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

FINANCIAL REPORT
For the month ended 31 October, 2025

FY2025/2026

Contents

KEY HIGHLIGHTS

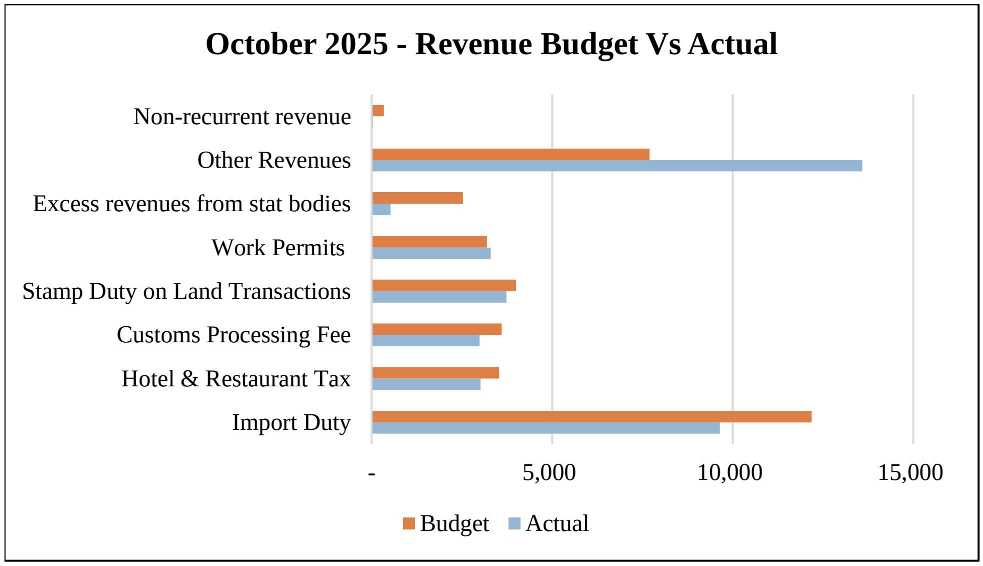
- **$36.8 million revenue for the month.** The aggregate revenue collections for October were $36.8 million against a budget of $37.1 million.

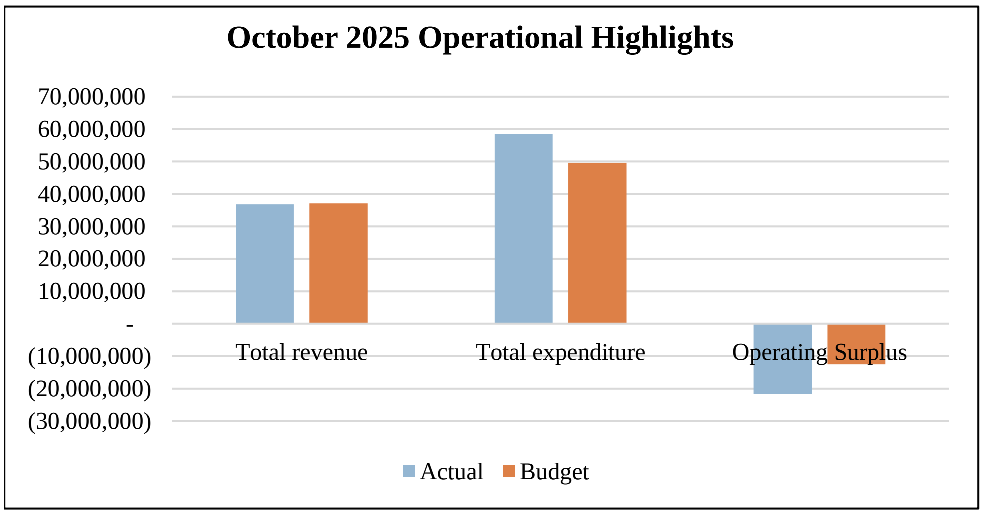
- **$58.5 million expenditure for the month.** The total expenditure for the month of October was $58.5 million compared to the budget of $49.7 million.

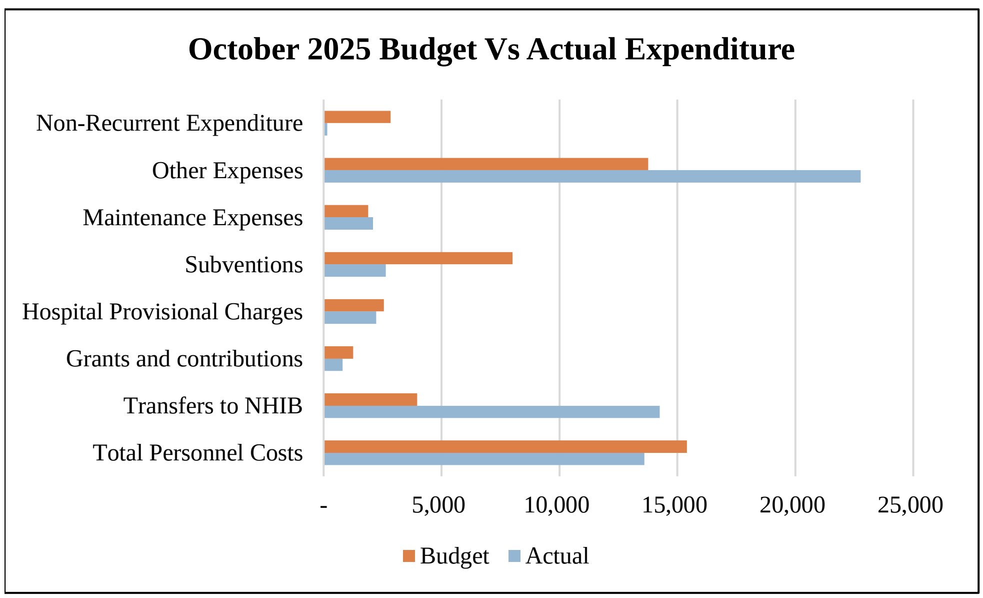
- **$13.7 million Capital expenditure during the year to date.** Capital expenditure for the month amounted to $1.6 million, representing a 20% decrease compared to the same month in the previous year and 47% underperformance on Budget.

