

REPUBLIC OF RWANDA



MINISTRY OF FINANCE AND ECONOMIC PLANNING

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Consolidated Financial Statements of the Government of Rwanda

For The Fiscal Year Ended 30th June 2023

1. INTRODUCTION

According to Articles 13 and 79 of the Organic Law on Public Finance Management, the Minister of Finance and Economic Planning is responsible for preparation of Government Consolidated Financial Statements and submitting them to the Auditor General of State Finances (OAG) for audit not later than 30 September of the following fiscal year.

1.1. Entities consolidated for the year ended 30 June 2023

During the twelve (12) months period ended 30 June 2023, the following entities were included in the Government Consolidated Financial Statements:

Description	Number of entities consolidated for the year ended 30 June 2023	Number of entities consolidated for the year ended 30 June 2022
Central Government Ministries and Agencies	148	147
Local Governments	28	28
Development projects	134	116
Total consolidated entities	310	291
Government Portfolio of Investments (not consolidated)	42	40
Total	352	331

In line with ongoing reforms in accounting aiming to migrate to accrual basis of accounting using the International Public Sector Accounting Standards; each District has consolidated financial reports of its respective Sectors, Public District Hospitals as well as Public Health Centers which has enlarged the scope of consolidated financial statements with additional 791 entities namely 416 Sectors, 31 Public District hospitals as well as 344 Public Health Centers.

1.2. Summary of Government revenues, expenditure, net financial position, stock of public debts and Net value of Government Investments for the year ended 30 June 2023

Category	FY 2022/23 Frw "billion"	FY 2021/22 Frw "billion"
Revenues	4,972.3	4,800.6
Expenditure	5,193.5	4,604.0
Net financial position	106.9	396.6
Stock of Public Debt	9,679.6	7,575.6
Net value of Government Investments	4,114.7	3,251.9

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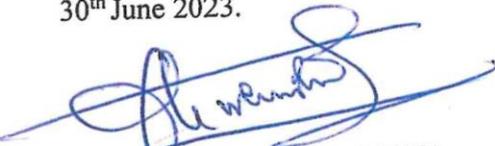
2. STATEMENT OF MANAGEMENT RESPONSIBILITIES

In accordance with the Constitution of Rwanda and the Organic Law N° 002/2022.OL of 12/12/2022 on Public Finance Management, the Minister of Finance and Economic Planning has the overall responsibility for management of the Consolidated Fund and for supervision of all matters relating to the financial affairs of the Government. The Minister is also responsible for preparing annual consolidated financial statements for submission to the Auditor General of State Finances not later than 30th September of the following year pursuant to Article 13 and 79 of the Organic Law on Public Finance Management.

In accordance with Article 16 of the Organic Law N° 002/2022.OL of 12/12/2022 on Public Finance Management, the Minister of State in Charge of National Treasury is the Chairperson of the Treasury Management Committee, which is responsible for managing the public Consolidated Fund and he is required to put in place mechanisms that facilitate the preparation and implementation of the budget and ensure smooth running of the National Treasury and management of the consolidated fund in the overall context of macroeconomic management.

In accordance with the provisions of Article 74 of the Organic Law N° 002/2022.OL of 12/12/2022 on Public Finance Management, The Accountant General is responsible for monitoring and coordinating accounting activities and for setting and promoting compliance with the accounting and financial reporting standards applicable to public sector entities.

To the best of our knowledge, the consolidated financial statements, the accompanying notes and segments reports present a fair view of the state of affairs of the Government of Rwanda and the system of internal controls has operated adequately throughout the financial year ended 30th June 2023.


Mr. Marcel MUKESHIMANA,
Accountant General


Hon. Richard TUSABE,
Minister of State in Charge of National Treasury


Dr. Uzziel NDAGIJIMANA,
Minister of Finance and Economic Planning



3. REPORT OF THE AUDITOR GENERAL

REPORT ON GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS

Dr. Uzziel NDAGIJIMANA

Minister

3.1. Opinion

As required by Article 166 of the Constitution of the Republic of Rwanda, and Articles 6 and 14 of Law N° 79/2013 of 11/09/2013 determining the mission, organization and functioning of the Office of the Auditor General of State Finances (OAG), I have audited the consolidated financial statements of the Government for the year ended 30 June 2023. These financial statements comprise of the consolidated statement of financial assets and liabilities as at 30th June 2023, the consolidated statement of revenue and expenditure and consolidated statement of cash flows, together with other accompanying statements, notes, and accounting policies. These financial statements are set out on pages **10 to 61**.

In my opinion, the accompanying Consolidated Financial Statements of the Government of Rwanda have been prepared in accordance with the Organic Law N° 002/2022 on Public Finance Management and related accounting policies for preparation of the financial position of the Government as at **30 June 2023**, and of its financial performance and its cash flows for the year then ended.

3.2. Basis for opinion

I conducted the audit in accordance with the Organic Law N° 002/2022 on Public Finance Management and related accounting policies. My responsibilities under International Standards for Supreme Audit Institutions (ISSAIs) are described in **section 3.5** of this report.

I am independent of the Ministry of Finance and Economic Planning (MINECOFIN) and have fulfilled my ethical responsibilities in accordance with the ethical requirements that are relevant to my audit of financial statements of public entities as determined by the *Code of ethics* for International Organization of Supreme Audit Institutions (INTOSAI). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

3.3 Other Matters

I consider it necessary to communicate the following matters other than those presented or disclosed in the financial statements:

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i) Accumulation of Tax Arrears

Included in Government consolidated financial statements for the year ended 30 June 2023, in disclosure note 4.8.9 are filed taxes not paid to RRA of **Frw 661,210,290,870** and decentralized taxes filed not yet paid of **Frw 4,510,509,673**. Subsequent to the year under review, on 13 February 2024, the Government approved waving of tax arrears amounting to **Frw 230,412,639,485**; leading to outstanding balance of **Frw 435,308,161,058**. Up to the time of audit in April 2024, the decision awaits to be implemented.

Filed taxes not paid to RRA include: different taxes, penalties, and interest for delaying to pay taxes. While the decentralized taxes filed not yet paid include property tax, rental income tax and trading license tax as summarized below:

Description	2023	2022	2021	Increase from 2021 to 2023
	Frw	Frw	Frw	%
Filed taxes for RRA not yet paid	661,210,290,870	550,605,670,722	449,047,180,994	47%
Decentralised taxes filed not yet paid	4,510,509,673	2,530,559,580	1,758,980,520	156%
Total	665,720,800,543	553,136,230,302	450,806,161,514	48%
Tax arrears approved for waiving by government on 13 Feb 2024	230,412,639,485			
Outstanding balance	435,308,161,058			

The outstanding recoverable taxes have increased at **48%** from the year ended 30 June 2021 up to 30 June 2023, due to accrued interests and penalties. The recoverability of these taxes is doubtful.

In addition, included in the state consolidated financial statements is a tax liability due to RRA that has increased to **Frw 95.65 billion**. *See details in the table below:*

Financial end 30 June	2023	2022	2021
	Billion in Frw	Billion in Frw	Billion in Frw
Tax Payables	95.65	69.12	51.8
Percentage increase	185%	133%	100%

The big percentage of the tax liability in the table above is related to development projects, specifically due to non-contribution of Government to the counterpart funds. It was noted that out of current tax liability of **Frw 95.65** reported in State consolidated financial statements, **78.45 billion** representing **82%** are related to development projects.

The tax arrears build up continues to negatively affect the revenue collection and Government is being denied cash flows that would be used to finance important activities on a timely manner.

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There is need to devise measures to assess the reason why filed taxes were not paid on time and quickly recover tax arrears before they last too long to become uncollectable at all.

ii) Doubtful recovery of debts granted to public entities to finance development projects

Review of ageing analysis of on-lending financing made to different projects revealed that five (5) projects worth **Frw 275,386,778,423** whose expected period of the first repayments have elapsed but no amount was recovered from the loan beneficiaries.

On 2nd and 3rd March 2023 Management of the Ministry of Finance and Economic Planning (MINECOFIN) wrote letters to Ultimate Concept Ltd, Rwanda Energy Group and Rwandair requesting for payment of loaned amounts. However, feedback were not obtained from these companies up to the time of audit in April 2024, one (1) year elapsed since the sending of these requests.

In addition, no loan amortization schedule was provided that could indicate the amount of principal and the amount of interest that comprise each payment until the loans are paid off at the end of their terms.

Without clear measures to recover this amount, the above shortcomings will continue to occur and this will affect the Government as funds will need to be mobilized from other priority development activities.

A clear settlement channel of on-lending debt provided to entities and projects should be established to reflect the fulfilment of responsibilities contracted between the Government of Rwanda, recipient entities and third party creditors

iii) Review of governance in Government Business Enterprises

a) Concern on State Owned Enterprises (SoEs) financial health and performance

The Government of Rwanda (GoR) has invested in a portfolio of business enterprises, private and international institutions for purposes of strategic public interest whereby the control is usually gained through capital injection or acquiring shares in an enterprise.

As at 30 June 2023, the Government had invested in 28 SoEs and 14 International Institutions where GoR has minority controlling interest.

The performance review carried out on SOEs financial statements for two consecutive years (i.e. years ended 30 June 2022 and 2023) revealed that some companies were facing persistent financial hardship and performance issues in terms of profitability, liquidity and solvency which requires continuous follow up on behalf of Government.

