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STATEMENT OF RESPONSIBILITY

Statement of Responsibility

The Annual Statement of Public Accounts has been prepared by the Accountant General in accordance with

the provisions of the Public Financial Management (PFM) Ordinance (Ordinance 6 of 2012), 19th March 2012.

The Minister of Finance under the PFM Ordinance is responsible for the management of public moneys and

the debts and other liabilities of the Turks and Caicos Islands Government (TCIG), ensuring that they are

regulated, controlled and supervised in accordance with the law. In that regard, the Minister of Finance may

make regulations, give instructions and issue such directives for the better carrying out of the intent and

purposes of the House of Assembly, and for the safety, economy and advantage of the public revenue and

public property.

The Permanent Secretary, Finance provides support to the Minister of Finance in carrying out his or her duties

under the law and he or she is responsible for the effective application of the PFM Ordinance and any

regulations made or any instructions given or any directives issued under that Ordinance.

The Accountant General is responsible for the compilation and management of the accounts of TCIG, and for

the custody and safety of public moneys and other resources of TCIG. He or she is responsible for establishing

and maintaining a system of internal control designed to provide reasonable assurance that the transactions

recorded are within the specified authority and the use of all public funds by TCIG are appropriately recorded.

In preparing these Annual Statements of Public Accounts, the most appropriate accounting policies have been

consistently applied and supported by reasonable and prudent judgments and estimates. To the best of my

knowledge, the Report and Annual Statements of Public Accounts give a true and fair view of the state of

affairs of the TCIG as at 31st March 2015, and of the surplus for the financial year then ended.

Arnold J. Ainsley (Mr.)
Accountant General

Ministry of Finance, Investments and Trade

November 10, 2015

MANAGEMENT REPRESENTATION LETTER

Management Representation Letter

MINISTRY OF FINANCE, INVESTMENT AND TRADE

NJS Francis Building

Grand Turk, Turks and Caicos Islands

Telephone: (649) 946 1587, Fax : (649) 946 1498

November 10, 2015

Auditor General National Audit Office South Base, Grand Turk Turks & Caicos Islands

We are providing this letter in connection with your audit of the annual statement of public accounts of the Turks and Caicos Islands Government for the year ended March 31st, 2015, for the purpose of expressing an opinion as to whether the annual statement of public accounts present fairly, in all material respects, the financial position, results of operations, and cash flows in conformity with the International Public Sector Accounting Standards (IPSAS) cash basis of accounting. We confirm that we are responsible for the fair presentation in the annual statement of public accounts of financial position, results of operations and cash flows in conformity with the IPSAS cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of November 10, 2015, the following representations made to you during your audit;

- 1. The annual statement of public accounts referred to above have prepared in accordance with the IPSAS cash basis of accounting in addition to disclosures to comply with Schedule 2 of the Public Finance Management Ordinance 2012 and Schedule C of the Public Finance Management (Amendment) Regulations 2015 in effect for the financial year ended March 31, 2015,;
- 2. We have made available to you all financial records and related data;
- 3. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices;
- 4. There are no material transactions that have not been properly recorded in the accounting records underlying the annual statement of public accounts;
- 5. We believe that the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial both individually and in the aggregate, to the annual statement of public accounts taken as a whole except for those specifically identified by the National Audit Office;

MANAGEMENT REPRESENTATION LETTER

- 6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud;
- 7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the annual statement of public accounts.
- 8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees (current and former) or any other individuals;
- 9. There are no plans or intentions that may materially affect the carrying value or classification of any assets and liabilities;
- 10. The transactions, material issues known to management and other significant estimates during April 1st, 2014 March 31, 2015, have been properly recorded or disclosed in the annual statement of public accounts;
- 11. There are no known violations or possible violations of laws or regulations whose effects should be considered for disclosure in the annual statement of public accounts except for those identified by the National Audit Office; and
- 12. There has been compliance with all aspects of contractual agreements that would have a material effect on the annual statement of public accounts in the event of noncompliance, except for those identified by the National Audit Office.

To the best of our knowledge and belief, no events have occurred subsequent to March 31, 2015, and through the date of this letter that would require adjustment to or disclosure in the aforementioned annual statement of public accounts.

Athenee Harvey Permanent Secretary

Ministry of Finance, Investment and Trade

Arnold J. Ainsley
Accountant General

Ministry of Finance, Investment and Trade

Report of the Accountant General

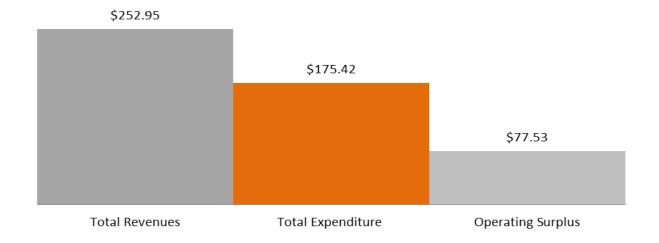
Introduction

The Annual Statement of Public Accounts of TCIG for the financial year ended March 31st 2015, has been prepared in accordance with IPSAS cash basis of accounting in addition to disclosures to comply with Schedule 2 of the Public Finance Management Ordinance 2012 and Schedule C of the Public Finance Management (Amendment) Regulations 2015, in effect for the financial year ended March 31, 2015,.

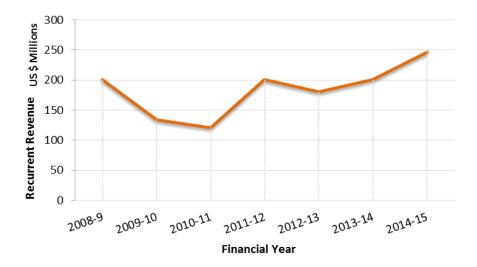
This Annual Report presents TCIG's financial result, and financial position for the year ended March 31, 2015. The Annual Report is a key element of the Public Accounts of the country and is essential in illustrating TCIG's commitment to transparency and accountability for financial resources. They are designed to provide useful information to the public and it is envisioned that it will meet the needs of stakeholders including taxpayers, members of the legislature, investors and creditors, and the public at large.

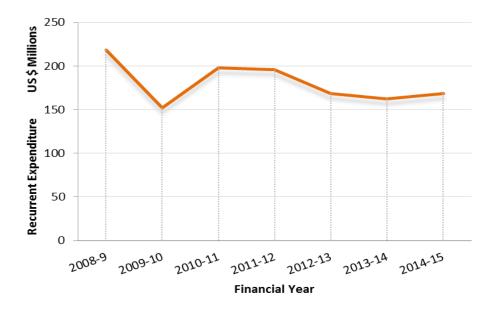
Producing the Annual Public Accounts of TCIG requires teamwork and collaboration on the part of many staff members across the Government. I would like to thank everyone who was involved in preparing the 2014–15 Public Accounts for their indispensable and valuable contributions.

Total Revenue Distribution US\$Million



At a Glance





Financial Highlights

	2014/15	2014/15 Revised	2013/14		Varia	ance	
figures in US\$'000	Actual	Budget	Prior Year	Actual vs. Bu	ıdget	Actual vs. Prior Year	
Recurrent Revenue	246,462	212,483	200,494	33,979	16%	45 <i>,</i> 968	23%
Recurrent Expenditure	168,548	184,446	162,357	15,898	9%	(6,191)	(4%)
Net Recurrent Surplus	77,914	28,037	38,137	49,877	178%	39,777	104%
Non-Recurrent Revenue	6,492	6,811	6,308	(319)	(5%)	184	3%
Non-Recurrent Expenditure	6,873	7,168	10,736	295	4%	3,863	36%
Operating Surplus	77,533	27,680	33,709	49,853	180%	43,824	130%

Operating Highlights

Operating Results

Overall TCIG's operating performance continued improvements seen in recent years. Operating results for the fiscal year showed an operating surplus of \$77.5 million (2014: \$33.7 million), being a positive variance of \$49.9 million or 180% above the budgeted amount of \$27.7 million, before net transfers to the sinking fund of \$51.8 million (2014: \$17.2 million), capital expenditure of \$7.9 million (2014: \$9.7 million) and debt repayment of \$15.8 million (2014: \$7.5 million).

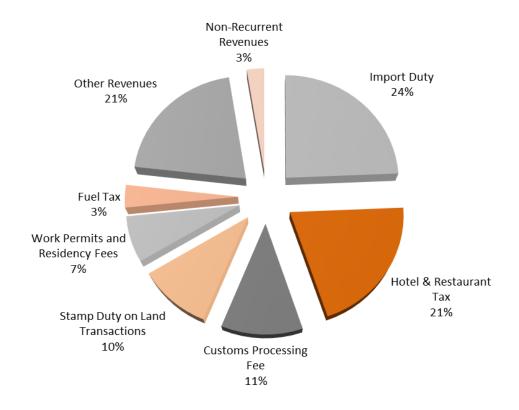
- **Recurrent revenue** outturn for the year was very impressive coming in 16% ahead of budget and 23% above the prior year's outturn.
- **Recurrent expenditure** for the year was 9% below budget estimates and 4% above the prior year's results.

The overall revenue performance was due to increase economic activities and the best tourist arrivals ever recorded, along with gradual improvements in the real estate market and enhanced compliance and audit review measures employed by the Revenue Department.

TCIG also continued to provide training to the public sector resulting in increased awareness and reinforcement of the requirements of both the Public Finance Management and the Public Procurement Ordinances. The Treasury maintained a key role in implementing and monitoring expenditure controls to ensure that revenue growth exceeded expenditure growth to support increasing budget surpluses.

Revenues

Revenue Distribution



TCIG revenues for the 2014-15 fiscal year totalled \$253.0 million (2014: \$206.8 million). This represented an increase of \$46.2 million or 22% from the fiscal year 2013-14 and was \$33.7 million or 15% ahead of the budget estimates for the year.

Total revenue for the 2014-15 fiscal year included \$61.6 million or 24% derived from import duties. Hotel and restaurant tax also made up 21% of revenues coming in at \$51.9 million, while \$28.6 million was generated from customs processing fees, \$25.8 million from stamp duty on land transactions and \$17.7 million from work permits and residency fees which together accounted for 28% of revenues.

figures in US\$'000

Recurrent Revenue	FY2014-15 Actual	FY2014-15 Budget	FY2013-14 Actual	FY2014 Actual vs		Actual FY20 FY201	
Import Duty	61,572	53,659	52,702	7,913	15%	8,870	17%
Hotel and Restaurant Tax	51,850	43,125	40,948	<i>8,725</i>	20%	10,902	27%
Customs Processing Fee	28,646	26,619	22,574	2,027	8%	6,072	27%
Stamp Duty on Land Transactions	25,826	18,000	21,944	7,826	43%	3,882	18%
Work Permits and Residency Fees	17,698	13,950	13,321	3,748	27%	4,377	33%
Fuel Tax	8,685	8,321	7,681	364	4%	1,004	13%
Other Revenues	52,185	48,809	41,324	3,376	7%	10,861	26%
Total Recurrent Revenues	246,462	212,483	200,494	33,979	14%	45,968	23%

Recurrent Revenues for the year totalled \$246.5 million (2014: \$200.5 million), an increase of \$46.0 million over last year's outturn and \$34.0 million over the budget estimates.