- **$21.7 million operating deficit**. There was an operating deficit during the month of October of $21.7 million against the forecast deficit of $12.6 million.

- **Decrease in the underlying Cash balances**. The underlying cash balance at the end of month showed a decrease of $23.3 million resulting in a closing cash balance of $406.7 million.







1. ECONOMIC OVERVIEW

Tourism remains the cornerstone of TCI's economy, contributing significantly to GDP and employment. In 2025, the sector continues to perform strongly, supported by robust visitor arrivals and construction boom in the hospitality industry. At the same time, the economy faces headwinds including heavy reliance on imported goods, rising healthcare costs, inflationary pressures and growing security concerns, all of which could weigh on fiscal performance and the cost of living.

According to the Turks and Caicos Islands Statistical Authority, 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. Growth in 2025 is expected to continue, albeit at a more moderate pace than in 2024. Standard & Poor’s recently upgraded TCI’s credit rating to A-, citing sound fiscal management, strong cash reserves (equivalent to roughly 24 percent of GDP), and continued resilience in the tourism and financial services sectors.

Globally, economic conditions remain a key determinant of TCI’s performance. The International Monetary Fund’s (IMF) *October 2025 World Economic Outlook Update* projects global growth slowing from 3.3% in 2024 to 3.2% in 2025 as economies adjust to persistent structural headwinds. Inflation continues easing but remains above target in several countries, keeping monetary policy relatively tight. The United States remains a key driver of global performance, supported by strong AI-driven investment, resilient consumer spending, and a temporarily weaker dollar that improves global financial conditions. However, renewed U.S. tariff actions, global trade fragmentation, declining development aid, and supply-side pressures including labour shortages continue to weigh on confidence and investment, leaving overall risks to the global economy tilted to the downside.

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 need for digital transformation, investment in renewable energy and strengthened disaster preparedness as key pillars of long-term fiscal and financial resilience.[1]

Looking ahead, the Turks and Caicos Islands are expected to maintain solid growth momentum in the months ahead of fiscal year 2025-26, though at a slightly slower pace than in 2024-25. Nominal GDP is projected to rise modestly, with per capita income remaining just above US$35,000. Inflation is anticipated to stabilize between 2.5 and 3.5 percent, although imported inflation, particularly in food, fuel, housing, and construction inputs remains a significant risk. While strong tourism demand and continued 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.

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

2. FISCAL OVERVIEW

The Estimates of Revenue and Expenditure for the financial year 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.

A supplementary budget (No. 1) was approved on September 19, 2025, increasing recurrent and non-recurrent expenditures by $24.3 million and reducing capital expenditures by $10.8 million. Key areas of additional funding include: Claims against Government: $10 million, Statutory Land acquisition: $7 million, Hospital Provisional Charges: $4.8 million, Professional and Consultancy Services: $1 million, Subventions: $0.7 million and Maintenance Expenses $0.7 million.

Updated projections for FY 2025-26 reflect planned revenues of $549.4 million and total expenditures of $553.5 million. This includes $504.6 million allocated to operating expenses and $48.9 million to capital expenses. The revised estimates project an operating surplus of $44.8 million but a net deficit of $4.1 million due to increased spending.

The Government ended October of FY2025-2026 with an operating deficit of $21.7 million and a net cash decrease of $23.3 million, bringing the total cash balance to $406.7 million. Monthly revenue fell short of budget by 1% and 9% lower compared to October 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

In October, the Government recorded an operating deficit of $21.7 million compared to the projected deficit of $12.6 million; an unfavourable variance of $9.1 million, or 72%. This adverse performance resulted primarily subvention spending, which reflected efforts to catch up on prior-month underspends, increased transfers to the NHIB driven by rising treatment-abroad costs, and payments made for claims against the Government.

