



QUARTERLY FINANCIAL REPORT ON STATUTORY BODIES

Issue 1/2021

Q2-2020

as at 30th June 2020

Ministry of Finance

The reviews are based on the information supplied by the Statutory Bodies and are therefore dependent on the accuracy and completeness of the same. The report should be read in tandem with the respective consolidated quarterly report spreadsheet.

Year to date figures presented in this report relate to the period 1st January 2020 through to 30th June 2020.

Anguilla Air and Sea Ports Authority

The Anguilla Air and Sea Ports Authority reported EC\$2.22 Million in revenue for the quarter ended 30th June 2020 and EC\$5.86 Million year to date. Total income for quarter 2 was EC\$2.39 Million below budget although this was mainly due to the impact of Covid-19 resulting in low operational fees/dues. Year to date revenue is significantly behind budget. Expenditure for the quarter was EC\$3.81 Million and EC\$8.21 Million year to date these are significantly ahead of budget projections. Significant adverse variances were due to fees related to professional consultancy and legal services. The deficit was EC\$1.59 Million for the quarter and EC\$2.35 Million year to date. It is anticipated that this will deteriorate in quarter 3.

The Anguilla Air and Sea Ports Authority reported assets valued at EC\$14.25 Million and liabilities of EC\$15.70 Million. Cash reported for Quarter 2 was EC\$ -1.5 Million (ie. overdrawn) and was EC\$ 0.44 Million more than quarter 1. Material movements which increased liabilities were noted in accounts payable related to the termination of contracts in 2020 as part of AASPA's COVID-19 cost reduction plan.

Anguilla National Trust

The Anguilla National Trust reported EC\$0.1 Million in revenue for the quarter ended 30th June 2020 and EC\$0.2 Million year to date. Total income for Quarter 2 was EC\$0.01 Million above budget although this was mainly due to timing of property rental fees receipts in Quarter 2 instead of Quarter 1. Year to date revenue is slightly behind of budget. Expenditure for the quarter was EC\$0.08M and EC\$0.15M year to date these are slightly behind budget projections. The surplus was EC\$0.03 M for the second quarter and EC\$0.05M year to date. It is anticipated that this will deteriorate in Quarter3.

The Anguilla National Trust reported assets valued at EC\$0.526 Million and no liabilities. Cash reported for Quarter 2 was EC\$0.25 Million and was EC\$0.011 Million better than Quarter 1

Anguilla Financial Services Commission

Anguilla Financial Services Commission reported EC\$0.21 Million in revenue for the quarter ended 30th June 2020 and EC\$2.22 Million year to date. Total income for quarter 2 was EC\$ 0.20 Million above budget although this was mainly due to a conservative budget being projected for the second quarter due to historical trends indicating a declining financial services market particularly for captive insurance. Total income includes late payment of fees from the prior quarter, associated late payment penalties, and funds generated under the new Anguilla Utility Tokens Act. Year to date revenue is slightly ahead of budget.

Expenditure for the quarter was EC\$ 0.56 Million and EC\$1.27 Million year to date, these are behind budget projections. Significant positive variances related to the Covid-19 pandemic restrictions on travel and other areas of business. Board expenses were down by an approximately 72%, international travel and subsistence by 74%, other operating expenses by 83%, supplies and equipment by 77%, training by 93%, insurance by 59% which includes the pending renewal of Directors and Officers insurance for June 2020/2021.

The AFSC reported a EC\$0.35 Million deficit for the quarter and of EC\$ 0.95 Million surplus year to date. It is anticipated that the overall financial results may deteriorate slightly in quarter 3.

The Anguilla Financial Services Commission reported assets valued at EC\$17.75 Million and liabilities of EC\$8.67 Million. Cash reported for quarter 2 was EC\$17.45 Million and was EC\$ 0.54 Million greater than quarter 1 due to increase in the statutory deposits of three insurance companies.

Anguilla Development Board

The Anguilla Development board (ADB) reported EC\$0.35m in revenue for quarter ended June 30, 2020. Total revenue collected for quarter 2 was EC\$0.03m below the budgeted figure which was mainly due to reduced receipts due to unemployment caused by Covid-19. The year to date revenue is slightly behind the budgeted figures which is due to the pandemic environment having an effect on some borrowers' ability to pay.

Expenditure for quarter ended June 30, was EC\$0.44m and the year to date stands at EC\$0.87m which is in line with the budget projections thus far. However, ADB was supposed to migrate to a cheaper Computer Licence Software Programme in the second half of the year and due to Covid-19 this was postponed to 2021 so the expected reduction in expenditure cost will not be realized until its implementation in 2021.

The deficit at June 30 was EC\$0.09m and this is expected to increase and carry over into 2021 when the employment situation in Anguilla should improve increasing the ability for persons to make payments against their loans.