Total duties (excluding stamp duty) collected for the year were \$103.6 million (2014: \$87.3 million). This represented an increase of \$16.3 million or 19% over last year's results and \$10.9 million over budget estimates as a result of increased activity in the economy. Total duties include **Import Duties** of \$61.6 million, an \$8.9 million or 17% increase from last year and \$7.9 million, or 15%, above budget. **Customs Processing Fees** saw an increase of 27% or \$6.1 million over last year's results while **Fuel Tax** increased by 13% when compared to last year and was 4% over budget.

Hotel and Restaurant Tax increased by \$10.9 million over last year's results was and \$8.7 million over the budget. Overall taxes on transactions were above budget and last year's results by 18% and 34% respectively. The significant variances are primarily due to the strong tourist season recorded.

Taxes on domestic goods and transactions were \$8.2 million higher than budgeted and \$4.2 million above last year's results, largely owing to positive movements in the real estate industry. As a result, **Stamp Duty on Land Transactions** were \$7.8 million or 44% above budgeted outturn and \$3.9 million or 18% over last year's outturn.

Fees, fines and permits increased by \$3.9 or 19% when compared to last year's results and came in \$4.4 million or 18% above budget. The major contributor was **Work Permits and Residency Fees** which saw an improvement of \$4.4 million or 33% from last year's results and came in \$3.7 million or 27% ahead of budget. This outturn is attributed to higher demand and a major effort to collect overdue amounts.

figures in US\$'000

Other Revenues	FY2014-15 FY2014-15 FY2013-14 Actual Budget Actual		FY2014-15 Actual vs Budget		Actual FY2014-15 vs FY2013-14		
Communications Tax	4,511	3,834	1,861	677	18%	2,651	142%
Telecommunications Licences	4,088	3,400	2,418	688	20%	1,670	69%
Gaming Machine Tax	3,997	2,283	1,821	1,714	75%	2,177	120%
Financial Services Commission	3,099	2,678	2,385	421	16%	714	30%
Vehicle Licences	3,066	3,330	2,874	(264)	(8%)	192	7%
Business Licence Renewals	2,949	2,890	1,879	59	2%	1,070	57%
Seaport Departure Tax	2,803	1,685	1,686	1,118	66%	1,117	66%
Overtime Costs Recovered	2,611	2,091	2,186	520	25%	425	19%
Freight and Insurance Tax	2,512	1,775	2,395	737	41%	116	5%
Other Revenue	22,549	24,843	21,819	(2,294)	(9%)	729	3%
Total Other Revenues	52,185	48,809	41,324	3,376	6%	10,861	26%

Other Revenues collected for the year totalled \$52.2 million (2014: \$41.3 million) which was 6% above the budgeted amount and 26% above last year's outturn.

Communications Tax receipts of \$4.5 million were above budget by 18% or \$0.7 million while being \$2.7 million above last year's receipts. **Telecommunications Licenses** totalled \$4.1 million which represented a positive variance of 20% when compared to the budgeted amount of \$3.4 million while coming in 69% above last year's outturn. Both of these variances are attributed mainly to additional funds collected after audit reviews by the Revenue Department's Compliance and Audit Unit.

Vehicle Licences for the year totalled \$3.1 million, a 7% increase from last year's outturn while being 8% below the budget estimates.

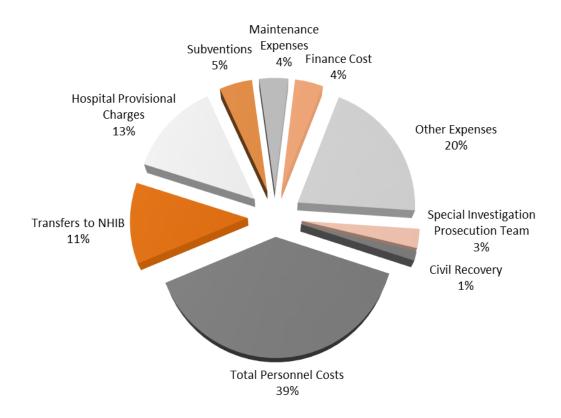
All other revenues for the year were up \$6.3 million or 19% above last year's outturn and \$2.2 million or 6% above budget. These results are due in part to items such as freight and insurance tax, permanent residency fees, work permit repatriation, fines and forfeiture and labour clearance fees recording revenues above the original budget estimates and also partly due to Turks and Caicos Islands Airport Authority being allowed to retain \$1.9 million to assist with the cost of renovating the Providenciales and South Caicos airports.

figures in US\$'000

Non Dogggerant Doggger	FY2014-15	FY2014-15	FY2013-14	FY201	FY2014-15		014-15 vs
Non-Recurrent Revenues	Actual	Budget	Actual	Actual vs Budget		FY2013-14	
Civil Recovery Income	1,100	1,500	1,144	(400)	(27%)	(44)	(4%)
Land Sales	1,253	1,100	1,822	153	14%	(569)	(31%)
Revenue from Grants	4,139	4,211	59	(72)	(2%)	4,080	6911%
National Forfeiture fund Contributions	=	-	3,283	=	-	(3,283)	-
Total Non-Recurrent Revenues	6,492	6,811	6,308	(319)	(5%)	184	3%

Non-recurrent revenue for the year totalled \$6.5 million (2014: \$6.3 million), up 3% from last year's results while being 5% below budget. The major contributor to this amount was **Revenue from Grants** which consisted of a \$4.1 million European Union grant received during the month of April 2014 for budgetary support. **Land Sales** receipts were \$1.3 million, which was 14% above the budgeted outturn and 31% below last year's results while **Civil Recovery Income** was 4% below last year's receipts and fell short of the budget by 27%.

Expenditure Distribution



Expenditure

TCIG's expenditure before capital for the 2014-15 fiscal year totalled \$175.4 million (2014: \$173.1 million). This represented a slight increase of \$2.3 million or 1% above fiscal 2013-14 but was \$16.2 million or 8% below the budget estimates for the year.

The total spent during the 2014-15 fiscal year included \$67.9 million or 39% for **Personnel Costs**. **Hospital Provisional Charges** totalled \$23.2 million and made up 13% of expenditure while **Medical Treatments and Transfers to NHIB** totalled \$19.7 million accounting for a further 11%.

figures in US\$'000

RECURRENT EXPENDITURE	FY2014-15 Actual					014-15 vs 13-14	
Total Personnel Costs	67,864	71,150	64,619	3,286	5%	(3,246)	(5%)
Medical Treatment & Transfers to NHIB	19,687	19,688	20,625	1	0%	938	5%
Hospital Provisional Charges	23,235	23,713	24,529	478	2%	1,294	5%
Subventions	8,168	8,185	6,188	17	0%	(1,979)	(32%)
Maintenance Expenses	7,229	7,415	6,275	186	3%	(954)	(15%)
Finance Cost	7,015	7,100	7,421	85	1%	406	5%
Other Expenses	35,350	47,195	32,700	11,845	25%	(2,650)	(8%)
Total Recurrent Expenditure	168,548	184,446	162,357	15,898	9%	(6,191)	(4%)

Recurrent expenditure of \$168.5 million (2014: \$162.4 million) for the year accounted for 96% of total expenditure before capital investment and was up 4% or \$6.2 million from last year's results but was below budget estimates by \$15.9 million, or 9%.

Almost all expenditure heads were below estimates for the year, the major contributors being **Personnel Costs** which stood at \$67.9 million for the year, being below budget by \$3.3 million or 5%, as a result of delays in the recruitment process, while there was an increase of \$3.2 million or 5% over the prior year results.

Medical Treatment & Transfers to NHIB for the year totalled \$19.7 million of which transfers to NHIB accounted for \$19.5 million. This amount was on par with the budget while being \$0.9 million below last year's results. **Hospital Provisional Charges** for the year of \$23.2 million was \$0.5 million or 2% below the budgeted amount and \$1.3 million below the prior year's outturn.

Subventions totalled \$8.2 million representing a \$2.0 million or 32% increase from last year's cost of \$6.2 million while being on par with the budget. The year over year increase was due to new budgetary allocations to the Tourist Board to cover increased marketing costs to Brazil and other countries and also to support the promotion of TCI in association with Beaches Resort and Spa.

Maintenance costs were \$7.2 million for the year, representing a 15% or \$1.0 million increase over last year's outturn, while being \$0.2 million or 3% below the budgeted amount, mainly due to timing differences associated with the award of contracts and the start of maintenance work on government assets.

Finance cost associated with TCIG's public debt totalled \$7.0 million for the year, which was marginally below the budgeted amount while being 5% below last year's outturn.

figures in US\$'000

, 5							
OTHER RECURRENT EXPENDITURE	FY2014-15 Actual	FY2014-15 Budget	FY2013-14 Actual	FY2014-15 Actual vs Budget		Actual FY2014-15 vs FY2013-14	
Rental of Assets	4,924	5,067	5,615	143	3%	691	12%
Utilities	4,088	4,801	3,820	713	15%	(268)	(7%)
Grants and Contributions	3,541	4,124	3,493	583	14%	(48)	(1%)
Professional and Consultancy Services	2,107	2,356	2,082	249	11%	(25)	(1%)
Recurrent Sub Programmes and Projects	2,028	2,353	1,014	325	14%	(1,014)	(100%)
Other Recurrent Expenditure	18,662	28,494	16,676	9,832	35%	(1,986)	(12%)
Total Other Recurrent Expenditure	35,350	47,195	32,700	11,845	25%	(2,650)	(8%)

Other recurrent expenditure for the year totalled \$35.4 million (2014: \$32.7 million) which saw an increase of \$2.7 million or 8% from last year's results while being \$11.8 million or 34% below the budgeted amount.

Rental Costs for the 2014-15 fiscal year saw a decrease of 12% when compared to last year's results and were 3% below the budgeted amount. This is mainly attributed to savings realized as a result of renovations to TCIG owned buildings enabling them to be occupied. As a result, further savings are anticipated in future years.

Utility Expenses for the year totalled \$4.1 million resulting in a positive variance of \$0.7 million when compared to the budgeted amount and a 7% or \$0.3 million negative variance when compared to last year's results. This is due in part to delays in processing invoices, which was addressed in the last quarter

with the assistance of finance managers/officers following up with ministries and departments to ensure that payments were processed on a more timely basis.

Grants and Contributions totalled \$3.6 million for the year of which \$2.2 million was spent on scholarships. This amount represents a 1% increase over last year's results while being 14% or \$0.6 million below the budgeted amount.

Professional and Consultancy Services totalled \$2.1 million, which was 11% below the budgeted amount while being 1% above last year's outturn. The budget anticipated that both the Attorney General's Chamber and Director of Public Prosecutions would have utilized the services of more consultants during the financial year.

The total amount spent on **Recurrent Sub-Programmes and Projects** for the year was \$2.0 million, a \$1.0 or 100% increase from last year's results while being 14% below the budgeted amount of \$2.4 million.

Other Expenditure items totalled \$18.7 million for the financial year. These costs were up \$14.5 when compared to last year's outturn while being \$10.7 million or 36% below the budget estimates.

figures in US\$'000

NON-RECURRENT EXPENDITURE	FY2014-15 Actual	FY2014-15 Budget	FY2013-14 Actual		14-15 s Budget	Actual FY2	
Special Investigation Prosecution Team (SIPT)	4,651	4,718	4,663	67	1%	12	0%
Civil Recovery	2,222	2,450	6,073	228	9%	3,851	63%
Total Non-Recurrent Expenditure	6,873	7,168	10,736	295	4%	3,863	36%

Non-recurrent expenditure for the year of \$6.9 million (2014: \$10.7 million) was down \$3.9 million or 36% from last year's outturn while being 4% below budget estimates. Of this amount, **SIPT** expenses accounted for \$4.7 million, which was on par with last year's results and marginally below the budgeted amount. **Civil Recovery** expenses of \$2.2 million were \$3.9 million or 63% below last year's outturn while being 9% below budget estimates.