	October - 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	36,792	36,748	40,517	44	0%	(3,724)	-9%	321,339	326,587	298,696	(5,247)	-2%	22,643	8%
Non-Recurrent Revenue	34	343	26	(308)	-90%	8	29%	3,886	4,185	521	(298)	-7%	3,365	646%
Total Revenue	**36,826**	**37,090**	**40,543**	**(264)**	**-1%**	**(3,717)**	**-9%**	**325,226**	**330,771**	**299,217**	**(5,546)**	**-2%**	**26,009**	**9%**
Recurrent Expenditure	58,362	46,840	40,544	11,522	25%	17,819	44%	262,724	292,048	227,337	(29,324)	-10%	35,387	16%
Non-Recurrent Expenditure	155	2,840	447	(2,685)	-95%	(292)	-65%	8,504	9,221	4,235	(717)	-8%	4,269	101%
Total Expenditure	**58,518**	**49,680**	**40,991**	**8,838**	**18%**	**17,527**	**43%**	**271,229**	**301,270**	**231,572**	**(30,041)**	**-10%**	**39,657**	**17%**
Net Operating Deficit	**(21,691)**	**(12,590)**	**(448)**	**(9,102)**	**72%**	**(21,244)**	**4745%**	**53,997**	**29,502**	**67,645**	**24,495**	**83%**	**(13,648)**	**-20%**

2.2. CASH FLOW

In October, the underlying cash balance decreased by $23.3 million, falling from $430 million at the end of September 2025 to $406.7 million as of October 31, 2025. This balance encompasses cash at the bank and short-term fixed deposits.

	October - 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	**(21,691)**	**(12,590)**	**(448)**	**(9,102)**	**72%**	**(21,244)**	**4745%**	**53,997**	**29,502**	**67,645**	**24,495**	**83%**	**(13,648)**	**-20%**
Less:														
Capital Expenditure	(1,566)	(2,961)	(1,959)	1,396	-47%	394	-20%	(13,690)	(25,922)	(20,956)	12,232	-47%	7,266	-35%
Debt Repayments	-	-	-	-	0%	-	0%	(215)	-	(205)	(215)	0%	(10)	0%
Net receipts		-	532	-	0%	532	100%	318	-	208	318	0%	(110)	-53%
Net Cash Flow	**(23,257)**	**(15,551)**	**(1,875)**	**(7,706)**	**50%**	**(21,382)**	**1140%**	**40,410**	**3,580**	**46,692**	**36,830**	**1029%**	**(6,282)**	**-13%**
Opening cash balance	429,986		415,532					366,319		366,965				
Closing cash balance	**406,729**		**413,657**					**406,729**		**413,657**				
<u>Attributable to:</u>														
Consolidated Fund	220,733							220,733						
Development Fund	86,763							86,763						
National Wealth Fund	94,892							94,892						
NFF	3,157							3,157						
DEF	1,184							1,184						
Closing cash balance	**406,729**							**406,729**						

3. REVENUE

3.1. REVENUE BY ECONOMIC CLASSIFICATION

3.1.1. RECURRENT REVENUE

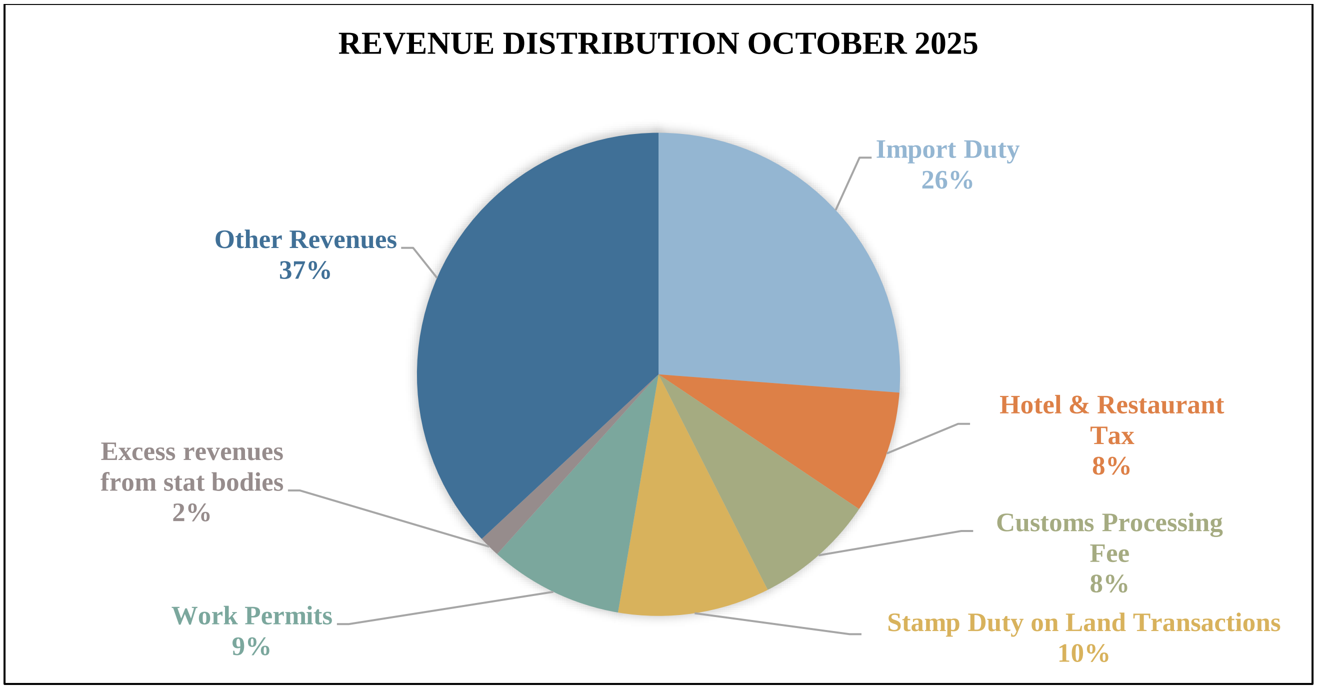
October 2025: $36.8 million, YTD: $321.3 Million

