



Government of the Kingdom of Tonga

FINANCIAL STATEMENT

*For the year ended
30 June 2023*

Ministry of Finance

STATEMENT OF RESPONSIBILITY

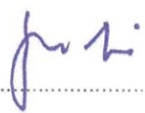
The Government of the Kingdom of Tonga Financial Statement for the year ended 30th of June 2023, together with the schedules and accompanying notes have been prepared in accordance with the reporting requirements under Part VI of the Public Finance Management Act (PFMA) and in accordance with the International Public Sector Accounting Standard (IPSAS) for Financial Reporting Under the Cash Basis of Accounting (IPSAS Cash).

The Government is on a pathway towards adoption of accrual accounting in accordance with IPSAS. In the meantime, the IPSAS Cash Standards are appropriate, as they provide mechanism for cash-based accounts to be supported by supplementary accrual information. Our approach is to produce cash-based financial statements in compliance with Part 1 of the IPSAS Cash and present these for audit.

We are supplementing the financial statements with supporting information, including presentations of accrual data prepared having consideration for the respective accrual IPSAS standards, as well as the requirements under PFMA.

I accept responsibility for the integrity of these financial statements, their contents, and their compliance with the above-mentioned mandates.

Therefore, in my opinion the accompanying financial statements, as submitted to Auditor General are in accordance with Section 35 (1) and Section 35 (5) of the PFMA, present a true and fair view of the Government's financial position and financial performance for the year ended 30th June 2023.


Tiofilusi Tiueti, FCA
Minister for Finance



29th February 2024

STATEMENT OF RESPONSIBILITY

These financial statements have been prepared by the Ministry of Finance in accordance with the provisions of the Public Finance Management Act and the International Public Sector Accounting Standard for Financial Reporting Under the Cash Basis of Accounting.

The Ministry of Finance is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are complete and properly record the use of all public financial resources by the Government. The Ministry continues to review and improve on this system year by year. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.




Kilisitina Tuamei'api
Chief Executive Officer for Finance

29th February 2024



INDEPENDENT REPORT OF THE AUDITOR GENERAL

To the Honorable Members of the Legislative Assembly

Qualified Audit Opinion

We have audited the accompanying Financial Statements of the Government of the Kingdom of Tonga for the year ended 30th June 2023, which is set out on pages 7 - 50 and comprised of the:

- Statement of Receipts and Payments;
- Consolidated Statement of Comparison of Actuals and Budget;
- Notes to the Financial Statements;
- Statement of Income and Expenditure;
- Statement of Assets and Liabilities;
- Statement of Loans;
- Statement of Investments;
- Statement of Revenue for the 5 proceeding years; and
- Statement of Expenditure for the 5 proceeding years;

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Government of Tonga as at 30th June, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (*IPSAS Cash Basis of Accounting*) and the Public Finance Management Act 2002.

Basis for Qualified Opinion

Property, Plant & Equipment

The total value of Property, Plant and Equipment disclosed in the financial statements amounted to \$407,379,953 which is the accumulated amount of capital expenditures recorded to 30th June, 2023; referring to Note 7.3. The Ministry of Finance, (Ministry), is still in progress with working together with Government Ministries, Departments, and Agencies, (MDAs), in recording the total assets of Government to ensure property, plant and equipment are fully accounted for and be disclosed fairly in the financial statements. The total book value of assets compiled by the Ministry from MDAs which provided their fixed assets register for the year ended 30th June 2023, amounted to \$985,244,179. Until such time that all MDAs fixed assets are completely and properly accounted for, reported to the Ministry of Finance, and compiled into the financial statements, it will provide a value that fairly present all Government's property, plant and equipment. Accordingly, we are unable to determine what adjustment might be necessary to the total property, plant and equipment recorded on the financial statements.

Responsibility of the Minister for Finance, (Minister), for the Financial Statements

The Minister is responsible for the preparation and fair presentation of the financial statements of the Government that comply with the *IPSAS* Standards. The Minister is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that include our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the International Standards of Supreme Audit Institutions, (*ISSAIs*) will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures that can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these Financial Statements.

As part of an audit in accordance with *ISSAIs*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry of Finance's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Minister.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of my audit report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements, including disclosures, and whether the financial statements represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Sefita Tangi, *FCPA (Asst.)*
AUDITOR GENERAL



Date: 29th February, 2024

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PART 1:

*Financial Statements as required by IPSAS:
Financial Reporting under Cash Basis.*

Schedule 1

**STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022-23 \$	2021-22 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Operating Receipts			
Income Taxes		57,966,360	55,576,485
Trade Taxes		25,819,068	20,408,252
Taxes on Goods and Services		128,343,026	109,120,509
Excise Taxes		65,999,567	65,728,833
Domestic Fees and Licensing		27,567,896	20,849,232
Entrepreneurial and Property Income		9,863,719	9,612,633
Budget Support		53,733,317	52,098,020
Grants from Donors		168,058,959	134,295,041
Sundry Revenue		442,454	641,845
Trust Receipts	3.8	13,424,999	23,620,134
<i>Total Operating Receipts</i>		<i>551,219,365</i>	<i>491,950,985</i>
Operating Payments			
Established Staff		150,299,451	157,012,321
Unestablished Staff		13,234,716	19,290,234
Travel and Communication		23,047,682	12,378,629
Maintenance and Operations		35,871,736	33,565,558
Purchase of Goods and Services		104,500,112	86,395,483
Operational Grants and Transfers		88,860,177	85,402,943
Development Duties Expenditure		2,721,451	2,843,772
Pension and Gratuities		4,106,425	3,854,341
Private Sector Development Support		1,385,197	-
Trust Payments	3.8	13,790,970	15,647,244
<i>Total Operating Payments</i>		<i>437,817,916</i>	<i>416,390,525</i>
Net Cash Flows from operating activities		113,401,448	75,560,460
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from Sales of Assets		68,581	115,533
Loans repayment received		656,332	661,522
Investments		7,050,029	(150,745)
Purchase of Plant & Equipment (Capital)	7.3	(31,321,746)	(40,538,618)
Payment of Equity		(7,900,375)	-
Net Cash Flows from investing activities		(31,447,179)	(39,912,308)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from borrowing	6.3	36,081,373	16,634,079
Repayment of borrowing	6.3	(43,549,734)	(34,584,379)
Net Cash Flows from financing activities		(7,468,361)	(17,950,300)
Net increase/(decrease) in cash and cash equivalents		74,485,908	17,697,852
Cash at Bank and on Hand - 1 July		249,259,225	233,078,624
Exchange differences	3.10	1,547,266	(1,517,252)
Cash at Bank and on Hand - 30 June	3.5	325,292,400	249,259,225

Schedule 2

CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022-23			
		Original Estimates	Revised Estimates	Actual	Actual/Revised Estimates
		\$	\$	\$	\$
Operating Receipts (Government Fund)	3.2				
Income Taxes		48,152,700	48,152,700	57,966,360	120.4%
Trade Taxes		23,286,000	23,286,000	25,819,068	110.9%
Taxes on Goods and Services		106,609,000	106,609,000	128,343,026	120.4%
Excise Taxes		67,588,500	67,588,500	65,999,567	97.6%
Domestic fees and Licensing		28,196,700	28,196,700	27,567,896	97.8%
Entrepreneurial and Property Income		11,584,600	11,584,600	9,852,416	85.0%
Miscellaneous Revenue		1,236,700	1,236,700	511,035	41.3%
Capital and Other Transfer		38,642,100	38,642,100	36,493,698	94.4%
Budget Support		81,469,600	81,469,600	53,733,317	66.0%
Total Operating Receipts		406,765,900	406,765,900	406,286,383	99.9%
Operating Payments (Government Fund)	3.3				
Established Staff		155,765,900	151,843,057	147,597,721	97.2%
Unestablished Staff		13,223,200	12,825,114	12,039,533	93.9%
Travel and Communication		11,263,800	20,539,509	19,649,568	95.7%
Maintenance and Operations		20,265,800	25,122,015	23,787,674	94.7%
Purchase of Goods and Services		62,659,200	68,426,881	64,443,401	94.2%
Operational Grants and Transfers		89,239,300	75,511,588	58,109,345	77.0%
Development Duties Expenditure		4,626,700	4,052,296	2,721,451	67.2%
Debt Management		43,580,000	43,580,000	43,549,734	99.9%
Contingency Fund		5,000,000	4,735	-	0.0%
Pension and Gratuities		3,871,900	4,812,801	4,106,425	85.3%
Capital Expenditure		16,525,100	19,302,904	17,150,751	88.9%
Equity Payment		1,000,000	1,000,000	400,375	0.0%
Private Sector Development Support		10,000,000	10,000,000	1,385,197	0.0%
Total Operating Payments		437,020,900	437,020,900	394,941,175	90.4%
Net Operating Surplus/(Deficit) with Budget Support		(30,255,000)	(30,255,000)	11,345,209	
Development Fund Receipts (Grants and Loans)	3.7	136,089,200	136,089,200	169,176,523	124.3%
Development Fund Expenditure (Grants and Loans)	3.7	136,089,600	136,089,600	112,131,000	82.4%
Net Receipts/(Deficit) from Development Fund (Grants & Loans)		(400)	(400)	57,045,524	
TOTAL REVENUES		542,855,100	542,855,100	575,462,907	106.0%
TOTAL EXPENSES		573,110,500	573,110,500	507,072,175	88.5%

Schedule 3

NOTES TO THE FINANCIAL STATEMENTS**3.1. ACCOUNTING POLICIES****3.1.(1) Statement of Compliance**

The Minister of Finance have prepared these statements in compliance with the standards for Reporting under the Cash Basis of Accounting (IPSAS Cash) issued by the International Public Sector Accounting Standards Board (IPSASB) and in accordance with the Public Finance Management Act 2002 (PFMA).

The Financial Statements are presented in two parts.

- Part 1 – Financial Statements as required by IPSAS: Financial Reporting under Cash Basis
- Part 2 – Other Financial Statements as required by the Public Finance Management Act 2002 (PFMA)

Noting however any specific deviations from the IPSAS Cash standard identified in these notes.

3.1.(2) Basis of Preparation

The preparation of the financial statements was in accordance with the PFMA, any applicable regulations and the International Public Sector Accounting Standard (IPSAS) standards for Financial Reporting under the Cash Basis of Accounting.

This financial year, the IPSAS Cash basis has been adopted as the basis for preparation of the Government financial statements. Government is taking this approach in its transition to accrual basis of accounting. The accounting policies have been applied consistently throughout the period.

3.1.(3) Reporting Entity

The financial statements are for the budgetary central Government of the Kingdom of Tonga. This comprises the central Government ministries, departments and agencies that are directly funded through the annual Appropriation Act but excludes the public enterprises under the control of the Government.

Government activities include the provision of health, education, defence, social protection, housing, recreational and cultural and general public services and economic management to, and on behalf of, the people of Tonga.

A list of entities receiving budget allocations is shown in the schedule 2 and supporting notes.

3.1.(4) Reporting Currency

The reporting currency is the Tongan Pa'anga.

3.1.(5) Going Concern

The financial statements are prepared on a going-concern basis.

3.1.(6) Payments by External Third Parties

The Government of the Kingdom of Tonga benefits from goods and services or investments and asset constructions paid for on its behalf by third parties by way of loans or contributions. These Payments do not constitute cash receipts or payments by the Government and are thus not included in coverage of the financial statements.

3.1.(7) Donor Funds

Clause 9(5) of the PFMA stipulates "Donor funds received after the passage of the Appropriation Bill shall be made available to the respective Votes without further approval from the Legislative Assembly.

3.1.(8) Accounting for foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate used to purchase the currency at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate at the balance sheet date. Gains/Losses on foreign bank balances are accounted for as an adjustment item in Schedule 1.

3.1.(9) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and trust monies kept and disbursed by Treasury. The cash balance would include bank overdrafts, but these were not utilized in FY 2022-23.

In accordance with IPSAS Cash, cash balances in FY 2022-23 do not include investments.

Restricted Cash is also a component of cash and cash equivalents and are disclosed for transparency purposes.

3.1.(10) Consolidation

The consolidation of the results of fully owned public enterprises is not considered prudent at this time. Reform of public enterprises in Tonga is ongoing. At a future time, the availability of relevant and comparable financial information will permit the consolidation of these enterprises into the public financial statements in a meaningful way.

Currently the investments of the Government in public enterprises are detailed in Part 2.