Capital Expenditure

The total amount spent on capital projects for the fiscal year was \$7.9 million which was funded primarily by capital contributions totalling the same amount provided by the Consolidated Fund. This outturn came

in 45% below the budgeted amount of \$14.5 million and 19% below last year's expenditure of \$9.7 million. Unused allocations of \$6.6 million were carried forward to the 2015/16 budget.

Debt Servicing

figures in US\$'000			
		Repayment	
Outstanding Public Debts	Loan Balances	During	Loan Balances
6	01- Apr-2014	2014/15	31-Mar-2015
Unsecured			
Caribbean Development Bank (CDB)	9,951	1,283	8,668
Citibank Trinidad and Tobago	3,125	833	2,292
RBC Royal Bank	4,472	2,805	1,667
TCI Bank Limited	7,675	1,067	6,608
European Investment Bank (EIB)	974	325	649
National Insurance Board (NIB)	2,347	493	1,854
Total unsecured debts	28,544	6,806	21,738
Secured			
Scotiabank (Turks and Caicos) Ltd. (Scotiabank)	9,000	9,000	-
HSBC Bank USA	170,000	-	170,000
Total secured debts	179,000	9,000	170,000
Total outstanding public debts	207,544	15,806	191,738

TCIG's outstanding debt as at March 31, 2015, was \$191.7 million (2014: \$207.5 million). Total principal debt repayments for the year was \$15.8 million (2014: \$7.5 million), including the early repayment of \$9.0 million due to Scotiabank. Total finance costs for the year were \$7.0 million (2014: \$7.4 million)

Conclusion

Finally, it is important to emphasize the value of sustained and dedicated efforts towards excellence in public sector financial accounting and reporting. TCIG desires to continue to provide reliable, complete and timely financial information that will aid accountability and decision making. Consistent with the upturn in economic activity, the Government has seen a marked improvement in its financial position and continues to register significant progress in financial performance as well as in financial management during the financial year 2014-15.

However, since the Turks and Caicos Islands are not immune to global conditions, TCIG will remain

committed to prudent fiscal management and continue to take measures to build a competitive, robust and

diverse economy. This will be achieved by ensuring improvements in revenue collection and enhanced

expenditure control measures, while continuing to provide value for money, and more efficient and

effective public services.

The Annual Statement of Public Accounts were prepared for the first time using the International Public

Sector Accounting Standards (IPSAS) - Financial Reporting under the Cash Basis of Accounting, so that

the basis of recording of the government's operations, and the accounting principles and national

standards applied are transparent and consistent with recognized international standards.

TCIG has prepared a road map with transitional measures that will guide the progression from Cash Basis

IPSAS to full accrual accounting, which will enhance financial reporting in TCIG and provide more

comprehensive financial information on government operations.

The Annual Statement of Public Accounts for the year ended March 31st, 2015, should be read in

conjunction with the underlying notes, supplementary disclosures and schedules to the Annual Statement

of Public Accounts, for better understanding and interpretation.

Arnold J. Ainsley (Mr)

Accountant General

Ministry of Finance, Investment and Trade

November 10, 2015

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ANNUAL STATEMENTS OF PUBLIC ACCOUNTS

Annual Statements of Public Accounts

ANNUAL STATEMENTS OF PUBLIC ACCOUNTS



GOVERNMENT OF THE TURKS AND CAICOS ISLANDS STATEMENT OF CASH RECEIPTS AND PAYMENTS

For Budgetary Entities Only For Financial Year Ended March 31, 2015

(All figures in US\$'000)		31-M	ar-15	31-Mar-14		
	Notes	Receipts/	Payments	Receipts/	Payments	
		Payments	by Third	Payments	by Third	
		by TCIG	Parties	by TCIG	Parties	
RECEIPTS						
Government Revenue						
Taxes on goods and services	5.1	93,504		72,575		
Duties (excluding stamp duty)	5.2	103,585		87,266		
Licences	5.3	12,362		9,094		
Fees, fines and permits	5.4	24,384		20,482		
Transfers from controlled entities	5.5	5,026		3,814		
Finance income	5.6	864		1,369		
Other receipts	5.8	9,090		12,143		
r		248,815	-	206,743	-	
External Assistance						
Grants from Bilateral Agencies		-		-		
Grants from Multilateral Agencies	5.7	4,139		59		
•		4,139	-	59	-	
Total receipts		252,954		206,802		
Total receipts		252,754	<u> </u>	200,002		
PAYMENTS						
Operations						
Compensation of employees	6.1	60,879		59,690		
Pensions and gratuities	6.2	6,985		4,929		
Finance costs	6.5	7,015		7,421		
Other operating expenses	6.4	92,374		94,865		
e man of comme of the		167,253	-	166,905	-	
Transfers						
Subventions to statutory bodies	6.3	8,168		6,188		
External Assistance from Third Parties						
Bilateral Agencies	6.6		1		_	
Multilateral Agencies	6.6		93		_	
Other private organisations	6.6		39		_	
Other private organisations	0.0		133			
Total payments		175,421	133	173,093	-	
Operating surplus		77,533		33,709		
Net cash flows from investing activities *		(116,607)		(6,165)		
Net cash flows from financing activities *		(15,806)		(7,465)		
Net cash and cash equivalents at beginning of the year	ar	70,924		51,226	_	
Net receipts/(payments) of public accounts		83		(381)	_	
Net cash and cash equivalents at end of the year	2	16,127		70,924	_	
			_		-	

^{*} Details available in the Statement of Cash Flows - Combined at Note 13.1

ANNUAL STATEMENTS OF PUBLIC ACCOUNTS



GOVERNMENT OF THE TURKS AND CAICOS ISLANDS STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

For Budgetary Entities Only For Financial Year Ended March 31, 2015

(Budget approved on the Cash Basis)

		31-M	ar-15			31-M	[ar-14
	Original	Revised	Actual		Percentage	Revised	Actual
	Budget	Budget	Results	Variance	Variance	Budget	Results
	US\$'000	US\$'000	US\$'000	US\$'000	%	US\$'000	US\$'000
RECEIPTS							
Government Revenue							
Taxes on goods and services	75,228	75,228	93,504	18,276	24%	65,045	72,575
Duties (excluding stamp duty)	85,897	85,897	103,585	17,688	21%	79,560	87,266
Licences	11,806	11,806	12,362	556	5%	11,460	9,094
Fees, fines and permits	25,023	25,023	24,384	(639)	(3%)	21,334	20,482
Finance income	996	996	864	(132)	(13%)	1,149	1,369
Transfers from controlled entities	6,703	6,703	5,026	(1,677)	(25%)	6,670	3,814
Other receipts	9,641	9,641	9,090	(551)	(6%)	24,771	12,143
	215,294	215,294	248,815	33,521	16%	209,989	206,743
External Assistance							
Grants from Bilateral Agencies	-	-	-				
Grants from Multilateral Agencies	4,000	4,000	4,139	139	3%	4,000	59
	4,000	4,000	4,139	139	3%	4,000	59
Total receipts	219,294	219,294	252,954	33,660	15%	213,989	206,802
PAYMENTS							
Operations							
Compensation of employees	64,909	65,399	60,879	4,520	7%	53,367	59,690
Pensions and gratuities	5,751	5,751	6,985	(1,234)	(21%)	6,033	4,929
Finance costs	7,100	7,100	7,015	85	1%	7,694	7,421
Other operating expenses	102,549	105,188	92,374	12,814	12%	100,867	94,865
	180,309	183,438	167,253	16,185	9%	167,961	166,905
Transfers							
Subventions	7,316	8,176	8,168	8	0%	6,517	6,188
Total payments	187,625	191,614	175,421	16,193	8%	174,478	173,093
						-	
Operating surplus	31,669	27,680	77,533	49,853	180%	39,511	33,709
Capital expenditure	12,829	14,485	7,900	6,585	45%	9,872	9,711

Notes to the Public Accounts

1. Accounting Policies

1.1 Basis of preparation

The Annual Statement of Public Accounts of TCIG is governed by the Turks and Caicos Island's Public Financial Management Ordinance 2012 (PFM). The statement of cash receipt and payments, and statement of comparison of budget and actual amounts and the accompanying notes have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) - Financial Reporting under the Cash Basis of Accounting. Transactions and events reported under the IPSAS Cash Basis of Accounting are recognised only when cash (including cash equivalents) is received or paid by TCIG. The Annual Statement of Public Accounts also includes statements that are presented to comply with the requirements of Schedule 2 of the PFM and Schedule C of the PFM (Amendments) Regulations 2015.

Accounting policies have been applied consistently throughout the period.

1.2 Change in presentation

TCIG has moved to prepare their public accounts in accordance with IPSAS Cash Basis of Accounting including additional disclosures to comply with Schedule 2 of the PFM and Schedule C of the Public Finance Management (Amendment) Regulations 2015, in effect for the financial year ended March 31, 2015. This has resulted in changes to the presentation of some statements, which was carried out in a manner to provide where possible consistency to the prior year public accounts layout. Where it has been necessary to change the layout of the statements, the comparative figures have been changed accordingly. The changes that have been made to the presentation of the public accounts are:

- Realignment of the structure of the public accounts to report under IPSAS Cash Basis of Accounting, accompanied by supplementary notes to the public accounts which include disclosures on reporting as required by the PFM and the Public Finance Management (Amendment) Regulations 2015, and other additional notes and schedules as reported in previous years;
- Statement of Financial Position renamed to the Statement of Assets and Liabilities;

- Statement of Financial Performance replaced with the Statement of Cash Receipts and Payments. There has been no change to the layout other than to include TCIG's opening and closing cash position for the fiscal year;
- More clarity in the supporting notes to the annual statement of public accounts in relation to
 compliance with IPSAS and reporting on non-disclosures, i.e. payments made on behalf of
 third parties, consolidation of all Government entities which is required under IPSAS cash
 basis of accounting;
- Individual statement of cash flows for each fund as required under the Public Finance Management (Amendment) Regulations 2015;
- Comparative Budget and Actual Statement by Budgetary Entities.

This is the first step in the transition phase for the formal adoption of IPSAS cash and the eventual long term move to IPSAS accrual basis of accounting. As each stage in the transition process is completed the annual public accounts will clearly identify the stage in the transition under which they have been prepared.