	October - 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	9,642	12,188	10,780	(2,546)	-21%	(1,139)	-11%	75,050	78,715	65,145	(3,665)	-5%	9,905	15%
Stamp Duty on Land Transactions	3,734	4,000	5,274	(266)	-7%	(1,541)	-29%	29,993	38,560	36,423	(8,567)	-22%	(6,430)	-18%
Work Permits	3,297	3,194	3,063	103	3%	234	8%	25,868	23,915	22,957	1,952	8%	2,911	13%
Hotel & Restaurant Tax	3,020	3,533	2,849	(513)	-15%	171	6%	74,736	83,732	68,682	(8,995)	-11%	6,054	9%
Customs Processing Fee	2,989	3,605	4,978	(616)	-17%	(1,989)	-40%	23,200	25,319	21,732	(2,119)	-8%	1,468	7%
Excess revenues from stat bodies	524	2,529	4,547	(2,006)	-79%	(4,023)	-88%	20,021	13,317	26,069	6,704	50%	(6,049)	-23%
Other Revenues	13,587	7,698	9,024	5,889	76%	4,562	51%	72,471	63,029	57,687	9,442	15%	14,784	26%
Total Recurrent Revenue	**36,792**	**36,748**	**40,517**	**44**	**0%**	**(3,724)**	**-9%**	**321,339**	**326,587**	**298,696**	**(5,247)**	**-2%**	**22,643**	**8%**

Recurrent revenue totaled $36.8 million in October, which was in line with the budget but falling short of revenue collected in October 2024 by $3.7 million (9%). The performance for the month indicated lower-than-projected collections from Import Duty, Excess revenue from Statutory Bodies, Customs Processing Fee, HRTT and Stamp Duty on Land Transactions offset by favorable performance on Work Permits and Other revenues. The five largest revenue streams together accounted for 62% of total collections.

On a year-to-date basis, recurrent revenue stands at $321.3 million, 2% below budget but 8% higher than the same period last year. The shortfall is mainly attributable to the underperformance of Hotel & Restaurant Tax, Stamp Duty on Land Transactions, 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) for the month of October contributed 8% of total collections. HRTT receipts for the month amounted to $3 million, which was $0.5 million (15%) below the budgeted estimate but $0.2 million (6%) higher than collections in the same period last year. On a year-to-date basis, HRTT collections totaled $74.7 million which was $9 million (11%) short of the budget but $6.1 million (9%) above the prior year. The shortfall against budget reflects lower-than-expected stayover arrivals during the slow season.

Import duties were the single largest contributor to recurrent revenue, accounting for 26% 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 October, import duty collections totaled $9.6 million, which was $2.5 million (21%) below budget and $1.1 million (11%) lower than October 2024. Year-to-date, collections reached $75.1 million, falling short of the budget by $3.7 million (5%) but surpassing the prior year by $9.9 million (15%). The shortfall relative to budget was largely due to outstanding payments on assessed entries.

Customs Processing Fees in October amounted to $3 million, which was $0.6 million (17%) below budget and $2 million (40%) lower than October 2024. CPF revenue is particularly sensitive to changes in import activity especially as well as import inflation. Year-to-date, CPF collections totaled $23.2 million, coming in 8% below budget but 7% 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 $3.7 million. The collections were $0.3 million or 7% lower than the budget and $1.5 million or 29% below the prior year period. Year to date collections totaled $30 million which was $8.6 million or 22% lower than Estimates and $6.4 million or 18% 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 9% of the total recurrent Revenue. This was $0.1 million or 3% above the budget and $0.2 million or 8% higher than the collections in the prior year. Year to date, work permit fees collections totaled $25.9 million which was $2 million or 8% higher than the Estimates and $2.9 million or 13% 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 $0.5 million during the month mainly from the Ports Authority and Telecommunications Commission. This formed 2% of recurrent revenue. This was $2 million or 79% less than the Estimates and $4 million or 88% less than the prior year results. Year to date, Excess revenue from Statutory Bodies totaled $20 million which was $6.7 million or 50% more than Estimates and $6 million or 23% 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 TCI Ports Authority.

3.1.2. OTHER RECURRENT REVENUE

Other recurrent revenues totaled $13.6 million which was $5.9 million or 76% more than the estimates and $4.6 million or 51% higher than collections of prior year. The notable increase is mainly due to higher than expected collections of Stamp duty - Share Transfer, Destination Management Fees, Seaport Departure Tax, Communication Tax, Insurance Premium Tax, and Overtime Costs Recovered offset by unfavourable performance of Permanent Residency Fees, PDA application fees, Vehicle License Renewals, Fuel Tax and Gaming Machine Tax. Year to date, Other revenue totaled $72.5 million which was 15% higher than Estimates and 26% more than the prior year.

