, contributing 29 percent of total collections. HRTT receipts for the month amounted to $11.5 million, which was $2.4 million (17 percent) below the budgeted estimate but $0.9 million (8 percent) higher than collections in the same period last year. On a year-to-date basis, HRTT collections totaled $63.9 million which was $8 million (11 percent) short of the budget but $4.1 million (7 percent) above the prior year. The shortfall against budget reflects lower-than-expected stayover arrivals, consistent with data reported by Experience Turks and Caicos. At the same time, the Inland Revenue Department has strengthened compliance monitoring to address any possible underreporting by some entities in the hospitality sector.

Import duties were the second largest contributor to recurrent revenue, accounting for 24% 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 and other concessions granted. In August, import duty collections totaled $9.3 million, which was $0.9 million (9%) below budget but $1.2 million (15%) higher than August 2024. Year-to-date, collections reached $54.2 million, falling short of the budget by $2.1 million (4%) but surpassing the prior year by $8.7 million (19%). 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 August amounted to $3.4 million, which was $0.2 million (7%) above budget and $0.7 million (24%) higher than August 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 $16.8 million, coming in 9% below budget but 20% 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 million. The collections were $0.5 million or 21% higher than the budget and $1.6 million or 107% above the prior year period. Year to date collections totaled $24.4 million which was $6.1 million or 20% lower than Estimates and $3.9 million or 14% 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 $3.3 million for the month, accounting for 8% of the total recurrent Revenue. This was $0.4 million or 10% below the budget and $0.2 million or 6% lower than the collections in the prior year. Year to date, work permit fees collections totaled $19.1 million which was $1.7 million or 10% higher than the Estimates and $2.4 million or 14% 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 $73k during the month from Complaints Commission. This formed less than 1% of recurrent revenue. This was $2.5 million or 97% less than the Estimates and $0.2 million or 75% less than the prior year results. Year to date, Excess revenue from Statutory Bodies totaled $18.3 million which was $7.8 million or 74% more than Estimates and $2.5 million or 12% 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 $8.9 million which was $1.2 million or 12% less than the estimates and $1.1 million or 14% higher than collections of prior year. The noteable decrease is mainly due to lower than expected collections of Destination Management Fees, Seaport Departure Tax, Permanent Residency Fees, Telecommunication Licenses, Vehicle License Renewals, PDA application fees and Work permits Repatriation Program offset by favourable performance of Fuel Tax, Communication Tax, Gaming Machine Tax and Stamp Duty – Vehicle hire. Year to date, Other revenue totaled $45.7 million which was 2% lower than Estimates and 11% more than the prior year. The adverse performance against the Budget is due to lower than expected collections of Destination Management Fees, Fuel Tax, Vehicle License Renewals, Telecommunication Licenses, Seaport Departure Tax, Work permits Repatriation and Permanent Residency Fees offset by favourable performance of PDA application fees, Communication Tax, Gaming Machine Tax and Insurance Premium Tax.

The table below shows the breakdown of Other Revenue.

	August - 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	1,084	1,686	1,164	(602)	(36%)	(81)	(7%)	4,785	5,094	4,642	(309)	(6%)	143	3%
Destination Management Fees	-	700	-	(700)	(100%)	-	-	1,978	2,900	1,382	(922)	(32%)	596	43%
Business License renewal	113	178	163	(65)	(37%)	(50)	(31%)	2,590	2,655	2,489	(65)	(2%)	101	4%
Communication Tax	614	552	519	62	11%	95	18%	2,844	2,686	2,522	158	6%	322	13%
Gaming Machine Tax	522	372	284	149	40%	237	83%	2,738	2,465	2,404	272	11%	334	14%
Telecommunication Licenses	289	461	396	(172)	(37%)	(107)	(27%)	1,820	2,226	1,910	(406)	(18%)	(90)	(5%)
Overtime Costs Recovered	185	187	140	(2)	(1%)	44	32%	747	800	986	(54)	(7%)	(239)	(24%)
Fuel Tax	1,205	851	500	355	42%	706	141%	4,381	5,076	3,106	(695)	(14%)	1,274	41%
Vehicle License Renewals	294	450	313	(156)	(35%)	(20)	(6%)	1,754	2,425	1,645	(671)	(28%)	109	7%
Permanent Residency Fees	364	640	439	(276)	(43%)	(75)	(17%)	1,949	2,137	2,280	(189)	(9%)	(332)	(15%)
Insurance Premiums tax	177	164	154	13	8%	23	15%	1,764	1,217	1,143	547	45%	621	54%
Stamp duty - vehicle hire	404	281	264	122	43%	140	53%	1,498	1,422	1,342	76	5%	155	12%
Stamp duty Miscellaneous	52	22	13	30	135%	39	297%	165	142	124	23	16%	41	33%
PDA application fees	152	270	188	(118)	(44%)	(36)	(19%)	1,334	937	1,186	397	42%	148	13%
Work Permits Repatriation	203	346	345	(143)	(41%)	(143)	(41%)	1,421	1,798	1,794	(376)	(21%)	(372)	(21%)
Other Revenues	3,261	2,991	2,971	270	9%	290	10%	13,910	12,705	12,089	1,204	9%	1,821	15%
OTHER REVENUE	**8,917**	**10,152**	**7,854**	**(1,235)**	**-12%**	**1,063**	**14%**	**45,677**	**46,686**	**41,043**	**(1,009)**	**-2%**	**4,633**	**11%**