1.3 Reporting entity

The combined annual statement of public accounts are for TCIG and includes the financial transactions relating to central government ministries and administrative units. There was no attempt to eliminate intra-governmental transfers if any. This comprises the following central government ministries and administrative units:

- Office of the Governor
- Royal Turks and Caicos Islands Police Force
- Office of the Attorney General
- The Judiciary
- Office of the Premier and Ministry of Tourism, Culture and Gaming
- Ministry of Border Control and Labour
- Ministry of Environment and Home Affairs
- Ministry of Government Support Services
- Ministry of Finance, Trade and Investment
- Ministry of Health and Human Services
- Ministry of Education, Youth and Sports
- Office of the Deputy Governor
- Office of the Director of Public Prosecutions
- Statutory Charges

1.4 Controlled entities

	Domicile/			TCIG	Consolidated
NAME OF ENTITY	Jurisdiction	Classification	Legal Form	Controlled	(Y/N)
Integrity Commission	TCI	Controlled	By Ordinance	100%	N
Turks and Caicos Islands Community College	TCI	Controlled	By Ordinance	100%	N
Turks and Caicos Islands National Trust	TCI	Controlled	By Ordinance	100%	N
Turks and Caicos Islands Tourist Board	TCI	Controlled	By Ordinance	100%	N
Turks and Caicos Islands Civil Aviation Authority	TCI	Controlled	By Ordinance	100%	N
National Audit Office	TCI	Controlled	By Ordinance	100%	N
National Health Insurance Board	TCI	GBE	By Ordinance	100%	N
National Insurance Board	TCI	GBE	By Ordinance	100%	N
Turks and Caicos Islands Airport Authority	TCI	GBE	By Ordinance	100%	N
Turks and Caicos Islands Financial Services Commission	TCI	GBE	By Ordinance	100%	N
Turks and Caicos Islands Port Authority	TCI	GBE	By Ordinance	100%	N
Turks and Caicos Telecommunication Commission	TCI	GBE	By Ordinance	100%	N

Controlled - Funded by TCIG

GBE - Government Business Entities - Funded by their commercial operations

TCI - Turks and Caicos Islands

These entities are not reported in the annual statement of public accounts as each entity reports under differing accounting policies and basis. These controlled entities will be consolidated once consistent policies and basis of reporting have been applied. These entities prepare their own separate annual statement of public accounts which are subject to audit.

1.5 Reporting period

The reporting and budget period for these Annual Statements of Public Accounts are the financial year 2014-15 (from April 1, 2014, to March 31, 2015,).

1.6 Reporting currency

The Annual Statement of Public Accounts are presented in United States Dollars (USD), which is the legal tender of the Turks and Caicos Islands (TCI) and the functional and reporting currency.

Figures in this Annual Statement of Public Accounts have been rounded off to the nearest thousands of USD unless otherwise stated.

1.7 Foreign currency transactions

Transactions in currencies other than the USD are initially recorded at the rates of exchange prevailing on the date of the transaction.

Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than USD are recognized in the Statement of Cash Receipts and Payments but are not disclosed separately.

1.8 Classification of accounts

The Statement of Public Accounts is classified in the same format as the National Budget and in accordance with the approved Chart of Accounts.

1.9 External assistance

TCIG received external assistance in the form of grants from multilateral and bilateral donor agencies under agreements specifying the purposes for which the assistance will be utilized. External assistance received in cash is recorded in the Statement of Cash Receipts and Payments.

1.10 Payments by third parties

Payments made and technical assistance provided by third parties do not constitute cash receipts or payments controlled by TCIG, however, TCIG benefits from goods and services purchased on its behalf as a result of cash payments and contribution of services made by external third parties during the reporting period. Payments by third parties are disclosed on the face of the Statement of Cash Receipts and Payments if during the reporting period the entity has been formally advised by the third party or the recipient that such payment has been made or the entity has otherwise been able to verify the payment. No information relating to payments made on behalf by third parties has been made readily available in this financial to report in the Statement of Receipts and Payments

1.11 Compensation of Employees

Compensation of employees includes salaries and wages for all TCIG employees including the member of the House of Assembly (HOA). It also includes employee benefits such as National Health Insurance Plan and National Insurance Board contributions, allowances and other related employment costs, which are recorded in the Statement of Receipts and Payments, when paid (Note 5.1).

TCIG operates a discretionary non-contributory pension scheme for staff employed before the 5th April 1992 under the Pensions Ordinance. The costs for this scheme are statutory charges against the revenues of TCIG. Staff eligible under the scheme may be entitled to receive a pension based on salary and length of service of which a proportion can be converted to a lump sum gratuity payment, which is being phased out. Eligibility to the scheme ceased following the introduction of the National Insurance Ordinance on the 5th April 1992 when all new employee pension entitlements were to be met from the NIB scheme, with TCIG and employees both contributing to the NIB scheme to ensure that an employee's entitlement is met during the period of employment.

The most recent actuarial valuation is included in the Statement of Commitment and Contingent Liabilities at Note 19.4. Since there is no requirement to report provisions under IPSAS cash basis of accounting, no provision has been made in the annual statement of public accounts for the current or future liabilities incurred under the pension ordinance. Pension payments made during the year are recorded in the Statement of Cash Receipts and Payments.

2. Cash and Cash Equivalents

	31-Mar-15	31-Mar-14
Cash and Cash Equivalents	US\$'000	US\$'000
Cash & Domestic Banks		
Cash Accounts	1,496	484
CIBC First Caribbean International Bank (Bahamas) Limited	5,574	4,791
Scotiabank (Turks and Caicos) Limited	8,048	64,659
TCI Bank Limited	966	966
Total Cash and Domestic Bank balances	16,084	70,900
International Bank Accounts		
Crown Agents Bank - Pounds Sterling	37	18
Crown Agents Bank - USD	6	6
Total International Bank Accounts	43	24
Total Cash and Cash Equivalents	16,127	70,924

Cash and cash equivalents comprise cash on hand, cash at bank and deposits on call with a maturity of three months or less from the date of acquisition, held in local and international bank accounts by TCIG which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the Statement of Cash Receipts and Payments, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

TCIG's bank balances totalling \$16.1 million (2014: \$70.9 million) include cash that is not available for use by TCIG or subject to external restrictions and cannot be used by TCIG in pursuit of its own objectives:

- \$0.5 million (2014: \$0.8 million) which must be used on donor sponsored capital development projects.
- Other deposits and funds held in trust for third parties amounting to \$2.3 million (2014: \$1.9 million) are designated for specific purposes and cannot be used otherwise.
- Deposits in the National Forfeiture Funds (NFF) bank account of \$1.8 million (2014: \$2.0 million) which can only be used in accordance with the Proceeds of Crime Ordinance 2009.

TCIG also holds deposits at the TCI Bank Limited which was placed in provisional liquidation on April 9, 2010, and liquidation on October 29, 2010. The balances held at TCI Bank Limited are shown at cost without a provision for impairment. To date, 20% of the full amounts have been repaid and the liquidator has issued another 20% since March 31, 2015. Based on reports published by the liquidator, TCIG does not expect to recover the full amounts shown. In accordance with the PFM, a request for a write off may be submitted to the House of Assembly, once the potential loss can be reasonably determined.

3. Held-to-Maturity Investments

	31-Mar-15	31-Mar-14
Term Deposits	US\$'000	US\$'000
Scotiabank (Turks and Caicos) Ltd. (Scotiabank)	60,000	-
CIBC First Caribbean International Bank (Bahamas) Limited	50,000	-
Total Term Deposit Accounts	110,000	-

Held-to-maturity investments are securities with fixed or determinable payments and fixed maturity date, which are held with the intention and ability to hold to maturity.

TCIG's held-to-maturity investments totalling \$110.0 million (2014: \$0 million) includes funds which are not available for use by TCIG or subject to external restrictions and cannot be used by TCIG in pursuit of its own objectives:

• The Sinking Fund account of \$110.0 million (2014: \$58.2 million) is reported separately and may only be used for repaying public debts or if directed by the Governor acting in his discretion in accordance with Section 9 (5) of the PFM.

3.1 Scotiabank

On August 29, 2014, TCIG invested in a Term Deposit of US\$60.0 million with Scotiabank, which TCIG intends to hold to maturity.

Maturity date: February 15, 2016

Length of term: 535 days

Interest rate per annum: 1.0% Interest at maturity: \$891,666.66 Value at maturity: \$60,891,666.66

3.2 CIBC First Caribbean International Bank (Bahamas) Limited

On March 31, 2015, TCIG invested in a Certificate of Deposit of US\$50.0 million with CIBC First Caribbean International Bank (Bahamas) Limited, which TCIG intends to hold to maturity.

Maturity date: February 15, 2016

Length of term: 321 days

Interest rate per annum: 0.5%

Interest at maturity: \$219,863.01 Value at maturity: \$50,219,863.01

4. Undrawn Borrowings Facilities

In February 2011, TCIG established a Revolving Credit Facility (RCF) of \$60.0 million with Scotiabank (Turks and Caicos) Limited at an interest rate of LIBOR plus 0.25% per annum. Advances under the RCF could be used by TCIG to fund activities such as operational expenses and refinance more expensive debt.

At the reporting date, there were no funds drawn on this facility.

5. Receipts

5.1 Taxes on goods and services

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Hotel and Restaurant Tax	51,850	40,948
Stamp Duty on Land Transactions	25,826	21,944
Communications Tax	4,511	1,860
Gaming Machine Tax	3,997	1,821
Seaport Departure Tax	2,803	1,686
Bank Services Tax	1,897	2,032
Stamp Duty - Vehicle Hire	1,252	913
Insurance Premium Tax	865	810
Other Taxes	503	561
Total taxes on goods and services	93,504	72,575

5.2 Duties (excluding stamp duty)

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Import Duties	61,572	52,702
Customs Processing Fees	28,646	22,574
Fuel Tax	8,685	7,681
Freight and Insurance Tax	2,512	2,395
Duty Free Shops Royalties	1,556	1,444
Aviation Fuel Royalties	613	470
Export Duties	1	-
Total duties (excluding stamp duty)	103,585	87,266

5.3 Licences

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Telecommunications Licences	4,088	2,418
Vehicle Licences	3,066	2,874
Business Licence Renewals	2,949	1,879
Drivers Licences	743	652
Business Licence Applications	604	261
Gaming Location Licences	294	290
Fishing Licences	292	264
Liquor Licences	158	150
Casino Licences	50	175
Other Licences	118	131
Total licences	12,362	9,094

5.4 Fees, fines and permits

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Work Permits and Residency Fees	17,698	13,321
Permanent Residency Fees	1,729	1,538
Labour Clearance Fees	865	664
Work Permits Repatriation Program	815	1,130
Fines and Forfeitures	651	488
PDA Application Fees	545	656
Naturalisation Fees	369	275
National Parks Fees	291	296
Registration Fees	236	188
Temporary Work Permit Fees	221	630
Fees for Official Searches and Inspections	166	182
Court and Office Fees	161	366
Migrant Processing Fee	155	237
Sand and Quarry Royalties	100	139
Other Fees and Charges	382	372
Total fees, fines and permits	24,384	20,482

5.5 Transfers from controlled entities

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Turks and Caicos Islands Financial Services Commission	3,099	2,385
Turks and Caicos Islands Telecommunications Commission	1,266	-
Turks and Caicos Islands Port Authority	661	1,429
Total transfers from controlled entities	5,026	3,814

5.6 Finance income

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Interest Income	700	836
Bond Interest	164	533
Total finance income	864	1,369

Interest income is primarily related to earnings on TCIG's loan portfolio, included in the Statement of Loans Receivable, (Note 14). Bond interest relates to interest on the bond repurchase programme included in the Statement of Investments Held by TCIG (Note 16).