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Examples noted are: King Faycal Hospital, Bella Flowers Ltd, Rwanda Engineering and Manufacturing Corporation, Rwanda Grains and Cereal Corporation Ltd, Muhabura Multichoice Company and Gabiro Agribusiness Hub Ltd.

The financial hardship faced by the above businesses may lead to liquidity, credit and reputational which in turn affect the companies' business by being unable to operate in long term and achieving the Government's obligation of improving the citizens' welfare and development.

MINECOFIN should ensure that a thorough investigation as well as a comprehensive review of the company's operations and strategic initiatives adopted by the aforementioned state-owned enterprises (SOEs) is made and measures are put in place to address the challenges leading to poor performance.

b) Persistent issues in Corporate Governance

- **Lack of Board of Directors**

Article 144 of the law N° 007/2021 of 05/02/2021 governing companies states that the business and affairs of a company are managed by or under the direction of the Board of Directors of the company which has all powers necessary for the management except where the company's incorporation documents or this law expressly reserve those powers to the shareholders or any other person.

In addition, National Investment Policy issued in April 2023 states that the establishment of a State-owned company shall be done concurrently with the appointment of the Board of Directors as well as the head of the company.

However, the review of corporate governance revealed that the following companies do not have active Board of Directors or do not have a Board of Directors at all as detailed in the table below:

S/N	Company	Comment	Line Ministry
1	Horizon construction	No board of directors in place (dissolved)	Ministry of Defence
2	Horizon logistics	No board of directors in place	
3	Water and Sanitation Corporation Ltd (WASAC)	WASAC Ltd. has not had Board meetings since August 2019	Ministry of Infrastructure
4	Rwanda National Investment Trust Ltd (RNIT)	No board of directors in place	Ministry of Finance and Economic Planning
5	Cleaner Production and Climate Innovation Center (CPCIC)	No board of directors in place	Ministry of Trade and Industry
6	Bella Flowers	Board has been dissolved	Ministry of Agriculture and Animal Resources
7	Gabiro Agribusiness Hub Ltd	Board has been dissolved	
8	Gako Meat Company Ltd	Board has been dissolved	

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• **Incomplete number of Board of Directors**

Further, the assessment done by Portfolio Oversight Department on SOEs Corporate Governance noted that 11 State Owned Enterprises do not have complete Board of Directors to drive effective corporate strategy as detailed in the table below:

S/N	Name of company	Status
1	National Post Office (NPO)	One Board member not appointed
2	Rwanda Grains and Cereals Corporation Ltd	One Board member not appointed
3	Muhabura Multichoice Company Ltd (MMC)	The chairperson not appointed
4	Rwanda Medical Supply (RMS)	The chairperson not appointed
5	King Faysal Hospital	The Vice chairperson not appointed
6	Business Development Fund (BDF)	The chairperson not appointed
7	Aviation Travel and Logistics (ATL)	One Board member not appointed
8	Rwanda Corporation Initiative (RCI)	One Board member not appointed
9	Bella Flowers	The vice chairperson and two Board members not appointed
10	Agaciro Development Fund	One Board member not appointed
11	Prime Holdings Ltd	One Board member not appointed

Lack of Board of Directors or incomplete number of board members hinders the overall operations of the company as decisions may be taken without any oversight body.

MINECOFIN should ensure that all companies in which Government invested its funds have a well-established and complete Board of Directors.

3.4 Responsibilities of Management for the State consolidated financial statements

According to Organic Law N° 002/2022.OL of 12/12/2022 on Public Finance Management, management of the Ministry of Finance and Economic Planning is responsible for keeping accounting records and books of account, and preparation of Government of Rwanda consolidated financial statements in accordance with the financial regulations prescribed by the Minister in Ministerial order N° 001/16/10/TC of 26/01/2016 relating to financial regulations. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

3.5 Auditor General's Responsibility for the audit of State consolidated financial statements

My objective when conducting an audit is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements.

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An audit conducted in accordance with ISSAIs requires an auditor to exercise professional judgment and maintain professional scepticism throughout the audit and involves:

- The identification and assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error; design and perform procedures responsive to those risks and to obtain sufficient and appropriate audit evidence to provide a basis for the auditor's 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 controls.
- Obtaining 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 purposes of expressing an opinion on the effectiveness of internal control.
- Evaluating the appropriateness of accounting policies used the reasonableness of accounting estimates made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the state consolidation's ability to continue as a going concern as well as evaluating the presentation of the financial statements.
- Evaluation of the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieved fair presentation.

KAMUHIRE Alexis
AUDITOR GENERAL

KIGALI,*19th April*.....2024



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4. STATE CONSOLIDATED FINANCIAL STATEMENTS

4.1. Government of Rwanda Consolidated Statement of Revenues and Expenditure for the Year Ended 30 June 2023

Description	Notes	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
Revenues			
Tax Revenues	4.7.14	2,293,136,070,978	1,889,507,283,827
Fines penalties and forfeits	4.7.15	40,038,483,010	34,029,957,853
Grants received	4.7.16	553,462,500,012	678,876,512,111
Transfers other than grants	4.7.17	39,243,862,680	74,276,493,416
Sales of goods and Services	4.7.18	452,055,895,263	437,968,051,168
Other revenue	4.7.19	99,613,939,801	73,896,986,405
Domestic borrowings	4.7.20	541,456,990,848	279,850,064,803
External borrowings	4.7.21	880,990,985,966	1,303,985,229,255
Total Revenue		4,899,998,728,558	4,772,390,578,838
Expenditure			
Wages, Salaries and Employee Benefits	4.7.22	844,532,621,183	650,783,945,278
Use of Goods and Services	4.7.23	1,774,329,267,686	1,574,133,002,219
Capital Expenditure	4.7.24	844,471,496,841	651,150,021,677
Finance cost	4.7.25	320,573,432,216	260,611,893,607
Subsidies	4.7.26	329,484,628,161	377,574,046,053
Grants awarded	4.7.27	178,649,156,299	139,346,791,538
Social Assistance	4.7.28	193,129,746,975	180,213,407,215
Other Expenses	4.7.29	309,111,791,823	253,112,061,520
Repayment of borrowings	4.7.30	374,266,787,624	497,499,850,701
Total Expenses		5,168,548,928,808	4,584,425,019,808
Other gains and losses			
Foreign exchange gain	4.7.31	72,331,724,141	28,231,738,285
Foreign exchange loss	4.7.32	(24,986,292,761)	(19,607,940,473)
Total other gains and losses (C)		47,345,431,380	8,623,797,812
Net surplus / (deficit)		(221,204,768,870)	196,589,356,842

The notes on pages 19 to 61 form an integral part of the Consolidated financial statements

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**4.2. Government of Rwanda Consolidated Statement of Financial Assets and Liabilities
as at 30 June 2023**

Description	Notes	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
Assets			
Current assets			
Cash and cash equivalent	4.7.33	163,020,665,831	452,322,000,802
Receivables from exchange transactions	4.7.34	167,759,495,733	191,611,848,592
Receivables from non-exchange transactions	4.7.35	-	114,789,595
Prepayments and other current assets	4.7.36	157,284,217,569	127,606,862,519
Total current Assets		488,064,379,133	771,655,501,508
Non-current assets			
Investments in associates and joint ventures	4.7.37	289,520,596,803	130,620,115,759
Total non-current assets		289,520,596,803	130,620,115,759
Total Assets		777,584,975,936	902,275,617,267
Liabilities			
Current liabilities			
Accounts Payables	4.7.38	480,962,130,030	335,798,422,013
Tax liability	4.7.39	95,614,792,172	69,119,278,356
Total Current liabilities		576,576,922,202	404,917,700,369
Non-current liabilities			
Noncurrent payables	4.7.40	9,667,903,431	17,567,399,273
Long-term borrowings	4.7.41	84,395,082,721	83,142,812,645
Total non-current liabilities		94,062,986,152	100,710,211,918
Total liabilities		670,639,908,354	505,627,912,287
Equity/ Net asset			
Accumulated opening balances	4.7.42	396,647,704,979	197,156,184,551
Adjustments	4.7.43	(68,497,868,527)	2,902,163,586
Surplus/deficit for the period		(221,204,768,870)	196,589,356,842
Total equity /Net assets	4.7.44	106,945,067,582	396,647,704,979
Total equity and liabilities		777,584,975,936	902,275,617,266

The notes on pages 19 to 61 form an integral part of the Consolidated financial statements

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4.3. Government of Rwanda Consolidated Statement of cash flows as at 30 June 2023

Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
Cash flow from operating activities		
Receipts		
Tax Revenue	2,293,136,070,978	1,889,507,283,827
Fines penalties and forfeits	40,038,483,010	34,029,957,853
Grants Received	553,462,500,012	678,876,512,111
Voluntary Transfers other than grants	39,243,862,680	74,276,493,416
Revenue from exchange transactions	452,055,895,263	437,968,051,168
Other revenue	99,613,939,801	73,896,986,405
Payments		
Wages, Salaries and Employee Benefits	(844,532,621,183)	(650,783,945,278)
Goods and services	(1,774,329,267,686)	(1,574,133,002,219)
Finance costs	(320,573,432,216)	(260,611,893,607)
Subsidies	(329,484,628,161)	(377,574,046,053)
Grants awarded	(178,649,156,299)	(139,346,791,538)
Social assistance	(193,129,746,975)	(180,213,407,215)
Other expenses	(309,111,791,823)	(253,112,061,520)
Adjusted for:		
Foreign Currency Exchange differences	47,345,431,380	8,623,797,812
Changes in receivables	(5,710,212,596)	(87,807,268,271)
Changes in payables	163,759,725,991	(9,481,373,722)
Prior adjustments	(68,497,868,527)	2,902,163,586
Net cash flows from operating activities (A)	(335,362,816,351)	(332,982,543,245)
Cash flows from investing activities		
Investments in associates and joint ventures	(158,900,481,044)	(122,477,036,075)
Proceeds from sales of Investments in associates and joint ventures	-	-
Capital expenditure	(844,471,496,841)	(651,150,021,677)
Proceeds from disposal of assets		
Net cash flows from investing activities (B)	(1,003,371,977,885)	(773,627,057,752)
Cash flow from financing activities		
Repayment of borrowings	(374,266,787,624)	(497,499,850,701)
Borrowings	1,422,447,976,814	1,583,835,294,058
Long-term borrowings	1,252,270,076	24,268,419,754
Net cash flow from financing activities (C)	1,049,433,459,266	1,110,603,863,111
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	(289,301,334,970)	3,994,262,114
Cash and cash equivalents at beginning of Period	452,322,000,802	448,327,738,688
Cash and cash equivalents at end of period	163,020,665,831	452,322,000,802

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4.4.Statement of changes in net assets for the period ended 30 June 2023

Changes in net assets items	Accumulated surplus/ deficit 2020/2021	Movement during the year 2021/2022	Total 2021/2022
	Frw	Frw	Frw
CHANGES IN NET ASSETS	197,156,184,551	199,491,520,428	396,647,704,979
Initial opening balance	68,166,573,558	-	68,166,573,558
Initial opening balance	68,166,573,558	-	68,166,573,558
Surplus/Deficit for the period	(13,964,234,951)	196,589,356,842	182,625,121,891
Surplus/(deficit) for the Period	(13,964,234,951)	196,589,356,842	182,625,121,891
Accumulated adjustments	142,953,845,944	2,902,163,586	145,856,009,530
Adjustments on cash and cash equivalents	42,439,148,733	(1,398,046,833)	41,041,101,900
Adjustments on Receivables	45,613,784,465	(5,700,728,097)	39,913,056,368
Adjustments on non-current assets	2,569,139,228	601,688,596	3,170,827,824
Adjustments on current liabilities	52,331,773,518	9,399,249,920	61,731,023,438
Changes in net assets items	Accumulated surplus/ deficit 2021/2022	Movement during the year 2022/2023	Total 2022/2023
	Frw	Frw	Frw
CHANGES IN NET ASSETS	396,647,704,979	(289,702,637,397)	106,945,067,582
Initial opening balance	68,166,573,558	-	68,166,573,558
Initial opening balance	68,166,573,558	-	68,166,573,558
Surplus/Deficit for the period	182,625,121,891	(221,204,768,870)	(38,579,646,979)
Surplus/(deficit) for the Period	145,856,009,530	(68,497,868,527)	77,358,141,003
Accumulated adjustments	144,404,311,611	(59,267,816,909)	85,136,494,702
Adjustments on cash and cash equivalents	41,041,101,900	4,276,857,394	45,317,959,294
Adjustments on Receivables	39,913,056,368	(38,342,100,583)	1,570,955,785
Adjustments on non-current assets	3,170,827,824	(919,298,182)	2,251,529,642
Adjustments on current liabilities	61,731,023,438	(33,612,860,233)	28,118,163,205
Adjustments on non-current Liabilities	-	99,533,077	99,533,077

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4.5. Statement of Approved Budget versus Actual performance for fiscal year 2022/2023

Budget vs. Actuals Analysis	Original National Budget	Revised National	Revised Local own Budget	Extra budget entities own resources Revised	Consolidated Revised Budget	Consolidated Actuals	Realisation
	Frw	Frw	Frw	Frw	Frw	Frw	%
		(a)	(b)	(c)	(D=a+b+c)	(E)	(F=e/d)
RESOURCES:							
I. Domestic Resources							
a. Tax revenue	2,075,440,366,995	2,180,904,367,664	44,423,380,673	-	2,225,327,748,337	2,293,136,070,978	103.05%
b. Domestic borrowing	282,570,784,332	443,712,973,549	-	-	443,712,973,549	541,456,990,848	122.03%
c. Other revenues	296,922,085,282	306,661,899,113	107,656,204,738	77,825,972,588	492,144,076,439	703,283,904,895	142.90%
d. Disposal of capital items	-	-	-	-	-	-	-
Total Domestic Resources	2,654,933,236,609	2,931,279,240,326	152,079,585,411	77,825,972,588	3,161,184,798,325	3,537,876,966,721	111.92%
II. External Resources							
e. Grants	906,855,763,256	728,231,547,467	-	12,253,192,192	740,484,739,659	553,462,500,012	74.74%
f. External loans	1,096,653,303,882	1,105,311,804,809	-	-	1,105,311,804,809	880,990,985,966	79.71%
Total External Resources	2,003,509,067,138	1,833,543,352,276	-	12,253,192,192	1,845,796,544,468	1,434,453,485,978	77.71%
Total consolidated revenues	4,658,442,303,747	4,764,822,592,602	152,079,585,411	90,079,164,780	5,006,981,342,793	4,972,330,452,699	99.31%
EXPENDITURES:							
21 Compensation of employees	758,960,893,000	843,716,283,849	13,215,923,740	14,832,960,521	871,765,168,110	844,532,621,183	96.88%
22 Use of goods and services	1,270,893,429,486	1,281,079,491,237	51,046,962,300	44,774,980,319	1,376,901,433,856	1,774,329,267,686	128.86%
23 Acquisition of Assets	1,096,632,105,817	1,046,628,946,276	56,723,344,565	22,397,149,171	1,125,749,440,012	844,471,496,841	75.01%
24 Interest payment	301,316,159,283	323,302,567,731	436,067,856	-	323,738,635,587	320,573,432,216	99.02%
25 Subsidies	314,545,734,945	314,840,299,587	261,200,000	-	315,101,499,587	329,484,628,161	104.56%
26 Grants	276,717,387,575	331,066,444,319	14,536,018,783	166,314,869	345,768,777,972	178,649,156,299	51.68%
27 Social benefits	120,028,845,151	116,372,774,330	2,929,676,410	461,299,434	119,763,750,174	193,129,746,975	161.26%
28 Other expenditures	173,227,437,043	184,406,538,662	2,666,698,449	7,446,460,465	194,519,697,576	334,098,084,584	171.76%
29 Repayment of Borrowing	346,120,311,447	323,409,246,612	10,263,693,308	-	333,672,939,920	374,266,787,624	112.17%
Total consolidated expenditures	4,658,442,303,747	4,764,822,592,602	152,079,585,411	90,079,164,780	5,006,981,342,793	5,193,535,221,569	103.73%
Net Deficit						(221,204,768,870)	

For explanations of major variances between the approved budgets versus actuals, refer to note 4.7.46

GOVERNMENT OF RWANDA
Consolidated Financial Statements for the year ended 30 June 2023

4.6. Detailed Consolidated Financial Statements by Cluster

The detailed components forming the consolidated financial statements are summarised below:

Description	Central Treasury and RRA	Central Government	Local Government	Development Projects	Public debt	FY 2022/2023	FY 2021/2022
	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Revenues							
Tax Revenues	2,212,471,257,957	47,636,038,957	33,028,774,064	-		2,293,136,070,978	1,889,507,283,827
Fines penalties and forfeits	16,392,054,105	19,998,570,570	2,884,080,795	763,777,540		40,038,483,010	34,029,957,853
Grants received	306,380,474,003	149,898,173,017		94,457,143,892		553,462,500,012	678,876,512,111
Voluntary Transfers other than grants	30,258,995,177	3,394,342,006	2,726,709,100 5,590,525,497	-		39,243,862,680	74,276,493,416
Sales of goods and Services	219,628,450,286	128,704,602,909	103,694,897,199	27,944,869		452,055,895,263	437,968,051,168
Other revenue	84,272,415,597	13,307,218,644	1,554,852,647	479,452,913		99,613,939,801	73,896,986,405
Domestic borrowings	541,456,990,848	-	-	-	-	541,456,990,848	279,850,064,803
External borrowings	588,400,971,706	128,516,852,438	1,711,459,768	162,361,702,054	-	880,990,985,966	1,303,985,229,255
Total Revenues	3,999,261,609,679	491,455,798,541	151,191,299,070	258,090,021,268	-	4,899,998,728,558	4,772,390,578,838
Elimination transfers received						9,307,519,902,126	
Transfers from National	-	3,521,799,695,485	777,008,963,685	23,480,979,457	-	4,322,289,638,627	3,537,093,095,797

GOVERNMENT OF RWANDA
Consolidated Financial Statements for the year ended 30 June 2023