NON-RECURRENT REVENUE

Non-recurrent Revenue of $0.2 million relating to land sales was recorded during the month. This was $0.7 million or 79% lower than Estimates and $0.1 million or 212% higher than the prior year. Year to date, Non-recurrent revenue totaled $1.1 million which was 69% below budget and 195% 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

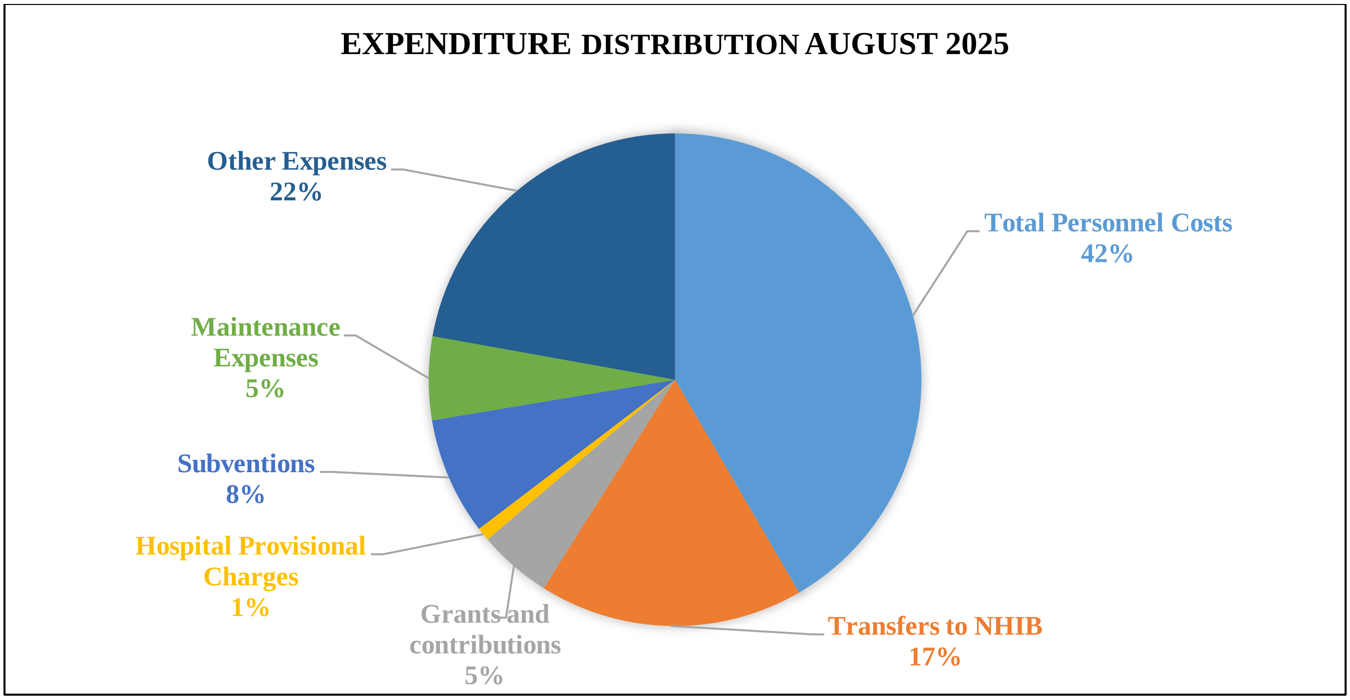
4.1.1. RECURRENT EXPENDITURE

Recurrent Expenditure: ***August 2025: $33.3 million, YTD: 158.3 million***

	August - 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	13,860	15,244	13,073	(1,384)	-9%	787	6%	68,599	74,393	65,621	(5,794)	-8%	2,977	5%
Transfers to NHIB	5,777	3,963	2,958	1,813	46%	2,819	95%	16,989	17,748	14,788	(759)	-4%	2,201	15%
Grants and contributions	1,606	3,079	1,720	(1,473)	-48%	(114)	-7%	6,954	9,177	4,038	(2,223)	-24%	2,916	72%
Hospital Provisional Charges	295	1,867	2,081	(1,573)	-84%	(1,787)	-86%	2,757	11,085	11,844	(8,328)	-75%	(9,087)	-77%
Subventions	2,570	1,302	3,047	1,268	97%	(477)	-16%	16,255	17,977	15,429	(1,722)	-10%	826	5%
Maintenance Expenses	1,822	2,158	1,837	(336)	-16%	(15)	-1%	7,532	11,921	6,111	(4,389)	-37%	1,421	23%
Other Expenses	7,386	9,691	7,693	(2,305)	-24%	(307)	-4%	39,189	62,021	36,829	(22,832)	-37%	2,360	6%
Total Recurrent Expenditure	**33,315**	**37,305**	**32,409**	**(3,990)**	**-11%**	**906**	**3%**	**158,275**	**204,322**	**154,661**	**(46,047)**	**-23%**	**3,614**	**2%**

Recurrent expenditure for August totaled $33.3 million. The results were $4 million or 11% less than the Estimates and $0.9 million or 3% 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 $158.3 million which was 23% behind the Estimates and 2% higher than prior year.

Recurrent expenditures were distributed as shown below;