3.1.(11) Format of the Public Accounts

The Government financial statements 2022-23 is being prepared in a format which is consistent with the IPSAS Cash. The IPSAS Cash standard provides the option of applying a format for the Statement of Cash Receipts and Payments that is consistent with IPSAS 2: Cash Flow Statements and this option has been applied for these statements, with the Statement of Cash Receipts and Payments split between operating, investing, and financing components. Within the operating component, the classification used aligns with the Government's chart of accounts.

3.1.(12) Comparative Figures

The comparative figures in all statements were constructed to provide information on balances of the previous year. The comparative figures for the Statement of Assets and Liabilities are still disclosed at the balances in the previous year's signed accounts.

3.1.(13) Additional First time Disclosure Notes

There were no additional, first-time disclosure notes in the Government of Tonga Financial Statements for FY2022-2023

3.1.(14) Subsequent Events

There were no other matters or circumstances identified at the end of the financial year that have significantly affected or may significantly affect the operations, results, or state of the Government.

3.1.(15) Public Finance Management (PFM) Reforms

As part of the ongoing PFM reforms that Government is pursuing to improve efficiency in the current payment processes, the following were implemented during the financial year.

a) *Decentralization of Checking/Authorization roles of payments to all MDAs.*

Effective from March 2023, these roles were rolled out to the MDAs, intentions were for MDAs to take ownership (accountable) for their payments, and to improve *timeliness* of payments.

b) *Commencing of ONLINE payments.*

From April 2023, Government switched from issuing cheques to ANZ Bank in terms of salary and wages payments and adopt one of their latest online applications called "ANZ Transactive". Under this application, all payments are submitted and processed online via the internet.

3.2. OPERATING RECEIPTS

RECEIPTS BY STANDARD GROUP FOR THE YEAR ENDED 30 JUNE 2023

Notes	Estimates	Actual 2022-23	(Less) More than Estimate	Actual 2021-22
	\$	\$	\$	\$
REVENUE				
PAYE Tax - Government (Small Business)	a	8,534,000	985,194	10,746,914
PAYE Tax - Non-Government (Large/Small Business)		11,289,800	-415,240	9,311,915
Corporate Tax - Small Business		1,000,000	-39,199	871,562
Corporate Tax - Large Business	b	14,328,900	8,702,374	19,081,721
Withholding Tax (residents)		1,000,000	-405,966	651,058
Withholding Tax (non-residents)	c	8,000,000	1,670,563	10,418,319
Tax Debts Recovered (Corporate)	d	4,000,000	-684,065	4,494,995
Total Income Taxes		48,152,700	9,813,660	55,576,485
Trade Taxes				
Business Import Duties	e	22,868,900	2,557,986	20,296,839
Government Import Duties		417,100	-24,918	111,413
Total Trade Taxes		23,286,000	2,533,068	20,408,252
Taxes on Goods and Services				
Consumption Tax - Import	f	79,403,200	21,567,845	82,314,625
Consumption Tax - Domestic	g	23,505,800	736,924	24,228,634
Government Consumption Tax	h	1,200,000	716,344	1,214,525
Tax Debts Recovered (CT)	i	2,500,000	-1,287,087	1,362,725
Total Taxes on Goods and Services		106,609,000	21,734,026	109,120,509
Excise Tax				
Excise Tax	j	63,382,500	-3,160,183	61,220,714
Excise Tax - Government		1,000	370	4,467
Foreign Exchange Levy Sports Development	k	4,205,000	1,570,879	4,503,652
Total Excise Taxes		67,588,500	-1,588,933	65,728,833

RECEIPTS BY STANDARD GROUP FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

	Notes	Estimates \$	Actual 2022-23 \$	(Less) More than Estimate \$	Actual 2021-22 \$
Domestic fees and Licensing					
Passport Fees	i	2,000,000	3,063,813	1,063,813	1,364,629
School Fees		2,233,200	2,189,572	(43,628)	1,859,053
Motor Licences & Registration	m	2,300,000	2,859,952	559,952	2,635,169
Annual Motor Vehicle Examination		2,130,300	2,293,782	163,482	2,091,560
Other Fees and Licences	n	19,533,200	17,160,777	(2,372,423)	12,898,820
Total Domestic fees and Licensing		28,196,700	27,567,896	(628,804)	20,849,232
Entrepreneurial and Property Income					
Interests		1,154,600	1,047,289	(107,311)	871,815
Dividends	o	4,660,000	5,528,654	868,654	5,784,501
Government Land Rental & Other Incomes	p	5,770,000	3,276,474	(2,493,526)	2,831,272
Total Entrepreneurial and Property Income		11,584,600	9,852,416	(1,732,184)	9,487,589
Miscellaneous Revenue					
Sale of Government Assets		428,900	68,581	(360,319)	115,533
Sundry Revenue		807,800	442,454	(365,346)	641,845
Total Miscellaneous Revenue		1,236,700	511,035	(725,665)	757,378
Total Operating Receipts					
Principal repayments from Onlent to PE's	q	286,654,200	316,059,368	29,405,168	281,928,279
Bond Receipts	r	1,627,100	442,362	(1,184,738)	346,141
		37,015,000	36,051,336	(963,664)	15,846,000
Total Recurrent Receipts		325,296,300	352,553,066	27,256,766	298,120,420
Budget Support	3.9	81,469,600	53,733,317	(27,736,283)	52,098,020
Development Fund Receipts	3.7	136,089,200	169,176,523	33,087,323	136,121,799
TOTAL RECEIPTS		\$ 542,855,100	\$ 575,462,907	\$ 32,607,807	\$ 486,340,238

Government of the Kingdom of Tonga

Material differences in comparison of original budget receipts and actual receipts, (less)/more than five hundred thousand (\$500,000):

Notes	Description	Amount (\$) (Less)/More
a	PAYE receipts collected from government employees exceeded the original target primarily due to increase in the number of recruitments and promotions during the Financial Year.	985,194
b	The over-collection was due to arrears or deferred income tax receipts from large businesses during the COVID-19 pandemic, but also collection from gradual recovery of businesses post-pandemic and HTHH.	8,702,374
c	Improved administration and work relationship between the Inland Revenue and non-resident employees to collect withholding tax revenues, in addition to the increase in number of non-resident employees since the COVID-19 lockdown period.	1,670,563
d	Debt recovery has been impacted in late 2022 due to the Ministry being lenient to taxpayers, as part of the business recovery efforts, following the double impacts of HTHH Volcanic Eruption and COVID-19. In FY 2022-23, debt collection was largely affected by some system issues in the revenue processing.	(684,065)
e	Relevant duty exemptions were lifted since December 2022, particularly those related to relief efforts during the pandemic and HTHH impacts.	2,557,986
f	Due to the increase in volume of goods imported coupled with the tax exemptions being lifted since December 2022, particularly those related to relief efforts during the pandemic and HTHH impacts.	21,567,845
g	Due to the implementation of the cash register or POS (Point of Sale) system Project which enhanced efforts to track and report on more businesses and their accurate record keeping of tax information.	736,924
h	Due to increases in government ministries' purchases.	716,344
i	Same explanation as "d".	(1,287,087)
j	Due to a decrease in the importation of cigarettes as demand increases for local Tongan tobacco, coupled with lower imports in goods such as alcohol and unhealthy food which have high imposed excise tax rates.	(3,160,183)
k	Due to higher levels of remittances from families overseas.	1,570,879
l	Due to borders re-opening since the COVID-19 lockdown, there has been an increase in the number of passports issued including extensions, renewal and new passports to facilitate overseas travels.	1,063,813
m	Due to improved administration and enforcement led by the Traffic Task Force (MoI, MoP and MoF) in collecting vehicle licenses and registrations.	559,952
n	Due to the Passenger Service Charge or levy that are considered arrears owed by the Tonga Airports Limited to government and lower than anticipated collection from upper air space fees which has yet to return to pre-pandemic levels.	(2,372,423)
o	Due to higher than anticipated collection of dividends, and also receiving arrears from the Ports Authority Tonga.	868,654
p	Majority of the under-collection, resulted from the lower than targeted share of profit transferred from the National Reserve Bank of Tonga. The Financial Performance of the bank, was greatly affected by the double disasters in 2022 of the Covid-19 and the HTHH volcanic eruption.	(2,493,526)
q	Low collection from onlent principal repayment from a Public Enterprise and businesses for reconstructions of Nuku'alofa.	(1,184,738)
r	Due to exchange rates fluctuations that had impacted the actual amount received under the loan receipts from the IMF (Rapid Credit Facility).	(963,664)

RECEIPTS BY MINISTRY FOR THE YEAR ENDED 30 JUNE 2023

	Estimates	Actual 2022-23	(Less) More than Estimate	Development Fund	Actual 2021-22
	\$	\$	\$	\$	\$
01 Palace Office	-	-	-	59,954	-
02 Office of the Legislative Assembly	-	-	-	-	-
03 Office of the Auditor General	130,000	167,000	37,000	-	108,595
04 Office of the Ombudsman	-	-	-	-	-
05 Ministry of Foreign Affairs	2,847,000	4,192,685	1,345,685	1,304,625	1,766,709
06 His Majesty's Armed Forces	20,000	300	(19,700)	-	3,211
07 Prime Minister's Office	40,000	54,387	14,387	2,298,250	37,417
08 Ministry of Finance	51,186,600	45,228,114	(5,958,486)	98,565,041	23,450,450
09 Ministry of Revenue & Customs	243,001,600	274,036,148	31,034,548	-	247,158,764
10 Ministry of Public Enterprises	3,000,000	5,528,654	2,528,654	-	5,855,283
11 Ministry of Trade and Economic Development	664,000	675,022	11,022	-	616,931
12 Ministry of Justice and Prison	2,043,400	1,812,620	(230,780)	125,667	1,595,832
13 Attorney General's Office	-	-	-	159,687	-
14 Ministry of Tonga Police	711,500	1,070,446	358,946	4,540,503	708,258
15 Ministry of Health	1,500,000	1,145,953	(354,047)	6,488,475	1,207,977
16 Ministry of Education & Training	2,624,800	2,587,529	(37,271)	2,672,864	2,460,478
17 Ministry of Internal Affairs	63,000	80,600	17,600	10,446,646	41,984
18 Ministry of Agriculture, Food & Forests	1,626,000	1,295,169	(330,831)	-	991,838
19 Ministry of Infrastructure	10,390,600	9,229,995	(1,160,605)	5,533,179	7,135,887
20 Ministry of Lands & Natural Resources	1,049,600	926,216	(123,384)	379,064	715,166
21 Office of the Public Service Commission	-	-	-	-	-
22 Statistics Department	-	-	-	900,525	-
23 Ministry of Met, Eng, Inf, Dist Mag, Envt, Comm and Cli Cha	850,000	1,122,442	272,442	20,649,643	1,354,294
24 Ministry of Fisheries	3,300,000	3,278,023	(21,977)	2,915,101	2,798,541
25 Ministry of Tourism	248,200	121,764	(126,436)	12,137,299	112,805
26 Ministry of Fire Services	-	-	-	-	-
Total Recurrent Receipts	325,296,300	352,553,066	27,256,766	169,176,523	298,120,420
Budget Support	3.9	81,469,600	53,733,317	(27,736,283)	52,098,020
Development Fund Receipts	3.7	136,089,200	169,176,523	33,087,323	136,121,799
TOTAL RECEIPTS	\$ 542,855,100	\$ 575,462,907	\$ 32,607,807		\$ 486,340,238

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3.3. OPERATING PAYMENTS

PAYMENTS BY STANDARD GROUP FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Original	Contingency	Other	Revised	Actual	(Less) More than	Actual
		Estimates	Fund	Transfers	Estimates	2022-23	Revised Estimate	2021-22
		\$	\$	\$	\$	\$	\$	\$
Established Staff		155,765,900	220,337	(4,143,180)	151,843,057	147,597,721	(4,245,336)	152,497,454
Unestablished Staff		13,223,200	(66,508)	(331,578)	12,825,114	12,039,533	(785,581)	10,562,103
Travel and Communication		11,263,800	592,208	8,683,501	20,539,509	19,649,568	(889,941)	9,753,177
Maintenance and Operations		20,265,800	774,112	4,082,103	25,122,015	23,787,674	(1,334,341)	21,929,936
Purchase of Goods and Services		62,659,200	2,605,204	3,162,478	68,426,881	64,443,401	(3,983,480)	61,736,114
Operational Grants and Transfers		89,239,300	(138,516)	(13,589,196)	75,511,588	58,109,345	(17,402,243)	48,044,988
Development Duties Expenditure		4,626,700	37,000	(611,404)	4,052,296	2,721,451	(1,330,845)	2,738,617
Debt Management	6.3	8,940,000	-	(717,160)	8,222,840	8,192,573	(30,266)	6,281,705
Contingency Fund	3.4	5,000,000	(5,064,165)	68,900	4,735	-	(4,735)	-
Pension & Gratuities		3,871,900	-	940,901	4,812,801	4,106,425	(706,376)	3,854,341
Private Sector Development Support		10,000,000	-	-	10,000,000	1,385,197	(8,614,803)	-
Total Operating Payments		384,855,800	(1,040,328)	(2,454,636)	381,360,835	342,032,888	(39,327,947)	317,398,435
Repayments of Public Debt	6.3	34,640,000	-	717,160	35,357,160	35,357,160	-	28,302,674
Asset		16,525,100	1,040,328	1,737,476	19,302,904	17,150,751	(2,152,153)	14,074,094
Equity Payments		1,000,000	-	-	1,000,000	400,375	(599,625)	-
Total Recurrent Payments		437,020,900	-	-	437,020,900	394,941,175	(42,079,725)	359,775,203
Grant expenditure from external donors	3.7	136,089,600	-	-	136,089,600	112,131,000	(23,958,600)	120,496,148
TOTAL PAYMENTS		\$ 573,110,500	-	-	\$ 573,110,500	\$ 507,072,175	(66,038,325)	\$ 480,271,350

Transfers of funds between programs are permitted under section 10 (1) and 12 (2) and (3) of the PFMA 2022.