The favourable performance against the Budget is due to Stamp duty - Share Transfer which was previously collected by the Financial Services Commission and is now under the remit of the Collector of Stamp duty, Destination Management Fees, PDA application fees, Insurance Premium Tax, Communication Tax and Gaming Machine Tax offset by unfavourable performance of Vehicle License Renewals, Fuel Tax, Telecommunication Licenses, Work permits Repatriation, Stamp duty – Vehicle hire, Permanent Residency Fees and Overtime Costs Recovered.

The table below shows the breakdown of Other Revenue.

	October - 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	%
Stamp duty - Share Transfer	5,609	-	-	5,609	-	5,609	-	6,739	-	-	6,739	-	6,739	-
Destination Management Fees	1,875	500	1,312	1,375	275%	563	43%	5,196	3,900	3,439	1,296	33%	1,758	51%
Seaport Departure Tax	674	514	685	161	31%	(10)	(2%)	6,215	6,299	6,249	(85)	(1%)	(34)	(1%)
Communication Tax	647	527	495	120	23%	152	31%	4,122	3,810	3,578	312	8%	544	15%
Fuel Tax	565	727	1,525	(162)	(22%)	(960)	(63%)	5,667	6,429	5,199	(762)	(12%)	468	9%
Gaming Machine Tax	438	529	652	(91)	(17%)	(214)	(33%)	3,664	3,431	3,421	233	7%	243	7%
Permanent Residency Fees	411	641	438	(230)	(36%)	(27)	(6%)	2,730	2,854	3,106	(124)	(4%)	(376)	(12%)
Vehicle License Renewals	292	500	345	(208)	(42%)	(54)	(16%)	2,364	3,375	2,296	(1,011)	(30%)	68	3%
Overtime Costs Recovered	291	202	142	89	44%	149	104%	1,069	1,169	1,241	(100)	(9%)	(172)	(14%)
Insurance Premiums tax	255	99	93	156	157%	162	174%	2,310	1,538	1,444	773	50%	866	60%
Work Permits Repatriation	253	333	334	(80)	(24%)	(81)	(24%)	2,006	2,444	2,446	(439)	(18%)	(440)	(18%)
Telecommunication Licenses	234	291	250	(56)	(19%)	(15)	(6%)	2,471	2,978	2,556	(506)	(17%)	(85)	(3%)
PDA application fees	136	350	253	(214)	(61%)	(117)	(46%)	3,062	1,737	1,576	1,325	76%	1,487	94%
Business License renewal	83	116	109	(33)	(28%)	(26)	(24%)	2,822	2,888	2,708	(66)	(2%)	114	4%
Stamp duty - vehicle hire	73	93	88	(20)	(21%)	(14)	(16%)	1,544	1,708	1,611	(163)	(10%)	(66)	(4%)
Stamp duty Miscellaneous	55	32	815	23	71%	(759)	(93%)	242	207	987	35	17%	(745)	(75%)
Other Revenues	1,694	2,243	1,489	(549)	(24%)	205	14%	20,247	18,262	15,833	1,986	11%	4,414	28%
OTHER REVENUE	**13,587**	**7,698**	**9,024**	**5,889**	**76%**	**4,562**	**51%**	**72,471**	**63,029**	**57,687**	**9,442**	**15%**	**14,784**	**26%**

NON-RECURRENT REVENUE

Non-recurrent Revenue of $34 thousands relating to land sales was recorded during the month. This was $0.3 million or 90% lower than Estimates and $8 thousands or 29% higher than the prior year. Year to date, Non-recurrent revenue totaled $3.9 million which was 7% below budget and 646% 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