NHIB transfers in August totaled $5.8 million, representing 17% of total recurrent expenditure. This was $1.8 million (46%) above the Estimates and $2.8 million (95%) 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 $17 million (4%) below budget and $2.2 million (15%) higher than the same period in the prior year.

Subventions to Statutory Bodies in August amounted to $2.6 million, which was $1.3 million (97 percent) above the budgeted estimate but $0.5 million (16 percent) lower than the expenditure recorded in the same period last year. On a year-to-date basis, subventions totaled $1.7 million (10 percent) below budget but $0.8 million (5 percent) higher than the prior year. The variances primarily reflect timing differences between the budgeted profile and actual disbursements, which are expected to normalize as the year progresses. The variance against prior reflects budgetary increases as a result of the pay and regrading exercise.

Hospital Provisional Charges for August amounted to $0.3 million. The result was $1.6 million or 84% below the Estimates and 86% lower than the prior year's performance. Year to date, the expenditure is $8.3 million or 75% lower than the budget and $9.1 million or 77% lower than Prior year results. The underspend is as a result of delayed payments to Interhealth Canada due to ongoing reconciliations.

Personnel Costs accounted for 42% of the recurrent expenditure, totaling $13.9 million in August 2025. The result was lower than the Estimates by $1.4 million or 9%. Compared to the prior year, the Personnel costs were $0.8 million or 6% higher. Performance against budget is attributed to vacancies existing within the civil service.
Year to date, Personnel costs totaled $68.6 million which was $5.8 million or 8% lower than the Budget and $3 million or 5% higher than the prior year.

Personnel Costs are further itemized below.