PAYMENTS BY MINISTRY GROUP FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Original Estimates	Contingency Fund	Revised Estimates	Actual 2022-23	Notes	(Less) More than Revised Estimate	Development Fund	Actual 2021-22
		\$	\$	\$	\$		\$	\$	\$
Palace Office	<i>ix</i>	3,761,300	325,000	4,086,300	4,051,500		-34,800	59,954	3,620,017
Office of the Legislative Assembly	<i>vi, x</i>	14,611,500	1,194,400	15,805,900	15,713,674		-92,226	488,463	16,447,789
Office of the Auditor General		2,195,400	-	2,195,400	1,851,299		-344,101	-	1,506,203
Office of the Ombudsman		1,588,800	-	1,588,800	1,475,070		-113,730	-	1,638,647
Ministry of Foreign Affairs		14,607,000	(75,000)	14,532,000	13,913,563	<i>s</i>	-618,437	643,524	13,813,049
His Majesty's Armed Forces		11,986,500	(97,000)	11,889,500	11,543,046		-346,454	-	10,894,744
Prime Minister's Office	<i>vi</i>	11,015,100	(270,000)	10,745,100	9,645,743	<i>t</i>	-1,099,357	1,847,175	8,051,063
Ministry of Finance	<i>i, ii, iv, v, vi, vii</i>	144,714,400	(5,343,165)	139,371,235	107,626,409	<i>u</i>	-31,744,826	35,329,087	86,488,164
Ministry of Revenue & Customs	<i>vii</i>	11,042,200	(90,000)	10,952,200	10,600,999		-351,201	-	9,998,643
Ministry of Public Enterprises		1,604,100	(100,000)	1,504,100	1,336,639		-167,461	-	1,318,299
Ministry of Trade and Economic Deve	<i>iii, xii</i>	7,095,000	155,000	7,250,000	7,223,004		-26,996	20,043	7,230,464
Ministry of Justice and Prison	<i>x, xii</i>	12,765,400	476,900	13,242,300	12,975,871		-266,429	650,410	11,572,796
Attorney General's Office		3,479,600	-	3,479,600	3,109,171		-370,429	137,072	3,100,829
Ministry of Tonga Police		12,535,600	(68,900)	12,466,700	12,413,509		-53,191	353,916	15,161,012
Ministry of Health	<i>xii</i>	51,377,400	2,212,800	53,590,200	52,358,449	<i>v</i>	-1,231,751	11,337,629	55,787,397
Ministry of Education & Training	<i>xii</i>	60,345,200	297,000	60,642,200	59,044,370	<i>w</i>	-1,597,830	4,843,620	55,273,319
Ministry of Internal Affairs	<i>viii</i>	4,899,000	600,000	5,499,000	5,316,865		-182,135	10,537,292	4,396,038
Ministry of Agriculture, Food & Forests		10,205,700	-	10,205,700	9,384,613	<i>x</i>	-821,087	108,629	9,328,816
Ministry of Infrastructure	<i>vii</i>	20,587,300	430,000	21,017,300	20,965,550		-51,750	30,971,474	14,418,654
Ministry of Lands & Natural Resources		6,224,300	-	6,224,300	5,994,810		-229,490	784,592	5,401,497
Office of the Public Service Commission		2,140,100	-	2,140,100	1,919,215		-220,885	-	1,786,316
Statistics Department		3,509,700	-	3,509,700	2,622,618	<i>y</i>	-887,082	689,302	3,383,929
Ministry of Met, Eng, Inf, Dist Mag, Env't, Comm and Clt Cha		8,445,700	-	8,445,700	7,977,715		-467,985	10,618,375	7,799,338
Ministry of Fisheries		5,160,000	-	5,160,000	4,613,105	<i>z</i>	-546,895	2,509,197	4,406,508
Ministry of Tourism		7,518,000	(51,200)	7,466,800	7,262,275		-204,525	201,247	6,951,672
Ministry of Fire Services		3,606,600	404,165	4,010,765	4,002,093		-8,673	-	-
Development Fund Payments		437,020,900	-	437,020,900	394,941,175		-42,071,053	112,131,000	359,775,203
TOTAL PAYMENTS		136,089,600	-	136,089,600	112,131,000		-23,958,600	-	120,496,148
		573,110,500	-	573,110,500	507,072,175		-66,029,653	-	480,271,350

Transfers of funds between programs are permitted under section 10 (1) and 12 (2) and (3) of the PFMA 2002.

Material differences in comparison of revised budget payments and actual payments, less than five hundred thousand (\$500,000) underspend and all overspend:

Notes	Description	Amount (\$) (Less)/More
s	Majority of the under-spending was due to less expenses needed for the printing of passports, as the existing stock accumulated from the COVID-19 period was at adequate levels for the demand in FY 2022-23.	(618,437)
t	The under-spending was due mainly to delays in implementation of the public sector reform project, and still pending at the end of the Financial Year.	(1,099,357)
u	Majority of the under-spending was due to delays in the process of implementation of the Ministry's projects and some projects were funded by donor partners. In addition, the \$10m allocation under the recurrent budget initially aimed for the HTHH post-reconstruction was unutilized due to other alternative sources of funding provided under the development budget.	(31,744,826)
v	Largely due to savings from vacancies that were not filled during the Financial Year, partially due to increasing numbers of out-going staff to health care services employment overseas.	(1,231,751)
w	Mainly due to grants to some non-government schools that were deferred at the end of the Financial Year, and paid in the new Financial Year.	(1,597,830)
x	Due to savings in salary votes from unfilled vacancies, and overtime costs due to the new overtime policy capped at 40hrs per month.	(821,087)
y	Delays in recruitment of vacant staff positions and implementation of planned surveys including the Tonga National Agriculture Census.	(887,082)
z	Same explanation as 'x'.	(546,895)

3.4. CONTINGENCY FUND

The use of the contingency fund is governed by the Public Finance Management Act 2002. This provides for a contingency within the appropriation of the Ministry of Finance for specific, approved unforeseen expenditure. The Minister may sequester any amounts from any programs into the contingency fund, when it is necessary to redirect spending, with the consent of Cabinet.

The approved original appropriation of the contingency fund for FY 2022-23 was \$5,000,000. Total funds sequestered into the contingency fund totals to \$3,132,384 and only \$4,995,265 of the contingency were utilized.

	2022-23	2021-22
	\$	\$
Approved Budget	5,000,000	10,000,000
Plus: Transfer in (Sequest)	3,132,384	14,882,683
	8,132,384	24,882,683
Less: Transfer out		
Sequest	3,132,384	14,882,683
Contingency Fund	4,995,265	9,930,901
Total Transfer out	8,127,649	24,813,584
Contingency Fund Closing Balance	\$ 4,735	\$ 69,099

The reasons for respective application to the contingency fund and sequestrates are as follows:

Government of the Kingdom of Tonga

Sequestrates To Cater for:

Notes	Descriptions	Cabinet Decision No.	Cabinet Decision Amount \$	Amount (\$)
i	<u>Cater for new vehicles :</u> MOJ-Replacement of vehicles for priority needs of the Ministry.	25	180,000	205,000
	MET-New vehicle to assist transportation of students with disabilities under the management of the Inclusive Education unit, co-funded by government and the People's Republic of China.		25,000	
ii	<u>Cater for new vehicles :</u> MTED-Vehicle for Vava'u branch, to assist the Ministrie's projects.	73	45,000	85,000
	MOT-Rubbish dump truck for Vava'u branch, to assist in the Mnistry's routine cleaning and maintenance services.		40,000	
iii	<u>Cater for new vehicles :</u> MOI- Replacement vehicle to assist operations of the Tonga Climate Resilient Transport Project (TCRTP) in Tongatapu.	373	50,000	632,684
	MINOFA-To replace the Ministries transportation vehicle for staff working at the airport.		75,000	
	<u>Grants for local business support:</u> To facilitate continuation of grant payments to support local businesses.		507,684	
iv	<u>Sewage drainage project:</u> To cater the Ministry of Police and Ministry of Finance joint project in sewage drainage.	425	68,900	68,900
v	<u>Cater for new vehicles :</u> HMAF-Replacement vehicle to carry out headquarters administration services more effectively and efficiently.	444	97,000	367,000
	PMO-Replacement for disposed vehicles for better delivery of services.		270,000	
vi	<u>Cater for new vehicles :</u> MOI-For purchasing of replacement vehicle to assist operations of the TCRTP in Tongatapu.	504	20,000	430,000
	MORC-Replacement vehicle to support the Ministry's Ha'apai branch operations.		90,000	
	LA and Palace Office: To assist with Legislative Assembly and Palace Office's important overseas official meeting.		320,000	
vii	<u>Cater for new vehicles :</u> MPE-New Vehicle for the Minister's Office to assist operations.	582	100,000	743,800
	MOT-Vehicle allocation for Ministry's operation.		11,200	
	POS (under MORC) : To facilitate payment of POS project to enhance revenue administration.		132,600	
	MOI: To cater for construction of a roundabout adjacent to the western gate of the Royal Palace.		500,000	
viii	MIA: To cater for first down payment on property lease transfer from the Tonga Water Board.	609	600,000	600,000
	TOTAL SEQUEST			\$ 3,132,384

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Contingency Fund to cater for:

Notes	Descriptions	Cabinet Decision No.	Cabinet Decision Amount \$	Amount (\$)
<i>ix</i>	Palace Office: To cater for operations, Royal official duties and repairs to the office's buildings that were damaged from the HTHH-tsunami.	25	205,000	205,000
<i>x</i>	LA: For operations including constituency visits to outer-islands, overseas Parliamentary and MPs salary reviews.	73	994,400	1,494,400
	Prisons Department: To cater for staff salary to implement the COLA 3.0%, in addition to funding for operational votes and staff leave encashments.		500,000	
<i>xi</i>	TFES: To cater for promotions during the FY and operational votes including freight costs for donated fire trucks from overseas.	272	404,165	404,165
<i>xii</i>	MET: To cater for top-up of grant for TNQAB, new grant for the Christ's University in Pacific and funding for new teachers appointments, particularly with expansion of early childhood education services.	425	322,000	2,891,700
	MOH: To cater mainly for the operational costs such as contracted services but also costs that were impacted largely by inflationary pressures including utilities costs and medical drugs.		2,212,800	
	MTED: To cater for high-level overseas forums, that the Ministry was required to participate to represent Tonga.		200,000	
	MOJ: To cater for official participation at the International Association of Women Judges Biannual Conference.		156,900	
	TOTAL CONTINGENCY FUND			\$ 4,995,265

3.5. CASH AND CASH EQUIVALENTS

		2022-23	2021-22
	Notes	\$	\$
<u>Operating Cash Balance</u>			
Operating Cash on Hand		2,345,924	6,870,618
Operating Cash at Bank		91,868,547	67,171,739
	3.6	<u>94,214,471</u>	<u>74,042,357</u>
Development Cash Balance		200,846,455	143,801,109
Development Cash yet to transfer		-	567,398
	3.7	<u>200,846,455</u>	<u>144,368,507</u>
Trust Fund Cash Balance	3.8	30,231,473	30,848,362
TOTAL CASH BALANCE		<u>\$ 325,292,400</u>	<u>\$ 249,259,225</u>

The Cash balance for Financial Year 2022-23 was \$325,292,400.