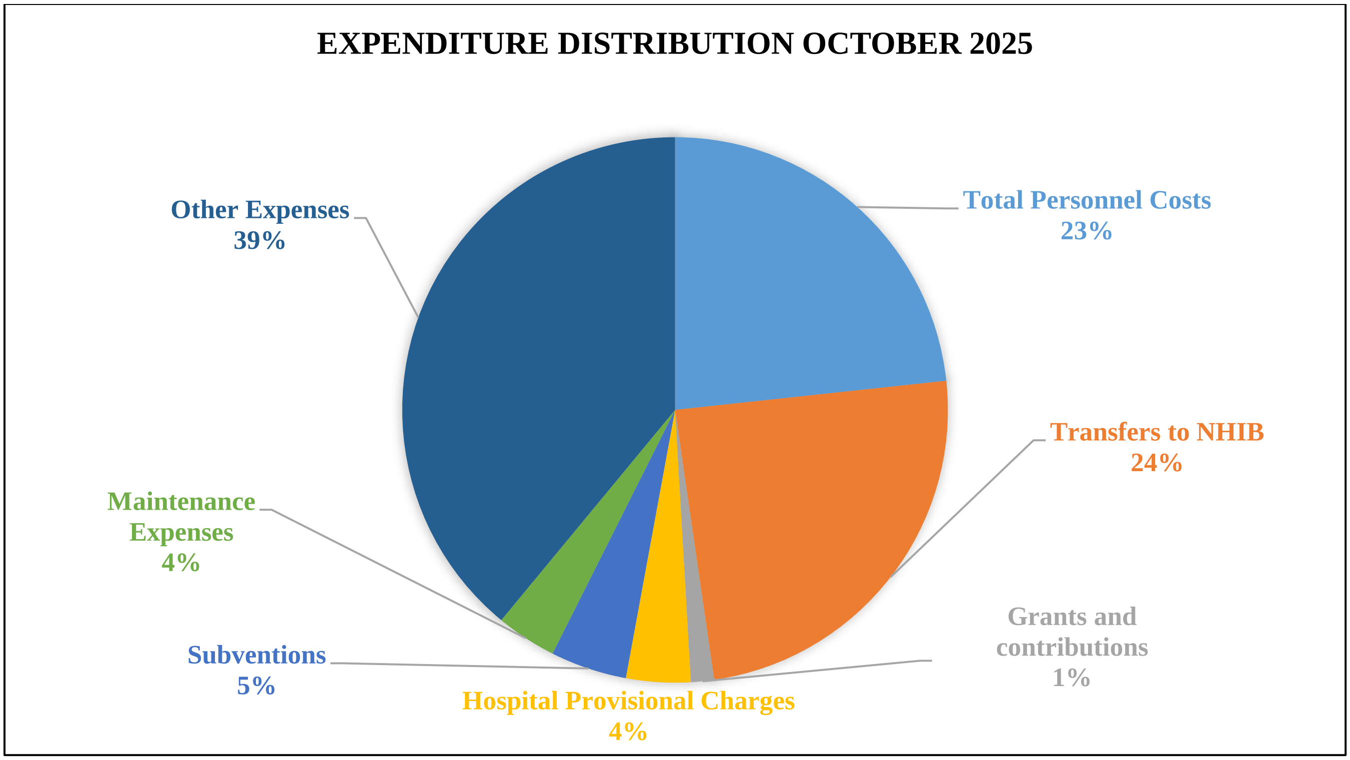
4.1.1. RECURRENT EXPENDITURE

Recurrent Expenditure: ***October 2025: $58.4 million, YTD: 262.7 million***

	October - 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	%
Transfers to NHIB	14,247	3,963	2,958	10,284	259%	11,289	382%	41,695	25,675	20,704	16,020	62%	20,991	101%
Total Personnel Costs	13,595	15,404	13,851	(1,809)	-12%	(256)	-2%	96,238	105,357	92,872	(9,119)	-9%	3,367	4%
Subventions	2,640	8,010	6,019	(5,371)	-67%	(3,379)	-56%	24,674	28,110	23,450	(3,436)	-12%	1,223	5%
Hospital Provisional Charges	2,225	2,555	2,081	(329)	-13%	144	7%	4,983	16,195	16,006	(11,212)	-69%	(11,023)	-69%
Maintenance Expenses	2,088	1,891	2,109	197	10%	(21)	-1%	11,823	15,404	9,873	(3,580)	-23%	1,951	20%
Grants and contributions	801	1,253	3,162	(453)	-36%	(2,361)	-75%	9,946	12,553	9,331	(2,607)	-21%	615	7%
Other Expenses	22,766	13,763	10,364	9,004	65%	12,403	120%	73,365	88,754	55,102	(15,389)	-17%	18,263	33%
Total Recurrent Expenditure	**58,362**	**46,840**	**40,544**	**11,522**	**25%**	**17,819**	**44%**	**262,724**	**292,048**	**227,337**	**(29,324)**	**-10%**	**35,387**	**16%**

Recurrent expenditure for October totaled $58.4 million. The results were $11.5 million or 25% more than the Estimates and $17.8 million or 44% more than the Prior Year. The overspend against the budget is mainly attributed to more spending on Transfers to NHIB, Maintenance Expenses and Other Expenses particularly Claims against Government offset by less spending on Personnel costs due to the number of vacancies that remain unfilled, Subventions and delayed implementation on Grants and Contributions. Year to date, total recurrent expenditure totaled $262.7 million which was 10% behind the Estimates and 16% higher than prior year.

Recurrent expenditures were distributed as shown below;



NHIB transfers in October totaled $14.2 million, representing 24% of total recurrent expenditure. This was $10.3 million (259%) above the Estimates and $11.3 million (382%) 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 $16 million (62%) above budget and $21 million (101%) higher than the same period in the prior year.

Subventions to Statutory Bodies in October amounted to $2.6 million, which was $5.3 million (67%) below the budgeted estimate and $3.4 million (56%) lower than the expenditure recorded in the same period last year. On a year-to-date basis, subventions totaled $24.7 million (12%) below budget but $1.2 million (5%) 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 October amounted to $2.2 million. The result was $0.3 million or 13% below the Estimates and 7% higher than the prior year's performance. Year to date, the expenditure is $11.2 million or 69% lower than the budget and $11 million or 69% 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 23% of the recurrent expenditure, totaling $13.6 million in October 2025. The result was lower than the Estimates by $1.8 million or 12%. Compared to the prior year, the Personnel costs were $0.3 million or 2% lower. Performance against budget is attributed to vacancies existing within the civil service.
Year to date, Personnel costs totaled $96.2 million which was $9.1 million or 9% lower than the Budget and $3.4 million or 4% higher than the prior year.

Personnel Costs are further itemized below.