	August - 2025			Variances				Year to date			Variances			
	Actual	Budget	Last Year	Budget		Last Year		Actual	Budget	Last Year	Budget		Last Year	
	$000	$000	$000	$000	%	$000	%	$000	$000	$000	$000	%	$000	%
Compensation of employees														
Salaries and Wages	9,995	11,329	9,778	(1,334)	-12%	218	2%	51,093	55,169	48,890	(4,075)	-7%	2,203	5%
Contribution to NIB and NHIB	864	996	846	(132)	-13%	18	2%	4,387	4,981	4,220	(594)	-12%	167	4%
Housing Allowances	505	724	477	(219)	-30%	28	6%	2,555	3,620	2,434	(1,065)	-29%	121	5%
Transport Allowances	106	148	80	(42)	-29%	26	33%	443	775	456	(332)	-43%	(13)	-3%
Telephone Allowances	104	125	90	(22)	-17%	14	15%	510	627	465	(118)	-19%	45	10%
Other Allowances	652	371	388	282	76%	265	68%	2,517	1,853	1,933	664	36%	584	30%
Total compensation of employees	**12,226**	**13,694**	**11,658**	**(1,468)**	**-11%**	**568**	**5%**	**61,504**	**67,025**	**58,398**	**(5,520)**	**-8%**	**3,106**	**5%**
Members of the House of Assembly														
Salaries - Ministers and Members	214	222	209	(8)	-4%	5	2%	1,069	1,110	1,079	(41)	-4%	(10)	-1%
NIB and NHIB	10	12	8	(3)	-23%	1	13%	48	62	42	(14)	-23%	5	13%
Allowances for Ministers and Members	55	57	46	(2)	-4%	10	21%	277	287	230	(11)	-4%	47	20%
Total	**279**	**292**	**263**	**(13)**	**-4%**	**16**	**6%**	**1,393**	**1,458**	**1,351**	**(65)**	**-4%**	**42**	**3%**
Pensions and gratuities														
Pensions (PSPP and RAP)*	480	500	750	(20)	-4%	(270)	-36%	2,388	2,456	2,597	(68)	-3%	(210)	-8%
Employer's Contribution (PSEPF)*	276	333	251	(56)	-17%	25	10%	1,408	1,663	1,306	(255)	-15%	102	8%
Gratuities	422	250	150	172	69%	272	181%	1,025	910	1,375	115	13%	(350)	-25%
Pensions - Legislators	176	176	-	-	0%	176	-	880	880	593	(0)	0%	287	48%
Gratuities - Legislators	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total pensions and gratuities	**1,355**	**1,259**	**1,151**	**96**	**8%**	**204**	**18%**	**5,701**	**5,909**	**5,872**	**(208)**	**-4%**	**(171)**	**-3%**
Total PE Cost	**13,860**	**15,244**	**13,073**	**(1,384)**	**-9%**	**787**	**6%**	**68,599**	**74,393**	**65,621**	**(5,794)**	**-8%**	**2,977**	**5%**

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

4.1.2. OTHER RECURRENT EXPENDITURE

Other Recurrent Expenditure: ***August 2025: $7.4 million, YTD: 39.2 million***

	August - 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	979	884	791	95	11%	188	24%	4,637	5,913	4,124	(1,276)	-22%	513	12%
Professional and Consultancy	1,294	1,298	1,292	(5)	0%	1	0%	5,639	9,823	4,593	(4,184)	-43%	1,046	23%
Recurrent Sub Programmes	240	687	920	(447)	-65%	(680)	-74%	3,129	6,094	3,797	(2,965)	-49%	(668)	-18%
Rental of assets	731	694	653	37	5%	78	12%	3,206	3,483	2,836	(277)	-8%	370	13%
Utilities	510	490	486	21	4%	24	5%	2,220	2,565	2,066	(345)	-13%	154	7%
Local Travel and Subsistence	192	423	368	(231)	-55%	(176)	-48%	1,736	2,639	2,046	(904)	-34%	(310)	-15%
Security expenses	653	446	202	207	46%	451	223%	2,428	2,562	1,018	(134)	-5%	1,410	138%
International Travel & Subsistence	324	387	231	(63)	-16%	93	40%	1,405	2,340	919	(936)	-40%	486	53%
Communication Expenses	225	230	247	(5)	-2%	(22)	-9%	933	1,157	888	(224)	-19%	46	5%
Bank charges	96	119	130	(23)	-19%	(33)	-26%	638	553	678	85	15%	(40)	-6%
Data Communication cost	35	25	331	10	41%	(296)	-89%	391	1,009	1,122	(617)	-61%	(730)	-65%
Insurance Expenses	1	262	52	(261)	-99%	(50)	-97%	2,142	2,979	1,971	(837)	-28%	171	9%
Hosting and Entertainment	81	219	94	(138)	-63%	(13)	-14%	750	1,461	735	(711)	-49%	16	2%
Repatriation and exportation	-	1	342	(1)	-100%	(342)	-100%	358	5	1,988	353	7569%	(1,631)	-82%
Other supplies & Material	173	172	127	1	0%	46	36%	742	2,208	716	(1,467)	-66%	26	4%
Local Training	154	253	160	(98)	-39%	(6)	-4%	783	1,258	553	(474)	-38%	230	42%
Other Sundry Expenses	68	90	77	(22)	-24%	(9)	-12%	487	699	475	(212)	-30%	12	3%
Fuel	63	210	117	(147)	-70%	(54)	-46%	551	829	632	(278)	-34%	(81)	-13%
Other Recurrent Expenditure	1,566	2,802	1,072	(1,236)	-44%	494	46%	7,014	14,444	5,675	(7,429)	-51%	1,340	24%
TOTAL	**7,386**	**9,691**	**7,693**	**(2,305)**	**-24%**	**(307)**	**-4%**	**39,189**	**62,021**	**36,829**	**(22,832)**	**-37%**	**2,360**	**6%**

In August, Other recurrent expenses totaled $7.4 million which was $2.3 million or 24% below the Estimates and $0.3 million or 4% lower than the prior year. Year to date, Other expenses totaled $39.2 million which was lower than the Budget by $22.8 million or 37% and 6% 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 August totaled $0.3 million. This was $34 thousands or 13% higher than Estimates and $30 thousands or 9% 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 Statutory Land Acquisitions $0.2 million. Year to date, Non-Recurrent Expenditure totaled $2.3 million which was lower than the Budget by $1.5 million or 40% and $0.9 million or 29% 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$'000	Outstanding Balance 31-August-25 US$'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 August 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 August 31, 2025 was $100.9 million, and the Capital expenditure year to date is $10.3 million. The movement in the fund balance is as shown below.