3.6. FUNDS AND RESTRICTED USE OF CASH

The cash and cash equivalents of the Government of the Kingdom of Tonga comprise several funds.

The “revenue fund” is the Tonga Government Fund as defined in the PFMA, being revenue raised domestically by the Government as well as donor budget support. The Government, subject to the approval of the Legislative Assembly, is not restricted on the use of the revenue fund.

The “development fund” comprises revenue raised externally, including donor funds and borrowing, that are dedicated to a specific project or purpose. The development fund is constrained in that funds are typically earmarked for a specific purpose. For donor funds this is normally represented in an MOU or other contractual arrangement between the donor and the government.

The revenue fund and the trust fund represent “public money”, as defined in the PFMA.

The “trust fund” comprises funds that are collected by government but cannot be used by the government as the ownership of such funds is not determined and/or such funds belong to another entity – often subject to some contingent event. Cash balances in the trust fund are constrained as to their use.

Cash by Fund Type

		2022-23	2021-22
	Notes	\$	\$
Revenue Fund	3.5	94,214,471	74,042,357
Development Fund	3.7	200,846,455	144,368,507
Trust Fund	3.8	30,231,473	30,848,362
TOTAL CASH		<u>\$ 325,292,400</u>	<u>\$ 249,259,225</u>

Government of the Kingdom of Tonga

Details of Revenue Fund are as follow;

Revenue Fund	2022-23		2021-22
	\$	\$	\$
Revenue Fund as at 01 July, 2022		74,042,357	78,256,077
<i>Add: Cash Inflow</i>	884,186,430		894,192,050
<i>Less: Cash Outflow</i>	(864,014,316)	20,172,114	(898,405,770)
Revenue Fund as at 30 June, 2023		\$ 94,214,471	\$ 74,042,357

The **\$94,214,471** is inclusive of a \$7.3m investment, that has been redeemed from ANZ and later re-termed at BSP during the FY 2023/24.

3.7. DEVELOPMENT FUND

	Note	2022-23	2021-22
		\$	\$
Development Fund Balance at 1 July 2022		143,800,932	128,175,281
<i>Add: Development Fund Receipts</i>			
Grants & Loans Received		169,176,523	136,121,799
Total Development Fund Receipts		169,176,523	136,121,799
Total Development Funds Available		312,977,455	264,297,079
<i>Less: Development Fund Payments</i>			
Payments from Grants & Loans		112,131,000	120,496,148
Total Development Fund Payments		112,131,000	120,496,148
DEVELOPMENT FUND BALANCE AT 30 JUNE 2023		\$ 200,846,455	\$ 143,800,932

Monies held in the development fund accounts represent unspent grants and external concessional loans and can only be used to meet expenditure within the terms and conditions of each grant/loan. The balance as at 30 June 2023 is **\$200,846,455**.

Details of Development Receipts by Donor and Development Funds Payments by Ministry are shown below;

Government of the Kingdom of Tonga

3.7. (1) Development Fund Receipts by Donor for the year ended 30 June 2023

Donor	Estimate \$	Actual \$	More than Estimate \$	Less than Estimate \$
Australia				
i. Bilateral Assistance	50,206,000	66,937,558	16,731,558	
ii. Other	54,200	1,429,668	1,375,468	
New Zealand				
i. Bilateral Assistance	16,998,200	49,296,885	32,298,685	
ii. NZ - Other Government	-	23,500	23,500	
iii. Non-Government	30,000	460,741	430,741	
Pooled Funds - Australia & NZ	260,000	192,274		67,726
People's Republic of China	1,261,500	1,299,826	38,326	
China - Other	223,400			223,400
Saudi Arabia Government	-	13,174,249	13,174,249	
United Arab Emirates (UAE)	-	643,524	643,524	
Japan - Other	5,000	6,970	1,970	
USA Other Govt	-	93,040	93,040	
Korean Fund	400,000	-		400,000
Asian Development Bank (ADB)	22,028,500	155,353		21,873,147
World Bank/International Development Agency (IDA)	31,592,400	25,225,146		6,367,254
European Union	666,700	284,887		381,813
Pacific Islands Forum Secretariat (PIFS)	38,700	-		38,700
Secretariat of the Pacific Community (SPC)	114,800	320,837	206,037	
South Pacific Regional Environmental Program (SPRE)	283,400	130,871		152,529
United Nations Agencies				
i. United National Development Program (UNDP)	97,500	355,539	258,039	
ii. UN Family Planning Association (UNFPA)	350,000	482,653	132,653	
iii. UN International Children's Fund	37,000	2,546,345	2,509,345	
iv. UNESCO	215,000	-		215,000
v. UN Office for Project Services (UNOPS)	459,000	550,984	91,984	
vi. UN Women	39,100	339,150	300,050	
vii. World Health Organisation (WHO)	558,000	600,951	42,951	
viii. United Nations Environment Program	225,600	110,554		115,046
ix. International Labour Organisation	100,000	-		100,000
x. Food & Agriculture Organisation (FAO)	10,000	-		10,000
xi. UN World Food	-	770,974	770,974	
IFAD	2,800,000	1,244,229		1,555,771
World Meteorological Organization	-	127,342	127,342	
Western Central Pacific Fisheries Commission	-	168,296	168,296	
Forum Fisheries Agencies (FFA)	144,000	194,038	50,038	
International Union for Conservation (IUCN)	150,000	123,306		26,694
Tonga Health Promotion Foundation	51,500	18,705		32,795
Green Climate Fund	758,000	46,972		711,028
Disaster Donors	2,028,900	970,120		1,058,780
COVID-19 Pooled Fund	-	66,850	66,850	
Local Contributions	70,000	88,279	18,279	
Other Donor	3,830,800	254,630		3,576,170
Unconfirmed Donors	2,000	441,281	439,281	
	\$ 136,089,200	\$ 169,176,523	\$ 69,993,178	\$ 36,905,855

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3.7. (2) Development Fund Payments by Ministry for the year ended 30 June 2023

Ministry	Estimate \$	Actual \$	More than Estimate \$	Less than Estimate \$
Palace Office	-	59,954	59,954	
Office of the Legislative Assembly	487,600	488,463	863	
Office of the Auditor General	-	-		
Office of the Ombudsman	-	-		
Ministry of Foreign Affairs	-	643,524	643,524	
His Majesty's Armed Forces	-	-		
Prime Minister's Office	3,154,300	1,847,175		1,307,125
Ministry of Finance	79,165,500	35,329,087		43,836,413
Ministry of Revenue & Customs	-	-		
Ministry of Public Enterprises	-	-		
Ministry of Trade and Economic Development	100,000	20,043		79,957
Ministry of Justice and Prison	315,100	650,410	335,310	
Attorney General's Office	76,700	137,072	60,372	
Ministry of Tonga Police	898,100	353,916		544,184
Ministry of Health	8,270,800	11,337,629	3,066,829	
Ministry of Education & Training	6,945,800	4,843,620		2,102,180
Ministry of Internal Affairs	2,883,700	10,537,292	7,653,592	
Ministry of Agriculture, Food & Forests	168,800	108,629		60,171
Ministry of Infrastructure	12,890,900	30,971,474	18,080,574	
Ministry of Lands & Natural Resources	109,800	784,592	674,792	
Office of the Public Service Commission	-	-		
Statistics Department	829,700	689,302		140,398
Ministry of Met, Eng, Inf, Dist Mag, Env't, Comm	19,029,900	10,618,375		8,411,525
Ministry of Fisheries	747,900	2,509,197	1,761,297	
Ministry of Tourism	15,000	201,247	186,247	
Ministry of Fire Services	-	-		
	\$ 136,089,600	\$ 112,131,000	\$ 32,523,353	\$ 56,481,953

Above details of receipts and payments includes additional Budget Supports received from various Development Partners, during the Financial Year, as assistance to help the Government of Tonga.

Details are as follows:

Government of the Kingdom of Tonga

		Funds Received		Payments		
		FY2020-21		FY2020-21	FY2021-22	FY2022-23
Development Partner	Foreign Currency (FC)	FC Amount	TOP Amount	TOP Amount	TOP Amount	TOP Amount
World Bank	USD	25,518,041	57,602,802	15,691,128	39,627,355	2,180,367
Department of Foreign Affairs (<i>Australia</i>)	AUD	5,000,000	8,399,126	-	5,182,740	1,701,963
Ministry of Foreign Affairs and Trade (<i>New Zealand</i>)	NZD	8,000,000	12,098,400	-	6,385,970	3,310,555
TOTAL			\$ 78,100,328	\$ 15,691,128	\$ 51,196,065	\$ 7,192,885
		FY2021-22			FY2021-22	FY2022-23
Department of Foreign Affairs (<i>Australia</i>)	AUD		24,416,422		-	23,888,489
TOTAL			\$ 24,416,422		\$ -	\$ 23,888,489
		FY2022-23				FY2022-23
Department of Foreign Affairs (<i>Australia</i>)	AUD	30,000,000	48,332,528			3,766,516
Department of Foreign Affairs (<i>Australia</i>)	AUD	4,745,250	7,500,000			7,500,000
Ministry of Foreign Affairs and Trade (<i>New Zealand</i>)	NZD	24,000,000	33,436,727			-
TOTAL			\$ 89,269,255			\$ 11,266,516

3.7. (3) Funds for COVID-19

In terms of funds directly for COVID-19 activities, these were funds received during the span of FY 2019-20 to FY 2022-23 to help fund plans put forth by Government, initially in its \$60.0m Stimulus Package.

Funds were received in two sources:

- A. Additional Budget Support, which was pooled.
- B. Cash that were tagged from Projects, to assist the Ministry of Health with its preparation for COVID-19.

Details were as follows:

A. Additional Budget Support (Pool funds)

	2022-23	2021-22
	\$	\$
Balance as at 1 July 2022	7,240,622	24,379,729
<i>Add:</i> Receipts	-	-
<i>Less:</i> Payments	2,132,894	17,139,108
Balance as at 30 June 2023	\$ 5,107,728	\$ 7,240,622

B. Cash Tagged from Projects

	2022-23	2021-22
	\$	\$
Balance as at 1 July 2022	1,683,533	1,747,813
<i>Add:</i> Receipts	458,583	4,069,484
<i>Less:</i> Payments	932,805	4,133,764
Balance as at 30 June 2023	\$ 1,209,312	\$ 1,683,533

	2022-23	2021-22
	\$	\$
<i>Fund Received Represented by:</i>		
1. COVID-19 Emergency Response Project (<i>Fund by ADB</i>)		2,347,846
2. Prevent and Control Novel Coronavirus (<i>Fund by PRC</i>)	458,583	445,110
3. TCRTP: Contingency Emergency Response Component (<i>Fund by WB</i>)		1,276,528
TOTAL COVID-19 Cash Tagged from Projects	\$ 458,583	\$ 4,069,484

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3.7. (4) Assistances for Tonga Volcanic Eruption and Tsunami

In relation to the support received as relief funds for the Hunga-Tonga Hunga-Ha'apai Volcanic Eruption and Tsunami, these were funds received during the FY 2021-22 and FY 2022-23 to fund the Government plans.

	2022-23	2021-22
	\$	\$
Balance as at 1 July 2022	47,111,276	-
Receipts	958,978	53,108,461
<i>Less:</i> Payments	18,634,645	5,997,185
Balance as at 30 June 2023	\$ 29,435,608	\$ 47,111,276

	2022-23	2021-22
	\$	\$
<i>Fund Received Represented by:</i>		
Asian Development Bank	-	22,614,202
World Bank	-	18,074,878
People's Republic of China	-	1,801,369
Asian Development Bank - <i>APDRF</i>	-	1,153,669
People's Republic of China (<i>Red Cross</i>)	-	223,437
American Samoa Government	-	1,208,765
State Department Finance Portugal	-	351,525
Federated States of Micronesia	-	221,916
Government of Tuvalu	-	319,924
Government of Vanuatu	-	175,861
Government of Samoa	-	99,990
Government of Niue	99,970	-
United Church of Tonga NZ	-	69,215
Church of God World Mission	83,001	-
Tongan Association Friends in Vanuatu	-	56,578
Pacific Islands Forum Secretariat	-	38,730
Dunedin Tongan Community	-	20,186
Ministry of Foreign Affairs and Trade, <i>Tonga Office</i>	-	9,600
Ombudsman Papua New Guinea	6,459	-
Others	170,633	21,543
Tonga Overseas Missions:	-	-
<i>Tokyo, Japan</i>	151,072	5,408,771
<i>Canberra, Australia</i>	302,405	929,586
<i>London, United Kingdom</i>	(1,846)	88,752
<i>Auckland, New Zealand</i>	1,646	83,782
<i>Honolulu, Hawaii</i>	-	43,432
<i>San Francisco, United States of America</i>	117,813	22,749
Local Contribution:	27,825	70,000
TOTAL Funds	\$ 958,978	\$ 53,108,461

3.7. (5) Direct Payments

During the financial year, various Government Projects made payments to its Suppliers via third party payments. Relevant approvals were made from the Ministry of Finance, but the payments were made from the approved project funds, paid directly by the Development Partner to the Suppliers.