	October - 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	10,324	11,489	10,375	(1,166)	-10%	(51)	0%	71,742	78,274	69,079	(6,532)	-8%	2,663	4%
Contribution to NIB and NHIB	895	996	888	(102)	-10%	6	1%	6,168	6,986	5,956	(818)	-12%	212	4%
Housing Allowances	559	724	527	(165)	-23%	32	6%	3,661	5,074	3,503	(1,413)	-28%	158	4%
Transport Allowances	64	148	92	(84)	-57%	(28)	-30%	597	1,074	626	(477)	-44%	(29)	-5%
Telephone Allowances	100	125	101	(25)	-20%	(1)	-1%	712	883	673	(170)	-19%	40	6%
Other Allowances	431	371	460	60	16%	(29)	-6%	3,529	2,594	2,926	935	36%	603	21%
Total compensation of employees	**12,373**	**13,854**	**12,443**	**(1,481)**	**-11%**	**(70)**	**-1%**	**86,409**	**94,884**	**82,763**	**(8,476)**	**-9%**	**3,645**	**4%**
Ministers and MPs														
Salaries - Ministers and MPs	214	222	181	(8)	-4%	33	18%	1,496	1,553	1,469	(57)	-4%	28	2%
NIB and NHIB	10	12	8	(3)	-23%	1	13%	67	87	59	(20)	-23%	8	13%
Allowances for Ministers and MPs	55	57	46	(2)	-4%	10	21%	387	402	322	(15)	-4%	66	20%
Total	**279**	**292**	**235**	**(13)**	**-4%**	**43**	**18%**	**1,951**	**2,042**	**1,849**	**(91)**	**-4%**	**101**	**5%**
Pensions and gratuities														
Pensions (PSPP and RAP)*	478	500	464	(22)	-4%	14	3%	3,359	3,456	3,263	(97)	-3%	96	3%
Employer's Contribution (PSEPF)*	254	333	286	(79)	-24%	(32)	-11%	1,944	2,334	1,868	(390)	-17%	75	4%
Gratuities	35	250	247	(215)	-86%	(211)	-86%	1,345	1,410	1,891	(65)	-5%	(546)	-29%
Pensions - Legislators	176	176	175	-	0%	1	0%	1,232	1,232	1,237	-	0%	(5)	0%
Total pensions and gratuities	**943**	**1,259**	**1,172**	**(315)**	**-25%**	**(229)**	**-20%**	**7,879**	**8,432**	**8,259**	**(552)**	**-7%**	**(380)**	**-5%**
Total PE Cost	**13,595**	**15,404**	**13,851**	**(1,809)**	**-12%**	**(256)**	**-2%**	**96,238**	**105,357**	**92,872**	**(9,119)**	**-9%**	**3,367**	**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: ***October 2025: $22.8 million, YTD: 73.4 million***

	October - 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	%
Professional and Consultancy Services	2,557	2,361	1,776	196	8%	781	44%	11,215	14,338	7,433	(3,123)	-22%	3,782	51%
Social welfare	855	1,577	1,043	(722)	-46%	(188)	-18%	6,709	8,398	6,140	(1,690)	-20%	569	9%
Recurrent Sub Programmes and Projects	771	1,249	1,626	(477)	-38%	(855)	-53%	5,437	8,544	6,329	(3,107)	-36%	(892)	-14%
Rental of assets	766	687	674	79	11%	92	14%	4,549	4,918	4,056	(369)	-7%	493	12%
Security expenses	749	469	402	280	60%	347	86%	3,577	3,515	1,794	62	2%	1,783	99%
Utilities	405	651	571	(246)	-38%	(165)	-29%	3,312	3,713	3,198	(401)	-11%	114	4%
International Travel and Subsistence	323	352	238	(29)	-8%	84	35%	2,229	3,127	1,420	(898)	-29%	809	57%
Other supplies, material & Equipment	315	390	186	(75)	-19%	129	69%	1,234	2,789	1,141	(1,555)	-56%	94	8%
Local Travel and Subsistence	299	486	604	(188)	-39%	(305)	-51%	2,423	3,552	2,987	(1,129)	-32%	(564)	-19%
Hosting and Entertainment	164	294	386	(131)	-44%	(222)	-58%	1,091	2,202	1,212	(1,110)	-50%	(121)	-10%
Fuel	150	208	121	(59)	-28%	29	24%	839	1,228	909	(389)	-32%	(70)	-8%
Local Training	148	73	150	75	103%	(1)	-1%	1,013	1,516	845	(503)	-33%	167	20%
Communication Expenses	139	240	198	(101)	-42%	(58)	-29%	1,396	1,628	1,274	(232)	-14%	122	10%
Bank charges	119	119	127	-	0%	(8)	-6%	827	791	922	36	5%	(95)	-10%
Other Sundry Expenses	94	133	114	(39)	-29%	(20)	-17%	669	956	676	(287)	-30%	(7)	-1%
Insurance Expenses	7	307	70	(299)	-98%	(63)	-89%	2,202	3,636	2,049	(1,434)	-39%	153	7%
Data Communication cost	6	100	25	(94)	-94%	(19)	-77%	852	1,293	1,291	(441)	-34%	(440)	-34%
Repatriation and exportation expenses	-	1	592	(1)	-100%	(592)	-100%	358	7	3,153	351	5378%	(2,795)	-89%
Other Recurrent Expenditure	14,899	4,066	1,461	10,834	266%	13,438	920%	23,434	22,606	8,273	828	4%	15,161	183%
TOTAL	**22,766**	**13,763**	**10,364**	**9,004**	**65%**	**12,403**	**120%**	**73,365**	**88,754**	**55,102**	**(15,389)**	**-17%**	**18,263**	**33%**