As at June, 2020, ADB's assets were EC\$25.8m and liabilities were EC\$5.5m. Cash balance at June 30 was EC\$ 3.6m which is EC\$0.1m better than quarter one. ADB continues to pay its debt commitments to the Caribbean Development Bank which now stands at EC\$4.315m.

Anguilla Community College

Anguilla Community College reported EC\$ 1.2 Million in revenue for the quarter ended 30th June 2020 and EC\$2.1 Million year to date. Total income for Quarter 2 was EC\$ 0.20 Million above budget. This was mainly due to the timing of payments related to the Subvention support by the GOA. Year to date revenue is slightly behind of budget by EC\$ 0.02 Million.

Expenditure for the quarter was EC\$ 0.9 Million and EC\$1.85 Million year to date. These amounts are below budget in this quarter however a deficit of \$149,584 is projected at the end of the year. The ACC's budget was adjusted to reflect the impact on Covid-19 after the second quarter. The surplus was EC\$0.31 Million for the quarter and EC\$0.25 Million year to date. It is anticipated that this will continue to increase in quarter 3.

The Anguilla Community College reported assets valued at EC\$6.89 Million and liabilities of EC\$2.66 Million. Cash reported for quarter 2 was EC\$0.80 Million and was EC\$ 0.22 Million better than quarter 1. Accounts receivable increased as students struggled to pay their fees after being financially impacted by the Covid-19 pandemic. Accounts Payables increased as a result of gratuity owed to the former President (payment was made in August 2020 at the end of the contract term).

Anguilla Tourist Board

The Anguilla Tourist board reported EC\$ 1.70 Million in revenue for the quarter ended 30th June 2020 and EC\$4.4 Million year to date. Total income for Quarter 2 was EC\$0.01 Million above budget although this was mainly due to porter fees received during February and March 2020. Year to date revenue is slightly behind of budget. Expenditure for the quarter was EC\$1.66 Million and EC\$4.22 Million year to date, these are above budget projections. Significant adverse variances related to additional expenses at the SXM/AXA Dock. The surplus was

EC\$0.041 Million for the quarter and EC\$0.19 Million year to date. It is anticipated that this will deteriorate in Quarter 3.

The Anguilla Tourist Board reported assets valued at EC\$ 3.24 Million and liabilities of EC\$ 0.43 Million. Cash reported for quarter 2 was EC\$ 0.77 Million was EC\$ 0.19 Million better than quarter 1. Significant movements of payables occurred during this period. The majority of outstanding balances were cleared.

Anguilla Social Security Board

ASSB was not included in the consolidated quarterly report/spreadsheet due to format issues which were unresolved at time of finalisation of report. It is anticipated that ASSB will be included in the Q3-2020 report. This narrative represents the information provided in the preliminary reports received by the Ministry of Finance.

The Social Security Board reported approximately EC\$8.4 million in revenue for the quarter ended 30th June 2020 and EC\$13.9 million year to date. Total income for Quarter 2 of \$8.4 million is approximately EC\$4 million or 32% below the quarterly budget of \$12.4 million (mainly due to reduced contributions as a result of the high levels of unemployment due to the global pandemic).

Year to date revenue is approximately 44% or EC\$10.8 million below the original budget of EC\$24.7 million for the first two quarters of 2020 and EC\$3.6 million (20.7%), below the Revised budget of \$17.6 million for the same reporting period.

Total expenditure (Administrative, Benefit and Social Security Development Fund expenditure), for the quarter ended June 30th was EC\$12.9 million. Actual expenditure when compared to budget, was EC\$4.4 million or 51% above the budgetary provision for the quarter of \$8.5 million. The excess of expenditure over budget during this quarter was due to Unemployment benefits paid as a result of Covid-19 amounted to approximately EC\$4.8 million (this benefit was not provided for in the original 2020 budget).

Of note expenditure for the 2nd quarter, compared to the first quarter, was EC\$5.6 million higher due to the Unemployment Benefit paid as of April 2020 (First quarter total expenditure amounted to approximately EC\$7.3 million).

For the quarter ended June 30th, the Social Security Board realized a deficit of EC\$4.5 million. For the first quarter of 2020 there was a deficit of EC\$2 million. As at June 30th, 2020, the Social Security Board's expenditure exceeded income by EC\$6.55 million. Factors contributing to the deficit were as follows: -

- Unemployment benefits paid resulting in higher than anticipated benefit levels.
- Lower contribution income levels due to large scale unemployment.
- Lower investment income from the Board's investment in the stock market due to the impact of the global pandemic.
- Lower income from surcharges on late payment of contributions (surcharges on late payment of contributions for contribution periods as of March 2020, were waived as of March).

Quarter 3 is expected to yield similar results for contribution and other income levels. It is noted that Government is refunding Unemployment Benefits paid to claimants from July 2020. Benefit expenditure for the 3rd and 4th quarters is therefore expected to move back on track with budgetary provision.