The estimated total amount for FY 2022-23 was \$51,624,664:

	\$
Direct Payments Receipts	51,624,664
<i>less:</i> Direct Payments	51,624,664
Balance	-

Details by Project were as follows:

	Ministry	Fund by	Project No.	Project Name	Total Direct Payment	
					TOP	USD
1	MEIDECC	Asian Development Bank	L3509-TON	Outer Island Renewable Energy Project	798,428	348,222
2	MEIDECC	Asian Development Bank	G0586-TON	Outer Island Renewable Energy Project	1,414,748	607,757
3	MEIDECC	Global Environment Facility	G0587-TON	Outer Island Renewable Energy Project	1,738,684	745,917
4	MEIDECC	Government of Australia	G0588-TON	Outer Island Renewable Energy Project	389,670	164,065
5	MEIDECC	Government of Australia	G0768-TON	Outer Island Renewable Energy Project	452,184	190,385
6	MOI	Asian Development Bank	G6018-TON	Transport Project Development Facility	398,494	171,543
7	MOI	Asian Development Bank	G0774-TON(SF)	Nuku'alofa Ports Upgrade Project	41,059,283	17,407,276
8	MOH	Asian Development Bank	G0624-REG	System Strengthening for Effect Coverage of New Vaccine	1,307,824	550,640
9	MOH	Asian Development Bank	G0650-TON	Introducing eGovernment through Digital Health	1,175,964	495,122
10	Lands	Asian Development Bank	G0651-TO	Integrated Urban Resilience Sector Project	2,429,481	1,035,419
11	MEIDECC	World Bank	TF A0900	Pacific Resilience Program	224,560	95,842
12	MEIDECC	World Bank	IDA 56890	Pacific Resilience Program	235,343	99,903
	TOTAL				\$ 51,624,664	\$ 21,912,090

3.8. TRUST MONEY ACCOUNTS

This is the total monies held by Government pending completion of a transaction or dispute. Government holds in trust for purposes prior approved by the Minister. This includes unclaimed money due to or belonging to any person, or collection by Government on behalf of a person or under an agreement.

Details of Trust Money Accounts are as follows:

		2022-23	2021-22
	<i>Notes</i>	\$	\$
Balance as at 1 July 2022		30,603,796	22,630,906
<i>Add:</i> Receipts		13,424,999	23,620,134
<i>Less:</i> Payments		13,790,970	15,647,244
<i>Interests and bank charges</i>		(6,353)	244,566
Balance as at 30 June 2023		\$ 30,231,473	\$ 30,848,362
<i>Represented by:</i>			
Lease Deposits	<i>xiii</i>	1,112,674	1,100,611
National Emergency Fund	<i>xiv</i>	811,386	1,262,221
Private Sector Reconstruction Facility (PSRF)	<i>xv</i>	10,612,071	9,700,646
Road Maintenance Trust Fund	<i>xvi</i>	5,516,134	5,830,429
Loan Repayment Trust Fund	<i>xvii</i>	7,669,933	7,584,375
Unclaimed Monies	<i>xviii</i>	2,032,117	1,654,020
Private Sector Marketing Fund	<i>xvix</i>	516,007	598,035
Niua's Suspense Accounts	<i>xx</i>	(3,760)	506,409
Distraints - Legal Settlements	<i>xxi</i>	555,514	524,404
Lulutai Trust Fund - Ha'apai & 'Eua	<i>xxii</i>	27,855	487,475
Ashika Trust Fund		99,188	99,188
Bond-Supreme Court		108,966	107,716
Deposits - Beach-Demer (Mokohunu)		99,443	99,443
Fisheries Fising Baits		95,517	70,927
Royal Tongan Airline		239,127	239,127
Unclaimed Salaries, Wages & Expenses		252,574	233,344
Other Trust Accounts		493,076	505,426
<i>Interests and bank charges</i>	<i>xxiii</i>	(6,353)	244,566
TOTAL TRUST MONEY ACCOUNTS		\$ 30,231,473	\$ 30,848,362

Notes	Description
<i>xiii</i>	Lease Deposits Trust fund is designated to cater for lease deposits by lessees and also payments of due leases to lessors.
<i>xiv</i>	The National Emergency Fund Trust was established under the National Emergency Fund Act 2008, its main purpose is to be used <i>exclusively to provide timely and efficient relief and reconstruction in any emergency.</i>
<i>xv</i>	Private Sector Reconstruction Facility (PSRF) Trust, accounts for funds received and loaned out to affected businesses after the 2006 Riot. All funds under this scheme were received from the Government of Australia and New Zealand.
<i>xvi</i>	The Road Maintenance Trust Fund was established by the Ministry of Finance under Section 22 of the <i>Public Finance Management Act 2002</i> to meet its purpose as stipulated under Section 8 of the <i>Roads Maintenance Fund Act 2010</i> .
<i>xvii</i>	The Loan Repayment Trust fund was established with the intention to assist liquidity when large upcoming loan repayments are due.
<i>xviii</i>	This Trust accumulates all <i>Unclaimed Monies</i> returned from Financial Institutions (To the National Reserve Bank of Tonga) as per Section 82 of the <i>Financial Institutions Act 2004</i> .
<i>xvix</i>	PSRF Trust fund was established under MTED, aiming to cater for the purchase of fresh produce from growers for export and also payments of all directly related expenses.
<i>xx</i>	This Trust was established to record the Tonga Development Bank's (TDB) transactions at the Niua Sub-Treasuries.
<i>xxi</i>	The Distraints-Legal Settlement Trust catered for deposits paid into Court for possible repayment to the payer or a third party, by virtue of any Act, rule, court order, or other authority.
<i>xxii</i>	The Trust was established following a special request from Lulutai Airline Limited, to temporarily collect their sales at Ha'apai, 'Eua and the Niuas while they complete setting up their offices at these islands.
<i>xxiii</i>	These are compilation of bank fees and interests generated from the main Government Trust Money bank account. Additional to this difference are outstanding TDB claims that are owed to/from TDB for providing their services at the Niuas for the Financial Year.

3.9. BUDGET SUPPORT

Budget Support is funds received from an International Organization to assist the financing of the Government's Budget. During the year, four (4) Development Partners granted Budget Support amounting to \$53,733,317 to the Government of Tonga. The eleven (11) conditions listed on the Joint Policy Reform Matrix (JPRM) must be achieved or progress as they are triggers before the Budget Supports are disbursed.

Budget Supports Received are as follows:

		Estimates 2022-23	Actual 2022-23	More (Less) than Estimate	Actual 2021-22
	Notes	\$	\$	\$	\$
Australia (DFAT)	<i>xxiv</i>	6,570,300	5,934,487	(635,813)	10,765,113
New Zealand Fund	<i>xxv</i>	3,204,900	4,798,830	1,593,930	5,199,049
World Bank (WB) Grant	<i>xxvii</i>	54,647,200	43,000,000	(11,647,200)	24,880,200
Asian Development Bank (ADB)	<i>xxviii</i>	11,647,200	-	(11,647,200)	11,253,657
European Union (EU)	<i>xxvix</i>	5,400,000	-	(5,400,000)	-
TOTAL		\$ 81,469,600	\$ 53,733,317	\$(27,736,283)	\$ 52,098,020

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Provided below are justifications of the variances between the Budget versus the Actual Budget Support received.

Notes	Description	Amount
xxiv	DFAT disbursed both their annual Budget Support and the additional Budget Support together during the Financial Year to aid the Government's budget.	(635,813)
xxv	"same reason as in xxiv"	1,593,930
xxvii	World Bank disbursed an additional Budget Support at the beginning of the Financial Year, so they deferred the payment of the annual Budget Support to FY 2023-24.	(11,647,200)
xxviii	ADB annual Budget Support was delayed to FY 2023-24.	(11,647,200)
xxvix	There were delays in the Government's process to meet the policy actions agreed upon with the EU, leading to further delays in accessing the Budget Support.	(5,400,000)

3.10. EXCHANGE DIFFERENCES

This amount represents the movement of our cash balances due to fluctuating foreign exchange rates throughout the year giving rise to gains and losses as at 30th June, 2023. These amounts are accounted for on a quarterly basis.

	<u>2022-23</u>		<u>2022-23</u>	<u>2021-22</u>
	\$	\$	\$	\$
	<u>Recurrent</u>	<u>Development</u>	<u>TOTAL</u>	<u>TOTAL</u>
Loss in Foreign Currency	3,343,335	2,282,006	5,625,341	4,412,237
Less: Gain in Foreign Currency	2,658,324	1,419,751	4,078,075	2,894,985
Total Exchange Differences (loss) as at 30 June 2023	685,011	862,255	1,547,266	1,517,252

PART 2:

*Other Financial Statements as required by the Public
Finance Management Act.*

Schedule 4

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2023

	2022-23	2021-22
	Income/Expenditure by:	Income/Expenditure by:
	Government	Government
	\$	\$
OPERATING INCOME		
Income Tax	57,966,360	55,576,485
Trade Taxes	25,819,068	20,408,252
Taxes on Goods and Services	128,343,026	109,120,509
Excise Tax	65,999,567	65,728,833
Domestic fees and Licensing	27,567,896	20,849,232
Entrepreneurial and Property Income	10,676,976	14,615,994
Miscellaneous Revenue	735,135	956,459
Budget Support	53,733,317	40,844,363
<i>Total Operating Income</i>	370,841,345	328,100,128
OPERATING EXPENDITURE		
Established Staff	147,554,794	152,249,855
Unestablished Staff	12,039,533	10,562,103
Travel and Communication	19,649,568	9,753,177
Maintenance and Operations	23,787,674	21,929,936
Purchase of Goods and Services	64,455,925	61,736,114
Operational Grants and Transfers	58,109,345	48,044,988
Development Duties Expenditure	2,721,451	2,738,617
Debt Management	7,494,685	13,126,802
Pension and Gratuities	4,106,425	3,854,341
Equity Payment	400,375	-
Private Sector Development Support	1,385,197	-
<i>Total Operating Expenditure</i>	341,704,972	323,995,933
<i>Net Excess/(Deficit) of Income over Expenditure with Budget Support</i>	29,136,373	4,104,195
Development Fund Receipts (Grants and Loans)	168,963,255	135,806,418
Development Fund Expenditure (Grants and Loans)	90,987,540	101,146,207
<i>Net excess of Income over Expenditure from Development Funds (Grants and Loans)</i>	77,975,715	34,660,211
Net excess/(deficit)	107,112,087	38,764,406
<i>Net excess/(deficit) of Income over Expenditure with Budget Support/Development Fund (Grants and Loans)/Prior Year Adjustment</i>	107,112,087	38,764,406

Schedule 5

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2023

		2022-23		2021-22	
	Notes	\$	\$	\$	\$
CURRENT ASSETS					
Cash at Bank and in Hand	3.5	325,292,400		249,259,224	
Loans Onlending	6.2	5,025,123		5,014,490	
Loans to Individuals	6.1	83,039		83,039	
Current Investments	7.1	11,175,371		18,300,410	
Accrued Income	5.1	42,927			
Accrued Interest - Investment & Onlending	6.2	18,404,035		17,579,475	
Total Current Assets			360,022,894		290,236,638
NON-CURRENT ASSETS					
Loans Onlending	6.2	47,468,037		47,866,355	
Non-current Investments	7.1	14,622,251		14,547,242	
Equity Investments	7.2	178,710,266		171,193,658	
Property, Plant & Equipment	7.3	407,379,952		376,585,741	
Total Non-Current Assets			648,180,507		610,192,996
TOTAL ASSETS			1,008,203,400		900,429,632
CURRENT LIABILITIES					
Accrued Interest	6.3	1,465,205		13,416,949	
Trust Money Accounts	3.8	30,231,473		30,848,362	
Public Debts	6.3	57,937,682		34,640,000	
Total Current Liabilities			89,634,360		78,905,311
NON-CURRENT LIABILITIES					
Public Debts	6.3	428,556,985		460,664,633	
Total Non-Current Liabilities			428,556,985		460,664,633
TOTAL LIABILITIES			518,191,347		539,569,944
NET ASSETS			490,012,054		360,859,688
Total Fund Balance as at 30 June 2022					
			360,859,688		318,498,858
Surplus (Deficit)	4		107,112,087		38,764,406
Exchange Difference			10,536,990		1,306,858
Prior Years Adjustments			11,252,370		-
Revenue Fund Balance			250,919		2,289,567
NET MOVEMENT IN EQUITY			490,012,054		360,859,688

5.1 Accrued Income

This amount represents the accrued income relating to the unrecoverable salary overpayment.