In October, Other recurrent expenses totaled $22.8 million which was $9 million or 65% above the Estimates and $12.4 million or 120% higher than the prior year. Year to date, Other expenses totaled $73.4 million which was lower than the Budget by $15.4 million or 17% and 33% 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 October totaled $0.2 million. This was $2.7 million or 95% lower than Estimates and $0.3 million or 65% below the same period in the prior year. The budget performance against the budget was due to a payment for claims against government. Year to date, Non-Recurrent Expenditure totaled $8.5 million which was lower than the Budget by $0.7 million or 8% and $4.3 million or 101% higher 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$'000	Outstanding Balance 31-October-25 US$'000
Further Education (04/SFR-OR-TCI)	2.5%	283	-	(65)	217
Integrated Solid Waste Management (5/OR-TCI)	4.90%	278	43	(150)	171
Total unsecured debts		**560**	**43**	**(215)**	**389**

TCIG holds two debt instruments with the Caribbean Development Bank (CDB). The outstanding debt as of October 31, 2025 and Year-to-date was $0.4 million, $215k principal repayments were made, and $16k finance costs and commitment fees were paid.

6. DEVELOPMENT FUND

6.1.DEVELOPMENT FUND ANALYSIS

The development fund balance as of October 31, 2025 was $86.8 million, and the Capital expenditure year to date is $13.7 million. The movement in the fund balance is as shown below.

	Amount US$ '000
Opening balance 1/04/2025	**51,524**
Appropriation for FY 2025-26	59,702
FY 2025-26 Supplementary 1 Appropriation	(10,772)
Capex YTD	(13,691)
As at 31 October 2025	**86,763**

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	5561	South Dock Port Redevelopment	1,230
2	5683	Remediation Works to Ponds and Bridges	1,221
3	5682	Highway and Road Improvements	1,035
4	5788	Ambulances for Islands	975
5	5624	Prison Works	967
6	5696	Purchase of Patrol Vessel	895
7	5677	Purchase and Installation of New 1 million gallon Salt Water Reverse Osmosis (SWRO) Unit	782
8	5752	Furniture and Equipment for Primary Schools - LOT 6	563
9	5754	Repairs to RGHS Art Block	551
10	5765	Redevelopment of Regatta Village - XSC	544

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 October 31, 2025, the National Wealth Fund balance was $95.1 million.

Opening NWF 01/04/2025 (US$' 000)	Interest income (US$' 000)	Closing NWF 31/10/2025 (US$' 000)
93,428	1,648	95,076

7.2. STATEMENT OF NWF FUNDS

The value of the National Wealth fund is attributable to;

(All figures in US$'000)	**31-Oct-25 US$'000**	**31-Mar-25 US$'000**
Stabilization Fund	47,653	46,499
Infrastructure and Competiveness Fund	13,615	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	**95,076**	**93,428**

Represented by		
Cash at Bank	10,363	10,357
Fixed deposit	84,529	82,887
Investment Property	184	184
	95,076	**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 $3.2 million as at October 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$'000)	31-Oct-25 US$'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	190	599
Special project expenses	1,036	2,148
Transfers to consolidated Fund	-	663
Total payments	**1,226**	**3,410**
Net increase in National Forfeiture Fund balance	**(283)**	**(3,392)**
National Forfeiture Fund balance at the end of the period	**3,157**	**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 October 31, 2025 is shown below;

(All figures in US$'000)	31-Oct-25	31-Mar-25
Opening Balance	**-**	**1,164**
Receipts		
Destination management fees	5,196	5,412
Total receipts	**5,196**	**6,576**
Payments		
Subvention to the DMMO	(4,012)	(6,576)
Other payments	-	-
Total payments	**(4,012)**	**(6,576)**
Destination Enhancement Fund balance at the end of the period	**1,184**	**-**

*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 $171k were paid to beneficiaries during the year to date.

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

	31-Oct-25	31-Mar-25
	US$'000	US$'000
Opening balance at Apr 1	**29,711**	**21,179**
CONTRIBUTIONS MADE:		
Contributions by Statutory bodies	948	1,465
Employer's Contributions by TCIG- YTD	1,944	3,433
TCIG Employees' contributions- YTD	1,944	3,433
Ex-gratia funding	-	1,000
BENEFITS PAID:		
Payments to beneficiaries YTD	(171)	(799)
Closing PSEPF balance	**34,375**	**29,711**

11. HUMAN RESOURCE MANAGEMENT

Employees

There were 2,154 people employed by TCIG at the end of October 2025, consisting of 1,871 monthly paid employees and 283 waged employees, exclusive of the Royal Turks and Caicos Police Force. Excluding internal transfers, there are 16 new recruits and 9 attritions in the month of October.

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 sustained strong financial performance, despite recording an operating deficit in October. Year-to-date revenue is below budget, creating uncertainty about whether full-year targets will be met. As funds are released, MDAs are expected to accelerate programme activities; however, the timing and execution of expenditures will remain critical.

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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