Description	Central Treasury and RRA	Central Government	Local Government	Development Projects	Public debt	FY 2022/2023	FY 2021/2022
	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Treasury							
Transfer received from public debts	2,182,001,059,053	128,516,852,438	1,711,459,768	162,361,702,054	-	2,474,591,073,313	2,171,368,206,244
Transfers from reporting entities	2,241,344,984,908	111,925,370,943	132,052,947,432	24,234,296,900	-	2,509,557,600,183	245,723,954,588
Elimination transfers sent						(9,306,438,312,123)	
National Treasury Transfers to budget agencies	4,322,289,638,627	-	-	-	-	4,322,289,638,627	2,172,323,760,404
Transfer to debt beneficiaries	-	-	-	-	2,474,591,073,313	2,474,591,073,313	245,723,954,587

GOVERNMENT OF RWANDA
Consolidated Financial Statements for the year ended 30 June 2023

Description	Central Treasury and RRA	Central Government	Local Government	Development Projects	Public debt	FY 2022/2023	FY 2021/2022
	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Transfers to reporting entities	2,236,539,784,364	241,659,640,111	783,492,952	30,574,682,756	-	2,509,557,600,183	3,536,137,541,637
Expenditure							
Wages, Salaries and Employee Benefits	-	403,019,331,350	441,027,946,092	485,343,741	-	844,532,621,183	650,783,945,278
Use of Goods and Services	35,566,091,871	1,409,598,911,633	267,342,133,330	61,822,130,852	-	1,774,329,267,686	1,574,133,002,219
Capital Expenditure	-	435,421,783,169	191,953,468,359	217,096,245,313	-	844,471,496,841	651,150,021,677
Finance cost	-	320,222,714,012	350,718,204	-	-	320,573,432,216	260,611,893,607
Subsidies	-	326,720,842,390	2,464,629,661	299,156,110	-	329,484,628,161	377,574,046,053
Grants awarded	14,852,043,057	46,559,408,562	106,812,954,693	10,424,749,987	-	178,649,156,299	139,346,791,538
Social Assistance	-	79,091,678,544	113,181,264,185	856,804,246	-	193,129,746,975	180,213,407,215
Other Expenses	-	301,041,650,513	5,373,077,637	2,697,063,673	-	309,111,791,823	253,112,061,520
Repayment of borrowings	-	374,266,787,624	-	-	-	374,266,787,624	497,499,850,701
Total Expenses	50,418,134,928	3,695,943,107,797	1,128,506,192,161	293,681,493,922	-	5,168,548,928,808	4,584,425,019,808
Other gains and losses							
Foreign exchange gain	30,394,574,259	23,257,485,250	3,075,624,357	15,604,040,275	-	72,331,724,141	28,231,738,285
Foreign exchange loss	(14,282,136,937)	(5,544,879,387)	(1,720,007)	(5,157,556,430)	-	(24,986,292,761)	(19,607,940,473)
Total other gains and losses (C)	16,112,437,322	17,712,605,863	3,073,904,350	10,446,483,845	-	47,345,431,380	8,623,797,812

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Net Surplus / (Deficit)	(352,528,526,010)	205,290,722,924	(65,962,570,576)	(8,004,395,208)	-	(221,204,768,870)	196,589,356,842
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GOVERNMENT OF RWANDA
Consolidated Financial Statements for the year ended 30 June 2023

Description	Central Treasury and RRA	Central Government	Local Government	Development Projects	Public debt	FY 2022/2023	FY 2021/2022
	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Assets and liabilities							
Assets							
Current assets							
Cash and cash equivalent	(178,234,405,354)	200,958,892,525	63,075,108,804	77,221,069,856	-	163,020,665,831	452,322,000,802
Receivables from exchange transactions	348,640,124	93,821,227,623	55,866,895,703	17,722,732,283	-	167,759,495,733	189,443,308,277
Receivables from non-exchange transactions	-	-	-	-	-	-	114,789,595
Prepayments and other current assets	-	80,558,853,974	14,885,130,751	61,840,232,844	-	157,284,217,569	127,606,862,519
Total current Assets	(177,885,765,230)	375,338,974,122	133,827,135,258	156,784,034,983	-	488,064,379,133	771,655,501,508
Non-current assets							
Investments in associates and joint ventures	-	285,179,032,654	4,341,564,149	-	-	289,520,596,803	130,620,115,759
Total non-current assets	-	285,179,032,654	4,341,564,149	-	-	289,520,596,803	130,620,115,759
Total Assets	(177,885,765,230)	660,518,006,776	138,168,699,407	156,784,034,983	-	777,584,975,936	902,275,617,267
Equity and Liabilities							
Current liabilities							
Accounts Payables	14,388,989,840	192,438,535,272	215,578,589,135	58,556,015,783	-	480,962,130,030	335,798,422,013
Tax liabilities	-	12,620,282,321	4,428,201,131	78,566,308,720	-	95,614,792,172	69,119,278,356
Total current liabilities	14,388,989,840	205,058,817,593	220,006,790,266	137,122,324,503	-	576,576,922,202	404,917,700,369

GOVERNMENT OF RWANDA
Consolidated Financial Statements for the year ended 30 June 2023

Non-current liabilities							
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GOVERNMENT OF RWANDA
Consolidated Financial Statements for the year ended 30 June 2023

Description	Central Treasury and RRA	Central Government	Local Government	Development Projects	Public debt	FY 2022/2023	FY 2021/2022
	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Noncurrent payables	-	6,331,000,661	-	3,336,902,770	-	9,667,903,431	17,567,399,273
Long-term borrowings	-	84,395,082,721	-	-	-	84,395,082,721	83,142,812,645
Total non-current liabilities	-	90,726,083,382	-	3,336,902,770	-	94,062,986,152	100,710,211,918
Total liabilities	14,388,989,840	295,784,900,975	220,006,790,266	140,459,227,273	-	670,639,908,354	505,627,912,287
Equity/ Net asset							
Accumulated opening balances	158,089,243,984	188,951,537,428	(7,038,490,296)	56,645,413,863	-	396,647,704,979	197,156,184,551
Adjustments	2,164,526,956	(29,509,154,551)	(8,837,029,987)	(32,316,210,945)	-	(68,497,868,527)	2,902,163,586
Surplus/deficit for the period	(352,528,526,010)	205,290,722,924	(65,962,570,576)	(8,004,395,208)	-	(221,204,768,870)	196,589,356,842
Total equity /Net assets	(192,274,755,070)	364,733,105,801	(81,838,090,859)	16,324,807,710	-	106,945,067,582	396,647,704,979
Total equity and liabilities	(177,885,765,230)	660,518,006,776	138,168,699,407	156,784,034,983	-	777,584,975,936	902,275,617,266

The notes on pages 19 to 61 form an integral part of these financial statements. The comparatives cover the twelve months period from 1st July 2021 to 30th June 2022.

Marcel Mukeshimana, Accountant General

Signature.....

Date.....18/04/2024

4.7. Notes to the Financial Statements

4.7.1. Summary of Accounting Policies

4.7.2. Statement of compliance

The financial statements have been prepared in accordance with the Organic Law N° 002/2022 of 12/12/2022 on Public finance management and related legal framework. These financial statements have been authorized for issue by the Minister of Finance and Economic Planning on September 29th, 2023.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. The presentation and classification of items in the financial statements are consistent from one period to the next and takes into consideration progressive improvements as contained in the Government of Rwanda roadmap to migrate to accrual IPSAS.

4.7.3. Reporting Entity

The Consolidated Financial Statements have been prepared by Ministry of Finance and Economic Planning (MINECOFIN) pursuant to Articles 13 and 79 of the Organic law on Public finance management of 2022 that empowers the Minister in charge of Finance and Economic Planning to prepare consolidated financial statements of the Government of Rwanda.

4.7.4. Basis of Preparation

The financial statements have been prepared on the basis of historical costs unless otherwise stated. The cash flow statement is prepared using the direct method.

The specific accounting basis for major items in the financial statements are provided below:

All public entities shall maintain their books of account on a modified accrual basis of accounting except for primary and secondary schools, affiliated to the decentralised entities, which shall maintain their books of account on a modified cash basis of accounting and progressively move to the same accounting basis as that of the rest of the public entities.

In this context, modified accrual basis of accounting means that financial transactions and events shall generally be recognized in the books of account when they occur and not only when cash or its equivalent is received or paid, except in the following circumstances when transactions will be treated on a cash basis;

- (i) Public debt (principal and interest) – involving Treasury bills, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Ministry or any other debt the State may take on will be treated on cash basis and recognized as revenue during the year of receipt and as expenditure in the year of repayment. However, loans acquired directly by a public entity and any associated interest shall be treated on an accrual basis and recognized as liabilities.

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- (ii) Inventories – these are assets:
 - a. in the form of materials and supplies to be consumed in the production process,
 - b. in the form of materials to be consumed in the rendering of services,
 - c. held for sale or distribution in the ordinary course of operations,
 - d. in the process of production for sale or distribution.

Inventories include assets such as consumable stores, maintenance materials, ammunition, land and other properties held for sale, strategic stock piles e.g. fuel reserves. These will be treated on cash basis and recorded as expenditure during the year of acquisition and treated as revenue in the year of disposal.