Schedule 6

STATEMENT OF LOANS**6.1. BUILDING LOANS**

This amount represents the total charges by Government-to-Government employees who has outstanding building loans. The amounts are repayable by the Government employees.

	2022-23	2021-22
	\$	\$
Balance as at 1 July 2022	83,039	83,039
Receipts	-	-
Payments	-	-
<i>Balance as at 30 June 2023</i>	<u>\$ 83,039</u>	<u>\$ 83,039</u>

6.2. LOANS ONLENDING

Purpose	Year	Principal	Interest %	Term Years	As at		Write off during FY 2022/23	Interest	Repayments	Exchange Difference	As at	
					30/06/2022	\$		\$	\$	\$	30/06/2023	\$
Tonga Development Bank - ADB 624	1983	1,108,197	3.00	40	46,661			1,050	46,661		0	
Tonga Development Bank - IDA 1813	1987	2,604,051	3.00	36	150,233			3,756	100,156		50,078	
Tongatapu Market Limited - ADB 927	2010	3,296,874	2.00	18	1,230,719					17,464	1,248,183	
Royco Amalgamated Co. Ltd - EXIM China	2010	2,210,932	5.00	20	1,915,256			108,000	108,000		1,807,256	
M F Taimoepau & Sons Ltd - EXIM China	2010	7,162,418	5.00	20	7,162,418						7,162,418	
O G Samit & Sons Ltd - EXIM China	2010	10,247,322	5.00	20	10,247,322						10,247,322	
City Assets (Molet) - EXIM China	2012	6,761,247	5.00	20	6,761,247						6,761,247	
Tunga Colomade - EXIM China	2012	16,574,480	5.00	20	16,574,480						16,574,480	
Tonga Assets Management	2015	1,395,082	1.00	13	1,293,534			12,169	187,546	26,580	1,132,569	
Tonga Broadcasting Commission	2019	1,000,000	2.00	20	2,000,000			40,444			2,000,000	
Young Farmers Federation (Koloti School)	2012	40,000	1.00	0.25	40,000						40,000	
Hammah Consulting (Daniel Hamala)	2012	34,750	1.00	0.25	24,750						24,750	
Lock Sharp Tonga (Teveta Tukimaka)	2013	17,890	1.00	0.25	17,890						17,890	
EZJ World Cargo (Moses Uele)	2013	66,374	1.00	0.25	66,374						66,374	
JERE Auto Dealer (Tui'amea Nafahu)	2013	14,000	1.00	0.25	14,000						14,000	
Tou'anga Moala	2014	25,000	1.00	0.25	25,000						25,000	
New Millennium Phase 2	2014	468,250	1.00	0.25	468,250						468,250	
Mark Shipping (Ma'ake Fale'osofu)	2014	130,000	1.00	0.25	130,000						130,000	
New Millennium Phase 3	2014	90,000	1.00	0.25	90,000						90,000	
Latakole Phase (Moses Tupou)	2014	50,000	1.00	0.25	50,000						50,000	
Luke Construction (Semai Hopon)	2014	10,000	1.00	0.25	10,000						10,000	
Poko Fishing Co. Ltd (Terema Fuku)	2014	45,000	1.00	0.5	41,000						41,000	
Pacific Fish Co. Ltd (Ames Bloomfield)	2014	35,000	1.00	0.5	25,000						25,000	
Densola Co. Ltd (Pulu 'Araua)	2014	35,000	1.00	0.5	36,050						36,050	
FV Avatoni (Feleti 'Uluapano)	2014	35,000	1.00	0.5	35,000						35,000	
FV 'Amale (Asueh Nehoa)	2014	21,279	1.00	0.5	20,874						20,874	
FV Langahenghenga (Asake Falese)	2014	30,001	1.00	0.5	25,007						25,007	
FV Telena I Moana (Taani Fe'ao)	2014	13,764	1.00	0.5	13,502						13,502	
FV 064 (Ulanasi Vaisima)	2014	8,218	1.00	0.5	7,218						7,218	
Tamela Koli	2014	13,238	1.00	0.5	13,238						13,238	
FV Akana (Vili 'Olive)	2014	18,129	1.00	0.5	11,129						11,129	
Vaikelu Fifita	2014	6,000	1.00	0.5	6,000						6,000	
					48,552,152			165,419	442,362	44,044	48,153,834	
					Current			685,797		Current	685,797	
					Non-current			47,866,355		Non-current	47,468,037	
								48,552,152			48,153,834	

MINISTRY OF FINANCE, FEBRUARY 2024

Note:

Total Interest receivable is \$17,628,417.23 as at June 2023. It comprises of TS\$17,577,712.81 from CBD Nukualofa Reconstruction and TS\$0,704.42 from Public Enterprises. The long delays and slow turnover of repayment is mainly due to borrowers experiencing financial hardships and therefore are slowly recovering. The Government is currently joint hand in hand with the borrowers in presenting alternatives and opportunities to ease these hardships and be able to resume repayments.

Loans onlending (cont.):

COOPERATIVE STORE Village		Year	Principal	As at 30/06/2022	Interest	Repayments	Exchange Difference	As at 30/06/2023
				\$		\$		\$
Nomuka	Nomuka, Ha'apai	2019	6,000	1,600	-	-	-	1,600
Funga Kekeleaoa	Pukotiala, Ha'apai	2019	5,950	5,950	-	-	-	5,950
Kolo Maile Masani	Ha'atu'a, 'Eua	2019	5,876	5,876	-	-	-	5,876
Vai'ko Pule	Sapa'ata, 'Eua	2019	6,000	3,000	-	-	-	3,000
Mate na'a Niua	Niutoputapu	2019	2,994	2,194	-	-	-	2,194
Mapu'a Vaea	Houma, Tongatapu	2019	5,220	4,620	-	-	-	4,620
Lek'a Lulu	Masiamoa, Tongatapu	2019	5,790	2,990	-	-	-	2,990
Vaituililo Muli	Kolonga, Tongatapu	2019	5,850	2,650	-	-	-	2,650
Ahi'o Ulakai	Ahau, Tongatapu	2019	6,000	3,000	-	-	-	3,000
Hala Olveti	Veitongo	2019	3,424	2,424	-	-	-	2,424
Funga Faite a Fafine	Talafoou, Tongatapu	2019	5,697	5,697	-	-	-	5,697
I'o Lupea	Pelehake	2019	6,000	1,550	-	-	-	1,550
Fonumoe Moa	Hofoa, Tongatapu	2019	6,000	3,000	-	-	-	3,000
Tulokomana	Tokomoloko, Tongatapu	2019	4,627	4,627	-	-	-	4,627
Lokapuongo	Fo'u	2019	3,825	3,825	-	-	-	3,825
Onufangavahu	Te'ekau	2019	5,119	5,119	-	-	-	5,119
Fahaetan	Pea	2019	8,135	8,135	-	-	-	8,135
Fungakelamaka	Vaotu'u	2019	5,599	5,599	-	-	-	5,599
Vivili Kihe Tapuaki	Talasii	2019	568	568	-	-	-	568
Kalibou	Hamula	2019	4,456	4,456	-	-	-	4,456
Maka He Lotu	Ma'ufanga	2019	8,461	8,461	-	-	-	8,461
Tapanga Maama	Tefisi, Vava'u	2019	5,844	156	-	-	-	156
Kaloni Kakala	Pangaimotu, Vava'u	2019	5,837	5,837	-	-	-	5,837
Mufuwa'o e Afo I Talau	Talau, Vava'u	2019	5,359	5,359	-	-	-	5,359
				96,379			-	96,379

Note:

MOF is currently liaising with MTED to confirm active stance of the corporative stores. MOF Surveyors has confirmed the most of these corporative stores are still operatives. MTED Registration Department are still working to confirm the requested information for this scheme and convey soonest September.

Loans onlending details (cont.):

TC GITA LOAN

Particular	Purpose	Year	Principal	Interest	Term	As at		As at
						30-Jun-22	Disbursement	30-Jun-23
Lot 1	TC Gita Recovery fund for MSME	2019	1,419,500	1%	2-5 years	1,302,658	-	1,282,427
Lot 2	TC Gita Recovery fund for MSME	2019	874,000	1%	2-5 years	813,903	-	812,894
Lot 3	TC Gita Recovery fund for MSME	2019	555,000	1%	2-5 years	479,433	-	462,115
Lot 4	TC Gita Recovery fund for MSME	2020	46,000	1%	2-5 years	16,000	-	16,000
Lot 5	TC Gita Recovery fund for MSME	2020	104,000	1%	2-5 years	103,825	-	103,825
			2,998,500			2,715,819	410	2,677,261

MICRO LOANS FOR WOMEN

Particular	Purpose	Year	Principal	Interest	Term	As at		As at
						30-Jun-22	Adjusted	30-Jun-23
Lot 1	COVID 19 Scheme for MSME	2020	777,400	1%	1-2 years	616,179	198	580,087
Lot 2	COVID 19 Scheme for MSME	2020	10,300	1%	1-2 years	7,307	-	4,295
Lot 3	COVID 19 Scheme for MSME	2020	491,900	1%	1-2 years	339,939	397	311,894
Lot 4	COVID 19 Scheme for MSME	2020	135,000	1%	1-2 years	92,633	41	89,728
Lot 5	COVID 19 Scheme for MSME	2021	126,800	1%	1-2 years	107,095	9	100,884
Lot 6	COVID 19 Scheme for MSME	2021	211,000	1%	1-2 years	191,428	340	159,675
Lot 7	COVID 19 Scheme for MSME	2021	100,500	1%	1-2 years	97,165	363	71,741
Lot 8	COVID 19 Scheme for MSME	2022	71,000	1%	1-2 years	64,749	125	48,299
Lot 9	COVID 19 Scheme for MSME	2022	74,100	1%	1-2 years	-	158	68,800
Lot 10	COVID 19 Scheme for MSME	2022	101,500	1%	1-2 years	-	145	95,421
Lot 11	COVID 19 Scheme for MSME	2023	35,000	1%	1-2 years	-	139	34,860
			2,134,500			1,516,495	198	1,565,685

Note.

- MSME – Micro, Small and Medium Enterprises.
- 1.0% interest p.a. initiated in Lot 6.
- Adjustment: One repayment from Prior year.

6.3. PUBLIC DEBTS

	2022-2023 \$	2022-2023 \$	2021-22 \$
Loans owing at 1 July 2022			
Foreign	427,957,633		439,093,818
Domestic	67,347,000		67,347,000
		495,304,633	506,440,818
<i>Add: New Borrowing</i>			
Foreign	22,274,560		281,077
Domestic	15,100,000		15,846,000
		37,374,560	16,127,077
<i>Add: Debt Defer during FY 2022-23</i>			
Foreign		-	7,183,726
Domestic		-	-
		-	7,183,726
<i>Less: Debt Suspension</i>			
Foreign		-	4,811,200
Total Loan Payable		532,679,193	524,940,421
<i>Less: Repayments</i>			
Foreign	20,257,160		12,456,674
Domestic	15,100,000		15,846,000
		35,357,160	28,302,674
		497,322,033	496,637,746
Revaluation of Debt in Foreign Currency		(10,827,366)	(1,333,113)
BALANCE OF PUBLIC DEBT 30 JUNE 2023		486,494,668	495,304,633
<u><i>Balance Details</i></u>			
Loans Owing at 30 June 2023			
Foreign		419,147,668	427,957,633
Domestic		67,347,000	67,347,000
		486,494,668	495,304,633

Terms of Government Loan Agreements varies, some agreements provide for deferred repayments only and some for deferred payments of both interest and principal. Outstanding obligations are restated at the year end at the exchange rate ruling at the day. The impact of movement in exchange rates on the value of public debt is reflected in the statement of changes in net assets.

Effective exchange rates in force are:

Currency	Rate as at 30 June 2023	Rate as at 30 June 2022
Euro (EUR)	2.5861	2.4557
Special Drawing Rights (SDR)	3.1591	3.1149
US Dollars (USD)	2.3751	2.3459
Yuan Renminbi	0.3275	0.3501

Loan Details are as follows.