5.7 External assistance

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
European Union (EU) Grant - Budgetary support	4,088	-
Other Grants and External Assistance	51	59
Total grants from multilateral agencies	4,139	59

5.8 Other receipts

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Overtime Costs Recovered	2,611	2,186
Land Sales	1,253	1,822
Civil Recovery	1,100	1,143
Sale of Water	1,009	695
Scholarship Contributions	621	536
Crown Land Rents	516	578
Visas	392	257
Travel Documents	351	229
Legal Fees Recovered	231	238
Printing for Third Parties	169	112
Sale of Stamps	127	110
National Forfeiture Fund (NFF) Contribution	-	3,283
Other Receipts	710	954
Total other revenue	9,090	12,143

6. Payments

6.1 Compensation of employees

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Salaries and Wages	46,401	45,848
Contribution to Pension and Health Plans	3,568	3,432
Housing Allowances	2,716	2,800
Telephone Allowances	294	226
Transport Allowances	676	614
Other Allowances	5,149	4,702
Total compensation of employees	58,804	57,622

6.2 Pensions and gratuities

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Pensions	4,729	3,979
Gratuities	2,256	950
Total pensions and gratuities	6,985	4,929

6.3 Subventions

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
TCI Tourist Board	3,399	2,025
TCI Community College	1,667	1,667
Integrity Commission	1,166	1,166
TCI Civil Aviation Authority	1,144	844
National Audit Office	678	383
TCI National Trust	100	83
Other subventions	14	20
Total subventions	8,168	6,188

6.4 Other operating expenses

	31-Mar-15	31-Mar-14
	US\$'000	US\$'000
Hospital Provisional Charges	23,235	24,529
Medical Treatment - Transfers to NHIB	19,687	20,625
Maintenance Expenses	7,229	6,275
Rental of Assets	4,924	5,615
Special Investigation and Prosecution Team (SIPT)	4,651	4,663
Utilities	4,088	3,820
Grants and Contributions	3,541	3,493
Civil recovery	2,222	6,073
Professional and Consultancy Services	2,107	2,082
Recurrent Sub Programmes and Projects	2,028	1,014
Data Communication	1,853	686
Office Expenses	1,744	1,250
Local Travel and Subsistence	1,680	1,390
Communications Expenses	1,366	1,537
Social Welfare	1,185	1,231
Computer Software Licences and Support	1,117	853
International Travel and Subsistence	1,005	598
Fuel	994	963
SIPT Court Cases	893	636
Bank Charges	642	345
Insurance	610	479
Claims Against the Government	571	1,144
Training	447	289
Other Supplies, Materials and Equipment	401	446
Court of Appeals	340	266
Other Operating Expenses	3,814	4,563
Total other operating expenditure	92,374	94,865

6.5 Finance Costs

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Total finance cost	7,015	7,421

6.6 External Assistance from Third Parties

STATEMENT OF EXTERNAL ASSISTANCE PROVIDED BY THIRD PARTIES				
	Multilateral	Bilateral	Other	US\$'000 Total
Office of the Governor	-	-	5	5
Attorney General's Chambers	-	-	5	5
Ministry of Environment and Home Affairs	10	1	-	11
Ministry of Government Support Services	12	-	-	12
Ministry of Health and Human Services	12	-	11	23
Ministry of Education Youth Sports and Culture	59	-	18	77
Total External Assistance From Third Parties	93	1	39	133

External assistance payments made by third parties includes multilateral agencies such as the World Bank, United Nations Children's Fund (UNICEF), Caribbean Disaster Emergency Response Agency (CDEMA), Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID) sponsoring workshops and seminars both locally and internationally.

Bilateral funding was primarily in the form of scholarships and sponsorships provided by the Jubilee Fund through the Office of the Governor, local and overseas training and certifications.

Other third party payments were mostly made by local private organizations that provided various forms of social assistance.

7. Comparison of Budget and Actual Amounts

7.1 Changes from original to final budget

The approved budget was developed on the same accounting basis (cash basis), same classification basis and for the same period (from 1 April 2014 to 31 March 2015,) as the Annual Statement of Public Accounts. The approved budget includes the entities listed at Note 1.3. The original budget was approved by the House of Assembly on July 18, 2014. Two supplemental appropriations were approved by the House of Assembly on December 18, 2014, and March 28, 2015, with an increase in expenditure of \$5.5 million and \$0.15 million respectively.

The supplement in December 2014 was primarily for unforeseen expenditure related to the increased activities of the Tourist Board in promoting TCI, anticipated increase in the use of consultants by the Attorney General Chambers for some significant cases, additional provisions for road and drainage repairs after they were damaged by a storm. In addition, it also covered increases in bank charges associated with the use of credit and debit cards as an alternative method of paying TCIG revenue and an additional appropriation to the Ministry of Health to deal with unanticipated new health threats including Ebola. The second supplement was approved to cover the cost of a state funeral.

7.2 Comparison of budget and actual amounts

7.2.1 Comparison of receipts

Gradual improvement in economic activities resulted in revenue that was \$33.7 million or 15% above the budget for the year due primarily to better than expected revenue from taxes on good and services, which were \$18.3 million or 24% above budget and duties (excluding stamp duty) which were \$17.7 million or 21% above budget. In the case of the taxes on goods and services, the two major revenue items included Hotel and Restaurants Tax and Stamp Duty on Land Transactions. Hotel and Restaurant Tax had receipts totalling \$51.8 million which was \$8.7 million or 20% above budget. These results are mainly attributable to the best tourist season on record for TCI. Stamp Duty on Land Transaction recorded a \$7.8 million or 43% improvement over the budgeted outturn. In the case of duties (excluding stamp duty), the two major contributors were Import Duties and Customs Processing Fees. Import Duties had receipts of \$61.6 million and were \$7.9 million or 15% above the budgeted amount. Customs Processing Fees with receipts of \$28.6 million were ahead of the budgeted amount by \$2.0 million, or 8%.

7.2.2 Comparison of payments

Enforcement of expenditure control measures and improved financial management resulted in actual payments being \$16.2 million or 8% below budget for the financial year. The main contributors to this outturn were compensation of employees and other operating expenses. In the case of compensation of employees, expenditure for the year was \$4.5 million or 7% below budget, due to delays in the recruitment of new staff. In the case of other operating expenses, there were savings of \$12.8 million or 12% due primarily to delays in the start of

the SIPT trials and contingency funding of \$3.8 million was not required during the fiscal year.

7.2.3 Capital expenditure

Expenditure of \$7.9 million was 45% below the budgeted amount of \$14.5 million, due to the late passage of the budget which resulted in delays in the start of many projects.

7.3 Statement of Comparison of Budget and Actual Amounts by Budgetary Entity

	31-Mar-15					31-Mar-14
	Original	Revised	Actual		Percentage	Actual
	Budget	Budget	Results	Variance	Variance	Results
	US\$'000	US\$'000	US\$'000	US\$'000	%	US\$'000
RECEIPTS						
Office of the Governor	25	25	-	(25)	(100%)	-
Police	103	103	97	(6)	(6%)	95
Attorney General's Chambers	20,533	20,533	27,913	7,380	36%	24,107
Judiciary	729	729	971	242	33%	1,004
Office of the Premier and Ministry of Tourism	3,008	3,008	4,694	1,686	56%	2,683
Statutory Charges	1,311	1,311	1,301	(10)	(1%)	5,164
Border Control and Labour	19,375	19,375	23,597	4,222	22%	18,900
Ministry of Environment and Home Affairs	5,261	5,261	5,245	(16)	(0%)	5,026
Ministry of Government Support Services	1,752	1,752	1,502	(250)	(14%)	1,158
Ministry of Finance, Trade and Investment	166,422	166,422	186,554	20,132	12%	147,423
Ministry of Health and Human Services	184	184	257	73	40%	351
Ministry of Education Youth Sports and Culture	591	591	823	232	39%	891
Total receipts	219,294	219,294	252,954	33,660	15%	206,802
PAYMENTS						
Office of the Governor	3,588	3,606	3,378	228	6%	2,846
Police	20,731	20,731	20,485	246	1%	20,432
Attorney General's Chambers	7,184	7,453	6,190	1,263	17%	10,764
Judiciary	7,903	7,903	3,926	3,977	50%	3,649
Office of the Premier and Ministry of Tourism	4,405	5,513	5,187	326	6%	2,780
Statutory Charges	18,099	17,231	15,029	2,202	13%	12,942
Border Control and Labour	5,883	5,943	5,161	782	13%	5,546
Ministry of Environment and Home Affairs	8,316	8,693	7,463	1,230	14%	7,470
Ministry of Government Support Services	14,915	15,906	15,044	862	5%	13,870
Ministry of Finance, Trade and Investment	13,414	13,902	12,730	1,172	8%	10,716
Ministry of Health and Human Services	55,941	56,518	54,504	2,014	4%	55,655
Office of the Deputy Governor	4,152	4,518	4,180	338	7%	3,917
Ministry of Education Youth Sports and Culture	21,591	22,194	20,715	1,479	7%	21,319
Office of the Director of Public Prosecutions	1,503	1,503	1,429	74	5%	1,187
Total payments	187,625	191,614	175,421	16,193	8%	173,093
Operating surplus	31,669	27,680	77,533	49,853	180%	33,709

8. Prior Period Adjustments

	31-Mar-15
Statement of Prior Year Adjustments	US\$'000
Adjustment for prior year state dated cheques which were cancelled	(69)
Adjustment to staff loan balances which were incorrectly stated in previous years	30
Adjustments for refunds processed for amounts collected in previous years	291
Adjustments to European Investment Bank's loan account that was incorrectly stated.	(25)
Adjustment to Magistrate Court deposit account that was incorrectly stated.	100
Total prior year adjustments	327

9. Authorisation Date

This Annual Statement of Public Accounts have been authorized for issue on November 10, 2015, and submitted to the Auditor General for audit. The Auditor General submits this audited Annual Statement of Public Accounts of the TCIG together with the audit report on this Annual Statement of Public Accounts to the Minister of Finance who shall cause them to be laid before the House of Assembly.

NOTES TO THE PUBLIC ACCOUNTS IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

10. Statement of Assets and Liabilities

This Statement which was referred to as the Statement of Financial Position in the previous year has been renamed to the Statement of Assets and Liabilities in accordance with the PFM (Amendment) Regulations 2015.