- (iii) Non-exchange transactions: - These arise where an entity receives value from another entity without giving approximately equal value in exchange. These include taxes, fines and penalties, transfers, gifts and donations and shall be recognised when cash is received.
- (iv) Non-current assets (tangible and intangible assets): - such as vehicles, furniture, equipment, finance leases, Plant and tools and investment property are treated on cash basis and recorded as capital expenditure during the year of acquisition and revenue in the year of disposal.
- (v) Investments excluding those directly made by public entities: - shareholding in public corporations, investments in associates, equity interest in joint ventures, lending and on-lending by government entities will be treated on cash basis and recorded as capital expenditure during the year of acquisition and revenue in the year of disposal.
- (vi) Student loans: - Student loans shall be treated on a cash basis at the time of disbursements and recognized as expenses. Similarly, they will be recognised as revenue when loan repayments are received from the students.

4.7.5. Reporting periods

The Government of Rwanda Fiscal Year runs from 1st July to 30th June. These financial statements cover the period 1st July 2022 to 30th June 2023. The comparative figures reflect the 12 months ended 30th June 2022.

4.7.6. Key assumptions and judgements

These financial statements, as a component of the Government consolidated financial statements, reflect the Government's financial position as at 30th June 2023, and the financial results of operations and cash flows for the period/year ended on that date. Included in these financial statements are a number of judgements, estimations and assumptions.

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The assumptions are based on information available at the time of the preparation of the financial statements. It should therefore be noted that actual results may differ from the assumptions stated and thus have a material impact on the financial statements. The key assumptions are discussed below:

a. Presentation Currency

The functional currency of the Government of Rwanda is the Rwandan Franc. For reporting purposes, the financial statements are translated into Rwandan Francs.

The rates used to translate foreign currency balances is the average rate applicable by National Bank of Rwanda as at 30th June 2023.

b. Areas of significant estimation

These financial statements do not have significant estimates so far. For the non-current asset and inventory balances disclosures, the acquisition cost before depreciation has been used.

c. Adoption of new and revised standards

The government is in the process of transitioning to IPSAS through a phased approach that involves a six-year implementation plan.

4.7.7. Basis of consolidation

The financial statements are aggregated on a line by line basis with the inter-entity transactions of revenue and expenditure being eliminated at the national consolidation level to avoid overestimation of revenue or expenses.

4.7.8. Fair Presentation and Compliance with Accrual Basis IPSASs During the Period of Transition

The roadmap towards full accrual basis of accounting using the International Public Sector Accounting Standards is a period of six-years starting from July 2019. With effect from July 2020, the financial reporting framework has changed from modified cash basis to modified accrual as one step ahead to compliance with full accrual basis of accounting using International Public Sector Accounting Standards (IPSAS). The full accrual IPSAS compliance will be reached through an incremental phase in which the reporting template will be modified time to time. This approach is recognised as incremental implementation as opposed to big bang approach. To guide this transitional period, the International Public Sector Accounting Standards Board (IPSASB) issued an IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) that guides Governments and other institutions adopting IPSAS accrual during the transition period which is provided as a three-year period.

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The standard recognizes that during the migration, some assets and liabilities are complex and a fair presentation may not be achieved during the period of the migration and hence provides for exemption relating to fair presentation.

Basing on the exemption relating to fair presentation and compliance provided by IPSAS 33, paragraph 33 to 62, the categories of assets and liabilities listed below have not been recognised but disclosed. Disclosing them is a first step in identification of assets and liabilities that have not been recognised in balance sheet. In addition, this is the second year of implementation, the identification is not yet completed and hence the disclosures might not be comprehensive. Further, though the approximative value is allocated to the non-current assets, the accuracy is not yet confirmed

In this regard and basing on the exemption relating to fair presentation provided in paragraphs 33 to 62 of IPSAS 33, the following items of assets and liabilities will not be recognized on the face of financial statements under the current modified accrual basis of accounting. Instead those will be disclosed as important disclosures until those assets are fully identified, registered in appropriate registers and its value can be determined reliably.

The main ones include;

- a) Inventories (see IPSAS 12, Inventories);
- b) Investment property (see IPSAS 16, Investment Property);
- c) Property, plant and equipment (see IPSAS 17, Property, Plant and Equipment);
- d) Defined benefit plans and other long-term employee benefits (see IPSAS 25, Employee Benefits);
- e) Biological assets and agricultural produce (see IPSAS 27, Agriculture);
- f) Intangible assets (see IPSAS 31, Intangible Assets);
- g) Service concession assets and the related liabilities, either under the financial liability model or the grant of a right to the operator model (see IPSAS 32, Service Concession Arrangements: Grantor);
- h) Public debts; and
- i) Government Investments in Public and Private Enterprises

4.7.9. Significant accounting policies

The accounting policies set out in this section have been consistently applied by all consolidated entities and for all the years presented.

a) Revenue from non-exchange transactions

- **Tax revenue**

Tax revenues are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Rwanda Revenue Authority is the principal revenue collector of Government revenue mainly in form of taxes. Local governments have also been allowed to collect certain forms of taxes

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within their area of jurisdiction, with the RRA also entrusted to collect some of the tax revenue on their be.

Tax on revenue is further sub-categorized as follows:

- a) Taxes on Income, Profits or Capital Gains;
- b) Taxes on Property Income;
- c) Taxes on goods and services; and
- d) Taxes on international trade and transactions.

• **Grants**

Grants are transfers received by government units, from other resident or non-resident government units or international organizations that do not meet the definition of a tax, subsidy, or social contribution. This include current and capital transfers received from foreign Governments, international organizations and from other general government units.

Transfers from other general Government units includes Transfers from National Treasury, Inter-entity and intra-entity transfers. Inter-entity transfers refer to transfers between cost or revenue centres belonging to different public entities while intra-entity refers to transfers between cost or revue centres within the same budget agency.

A transfer is a transaction in which one institutional unit provides a good, service, or asset to another unit without receiving from the latter any good, service, or asset in return as a direct counterpart. Grants are normally receivable in cash, but may also take the form of the receipt of goods or services (in kind). Grants receivable are classified first by the type of unit providing the grant and then by whether the grant is current or capital.

A grant may be a sum of money or services given by a government body for specific purposes. Usually the money given can only be used for the intended purposes stated in the grant writing or application.

These transfers could be classified according to the sector of the counterparty and whether they are current or capital transfers.

The grants and transfers shall be sub-categorized as follows:

- a) Grants received from Foreign Governments;
- b) Grants received from International Organizations; and
- c) Grants received from other general Government units which includes Treasury transfers, Inter-entity and intra-entity transfers.

Grants and similar financing for capital items, to the extent that they have not been eliminated on consolidation, are recognised immediately in the Statement of financial assets and liabilities unless it is likely that the grant will need to be repaid, in which case the grant is deferred in the Statement of financial assets and liabilities

GOVERNMENT OF RWANDA
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The following applies to grants and transfers:

- Grants are recognized in the books of accounts when cash is received and in case of grant in kind, such grants are recorded upon receipt of the grant item and upon determination of the value.
- Transfer from Treasury are recognized in the books of accounts when cash is received.
- Transfers received from Government entity for onward payment to a third party are not treated as an inter-entity (revenue) rather, such transfers shall be recorded as transit fund (liability) in the books of the receiving entity.
- Transfers from Treasury that are not related to current fiscal year budget are not treated as cash transfers. Instead such transfers shall be treated as inter-entity transfers.
- Transfers from entities to Treasury which does not relate to the current fiscal year budget are treated by Treasury as inter-entity transfers.
- Funds returned to Treasury at the end of the fiscal year as a result of zero balance accounts sweeping are not recognized as inter-entity transfers. Instead, those funds will reduce the cash transfer account balance for the same year. Where such transfers are received by Treasury in the subsequent fiscal year (such as embassies and foreign missions) such transfers is recognized as inter-entity transfers.
- **Voluntary transfers other than grants**

The transfers other than grant include subsidies, as well as gifts and transfers from individuals, private non-profit institutions, nongovernmental foundations, corporations, and the nature of the transfer is not such that it could be included in the other categories of transfers.

- **Fines, penalties and licenses**

These are non-tax revenue collected by Rwanda Revenue Authority and other Government Agencies. They are recognised when cash underlying the fee, fine, penalty or licence is received.

b) Revenue from exchange transactions

- **Property income**

Property income is the revenue receivable in return for putting financial assets and natural resources at the disposal of another unit. Revenue in this category may take the form of interest, distributed income of corporations, investment income, and rent. Distributed income of corporations includes dividends, withdrawals of income from quasi-corporations, and

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reinvested earnings on foreign direct investment. Investment income includes property income from investment income disbursements, and holders of investment fund shares.

- **Sales of goods and services**

Sales of goods and services consist of the sales by market establishments, administrative fees charged for services, incidental sales by nonmarket establishments, and imputed sales of goods and services. Sales of goods and services are recorded as revenue without deduction of the expenses incurred in generating that revenue.

An entity may receive revenue from sale of government property:

- 1) Disposal of tangible fixed assets;
- 2) Sale of inventories;
- 3) Sale of valuables;
- 4) Sale of non-produced assets;
- 5) Sale of financial assets – domestic (including repayments of advances and loans issued by government considering that the advances or loans are expensed when issued); and
- 6) Sale of financial assets – foreign.

- **Proceeds from sale of capital items**

This refers to the fees collected from the sale of Disposal of Tangible Fixed Assets Sale of Inventories Sale of Valuables, Sale of Non-Produced Assets, Disposal of Financial Assets – Domestic, Disposal of Financial Assets – Foreign.