Year	Purpose	Currency	Principal	Interest %	Term	As at		Drawdown	Undrawn	Interest	Repayments	Exchange		As at
						30/06/2022	Audited					Difference	30-Jun-23	
					Years	\$	\$	\$		\$	\$	\$	\$	\$
1983	Development	SDR	1,077,992	1.00	40	157,375	158,521			10,022		1,146	-	
1986	Development	SDR	1,890,954	1.00	40	1,180,403				16,247	342,589	18,156	855,969	
1988	Development	SDR	1,764,257	1.00	40	1,554,526				27,250	261,302	21,155	1,314,379	
1990	Development	SDR	2,610,078	1.00	40	2,622,121				17,908	353,861	35,985	2,304,246	
1990	Fisheries	SDR	1,550,500	1.00	40	1,989,313				61,988	237,862	29,157	1,780,608	
1991	Power Development	SDR	4,509,142	1.00	40	5,618,787				101,231	659,202	68,671	5,028,156	
1995	Transport Infrastructure	SDR	6,264,820	1.00	40	9,425,980				40,736	783,581	120,610	8,763,009	
1996	Outer Islands Agriculture	SDR	2,310,705	1.00	40	3,819,261				40,234	283,114	49,462	3,586,609	
2002	Development	SDR	8,020,000	11.5	24	5,248,074				65,941	1,360,874	104,712	3,991,912	
2016	Building Macroeconomic	SDR	2,125,000	11.5	24	6,619,163					-	93,925	6,713,088	
2017	Outer Is Renewable Energy	SDR	3,100,000	11.5	24	4,417,728		774,454		-	-	262,444	5,454,625	
2017	BNRP - Subprogram 2	SDR	2,807,255	11.5	24	6,310,787				63,069	-	89,550	6,400,337	
2018	Pac. Disaster Resilience	USD	3,100,000	11.5	24	7,272,290				73,336	-	90,520	7,362,810	
1987	Tonga Development Bank	SDR	1,579,173	0.75	40	2,213,645				11,907	152,859	34,612	2,095,398	
1990	Tonga Development Bank	SDR	1,592,623	0.75	40	1,488,369				8,345	201,857	21,728	1,308,180	
2002	Development	SDR	4,252,223	0.75	40	10,613,644				78,104	537,732	150,125	10,226,037	
2003	Health project	SDR	8,000,000	0.75	40	20,537,120				149,708	498,626	288,152	20,326,646	
2005	Education project	SDR	639,889	0.75	40	1,714,145				13,201	39,865	23,759	1,698,039	
2013	First Economic Reform Support Operati	SDR	1,700,000	0.75	40	5,295,330				39,989	-	75,140	5,370,470	
2014	Cyclone Ian Reconstruction	SDR	6,093,952	0.75	40	12,088,277				91,286	-	171,420	12,259,697	
2014	Second Economic Reform	SDR	1,700,000	0.75	40	5,295,330				39,989	-	75,140	5,370,470	
2015	Pacific Resilience	SDR	6,000,000	0.75	40	7,416,471		52,173		54,666	-	1,043,217	8,511,861	
2016	Tonga Transport Sector	SDR	1,500,000	0.75	40	4,252,935				32,427	-	74,787	4,327,722	
2016	Tonga Aviation Investment	SDR	4,900,000	0.75	40	15,263,010				115,362	-	216,580	15,479,590	
2016	1st Inclusive Growth Dev.	SDR	800,000	0.75	40	2,491,920				18,818	-	35,360	2,527,280	
2017	2nd Inclusive Growth Dev.	SDR	2,500,000	0.75	40	7,387,250				58,716	-	110,500	7,897,750	
1983	Development Projects	SDR	950,000	1.00	50	850,757				8,415	74,813	11,856	787,801	
1988	Agricultural Development	SDR	1,687,125	1.50	50	2,102,100				20,924	132,861	29,445	1,998,684	
1993	Agricultural Development	SDR	2,200,000	1.50	50	3,597,696				35,836	174,286	51,586	3,474,996	
2018	TRIP II	SDR	1,090,000	0.75	40	2,392,277		30,037		23,350	-	822,344	3,144,658	
2021	Additional Financing to TRIP II	USD	200,000	2.00	40			466,560				8,460	475,020	
2007	CBD Reconstruction	CNY	440,000,000	2.00	20	146,708,571				2,927,108	-	(9,470,476)	137,238,095	
2010	Road project	CNY	291,000,000	2.00	20	77,622,171				1,566,079	9,481,473	(4,605,698)	63,535,000	
2020	Debt Service Suspension Initiative 1	CNY	20,973,757	2.00	4	6,100,823				126,470	2,391,812	(274,558)	3,434,453	
2021	Debt Service Suspension Initiative 2	CNY	20,718,384	2.00	5	7,353,506				147,318	1,417,614	(407,675)	5,848,217	
2021	Debt Service Suspension Initiative 3	CNY	20,690,445	2.00	6	7,243,728				144,526	713,356	(1,109,473)	5,420,899	
2021	Emergency Budget Financing	USD	9,948,126	0.00	10	21,492,810				-	-	304,980	21,797,790	
2022	Emergency Budget Financing	USD	9,034,216	0.00	10			20,951,336				505,831	21,457,167	
						427,957,633		22,274,560	-	6,239,689	20,257,160	(10,827,366)	419,147,668	
						Total Government of Tonga Foreign Debt								
						Current								
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Loan Details (cont.)

Current	Non Current
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21	22
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Provided below are the details and movements for the Undrawn Borrowing facilities:

Undrawn Borrowing facilities

External Undrawn Project Funds	2022-23	2021-22	2020-21	2019-20
	\$	\$	\$	\$
Movement in Undrawn Borrowing Facilities				
Undrawn borrowing facilities at 1 July 2022	13,950,012	14,646,338	17,254,120	22,807,908
Additional loan facility			22,583,713	-
Total Available	13,950,012	14,646,338	39,837,832	22,807,908
Amount Drawn	21,621,464	636,559	25,521,212	6,315,432
Facility closure/cancellations			-479,172	
Exchange difference			-329,717	-761,643
Undrawn borrowing facilities as at 30 June 2023	13,465,745	13,950,012	14,646,338	17,254,120

6.4. GOVERNMENT MANAGED FUND

As at June 2023, due to the impacts of HTHH and Covid 19, the two parties have agreed to re-allocate funds yet allocated from the original GDL Fund of \$18,250,244 amounted at \$9,250,244 to sectors affected at an interest rate of 1.0% for a relief period between May 22 and it has ended in May 2023. The total balance managed by TDB as at 30 June 2023 is T\$18,250,244.

Details are as follow.

	Percentage	Total Funds	Advance to Projects	2023	2022
Agriculture Marketing Fund - 1%	1%	\$ -	\$ 114,091.34	\$ -	\$ 163,023.33
Fisheries Development & Export Fund - 1%	1%	\$ -	\$ 43,203.70	\$ -	\$ 58,874.00
Tourism Loan Fund - 1%	1%	\$ -	\$ 17,692.23	\$ -	\$ 20,393.03
Manufacturing Fund - 1%	1%	\$ -	\$ 34,248.24	\$ -	\$ 60,763.93
Livestock - 1%	1%	\$ -	\$ 5,018.65	\$ -	\$ 7,839.50
Education - 1%	1%	\$ -	\$ 89,070.49	\$ -	\$ 202,125.76
Micro-Loans Youth - 1%	1%	\$ -	\$ -	\$ -	\$ -
Agriculture & Forestry Development Fund - 3%	3%	\$ 4,798,986.6	\$ 3,137,296.10	\$ 5,122,628.03	\$ 2,039,047.05
Fisheries Development Fund - 3%	3%	\$ 55,532.00	\$ 56,696.08	\$ 530,871.00	\$ 45,062.81
Fisheries Development Fund COVID 19 & TC Harold	3%	\$ 395,725.12	\$ 598,297.33	\$ 560,993.00	\$ 450,504.77
Tourism Loan Fund COVID 19 & TC Harold - 3%	3%	\$ 2,000,000.00	\$ 1,441,619.95	\$ 1,912,408.00	\$ 801,808.40
Tourism Loan Fund - 3%	3%	\$ -	\$ -	\$ 33,040.00	\$ -
Manufacturing Loan Fund - 3%	3%	\$ -	\$ 78,424.45	\$ 90,032.00	\$ 259,809.48
Livestock Development Fund - 3%	3%	\$ -	\$ 25,711.23	\$ 30,665.00	\$ 65,955.34
Construction & Utilities Fund - 3%	3%	\$ -	\$ 11,815.67	\$ 18,966.00	\$ 30,864.42
Retail & Wholesale Fund - 3%	3%	\$ -	\$ 98,772.00	\$ 141,505.00	\$ 367,526.54
Education Loan Fund - 3%	3%	\$ 1,649,756.24	\$ 1,417,154.87	\$ 1,719,146.95	\$ 598,369.98
Overseas Medical - 3%	3%	\$ 100,000.00		\$ -	\$ -
Agriculture Marketing & Production Fund - 4%	4%	\$ -	\$ 818,043.91		\$ 1,001,609.56
Fisheries Development & Export Fund - 4%	4%	\$ -	\$ 441,711.15		\$ 745,009.82
Tourism Loan Fund - 4%	4%	\$ -	\$ 20,136.97		\$ 21,067.45
Manufacturing Fund - 4%	4%	\$ -	\$ 10,231.06		\$ 13,796.13
Development of Livestock - 4%	4%	\$ -	\$ 10,201.11		\$ 13,457.88
Development of Forestry - 4%	4%	\$ -	\$ -		\$ 15,149.80
Construction - 4%	4%	\$ -	\$ 11,782.82		\$ 18,087.87
Retailer & Wholesaler Fund - 4%	4%	\$ -	\$ 104,924.56		\$ 126,668.79
Other Priority Sector Funds - 4%	4%	\$ -		\$ -	\$ -
Education - 4%	4%	\$ -	\$ 105,481.02		\$ 254,863.43
Overseas Medical Cover - 4%	4%	\$ -	\$ -		\$ 1,388.45
Micro-loans Women - 4%	4%	\$ -	\$ 330.20	\$ 330.20	\$ 330.20
Micro-loans Youth - 4%	4%	\$ -		\$ -	\$ -
Fisheries Development Fund	1%	\$ 1,000,000.00	\$ 890,577.26	\$ 912,886.00	\$ 265,731.76
Agriculture & Forestry Development Fund	1%	\$ 1,000,000.00	\$ 956,043.52	\$ 754,457.00	\$ 800,026.70
Manufacturing Loan Fund	1%	\$ 2,000,000.00	\$ 597,367.57	\$ 1,459,952.00	\$ 242,015.52
Retail & Wholesale Fund	1%	\$ 2,000,000.00	\$ 1,398,802.53	\$ 1,580,129.00	\$ 362,045.24
Tourism Loan Fund	1%	\$ 2,000,000.00	\$ 136,356.99	\$ 132,426.00	\$ -
Education Loan Fund	1%	\$ 750,243.76	\$ 540,326.49	\$ 549,107.00	\$ 231,197.28
Special Facility Fund	1%	\$ 500,000.00	\$ 522,282.95	\$ 453,988.00	\$ 37,113.03
Overdraft Facility Special Fund for HHTH & Covid	3%			\$ 200,000.00	
TNWC Export Handicraft 1%	3%			\$ 1,190,687.00	
		\$ 18,250,243.76	\$ 13,733,712.44	\$ 17,394,217.18	\$ 9,321,527.25

Note:

- Overdraft Facility Special Fund for HTHH & Covid is including in Manufacturing Loan Fund;
- TNWC Export Handicraft 1.0% fund is no separate fund rather it is part of the Special Facility Fund for HTHH & Covid.

6.5. TRANSFER PRESERVED ACCOUNTS

The Government is required under regulation 23 of the Pensions (Amendment) Regulations 1999, to transfer to the Retirement Fund Board the Transfer Preserved Accounts of those staff in the civil service at 30 June 1999, who become members of the new retirement fund scheme. At 30 June 2023, the Government had paid all the outstanding transfer value, submitted and confirmed by Ministry of Finance.

6.6. CONTINGENCIES

The Minister for Finance under the authority of the Cabinet provides guarantees for the financial liability of some public enterprises, private businesses and institutions. A contingent liability is a fiscal obligation on the occurrence of a particular event or events.