Health Authority of Anguilla

Health Authority of Anguilla reported EC\$8.14 Million in revenue for the quarter ended 30th June 2020 and EC\$15.93 Million year to date. Total income for quarter 2 was EC\$0.16 Million above budget although this was mainly due to subvention increase received but not budgeted for. Year to date revenue is slightly behind of budget.

Expenditure for the quarter was EC\$7.11 Million and EC\$14.82 Million year to date. These are significantly lower than budget projections. Significant positive variances experienced in the areas of training, medical supplies and hosting and entertainment were due to expenses being captured prior to quarter 2 and the removal of the end of year awards ceremony.

The surplus was EC\$1.03 Million for the quarter and EC\$1.11 Million year to date. It is anticipated that this will improve in quarter 3.

The Health Authority of Anguilla did not report an accurate balance sheet for the second quarter due to issues related to the implementation of new accounting software and revaluing of their assets due to new construction, however the increase in subvention allowed the Health Authority to clear some historic expenditure arrears.

Public Service Pension Fund

Public Service Pension Fund reported EC\$1.69 Million in revenue for the quarter ended 30th June 2020 and EC\$3.36 Million year to date. Total income for quarter 2 was EC\$ 0.13 Million below budget; however, this was mainly due to interest on fixed deposits of EC\$ 0.11 Million not recorded. Year to date revenue is in line with budget. Expenditure for the quarter was EC\$1.97 Million and EC\$4.14 Million year to date. Expenditure is slightly lower than budget projections. A positive variance of 100% for auditing and accounting services is related to work in process for auditing services but not billed. The deficit was EC\$0.29 Million for the quarter and EC\$0.79 Million year to date. It is anticipated that this trend will continue in quarter 3 as new pensioners are added to list.

The Public Service Pension Fund reported assets valued at EC\$40.98 Million and liabilities of EC\$ 0.68 Million. Cash reported for quarter 2 was EC\$3.9 Million. A total of EC\$ 0.61 Million less than quarter 1. This change is mainly due to the issuing of PSPF loans. There was a commensurate increase of EC\$ 0.43 Million in Loan assets from quarter 1 to quarter 2.

Public Utilities Commission

PUC's quarterly income statement was not included in the consolidated quarterly report/spreadsheet due to format issues which were unresolved at time of finalisation of the report. It is anticipated that PUC's income statement will be included going forward from the Q3-2020 report.

Public Utilities Commission reported EC\$ 0.17 Million in revenue for second quarter (30th June 2020). The same amount was reported for in quarter one, owing to PUC's fixed revenue stream. Expenditure for quarter 2 was EC\$ 0.154 Million as compared to EC\$ 0.148 Million in quarter 1. Expenditure over the second and first quarter was 27% and 30% under budget, respectively. It is anticipated that this trend will continue over the third quarter. The positive variances in the budget as compared to actuals, were as a result of the cancellation of

conferences and training to be attended by the management of PUC. There was a recorded surplus of EC\$ 0.027 Million and EC\$ 0.020 Million in the first and second quarter respectively. It is anticipated that a similar trend will continue in the third quarter.

The Public Utilities Commission reported assets valued at EC\$1.39 Million and liabilities of EC\$ 0.25 Million in the second quarter. Cash was reported at EC\$0.059 Million for the second quarter, as compared to EC\$0.2 Million during the first quarter. Trade receivables were EC\$ 0.16 Million and EC\$ 0.84 Million in the first and second quarters, respectively. Trade receivables increased by EC\$ 0.68 Million during the second quarter, owing to late billing of fees to Utility providers and the revision of the 2020 budget.

Water Corporation of Anguilla

Water Corporation of Anguilla reported EC\$3.2 Million in revenue for the quarter ended 30th June 2020 and EC\$5.2 Million year to date. Total income for Quarter 2 was EC\$0.3M above budget. This was partially due to a Covid Government Grant of EC\$0.8M. The positive effect of this grant was partially off-set by the underperformance of water revenues by EC\$0.5M. The underperformance of water revenues resulted largely from the moratorium placed on water payments and instituted in March 2020. Revenue was further impacted positively by Government of Anguilla's payment of outstanding water bills totalling EC\$0.9M. Year to date revenue is therefore slightly ahead of budget. Expenditure for the quarter was EC\$3.3M and EC\$6.3M year to date. These are significantly ahead of budget projections. Significant adverse variances related to Other Operating Expenditures (Direct). The deficit was EC\$0.4M for the quarter and EC\$1.9M year to date. It is anticipated that this will deteriorate in quarter 3, especially given that the moratorium remains in place through the end of 2020.

Balance sheet information has not been included in this report because the financial position information submitted was inaccurate.

Select Anguilla

Select Anguilla Agency did not present information however it is anticipated that will be included in the quarterly reports commencing with the review of Q3-2020.