	Nadas	31-Mar-15	31-Mar-14
ASSETS	Notes	US\$'000	US\$'000
Current assets	_		
Cash and cash equivalents	2	16,127	70,924
Held-to-maturity investments	3	110,000	-
Receivables from exchange transactions	21	2,729	2,873
Total current assets		128,856	73,797
Non-current assets			
Financial assets - investments	16	3,805	4,386
Receivables from exchange transactions	15	11,322	12,052
Total non-current assets		15,127	16,438
Total assets		143,983	90,235
LIABILITIES			
Current liabilities			
Payables from exchange transactions	12	1,851	1,631
Current portion of borrowings	11	173,506	6,709
Refundable deposits	12	533	316
Total current liabilities		175,890	8,656
Non-current liabilities			
Borrowings	11	18,232	200,835
Total non-current liabilities		18,232	200,835
Total liabilities		194,122	209,491
Net liabilities		(50,139)	(119,256)
Supported by:			
FUND BALANCES			
Consolidated Fund		(169,581)	(180,403)
Development Fund	13.3	7,603	967
Sinking Fund	13.4	110,026	58,180
National Forfeiture Fund	13.5	1,813	2,000
Total fund balances		(50,139)	(119,256)

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

11. Borrowings

Statement of Outstanding	Interest	Outstanding	Repayment	Outstanding	Finance	Current	Non-current
Public Debt	Rates	Balance	During	Balance	Cost	Portion	Borrowings
		01-Apr-14	2014/15	31-Mar-15	2014/15	2015/16	2015/17
Financial Liabilities - Borrowings	%	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Unsecured							
Caribbean Development Bank	Various	9,951	1,283	8,668	329	313	8,355
Citibank Trinidad and Tobago	Various	3,125	833	2,292	246	833	1,459
RBC Royal Bank	7.98	4,472	2,805	1,667	202	556	1,111
TCI Bank Limited	Various	7,675	1,067	6,608	575	1,067	5,541
European Investment Bank (EIB)	Various	974	325	649	56	324	325
National Insurance Board (NIB)	Various	2,347	493	1,854	139	413	1,441
Total unsecured debts		28,544	6,806	21,738	1,547	3,506	18,232
Secured							
Scotiabank	Libor +.75	9,000	9,000	-	28	-	-
HSBC Bank USA	3.2	170,000	-	170,000	5,440	170,000	
Total secured debts		179,000	9,000	170,000	5,468	170,000	-
Total outstanding public debts		207,544	15,806	191,738	7,015	173,506	18,232

Public debt comprises secured and unsecured loans from commercial and development banks, other financial institutions and fixed term bonds. Unsecured outstanding debts at March 31, 2015, were \$21.7 million (2014: \$28.6 million). Included in unsecured loans are amounts due to NIB, a statutory body of TCIG and the sole provider of social insurance benefits to persons who are gainfully employed within the TCI.

Secured debts at March 31, 2015, were \$170.0 million (2014: \$179.0 million). These are secured by a DFID guarantee in the amount of \$260 million.

Total outstanding debt as of March 31, 2015, was \$191.7 million (2014: \$207.6 million).

Total principal debt repayments for the year ended March 31, 2015, was \$15.8 million (2014: \$7.5 million).

Total finance costs for the year ended March 31, 2015, were \$7.0 million (2014: \$7.4 million).

Non-current borrowings at March 31, 2015, were \$18.2 million (2014: \$200.8 million), due largely to the planned repayment of the \$170.0 million bond in February 2016.

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

12. Payables from Exchange Transactions

	31-Mar-15 US \$	31-Mar-14 US \$
Accounts payable & accruals	1,851	1,631
Refundable deposits	533	316
Total payables from exchange transactions	2,384	1,947

Payables from exchange transactions are non-interest bearing and are normally settled within a maximum of one year. The balances at March 31, 2015, and March 31, 2014, primarily includes accruals for liabilities relating to claims against TCIG, payments for property related transactions and refundable deposits.

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

13. Cash Flow Statements

13.1 Statement of Cash Flows – Combined

	Notes	31-Mar-15 US\$'000	31-Mar-14 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Taxes on goods and services	5.1	93,504	72,575
Duties (excluding stamp duty)	5.2	103,585	87,266
Licences	5.3	12,362	9,094
Fees, fines and permits	5.4	24,384	20,482
Transfers from controlled entities	5.5	5,026	3,814
Finance income	5.6	864	1,369
Grants and aid	5.7	4,139	59
Other receipts	5.8	9,090	12,143
Total receipts		252,954	206,802
DANATENITO			
PAYMENTS Compared to a of applement	<i>c</i> 1	CO 970	50.600
Compensation of employees	6.1	60,879	59,690
Pensions and gratuities	2.2	6,985	4,929
Finance cost	6.5	7,015	7,421
Subventions to statutory bodies	6.3	8,168	6,188
Other operating expenses	6.4	92,374	94,865
Total payments		175,421	173,093
Net cash flows from operating activities		77,533	33,709
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	13.3	(7,900)	(9,711)
Purchase of held-to-maturity investment	3	(110,000)	-
Proceeds from principal loan repayments		712	717
Proceeds from financial assets - investments		581	2,829
Net cash flows from investing activities		(116,607)	(6,165)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	11	(15,806)	(7,465)
Net cash flows from financing activities		(15,806)	(7,465)
Net receipts/(payments) of public accounts		83	(381)
Net increase in cash and cash equivalents		(54,797)	19,698
Cash and cash equivalents at the beginning of the year		70,924	51,226
Cash and cash equivalents at the end of the year	2	16,127	70,924

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

13.2 Statement of Cash Flows - Consolidated Fund

(All figures in US\$'000)		31-Mar-15	31-Mar-14
	Notes	Receipts/	Receipts/
	11000	Payments	Payments
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Revenue			
Taxes on goods and services	5.1	93,504	72,575
Duties (excluding stamp duty)	5.2	103,585	87,266
Licences	5.3	12,362	9,094
Fees, fines and permits	5.4	24,384	20,482
Transfers from controlled entities	5.5	5,026	3,814
Finance income	5.6	864	1,369
Grants and aid	5.7	4,139	59
Other receipts	5.8	9,090	12,143
Total receipts from operating activities		252,954	206,802
Payments			
Compensation of employees	6.1	60,879	59,690
Pensions and gratuities	6.2	6,985	4,929
Finance cost	6.5	7,015	7,421
Subventions	6.3	8,168	6,188
Other payments	6.4	92,374	94,865
		175,421	173,093
Net cash flows from operating activities		77,533	33,709
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from principal loan repayments		712	717
Proceeds from other investing activities		581	2,829
Proceeds from National Forfeiture Fund (NFF)	13.5	187	4,675
Transfers to the NFF	13.5	-	(3,394)
Transfers to Development Fund	13.3	(14,536)	(9,410)
Net cash flows from investing activities		(13,056)	(4,583)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	11	(15,806)	(7,465)
Proceeds from Sinking Fund	13.4	9,000	-
Transfers to Sinking Fund	13.4	(60,846)	(17,171)
Net cash flows from financing activities		(67,652)	(24,636)
Net receipts/(payments) of public accounts		83	(381)
Net increase in the Consolidated Fund balance		(3,092)	4,109
Consolidated Fund balance at the beginning of the year	ear	9,777	5,668
Consolidated Fund balance at the end of the year		6,685	9,777

The Consolidated Fund which is established under the PFM Ordinance is the fund into which the government deposits all revenues collected and from which it withdraws the funds required to cover expenditure for the purposes of Government.

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

13.3 Statement of Cash Flows - Development Fund

(All figures in US\$'000)	Projects Funded By TCIG	Projects Funded by DFID	Development Aid Projects Funded by UK	Other Development Projects funded by UK	Projects Funded by CDB (Basic Needs Trust Fund)	Projects Funded by other Private Sources	Total	2013/14 Actual
Receipts								
Consolidated Fund	14,485	-	-	-	-	-	14,485	9,351
External Assistance	-	-	-	-	-	51	51	59
Total Receipts	14,485	-	-	-	-	51	14,536	9,410
Total Payments	7,624	-	61	47	1	167	7,900	9,711
Net Increase/(Decrease) In Development Fund Balance	6,861	-	(61)	(47)	(1)	(116)	6,636	(301)
Opening fund balance at the beginning of the financial year	143	45	93	81	119	486	967	1,268
Closing fund balance at the end of the financial year	7,004	45	32	34	118	370	7,603	967

The Development Fund contains such moneys that may be appropriated out of the Consolidated Fund for the specific purpose of funding TCIG capital development programmes each year. It also contains cash received by way of grants as external development aid and funds received from the proceeds of loans raised by TCIG for any scheme, project or programme or generally for the purpose of the Development Fund.

The fund is fully committed with the value represented by completed projects, projects unexpended but committed, on-going projects or projects where the tender requirements have been fulfilled. As at March 31, 2015, funds not committed but eligible for transfer, in accordance with section 33 (3) of the PFM (Amendments) Regulations 2015 were \$6.6 million.

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

13.4 Statement of Cash Flows - Sinking Fund

(All figures in US\$'000)	31-Mar-15	31-Mar-14
	Receipts/	Receipts/
	Payments	Payments
Receipts		
Consolidated Fund	60,846	17,171
Total receipts	60,846	17,171
Payments		
Transfers		
Consolidated Fund	9,000	-
Total payments	9,000	-
NA COLOR DE LOS	71 046	18 181
Net increase in Sinking Fund balance	51,846	17,171
Sinking Fund balance at the beginning of the financial year	58,180	41,009
Sinking Fund balance at the end of the financial year	110,026	58,180

The Sinking Fund was created for the purpose of paying the public debt. Moneys are paid into the fund from surpluses accrued in the Consolidated Fund each financial year above the \$2.0 million threshold specified by the Framework Document.

The Sinking Fund is accounted for separately and held in a short-term and held-to-maturity investment accounts at Scotiabank and CIBC First Caribbean International Bank (Bahamas) Limited (CIBCFCIB). At March 31, 2015, these accounts had balances amounting at \$110.0 million (2014: \$58.2 million), with \$60.0 million invested at Scotiabank and \$50.0 million at CIBCFCIB. Both investments will mature in February 2016, in time to assist with the repayment of the principal amount outstanding on the \$170.0 million Bond.

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

13.5 Statement of Cash Flows - National Forfeiture Fund

(All figures in US\$'000)	31-Mar-15	31-Mar-14
	Receipts/	Receipts/
	Payments	Payments
Receipts		
Criminal Recoveries	-	3,394
Total receipts	-	3,394
Payments		
Transfers	187	4,675
Transfers to the Consolidated Fund	187	4,675
Total payments	187	4,675
Net (decrease) in National Forfeiture Fund balance	(187)	(1,281)
National Forfeiture Fund balance at the beginning of the financial year	2,000	3,281
National Forfeiture Fund balance at the end of the financial year	1,813	2,000

The National Forfeiture Fund (NFF) was established to hold moneys recovered under confiscation or forfeiture orders. The funds may only be withdrawn for purposes defined by the Proceeds of Crime Ordinance 2009. The NFF is accounted for separately and held in a special bank account at Scotiabank. The bank account balance as at March 31, 2015, was \$1.8 million (2014: \$2.0 million).

The Fiscal Framework Document (FFD) requires that the NFF transfers to the Consolidated Fund all amounts over and above \$2.0 million in the fund at the end of each financial year. The amount transferred from the NFF to the Consolidated Fund for the year ended March 31, 2015, was \$0.2 million (2014: \$4.7 million).

14. Statement of Amounts Guaranteed by TCIG

There are currently no guarantees being offered by TCIG.

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

15. Statement of Noncurrent Loans Receivable from Exchange Transactions

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Loans receivable - TCIG	8,727	9,299
Loans receivable - TOLCO	2,595	2,753
Total non-current receivables from exchange transactions	11,322	12,052

Included in loan receivables are outstanding balances due to TCIG in regards to the former TCInvest loan portfolio, which is now being managed by the Office of the Accountant General. These are primarily consumer and mortgage loans which are secured by real estate assets. TCIG maintains a life insurance policy for each borrower and the properties used as collateral are insured by reputable insurance carriers, with TCIG being the primary beneficiary on both policies.