	US$'000
Closing 31/03/2023	**45,773**
Awards and commitments	41,710
Completed projects - savings returned to CF	(376)
CAPEX 2023/24	(27,610)
As at 31 March 2024	**59,496**
Awards and commitments	31,786
Completed projects - savings returned to CF	(1,142)
Capex 2024/25	(38,617)
As at 31 March 2025	**51,524**
Appropriation for FY2025/26	59,702
Capex 2025/26 – YTD	(10,303)
As at 31 August 2025	**100,923**

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 (US$'000)
1	5682	Highway and Road Improvements	1,554
2	5561	South Dock Port Redevelopment	1,230
3	5788	Ambulances for Islands	975
4	5624	Prison Works	967
5	5696	Purchase of Patrol Vessel	895
6	5677	Purchase and Installation of New 1 million gallon Salt Water Reverse Osmosis (SWRO) Unit	668
7	5752	Furniture and Equipment for Primary Schools - LOT 6	563
8	5754	Repairs to RGHS Art Block	421
9	5765	Redevelopment of Regatta Village - XSC	374
10	5683	Remediation Works to Ponds and Bridges	363

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 3% of actual revenue was in excess of the estimates for the period.

7.1. STATEMENT OF NWF ACCOUNT

As of August 31, 2025, the National Wealth Fund balance was $95.1 million.

Opening NWF 01/04/2025 (US$' 000)	Interest income (US$' 000)	Closing NWF 31/08/2025 (US$' 000)
93,428	1,647	95,075

7.2. STATEMENT OF NWF FUNDS

The value of the National Wealth fund is attributable to;

(All figures in US$'000)	31-Aug-25 US$'000	31-Mar-25 US$'000
Stabilization Fund	47,652	46,499
Infrastructure and Competiveness Fund	13,614	13,285
Heritage Fund	6,565	6,417
Citizen's Empowerment Fund	7,124	7,116
Mortgage Corporation Fund	20,119	20,111
National Wealth Fund balance at the end of the period	**95,075**	**93,428**

Represented by		
Cash at Bank	10,362	10,357
Fixed deposit	84,529	82,887
Investment Property	184	184
	95,075	**93,428**

Fixed deposit totaling to $84.5 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 $2.5 million as at August 31, 2025. 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$'000)	31-Aug-25 US$'000	31-Mar-25 US$'000
Opening Balance	**3,440**	**6,832**
Receipts		
Transfers from Consolidated Fund	-	-
Other receipts	943	18
Total receipts	**943**	**18**
Payments		
AMLC expenses	170	599
Special project expenses	731	2,148
Transfers to consolidated Fund	-	663
Total payments	**901**	**3,410**
Net increase in National Forfeiture Fund balance	**42**	**(3,392)**
National Forfeiture Fund balance at the end of the period	**3,482**	**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 August 31, 2025 is shown below;

(All figures in US$'000)	31-Aug-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 August 31, 2025.

	31-Aug-25	**31-Mar-25**
	US$'000	**US$'000**
Opening balance at Apr 1	**29,711**	**21,179**
CONTRIBUTIONS MADE:	-	
Contributions by Statutory bodies	840	1,465
Employer's Contributions by TCIG- YTD	1,408	3,433
TCIG Employees' contributions- YTD	1,408	3,433
Ex-gratia funding	-	1,000
BENEFITS PAID:		
Payments to beneficiaries YTD	(146)	(799)
Prior year adjustment on benefits paid	-	-
Bank charges YTD	-	(0)
Closing PSEPF balance	**33,221**	**29,711**

11. HUMAN RESOURCE MANAGEMENT

Employees

There were 2,077 people employed by TCIG at the end of August 2025, consisting of 1,794 monthly paid employees and 283 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there are 15 new recruits and 85 attritions in the month of August.

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 August. 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.

>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>END OF REPORT <<<<<<<<<<<<<<<<<<<<<<<<<<<<<