Proceeds from sale of capital items are recorded as revenue without deduction of the expenses incurred in generating that revenue.

- **Other revenue**

These are other revenue not classified in other classes of revenue. This include claims from insurance and guarantees seized.

Revenue from exchange transactions shall be recognized on accrual basis.

c) Borrowings

The Ministry of Finance and Economic Planning is the principal borrowing agent for Central Government. Public debt and associated interest is recognized on cash basis. Proceed from loan borrowing is recognized as revenue during the year of receipt at cost and repayment as expenditure in the year of repayment. Cash is considered as received when recipient entity received a transfer advice from the partner rather than when cash is received in the bank account of the receiving entity.

Other loans (principal and any associated interest) acquired directly by a public entity (e.g. those acquired by Decentralized Entities) are treated on an accrual basis and recognized as liabilities.

I. Expenditure

All expenditure is recognised on accrual basis however the point of recognition may be different according to their categories.

a) Compensation of employees

Compensation of employees is the total remuneration, in cash or in kind, payable to an individual in an employer-employee relationship in return for work performed by the latter during the reporting period.

Expenditure relating to compensation of employees is accounted for on an accrual basis and recognized in the books of accounts when an expenditure is incurred regardless of the time associated cash and cash equivalent are paid out.

Staff costs include salaries and wages, the costs of pensions and other employee benefits. Public sector pension scheme costs include current service costs and past service costs.

b) Goods and services

Goods and services consists of the value of goods and services used for the production of market and nonmarket goods and services.

The value of goods or services is recorded when the goods or services are actually used rather than when they were acquired or paid for. In practice, these events often coincide for inputs of services but not for goods, which may be acquired some time in advance of their use. The value of goods purchased and held for resale is recorded as goods and services when they are sold.

c) Grants

Expenditure relating to grants includes grants to international organisation and foreign governments, grants to subsidiaries etc. Grants are accounted for on cash basis and recognized in the books of accounts when cash and cash equivalent is paid out. Cash is considered as paid when consideration for payment such as EFT, Cheque, Payment Order are signed rather than when cash and cash equivalent are debited from the bank statement.

d) Subsidies

Subsidies are current unrequited transfers that government units make to enterprises on the basis of the level of their production activities or the quantities or values of the goods or services they produce, sell, export, or import. Subsidies are receivable by resident producers or importers, and in exceptional cases, non-resident producers of goods and services. Subsidies may be designed to influence levels of production, the prices at which outputs are sold, or the profits of the enterprises. Subsidies include payable tax credits receivable by enterprises for these purposes. By the nature of subsidies, only government units incur an expense in this form.

e) Transfers to public Entities

Transfers to public entities are made in the form of direct/indirect cash transfers and direct payments to public reporting entities. Payments from the Central Treasury account are originated and approved by the respective Public entities before they are forwarded to the Treasury for payment. Direct/indirect cash transfers are transferred together with associated activities to be performed. The expenditure/receipt is recognised when actual cash is transferred. Cash is considered as transferred when consideration for payment such as EFT, Cheque, Payment Orders are approved level 2 rather than when cash and cash equivalent are debited from the bank statement. For direct payments expenditure is recognized when goods/services are received and when commitment is approved for all other expenditures. During the consolidation process while the actual spending reported by budget agencies is regarded as expenditures.

f) Social assistance

Social benefits are current transfers receivable by households intended to provide for the needs that arise from social risks—for example, sickness, unemployment, retirement, housing, education, or family circumstances. These benefits are payable in cash or in kind to protect the entire population or specific segments of it against certain social risks.

Social assistance is accounted for on cash basis and recognized in the books of accounts when cash and cash equivalent is paid out. Cash is considered as paid when consideration for payment such as EFT, Cheque, Payment Order are signed rather than when cash and cash equivalent are debited from the bank statement.

g) Finance cost

Finance cost includes bank interest paid on borrowings which is accounted for on cash basis and recognized in the books of accounts when cash and cash equivalent is paid out. Cash is considered as paid when consideration for payment such as EFT, Cheque, Payment Order are signed rather than when cash and cash equivalent are debited from the bank statement.

h) Acquisition of fixed assets

The expenditure on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as expenditure and income items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as revenue and as Acquisition of Fixed Assets otherwise it not recorded rather a fixed asset register which contains details of assets is maintained by each public entity.

i) Repayment of borrowings

Expenditure relating to principal loan repayments, investments, lending and on-lending, are accounted for on cash basis and recognized in the books of accounts when cash and cash equivalent is paid out. Cash is considered as paid when consideration for payment such as EFT,

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Cheque, Payment Order are signed rather than when cash and cash equivalent are debited from the bank statement.

j) Other expenses

Any other expenses not part of the ones above will fall into this category.

II. Assets and Liabilities

a) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks and investments in short-term money market instruments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the National Bank of Rwanda, foreign bank for the case of embassies and high commissions and at various commercial banks at the end of the reporting period.

b) Inventories

Inventories are expensed in the period in which they are acquired by the Government and its entities.

c) Receivables

These receivables include the receivables from the exchange transactions, prepayments and other receivables. Receivables from non-exchange transactions and these relating to on lending transactions are recorded when cash and cash equivalent is received.

d) Non-current receivables

These non-current receivables includes the loans and revolving funds that are recoverable in more than 12 months.

e) Direct Investments

These Direct investments includes investments made by budget agencies.

f) Payables

These mainly relate to invoices for goods and services which were outstanding on the date of the closure of the fiscal year. These are recognized as liabilities for that specific fiscal year. All goods received notes are recognised as liabilities if not yet paid as at the end of the period. It also includes short term borrowings received by budget agencies from Local Commercial Banks as these are not regarded as public debt.

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g) Direct borrowing

These direct borrowing includes borrowings contracted by budget agencies from financial institutions that are payable in more than 12 months.

h) Non-current liabilities

These Non-current liabilities includes funds due to suppliers whose repayment shall be done in more than 12 months from the end of the financial year

III. Other relevant information

a) Foreign currency transactions

Transactions denominated in foreign currencies are initially translated to the Rwandan Franc at the foreign exchange rate at the date of transaction.

The National Bank of Rwanda provides exchange rates for major foreign currencies on a daily basis. These are presented for selling rate (rate the bank will sell foreign currency to its clients), buying rate (rate the bank will buy foreign currency from its clients) and average rate (average between the selling and buying rate).

During the year, revenue items are translated using the buying rate presented at BNR website of the transaction day whereas the Expense items should be translated using the Selling rate presented at BNR website of the transaction day.

The associated exchange losses are recorded as other expenditure while exchange gains should be recorded as other revenue. At the end of the year, book balances, Assets (such as bank and cash and accounts receivables) and liability (such as accounts payables), denominated in foreign currencies are converted into the Rwanda Franc at the average rate of exchange ruling on that closing date, as issued by the National Bank of Rwanda. The associated exchange losses/gains are recorded as expenditure/income in the books.

b) Comparative figures

Adjustments have been made on the opening balances of the current financial period with respect to adjustments made by individual entities relating to the comparative periods.

c) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

4.7.10. Disclosure of entities included in consolidation

The Consolidated Financial Statements include a total of 143 Budget Agencies under the central government, 27 districts and City of Kigali under local government, making a total of

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171 Budget Agencies classified under the national budget. In addition, there are 127 Self Accounting development projects under development budget. It is worth to mention that 416 sectors, 31 public district hospitals and 344 public health centers have been consolidated in districts financial statements. The report also includes (by way of disclosure) the statement of Government investments; Statement of Public debt as well as summarized financial information of sub district entities (commonly known as non-budget agencies). These includes district hospitals and health centers owned by Faith based and other non-Government organizations, primary schools and secondary schools.

The following category of entities have been consolidated in these financial statements:

a) Central Government entities that include

- Ministries and associated subsidiary entities such as prisons, lower courts and prosecution offices
- Boards and Agencies
- Constitutional Offices
- Provinces
- Embassies and consular offices
- Development projects reported within their respective parent entities
- Public Universities
- Research and Tertiary training institutions
- Referral Hospitals

b) Local Government entities that include

- The 27 Districts including sectors and public district hospitals
- City of Kigali.

c) Self-Accounting development projects

The full consolidated development projects are 134.

4.7.11. Disclosure of entities excluded from consolidation

In accordance with Article 110 of Ministerial Order N°001/16/10/TC of 26/01/2016 relating to financial regulations, financial information relating to public institutions, Government investments, public debt, contingent liabilities, guarantees, and summarized information of subsidiary entities shall be disclosed as memorandum items to the consolidated financial statements. Hence, the financial statements of the public and private enterprises have not been consolidated in the Government consolidated financial statements rather the payments relating to acquisition of shares are recognized as capital expenditure in the year of payment while proceeds from sale of any investments is also recognized as income in the year of sale.

The summary of the financial data relating to these entities are disclosed separately under section 6 as a memorandum to the consolidated financial statements. The main reason for their

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exclusion is that these entities are using the accrual basis of accounting base under the IFRS while the entities under the scope of consolidation have prepared their financial statements under the cash basis of accounting modified in line with provisions of Organic Law on Public Finance Management.