The Total Outstanding Loan Company (TOLCO) acquired the non-performing loan portfolio of the former TCInvest as at September 30, 2012, for future consideration. TCIG is compensated at forty cents out of every dollar collected from that portfolio until it is fully liquidated. These loans are recorded at 40% of their historical cost at the date of the sale, which is the maximum amount payable to TCIG by TOLCO, under the terms of the sales agreement with TCIG. Given the quality of some of these loans, TCIG does not expect to recover the full amounts shown. In accordance with the PFM, a request for a write off will be submitted to the House of Assembly, once the potential loss can be reasonably determined.

16. Statement of Investments Held by TCIG

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Paid Up Shares of the Caribbean Development Bank (CDB)	706	706
Bond Repurchase programme	3,099	3,680
Total financial assets - investment	3,805	4,386

16.1 Paid up shares of CDB

Investments include shares allocated to TCIG by the CDB as one of its member countries. There are 117 shares allocated to TCIG and paid up at March 31, 2015, (2014: 117 shares) with a paid up value of \$0.7 million (2014: \$0.7 million). In addition, there are 416 callable shares allocated to TCIG as at March 31, 2015, which have a par value of \$2.5 million, (2014: 416 callable shares with a value of \$2.5 million).

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

16.2 Bond Repurchase Programme

Bond Purchasers	Bond Details	Currency	Purchased Dates	Maturity Dates	Nominal Interest Rate	Original Cost US\$'000	Current Value US\$'000	31-Mar-14 US\$'000
Sagicor Financials	TCIB \$6.5m 8%	US \$	7/22/11	11/1/20	8.00%	3,000	1,925	2,246
NIS Barbados	RBTT \$15m 7.25%	US \$	5/26/11	1/29/14	7.25%	2,514	-	-
United Reinsurance	RBTT \$15m 7.25%/TCIB 8%	US \$	7/1/11	4/29/14	7.25%	1,812	-	214
United Reinsurance	Citi \$10m 8.75%	US \$	7/1/11	2/8/16	8.75%	1,042	896	896
United Reinsurance	TCIB \$5m 7.5%	US \$	7/1/11	11/1/20	7.50%	417	278	324
Grand Total		·	•		•	\$ 8,785	\$ 3,099	\$ 3,680

TCIG bonds originally issued through Royal Bank of Trinidad and Tobago (RBTT) in 2011 for \$8.8 million with nominal interest rates ranging from 7.25% to 8.75% per annum and with maturity dates ranging from January 2014 to September 2020. For the year ended March 31, 2015, TCIG received \$0.6 million (2014: \$2.96 million) in bond principal repayments.

Based on the cash value of the principal amount outstanding, the current value of these bonds at March 31, 2015, is \$3.1 million (2014: \$3.7 million).

17. Statement of Losses of Public Moneys and Stores Written Off and Claims Abandoned

	31-Mar-15	31-Mar-14
BY MINISTRIES	US\$'000	US\$'000
Attorney General's Chambers	12	2
Judiciary	-	13
Ministry of Environment and Home Affairs	_	6
Ministry of Government Support Services	65	2
Ministry of Health and Human Services	5	2
Ministry of Education Youth Sports and Culture	_	1
Total Losses of Public Money and Stores	82	26

There were no submissions to the House of Assembly for any write-offs of public moneys and stores or claims abandoned during the year ended March 31, 2015, (2014: None).

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

18. Statement of Losses of Public Money and Stores Reported

There were no losses of public money or stores reported during the financial year ended March 31, 2015, (2014: None).

19. Statement of Arrears of Revenue

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Office of the Governor	-	7
Police	13	-
Attorney General's Chambers	3,636	3,349
Office of the Premier and Ministry of Tourism	43	-
Ministry of Environment and Home Affairs	24	673
Ministry of Government Support Services	3,175	2,800
Ministry of Finance, Investment and Trade	9,318	4,998
Ministry of Education Youth Sports and Culture	1,224	3,412
Total Arrears of Revenue	17,433	15,239

20. Statement of Commitments and Contingent Liabilities

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Police	33	-
Attorney General's Chambers	3,015	4,536
Border Control and Labour	15	-
Ministry of Environment and Home Affairs	267	-
Ministry of Government Support Services	3,435	-
Ministry of Finance, Trade and Investment	6,010	5,993
Ministry of Health and Human Services	1,029,138	1,074,313
Ministry of Education Youth Sports and Culture	3,123	-
Statutory Charges	80,142	84,871
Total Commitments and Contingent Liabilities	1,125,178	1,169,713

20.1 Attorney General Chambers

TCIG is subject to claims and potential claims related to breach of contract, damages to persons and property and similar items. The effect of legal claims cannot be determined until they are settled or dismissed. No liability has been admitted or is foreseen and no provision for claims is included in

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

the Annual Statement of Public Accounts. Any resulting costs to TCIG will be recorded in the year when an amount can reasonably be determined or ordered.

20.2 Ministry of Finance, Investment and Trade

Ministry of Finance, Investments and Trade primarily relates to a contract with Digicel, which is a five-year agreement between TCIG and Digicel (Turks and Caicos) Limited (Digicel), that commenced in November 2012. The contract provides for WAN, LAN and LAN managed services which should facilitate a more robust upgrade of TCIG's information technology facilities, such as online services and wider utilization of Smart Stream, SIGTAS and other applications as well as Voice over Internet Protocol (VoIP). The contract was also designed to improve response time for applications, increased staff productivity, provide wider access to network services and reduce the cost of network and voice calls.

20.3 Ministry of Health and Human Services

This includes an estimated long-term commitment of \$412.8 million (2014: \$431.7 million) based on the terms of the unitary component of the IHC hospital contract as well as estimates for the clinical portion of the contract which amounts to \$599.0 million (2014: \$626.5 million) (Refer schedules to the Annual Public Account #1.1).

20.4 Statutory Charges

Statutory charges are the estimated liability for providing pension benefits attributable to years of past service for the TCIG public service as at March 31, 2015, of \$80.1 million. The prior year assessment of \$84.9 million was based on the last independent actuarial valuation as at March 31, 2014. Actuarial assessments are required every two years, therefore, an independent evaluation was conducted as at March 31, 2015. The estimated liability was, therefore, the prior year's assessment reduced by the payments made in the year ended March 31, 2015.

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

21. Statement of Outstanding Advances

	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Staff loans and advances	27	67
Travel advances	-	43
Other receivables and advances	128	189
Loans and advances recommended for write-off	2,574	2,574
Total outstanding advances	2,729	2,873

Receivables from exchange transactions include staff loans and advances to provide assistance with emergency support. These receivables are recorded on the historical cost basis when issued, with irrecoverable amounts written off, when approved by the House of Assembly.

The receivables balance at March 31, 2015, was \$2.7 million (2014: \$2.9 million), which include an amount of \$2.6 million that is considered irrecoverable. A request has been submitted to the House of Assembly for approval to write off these receivables. No provision for impairment has been made under the IPSAS Cash Basis of Accounting.

22. Statement of Stores and Other Assets

BY MINISTRIES	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Police	225	-
Border Control and Labour	42	39
Ministry of Environment and Home Affairs	15	16
Ministry of Government Support Services	2,019	1,605
Ministry of Finance, Trade and Investment	11	-
Ministry of Health and Human Services	38	18
Ministry of Education Youth Sports and Culture	232	61
Total Unallocated Stores and Other Assets	2,582	1,739

IN COMPLIANCE WITH SCHEDULE 2 OF THE PFM ORDINANCE AND SCHEDULE C OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENTS) REGULATIONS 2015,

Unallocated stores and other assets are consumable items that are expensed at the time of purchase under the cash basis of accounting. The balance of \$2.0 million (2014: \$1.6 million) in stores at the Ministry of Government Support at the end of the year are primarily items held at the Central Purchasing

Unit (CPU).

Schedules to the Annual Public Accounts

1. Schedule of Long-Term Commitment

1.1 Long Term Commitment

	I Year to March 31, 2016	Years 2-5 to March 31, 2020	Over 5 years to February 26, 2033	Total Payable
Estimates of Long Term Liabilities	US\$'000	US\$'000	US\$'000	US\$'000
Unitary Charges	19,277	81,042	312,448	412,767
Clinical Costs	27,976	117,612	453,440	599,028
Total Hospital Contract Costs	47,253	198,654	765,888	1,011,795

InterHealth Canada Limited (IHC) provides TCIG a monthly composite invoice for unitary charges and clinical equipment reserves. TCIG pays InterHealth Canada Infrastructure (TCI) Limited (Infraco) the amount relating to unitary charges and InterHealth Canada Clinical Services (TCI) Limited (Clinco) for the clinical equipment component. Unitary charges relate to the capital costs to construct and equip the two hospital facilities in TCI. The original capital cost of the two facilities, including all equipment and capitalized interest was \$118.7 million.

NHIB pays the clinical costs based on instructions from TCIG, with funds transferred from TCIG each month in addition to funds from their own resources (note 15). The clinical cost relates to health care services provided at the two hospital facilities.

All payments relating to the unitary and clinical costs are being paid over the contract term of 25 years which concludes in February 2033.

1.2 Health Services Contract

A Project Agreement was signed on 11th January 2008 with ClinCo and InfraCo. The Agreement involves the provision of primary and secondary health care services through design, construction, financing, equipping, staffing, maintenance and operation of the Facilities for a period of 25 years. At the expiry of the agreement in February 2033, the facilities, the ring-fenced equipment and the non-ring-fenced equipment shall revert to TCIG and there will be no residual value payment to be made by TCIG to either ClinCo or InfraCo.

ClinCo subcontracted its services to IHL using the ring-fenced service support deed. InfraCo subcontracted its facilities management services contract to InterHealth Canada Construction & Services (TCI) Limited for the provision of various clinical and non-clinical services in TCI, including new hospitals in Grand Turk and Providenciales. The Agreement was established to reduce the cost of treatment abroad under TCIG's Treatment Abroad Programme.

2. Schedule of National Health Care Costs

	31-Mar-15	31-Mar-14
Healthcare payments by TCIG	US\$'000	US\$'000
Unitary and non-clinical charges payable by TCIG	25,012	25,484
Medical treatment - transfers to NHIB	19,500	20,378
Other healthcare expenses paid by TCIG	187	247
Total healthcare cost payable by TCIG	44,699	46,109
Less: Shared revenue from Interhealth Canada	1,777	955
Total healthcare cost paid by TCIG	42,922	45,154

Healthcare payments by NHIB		
NHIB's contribution towards clinical costs as directed by TCIG	7,671	6,264
Other healthcare expenses paid by NHIB	13,822	14,676
Total healthcare payments by NHIB	21,493	20,940
Total healthcare costs	66,192	67,049

3. Schedule of Government Concessions

	31-Mar-15	31-Mar-14
Statement of Concessions	US\$'000	US\$'000
Customs Department Concessions		
Import Duties	19,219	15,732
Fuel Tax	13,450	11,390
Customs Processing Fees	2,942	705
Freight and Insurance Tax	67	68
Total Customs Department Concessions	35,678	27,895
Revenue Department		
Telecommunication Tax	366	-
Total Revenue Department Concessions	366	-
Immigration Department Concessions		
Temporary Work Permits	-	20
Visas	-	11
Total Immigration Department Concessions	-	31
Land Registry - Stamp Duty on Land Transactions	325	2,385
Statutory Charges - Sale of Land	-	144
Total Concessions	36,369	30,455

Section 70 of the Customs Ordinance allows the Minister to exempt in particular cases upon written application, persons or a category of persons, subject to conditions and restrictions as he sees fit. The 2010 Customs General Tariff Order further permits the Collector of Customs to approve exemptions for the purpose associated with Government Institutions and personnel. Total Customs Department concessions forgone for the year ended March 31, 2015, amounted to \$35.7 million (2014: \$27.9 million).