A statement of commitments and contingencies is as follows:

Contingent Liabilities

Government Guaranteed Loans as at 30th June 2023				
Borrower	Purpose	Original Loan Amounts	Cumulative Repayments as at 30th June 2023	Balance as at 30th June 2023
			\$	\$
City Engineering & Construction Limited	Roads Development Project	4,091,248	3,562,542	528,706
Inter Pacific Limited	Roads Development Project	3,972,645	634,456	3,338,189
Island Dredging	Roads Development Project	3,936,107	1,874,872	2,061,236
Lulutai Airlines Ltd	Lease Agreement - Montrose Asia Pacific Leasing Pty Ltd	3,562,650	1,425,060	2,137,590
Cost Low Co. Ltd	Refinancing loan	5,600,000	-	5,600,000
Royco Ports Services Ltd	Purchase Heavy Plants, Equipment and Working Capital	2,700,000	140,977	2,559,023
	Total	23,862,650	7,637,906	16,224,744

6.7. REVENUE ARREARS

The following table details the revenue arrears owed to the Government as of 30 June 2023. These were the only Ministries that were able to submit to the Ministry of Finance their arrears.

Ministries, Departments and Agencies	Revenue Arrears	2022-23	2021-22
Ministry of Revenue and Customs	Tax and penalties	23,448,833	996,964
Ministry of Infrastructure	Fees, Licences & Others	3,054,342	2,831,488
Ministry of Public Enterprises	CT Large & others	-	1,834,524
	Grand Total	\$ 26,503,175	\$ 5,662,976

Schedule 7

STATEMENT OF INVESTMENTS

7.1. INVESTMENTS

					Notes	2022-23 \$	2021-22 \$
<u>Current Investments</u>							
	Term	Acceptance	Interest	Maturity			
Tonga Development Bank	No.	Date	Rate	Date			
12 months Term Deposit	9524	06/11/2022	1.5%	06/11/2023		5,968,662	5,880,456
12 months Term Deposit	9656	16/04/2023	1.5%	16/04/2024		1,275,295	1,256,449
12 months Term Deposit	9467	25/08/2022	1.5%	25/08/2023		627,609	617,422
12 months Term Deposit	9602	12/02/2023	1.5%	12/02/2024		81,746	80,538
<i>Total Current Investments held at Tonga Development</i>						7,953,312	7,834,865
ANZ Bank							
12 months Term Deposit			0.5%	31/01/2024		3,222,058	3,165,087
12 months Term Deposit			0.0%	29/06/2023	xxx	-	7,300,458
<i>Total Term deposits held at ANZ Bank</i>						3,222,058	10,465,545
TOTAL CURRENT INVESTMENTS						11,175,371	\$ 18,300,410
<u>Non - Current Investments</u>							
	Term	Acceptance	Interest	Maturity			
Tonga Development Bank	No.	Date	Rate	Date			
60 months Term Deposit	8783	28/04/2020	3.0%	28/08/2025		8,000,000	8,000,000.00
60 months Term Deposit	8820	30/08/2020	3.0%	29/07/2025		4,000,000	4,000,000.00
24 months Term Deposit	9202	30/08/2021	1.8%	31/08/2023		628,780	628,780
24 months Term Deposit	9603	21/02/2023	1.8%	21/02/2025		623,913	599,916
24 months Term Deposit	9537	28/11/2022	1.8%	28/11/2024		655,752	630,534
24 months Term Deposit	9603	23/02/2023	1.8%	23/02/2025		670,656	644,862
60 months Term Deposit	8598	14/05/2019	2.1%	14/05/2024		43,150	43,150
TOTAL NON CURRENT INVESTMENTS						14,622,251	14,547,242
<i>Total Treasury Deposit Investments</i>						25,797,622	\$ 32,847,652

Notes	Description
xxx	The term deposit matured on the 29th June, and it was redeemed and transferred to BSP (Government Operating Account), refer to Note 3.6.

7.2. EQUITY INVESTMENT

	No. Of Shares	Price per Share	Percentage Holding	Notes	2022-23 \$	2021-22 \$
Public Enterprises						
Tonga Communications Corporation	14,243,639	1.00	100%		14,243,639	14,243,639
Tonga Market Corporation Limited	1,600,000	1.00	100%		1,600,000	1,600,000
Tonga Airports Limited	36,543,226	1.00	100%		36,543,226	36,543,226
Waste Authority Limited	900,000	1.00	100%		900,000	900,000
Tonga Power Limited	1,031	32,768	100%		33,783,595	33,783,595
Tonga Post Limited	1,907,915	1.00	100%		1,907,915	1,907,915
Tonga Asset Managers & Associates Limited	1,761,707	1.00	100%		1,761,707	1,761,707
Tonga Cable Ltd	29,556,887	1.00	67%		29,556,887	29,556,887
Friendly Islands Shipping Agency	400,000	1.00	100%		400,000	400,000
Statutory Board						
Ports Authority Tonga			100%		10,949,097	10,949,097
Tonga Broadcasting Commission			100%		475,404	475,404
Tonga Water Board			100%		2,065,040	2,065,040
<i>Total Investment in Public Enterprises</i>					\$ 134,186,510	\$ 134,186,510
Investment in bank						
Tonga Development Bank	2,200,000	10.00	60%		22,000,000	22,000,000
					22,000,000	22,000,000.00
Investment in Government company						
Lulutai Airlines Limited	2,100,000.00	10.00	100%	xxvi	21,000,000	13,500,000
					21,000,000	13,500,000.00
Shares - minority holdings (at cost)						
Air Pacific Limited (FJD)	70,400	1.00	0.10%	xxvii	76,032	77,222
					76,032	77,222
Investment in other companies						
Ocean Royal Shipping Company Limited (USD575,040 at 6% interest)				xxviii	1,447,724	1,429,926
					1,447,724	1,429,926
TOTAL EQUITY INVESTMENTS					\$ 178,710,266	\$ 171,193,658

Notes	Descriptions
xxxi	A capital injection of \$7.5 million was paid to Lulutai Airline Ltd during the Financial Year, to increase Government investments, which are critical to the economic development of Tonga.
xxxii	Fijian Dollars investment in Air Pacific Limited, converted with exchange rate as at 30 June, 2023.
xxxiii	Investment in Ocean Royal Shipping Company Limited converted with exchange rate as at 30 June, 2023.

7.3. PROPERTY, PLANT & EQUIPMENT

The value of property, plant and equipment presented reflects the historical cost recorded, with the movement in value of such assets being the amount of capital expenditure to acquire new assets during the year. However, the data presented are considered to be very conservative estimates of the value of the government assets, as they mostly related to assets acquired through loan and other related funds. These estimates of the value of property, plant and equipment are included for transparency purposes.

	Notes	Property, Plant & Equipment \$	Other Asset \$	Total \$
Cost				
At 1 July 2022		105,465,281	271,120,460	376,585,741
Additions	xxxiv	10,076,048	20,718,163	30,794,211
Disposals / Transfers		-	-	-
<i>At 30 June 2023</i>		<u>115,541,329</u>	<u>291,838,624</u>	<u>407,379,952</u>
Depreciation				
At 1 July 2022		-	-	-
Charge for the year		-	-	-
Disposals / Transfers		-	-	-
<i>At 30 June 2023</i>		<u>-</u>	<u>-</u>	<u>-</u>
Book value				
At 30 June 2023		<u>105,465,281</u>	<u>271,120,460</u>	<u>376,585,741</u>
At 30 June 2023		<u>\$ 115,541,329</u>	<u>\$ 291,838,624</u>	<u>\$ 407,379,952</u>

The Ministry of Finance is working closely with Ministries, Department and Agencies to conduct an asset stocktake including assets located in the outer islands to ensure that the available data is more accurate and reflective of the current value and thus enabling of the calculation of depreciation. This exercise is targeted to be completed by March 2024.

	2022-23 \$	2021-22 \$
xxxiv. Assets		
Less:		
TC Harold Buildings	-	94,650
TC Gita Buildings	527,535	6,369,651
Payment of Equity (Lulutai)	-	-
Hunga Tonga Hunga Haapai	-	650,282
Total Additional Assets	<u>30,794,211</u>	<u>33,424,035</u>

AUTHORISATION DATE

These Part 1 Financial Statements as required by IPSAS and associated Part 2 other Financial Statements required by the Public Finance Management Act for the Government of Tonga, were authorized on **29th February 2024**, by Minister for Finance.

Schedule 8

STATEMENT OF REVENUE FOR THE 5 PRECEDING YEARS

The following statistical data is for information purposes only, it is not required by IPSAS Cash Basis.

Operating Receipts for the proceeding Five (5) financial years: 2018/19 – 2022/23

	2022-23	2021-22	2020-21	2019-20	2018-19
	\$	\$	\$	\$	\$
Income Tax	57,966,360	55,576,485	48,570,386	52,469,914	55,230,931
Trade Taxes	25,819,068	20,408,252	18,239,924	18,081,012	24,334,876
Taxes on Goods and Services	128,343,026	109,120,509	106,929,771	95,014,441	94,773,254
Excise Tax	65,999,567	65,728,833	63,676,029	64,010,289	59,040,231
Domestic Fees and Licensing	27,567,896	20,849,232	23,969,534	28,103,212	28,783,696
Entrepreneurial and Property Income	9,852,416	9,487,589	14,681,924	21,226,556	8,681,515
Miscellaneous Revenue	511,035	757,378	429,004	1,648,605	-
Transfer and Bond Receipts	36,493,698	16,192,141	35,236,645	32,350,878	15,643,329
Revolving Fund	-	-	-	199,012	1,643,018
Budget Support	53,733,317	52,098,020	27,208,098	37,566,851	34,906,637
TOTAL RECEIPTS	\$ 406,286,383	\$ 350,218,440	\$ 338,941,316	\$ 350,670,768	\$ 323,037,486

Schedule 9

STATEMENT OF EXPENDITURE FOR THE 5 PRECEDING YEARS

Operating Payments for the proceeding Five (5) financial years: 2018/19 – 2022/23

	2022-23	2021-22	2020-21	2019-20	2018-19
	\$	\$	\$	\$	\$
Palace Office	4,051,500	3,620,017	3,096,577	4,273,754	4,017,382
Office of the Legislative Assembly	15,713,674	16,447,789	13,005,188	11,164,008	10,970,734
Office of the Auditor General	1,851,299	1,506,203	1,492,108	1,488,797	1,574,884
Office of the Ombudsman	1,475,070	1,638,647	1,820,021	1,339,554	1,592,390
Ministry of Foreign Affairs	13,913,563	13,813,049	11,528,129	9,667,458	10,198,084
His Majesty's Armed Forces	11,543,046	10,894,744	10,463,911	10,052,839	9,744,385
Prime Minister's Office	9,645,743	8,051,063	4,204,659	3,749,823	3,505,769
Ministry of Finance	107,626,409	86,488,164	81,003,375	84,811,320	72,328,660
Ministry of Revenue and Customs	10,600,999	9,998,643	8,183,220	8,559,863	9,204,791
Ministry of Public Enterprises	1,336,639	1,318,299	1,215,085	1,151,178	1,282,810
Ministry of Trade and Economic Development	7,223,004	7,230,464	6,218,714	5,427,975	5,438,970
Ministry of Justice and Prison	12,975,871	11,572,796	11,072,479	10,565,368	10,470,793
Attorney General's Office	3,109,171	3,100,829	3,000,863	2,793,105	2,550,341
Ministry of Tonga Police	12,413,509	15,161,012	14,033,871	13,645,396	12,230,262
Ministry of Health	52,358,449	55,787,397	47,560,362	43,543,393	42,757,255
Ministry of Education & Training	59,044,370	55,173,319	56,544,530	56,558,341	50,572,560
Ministry of Internal Affairs	5,316,865	4,396,038	7,722,111	7,257,305	8,648,032
Ministry of Agriculture, Food, Forests	9,384,613	9,328,816	9,526,283	9,251,428	9,901,303
Ministry of Infrastructure	20,965,550	14,418,654	23,477,749	23,755,808	14,196,380
Ministry of Lands & Natural Resources	5,994,810	5,401,497	4,755,692	4,788,804	4,197,496
Office of the Public Service Commission	1,919,215	1,786,316	1,849,266	1,756,814	1,993,630
Statistics Department	2,622,618	3,383,929	2,913,068	2,889,570	2,920,044
Ministry of Met, Eng, Inf, Dist Mag, Env't, Comm and Cli Cha	7,977,715	7,799,338	7,717,522	7,573,895	7,818,509
Ministry of Fisheries	4,613,105	4,406,508	4,142,059	4,250,720	3,835,058
Ministry of Tourism	7,262,275	6,951,672	7,041,649	4,139,805	4,681,528
Ministry of Fire Services	4,002,093	-	-	-	-
TOTAL PAYMENTS	\$394,941,175	\$359,675,203	\$343,588,489	\$ 334,456,321	\$ 306,632,049

MINISTRY OF FINANCE, FEBRUARY 2024