Pursuant to Article 113 of Ministerial Order N°001/16/10/TC of 26/01/2016 relating to financial regulations, financial statements of Sub-district entities have also not been consolidated in the overall consolidated financial statements rather the consolidated summary of the sub district financial statements are included as a memorandum to the consolidated financial statements under section 8. These includes district hospitals and health centers owned by Faith based and other non-Government organizations, primary schools and secondary schools. The Ministry is at the nascent stage of building financial management capacity within primary schools and secondary schools to enable them prepare comprehensive financial statements.

The primary schools and secondary schools entities shall however in future be progressively included in the consolidated financial statements following IPSAS accrual implementation road map and upon direction by the Accountant General.

4.7.12. Changes in accounting policies and estimates

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so; in this regards, such adjustments have been treated as adjustments to opening balance.

4.7.13. Segment reports

Section 1.4 of the consolidated financial statements has presented the consolidation in the four clusters namely the Central Treasury and RRA cluster; the Central Government cluster; the Local Government cluster and the Development Projects cluster. The aim is presenting to the users of the consolidated financial statements with additional information relevant for understanding of the financial statements.

a) Related parties

The Government regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over it, or vice versa. Members of key management are regarded as related parties and comprise the executive committee members, and senior managers.

b) Contingencies

The Public entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Public entity has no contingent assets.

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c) Notes to the statement of comparison of budget and actual amounts

- The original budget for 2022/2023 was approved by the Parliament/ District council for Local Government on (date). Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Government upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Government recorded additional appropriations of (date) budget in accordance with specific instructions of the Cabinet/Parliament.
- Government's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the Statement of revenues and expenditures, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

- Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for Government.
- Public entity differences occur when the budget omits program/activity or a public entity that is part of the public entity for which the financial statements are prepared. There are no entity differences.

4.7.14. Tax revenue

This refers to tax revenue collected mainly by Rwanda Revenue Authority and other government agencies.

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
111	Taxes on Income, Profits or Capital Gains	541,143,454,147	436,236,992,130
112	Taxes on Payroll and Workforce	517,424,994,020	429,051,756,565
113	Tax on Property Income	23,216,152,107	19,352,836,466
114	Taxes on goods and services	1,031,436,991,035	868,609,192,155
115	Taxes on international trade and transactions	179,914,479,669	136,256,506,511
	Total	2,293,136,070,978	1,889,507,283,827

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4.7.15. Fines, penalties and forfeits

This refers to non-tax revenue collected by Rwanda Revenue Authority and other Government agencies.

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
1431	Fines	19,999,245,910	17,544,997,146
1432	Penalties	20,039,237,100	16,484,960,707
	Total	40,038,483,010	34,029,957,853

4.7.16. Grants received

Transfers other than grants are summarized in the table below:

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
1371	Grants From Foreign government- Current	11,974,786,200	19,102,140,945
1372	Grants From Foreign government- Capital	20,161,596,624	35,541,214,384
1381	From International organizations Current	444,872,213,374	572,266,601,762
1382	From International organizations - Capital	76,453,903,814	51,966,555,020
	Total	553,462,500,012	678,876,512,111

4.7.17. Transfers other than Grants

This refers to donations from individual partners and local organisations. It includes also transfers received during the year by reporting entities from non-reporting sub entities.

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
1441	Current voluntary transfers other than grants	7,398,678,619	5,940,585,882
1442	Capital Voluntary transfers other than grants	29,704,471	-
1444	Contribution for support against Covid-19	30,258,995,177	68,043,054,432
139107	Transfer from subsidiary Entities- Current	1,236,601,019	94,820
139302	Transfers from districts Hospitals	242,467,343	243,208,086
139311	Transfer from faith based health centres	14,984,124	49,550,196

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ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
139399	Other transfer from non-reporting government entities	62,431,927	-
	Total	39,243,862,680	74,276,493,416

4.7.18. Sales of goods and services

This refers to property income, sales of goods and services and revenue from disposal of assets.

Property income includes rental income, interests and dividends received. Sales of goods and services includes sales of goods on market and non-market establishments, administrative fees, tourism revenue, tuition fees, etc.

The revenue from disposal of assets includes the fees collected from disposal of Tangible Fixed Assets, Sale of Inventories, Sale of Valuables, Sale of Non-Produced Assets, Disposal of Financial Assets – Domestic, Disposal of Financial Assets – Foreign for the period.

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
141	Property Income	24,120,468,249	17,212,381,512
142	Sales of Goods and Services	418,541,086,591	418,230,012,830
147	Disposal of Tangible Fixed Assets	9,389,688,923	2,473,127,004
151	Disposal of Tangible Fixed Assets	4,651,500	52,529,822
	Total	452,055,895,263	437,968,051,168

4.7.19. Other revenue

These comprise of other revenues including voluntary transfers other than grants, miscellaneous income and unidentified revenues.

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
145101	Training Deduction	300,995,100	47,644,761
145103	Received money for indemnisation of losses caused to Government	358,686,507	125,253,567
145104	Scholarship Loan Recovery	600,000	600,000
145106	VAT Refund	767,580,917	573,794,146
145107	Caution funds collected	88,359,327	44,191,945
145108	Draw down from Government Reserves	2,895,410	20,088,754
145114	Other Refunds	72,732,262,673	53,098,992,430
145115	Car Loan Reimbursement	112,189,023	134,306,759

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ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
145116	Mission Refund	17,483,402	7,356,645
	Interest on Bond Reopening	7,487,514,817	-
145199	Miscellaneous And Unidentified Revenue	16,698,724,528	15,236,737,182
145201	Unidentified revenue	1,046,648,097	4,608,020,216
	Total	99,613,939,801	73,896,986,405

4.7.20. Domestic borrowings

These comprise of proceeds from borrowing from domestic development partners Direct borrowings made by individual entities are not included.

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
1613	Securities Other Than Shares (Debt Securities)	1,593,600,087,347	1,240,446,646,916
29	Short term repayment (netted off)	(1,052,143,096,499)	(960,596,582,113)
	Total	541,456,990,848	279,850,064,803

4.7.21. External borrowings

These comprise of proceeds from borrowing from external development partners received by entity in form of cash transfers; direct payments and in form of technical assistance.

ID account	Description	12 months to 30 June 2023 Frw	12 months to 30 June 2022 Frw
1624	Loans - Foreign	880,990,985,966	1,303,985,229,255
	Total	880,990,985,966	1,303,985,229,255

4.7.22. Wages, Salaries and Employee Benefits

These comprise of the remuneration payable to employees in return for the work done. In addition to wages and salaries, compensation of employees includes social contributions made by general Government unit on behalf of its employees.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2111	Salaries in cash for Political appointees	5,465,046,360	5,375,892,943
2112	Salaries in cash for Diplomats	9,972,089,559	9,576,036,470

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ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2113	Salaries in cash for Other Employees	391,565,769,309	332,728,877,024
2114	Salaries in Cash for Teachers	277,996,871,369	158,461,475,254
2115	Salaries in Cash for Health Staffs	67,635,936,618	62,865,953,315
2116	Project Staff remuneration	265,600,595	2,766,158,343
2123	Other Employees	350,876,969	329,982,266
2131	Actual Social Contribution	91,280,430,404	78,679,569,663
	Total	844,532,621,183	650,783,945,278

4.7.23. Use of Goods and Services

This note details the cost of goods and services consumed during the period.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2211	Office Supplies and Consumables	129,787,823,549	84,771,780,476
2212	Water and Energy	39,296,750,729	32,927,347,230
2213	Rental Costs	28,393,597,662	22,402,600,451
2214	Communication Costs	32,773,408,973	33,502,060,646
2215	Insurances and licences	4,213,952,629	1,607,156,141
2216	Bank charges and commissions and other financial costs	38,042,835,099	8,027,018,055
2217	Public Relations and Awareness	107,405,244,453	124,039,215,100
2218	Membership and Subscriptions	22,495,107,926	16,499,680,723
2221	Professional and contractual Services	489,257,682,738	469,246,041,973
2231	Transport and Travel	162,981,835,004	138,560,286,446
2241	Maintenance and Repairs	95,622,003,953	111,161,519,818
2242	Spare Parts	6,923,639,286	4,781,653,482
2251	Small office equipment	40,300	64,900
2252	Small tools & production equipment	1,491,357	1,109,000
2261	Training Costs	43,673,423,827	38,119,859,903
2271	Reagents and chemicals consumables	62,576,917,057	118,371,402,736
2272	Clothing; Uniforms and Curtains	6,913,987,572	3,252,769,250
2273	Security and Social Order	371,648,785,444	254,050,813,426
2274	Veterinary and Agricultural Supplies	72,125,594,864	54,823,390,817
2275	Other production materials and supplies	9,229,820,148	8,249,459,791
2276	Environment protection expenses	7,551,219,277	2,949,913,798

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ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2281	Arrears - Use of Goods and Services	4,305,887,216	15,098,897,347
2291	Other Use of Goods& Services	4,103,781,796	2,403,028,794
3311	Office Supplies	2,702,877,761	2,912,638,073
3312	Fuels	2,359,158,692	1,000,885,616
3313	Food Stuffs	15,237,803,965	7,661,060,408
3314	Other combustibles	2,063,680,649	1,139,554,970
3315	Reagents and chemicals consumables	4,767,498,198	12,615,222,942
3321	Spare Parts for Information Technology equipment	99,437,824	88,412,517
3322	Spare Parts for Repair and Maintenance-Other Spare Parts-Other Spare Parts	633,986,098	475,932,097
3331	Medical Consumables	2,650,785,245	1,144,638,262
3332	Medical Drugs	3,195,052,911	1,385,418,791
3341	Animal Drugs	233,287,685	89,057,554
3342	Livestock Products	42,305,500	-
3343	Aquaculture Products	29,382,000	-
3347	Food crops	106,511,221	80,656,259
3371	Educational books and supplies	28,257,236	186,873,421
3372	Boards	3,953,000	-
3373	Chalks	177,402,544	137,819,348
3391	Noncurrent assets held for disposal	673,056,298	367,761,658
	Total	1,774,329,267,686	1,574,133,002,219