Total concessions forgone for the financial year amounted to \$36.4 million (2014: \$30.5 million. Whilst it is very difficult to accurately quantify the long-term economic paybacks and GDP contributions from these concessions, it is believed that new employment opportunities, small business spinoffs and enhance TCIG revenues are some of the areas that directly benefit.

4. Schedule of Associated Party Transactions

4.1 Associated party transactions - receipts

Transfers to TCIG	31-Mar-15 US\$'000	31-Mar-14 US\$'000
TCI Financial Services Commission	3,099	2,385
TCI Port Authority	661	1,429
TCI Telecommunication Commission	1,266	-
Total receipts from associated parties	5,026	3,814

Certain statutory bodies are required to transfer their surplus from operations to TCIG each year. The amount and timing of the transfers are stipulated by their respective ordinance. Cabinet has authorised the suspension of transfers from the Port and Airport Authorities and approved the use of the surpluses in the entities to fund the expansion and renovation of some of the country's airports and seaports.

4.2 Associated party transactions – payments

National Health Insurance Board (NHIB)	31-Mar-15 US\$'000	31-Mar-14 US\$'000
TCIG transfer to support payment for the hospital contract	19,500	20,378
TCIG contributions on behalf of civil servants	1,445	1,398
Total NHIB transactions	20,945	21,776

National Insurance Board (NIB)	31-Mar-15 US\$'000	31-Mar-14 US\$'000
TCIG contributions on behalf of civil servants	1,791	1,696
Rent payments	128	102
Principal loan repayments	494	377
Interest payments	139	134
Total NIB transactions	2,552	2,309

	31-Mar-15	31-Mar-14
Subventions	US\$'000	US\$'000
TCI Tourist Board	3,399	2,025
TCI Community College	1,667	1,667
Integrity Commission	1,166	1,166
TCI Civil Aviation Authority	1,144	844
TCI National Trust	100	83
National Audit Office	678	383
Other local organisations	14	20
Total subventions	8,168	6,188

Transactions paid by TCIG	31-Mar-15 US\$'000	31-Mar-14 US\$'000
TCI Human Rights Commission	295	258
TCI Complaints Commission	103	77
Total transactions paid by TCIG	398	335

Payments to NHIB primarily relate to funds transferred to assist with covering the clinical costs associated with the hospital contract.

Payment to NIB relates to social security contributions on behalf of public sector employees and other expenses in the ordinary course of TCIG's operations.

Subventions to associated parties are appropriated by the House of Assembly (HOA) and paid over to each entity during the course of the year. The payment process for associated entities is managed by TCIG.

5. Schedule of Development Fund Expenditure

(All figures in US\$'000)	Projects Funded By TCIG	Projects Funded by DFID	Development Aid Projects Funded by UK	Other Development Projects funded by UK	Projects Funded by CDB (Basic Needs Trust Fund)	Projects Funded by other Private Sources	Total
Expenditure					Í		
Additional Toilet Block for CHHS	83	-	-	-	-	-	83
Adelaide Oemler Primary School Playground	9	-	-	-	-	-	9
AIDS Hospice Blue Hills	18	-	-	-	-	-	18
Ambulances for other Islands	170	-	-	-	-	-	170
Blue Hills Dock Repair	28	-	-	-	-	-	28
Border Control Refurbishing of Building etc.	56	-	-	-	-	-	56
Border Control Management Information System	61	-	-	-	-	-	61
Border Control Management Information System Phase 2	32	-	-	-	-	-	32
Carnival Infrastructure Projects	568	-	-	-	-	-	568
Completion of Auditorium at HJRHS	169	-	-	-	=	-	169
Construction of Bathroom Block for Ianthe Pratt Primary School	87	-	-	-	-	-	87
Construction of Building to House New RO Plant - Salt Cay	74	-	-	-	-	-	74
Construction of Fish Market for West Road	33	-	-	-	-	-	33
Construction of Middle Caicos Clinic	30	-	-	-	-	-	30
Construction of New Block Ona Glinton Primary School	678	-	-	-	-	-	678
Construction of Remand/Detention Centre PLS	111	-	-	-	-	-	111
Construction of Warehouse and Office for Customs - GDT	13	-	-	-	-	-	13
Court Outfitting	231	-	-	-	-	-	231
Credit Rating Assessment	40	-	-	-	-	-	40
Down Town Ball Park Lights	80	-	-	-	-	-	80
EU Housing Initiative	637	-	-	-	-	-	637
Fencing for Clement Howell High School	77	-	-	-	-	-	77
Fencing for South Caicos Community Centre	25	-	-	-	-	-	25
Fixed Assets Records Management Software Purchase	31	-	-	-	-	-	31
Furniture & Equipment for HJRHS Admin. Block	87	-	-	-	-	-	87
Furniture & Equipment for Islands Caicos Clinic	53	-	-	-	-	-	53
Furniture and Equipment for Schools	175	-	-	-	-	-	175
Furniture for Premier's Office	7	-	-	-	-	-	7
Generator for Wellness Centre and Green Door	1	-	-	-	-	-	1
HIES/CPI Projects	30	-	-	-	-	-	30
HJRHS New Administrative Block	90	-	-	-	-	-	90
Installation of Generators	12	-	-	-	-	-	12
Installation of pre-paid water meters to all customers	20	-	-	-	-	-	20
Installation of Shutters on Gov't Buildings -all Islands	20	-	-	-	-	-	20
Introduction of a Healthy Lifestyle Curriculum	4	-	-	-	-	-	4
Laboratory and Other Equipment Phase 1	83	-	-	-	-	-	83
Laboratory and Other Equipment Phase 2	187	-	-	-	-	-	187
Law Revision Centre	97	-	-	-	-	-	97
Middle Caicos Cave Bathroom Project	10	-	-	-	-	-	10
New High School	179	-	-	-	-	-	179
New High School - Infrastructure upgrade	180	-	-	-	-	-	180
New RO Plant - Salt Cay	54	-	-	-	-	-	54
New RO plants and Equipment for Water Dept.	80	-	-	_	-	-	80
Police Accommodations at TCICC	12	-	=	-	-	_	12
General Capital contribution to CDB	70	-	-	-	-	-	70
Purchase of Garbage Truck	42	-	-	-	-	-	42
Queen Conch Visual Survey and Local Consumption Study	10	-	=	-	-	_	10
Radar System for Turks & Caicos Islands	71	_	-	-	_	-	71
Refurbishment of and outfitting of the Wellness Centre – GDT	221	_	_	_	_	_	221
Refurbishment of Home Econ. Dept. MBHS	4	_	_	_	_	_	4
Repairs to Causeway Bridge	667	_	-	_	_	_	667
Repairs to the Morgue, including purchases of reefers	26	-	-	-	-	_	26
Repairs to the Morgae, including pulchases of reelers Repairs to Water Catchment in GDT, XSC and Salt Cay- Phase 1	5	-	-	-	-	-	5

Schedule of Development Fund Expenditure – Cont'd

(All figures in US\$'000)	Projects Funded By TCIG	Projects Funded by DFID	Development Aid Projects Funded by UK	Other Development Projects funded by UK	Projects Funded by CDB (Basic Needs Trust Fund)	Projects Funded by other Private Sources	Total
Expenditure							
Contribution to CDB Special Development Fund 7	605	-	-		-	-	605
Replacement Dock for South Caicos	182	-	-	-	-	-	182
Replacement Engines for DECR	20	-	-		-	-	20
Road Development Programme - Three Mary Cays	10	-	-		-	-	10
Road Development Programme-Five Cays	56	-	-		-	-	56
Road Development Programme-Kew Town	9	-	-		-	-	9
Road Safety - Plate Printers	25	-		-	-	-	25
School Bus Replacement MBHS	21	-	-	-	-	-	21
South Caicos Airport Development	302	-		-	-	-	302
South Caicos Police Station Roof	18	-	-	-	-	-	18
The Purchase or renovating the Juvenile Centre	47	-		-	-	-	47
Tourism Master Plan and Policy	104	-	-	-	-	-	104
Upgrade of Port at South Dock PLS	300	-		-	-	-	300
Upgrade of Salt Cay Island Clinic	49	-	-	-	-	-	49
Vector Control Vehicle - XNC/MC	4	-	-	-	-	-	4
Vehicle for Attorney General	43	-	-	-	-	-	43
Vehicle for Premier - Refund	(35)	-		-	-	-	(35)
Well drilling Salt Cay	26	-		-	-	-	26
New Vehicles for Police	-	-		-	-	125	125
Protected Areas	-	-	61	-	-	-	61
Renovation of MRHC for SIPT Trials	-	-	-	47	-	-	47
BNTF Office Cost	-	-	-	-	1	-	1
National Tree for TCI	-	-	-	-	-	40	40
Strengthening of the Public Health Delivery System	-	-	-	-	-	2	2
Total capital expenditure	7,624	-	61	47	1	167	7,900

6. Schedule of Government Leases

Leases of Government Properties	31-Mar-15 US\$'000	31-Mar-14 US\$'000
Leases of government property recognised as rental receipts	625	720

TCIG leases certain properties that are not used in its operations under agreements with original terms generally of 2 to 3 years. There is also long-term commercial leases which are mainly to international investors that are for up to 99 years. These leases generally contain provisions for renewal options that are specified in each lease agreement. The lease term usually commences on the date that the leaseholder takes possession of or controls the physical use of the property.

Lease revenues are recognized when cash payments are received under the IPSAS cash basis of accounting.

Schedule of Grand Turk Cruise Center (GTCC)/TCIG Infrastructure Account

	31-Mar-15	31-Mar-14
Infrastructure Account	US\$'000	US\$'000
Receipts		
Contributions from Grand Turk Cruise Center (GTCC)	1,015	723
Contributions from TCIG	507	361
Total receipts	1,522	1,084
Payments		
Disbursements	144	427
Total payments	144	427
Net increase in infrastructure account balance	1,378	657
Infrastructure account balance at the beginning of the year	2,742	2,085
Infrastructure account balance at the end of the year	4,120	2,742

GTCC and TCIG, in accordance with the Development Agreement between the two parties, agreed to set up an Infrastructure Account (IA) at CIBC First Caribbean International Bank (Bahamas) Limited. The IA was created to fund infrastructure projects that would enhance visitor's experience on Grand Turk. Each year various projects are identified and the budget jointly approved by the parties. This bank account is jointly maintained by GTCC and TCIG and all withdrawals from the account require dual signatures, one signatory from GTCC and one from TCIG.

The agreement between the parties provide for GTCC to contribute \$1.50 per passenger to the IA, on arrivals of over 300,000 each year and TCIG is required to contribute \$0.75 per passenger. These are the only deposits made to the IA.

The IA had a bank account balance at March 31, 2015, of \$4.1 million (2014: \$2.7 million), with contributions from GTCC for the financial year of \$1.0 million (2014: \$0.7 million) and contributions from TCIG of \$0.5 million (2014: \$0.4 million). Disbursement for the year ended March 31, 2015, amounted to \$0.1 million (2014: \$0.4 million).