4.7.24. Capital expenditure

This note details the cost incurred on acquisition or building on noncurrent assets and Government investments other than direct investments made during the period.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2311	Structures, Buildings-Exp	60,675,287,014	116,963,089,746
2312	Transport Equipment - Exp	694,597,000	1,290,966,199
2313	Office Equipment, Furniture and Fittings - Exp	1,513,671,250	1,012,833,695
2314	ICT Equipment, Software and Other ICT Assets - Exp	6,541,626,656	13,201,469,935
2315	Other Machinery and Equipment - Exp	3,033,681,268	3,003,863,029
2316	Cultivated Assets - Exp	610,701,076	94,938,381

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ID account	Description	12 Months to 30 June 20223 Frw	12 Months to 30 June 2022 Frw
2317	Intangible Assets - Exp	30,680,094	-
2321	Strategic Stocks - Exp	8,224,269,780	9,850,016,129
2322	Other inventories - Exp	6,077,144,754	160,975,606
2341	Land – Exp	820,037,387	572,507,956
2371	Arrears on fixed assets	40,433,320,890	16,060,277,560
3411	Structures and Buildings - Buildings	87,615,330,904	102,930,022,998
3412	Structures and Buildings - Structures	230,305,760,512	160,200,840,812
3413	WIP - Structures and Buildings - Buildings	12,244,039,450	10,204,788,900
3414	WIP - Structures and Buildings - Structures	217,536,841,489	132,463,400,573
3421	Transport Equipment - Zero fleet policy vehicles and motorcycles	86,169,064	-
3422	Transport Equipment - Government vehicles	3,884,336,756	3,817,017,862
3423	Transport Equipment - Government projects vehicles	1,223,950,125	348,459,024
3424	Transport Equipment - Water, Air and Railway transport Means	149,953,178	-
3425	Other transport equipment	519,282,311	647,826,921
3431	Machinery and equipment - office Equipment, Furniture and Fittings	5,402,320,481	5,628,145,271
3432	Machinery and Equipment - ICT Equipment, Software and Other ICT Assets	46,053,778,578	31,990,065,301
3433	Machinery and Equipment - Heavy Machinery and Equipment	94,824,722,588	26,487,446,937
3451	Biological Assets-Livestock	130,986,500	42,688,462
3452	Biological assets-Wild Animals	1,143,872,080	1,716,659,184
3454	Biological assets- Bearer plants	6,488,004,335	3,359,757,299
3461	Non Produced Assets - Land	475,362,907	1,074,040,833
3471	Heritage assets	726,500	-
3491	Investment Property-Buildings	1,665,858,779	2,221,272,692
3511	Licenses and franchise	5,159,637,799	3,941,327,244
3514	Intangible assets - Computer software	730,128,336	1,813,076,566
3515	Copyrights, patents, and other industrial property rights, service, and operating rights	51,000	-
3519	Website costs	175,366,000	12,898,600

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ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
3591	Unclassified intangible assets- Other intangible assets	-	39,347,962
	Total	844,471,496,841	651,150,021,677

4.7.25. Finance costs

These are costs incurred to service debts in form of interest paid in respect of public loans.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2421	Interest to non-residents	103,577,051,110	254,911,016,961
2431	Interest to Residents other than General Government	206,517,947,394	5,700,876,646
2451	Fees on Domestic Debt	4,727,348,249	-
2452	Fees on External Debt	5,751,085,463	-
	Total	320,573,432,216	260,611,893,607

4.7.26. Subsidies

This refers to the amount transferred to the public and private market producer's corporations in form of subsidies as below:

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2511	Subsidies to Non-Financial Public Corporations	320,960,996,730	368,374,020,116
2512	Subsidies to Financial Public Corporations	2,557,071,650	6,542,129,590
2521	Subsidies to Non-Financial Private Enterprises	5,008,736,434	1,759,014,737
2522	Subsidies to Financial Private Enterprises	957,823,347	898,881,610
	Total	329,484,628,161	377,574,046,053

4.7.27. Grants awarded

These comprise of non-compulsory transfers made by budget agencies and include grants to foreign Governments, grants to international organisations, and transfers to Government non-reporting entities. The note also includes funds transferred by reporting entities to non-reporting entities or sub entities.

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ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2621	Current grants to International Organizations	1,338,490,348	2,014,387,229
2622	Capital grants to International Organizations	1,818,010,811	376,829,111
267107	Transfers to Subsidiary Entities- Current	189,115,639	-
267301	District Schools	5,560,784,439	61,461,564,091
267302	District Hospitals	7,005,018,384	9,939,250,824
267303	Political parties	140,828,281	138,167,353
267304	Prisons	2,336,104	7,196,574
267309	Transfer to Pharmacies	-	4,395,604
267311	Transfer to Health centres	6,352,299,325	783,478,254
267312	Transfer to Schools - Capitation Grant	22,119,995,334	16,232,599,211
267313	Transfer to Schools - School Feeding	75,124,401,366	-
267399	Other transfer to non-reporting government entities	34,155,735,638	11,609,166,247
268101	Capital grants to public corporation	24,842,140,630	36,779,757,040
	Total	178,649,156,299	139,346,791,538

4.7.28. Social assistance

This relates to the social assistance incurred during the period.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2721	Social Assistance Benefits - In Cash	97,355,941,590	80,434,216,055
2722	Social Assistance Benefits - In kind	85,743,442,973	87,160,887,190
2731	Employer Social Benefits in cash	10,030,362,412	12,618,303,970
	Total	193,129,746,975	180,213,407,215

4.7.29. Other expenses

These include all expenses transactions not elsewhere classified. This includes scholarships and education benefits, miscellaneous expenses, Premiums and expenses not elsewhere classified.

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ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2851	Miscellaneous Other Expenditures	202,065,222,410	165,669,119,988
2861	Arrears on other expenditures	10,546,056,842	7,554,319,901
2881	Current Transfers Not Elsewhere Classified	79,579,532,278	60,223,393,434
2882	Capital Transfers Not Elsewhere Classified	10,177,594,729	12,347,821,428
2891	Premiums, Fees and Current Claims	6,743,385,564	7,317,406,769
	Total	309,111,791,823	253,112,061,520

4.7.30. Repayment of borrowings

These represent the amount paid to settle the principal on loans advanced to Government.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
2911	Repayment of Domestic Public Debt	-	55,000,000,000
2913	Securities Other Than Shares (Debt Securities) - Repayment	133,555,000,000	-
2914	Loans - Repayment	88,547,031,090	-
2921	Repayment of Foreign Public Debt	73,280,296,788	11,611,610,588
2922	Securities Other Than Shares (Debt Securities) Foreign repayment	68,072,994,007	94,610,272,096
2923	Foreign Current Loans - Repayment	10,811,465,739	336,277,968,017
	Total	374,266,787,624	497,499,850,701

4.7.31. Foreign exchange gain

This relates to the net of gain from exchanges and translations during the period.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
145111	Gain of currency exchange and translations	72,331,724,141	28,231,738,285
	Total	72,331,724,141	28,231,738,285

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4.7.32. Foreign exchange loss

This relates to the net of gain from exchanges and translations during the period.

ID account	Description	12 Months to 30 June 2023 Frw	12 Months to 30 June 2022 Frw
221605	Loss on currency exchange and translations	(24,986,292,761)	(19,607,940,473)
	Total	(24,986,292,761)	(19,607,940,473)

4.7.33. Cash and cash equivalents

This note includes petty cash balances and bank balances reconciled with the bank statements and petty cash count certificates as at the end of the period.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
3111	Cash holdings - Frw	34,998,544	42,002,052
3112	Cash holdings - FCY	14,198,601	28,628
3113	Bank Accounts within banks in Rwanda - Frw	(173,588,166,367)	188,398,547,440
3114	Bank Accounts within banks in Rwanda FCY	316,547,254,947	248,004,225,977
3115	Deposits within banks in Rwanda - Frw	803,944,108	14,697,952
3211	Cash holdings - Frw	1,184,919	677,078
3212	Cash holdings - FCY	192,629,286	81,314,284
3213	Bank Accounts - banks outside Rwanda - Frw	979,814,354	1,030,205,690
3214	Bank Accounts- banks outside Rwanda- FCY	18,034,807,439	14,750,301,701
	Total	163,020,665,831	452,322,000,802

4.7.34. Receivables from exchange transactions

This refers to the amount receivable in next 12 months from sales of Goods and Services, disposal of assets and property income as at the end of the period.

ID account	Debtor's name	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
3121	Accounts receivables - Third parties	161,567,409,433	180,038,567,785
3122	Payroll Receivable	441,651,880	631,886,196
3123	Employee Welfare Scheme Loans	9,773,115	9,773,115

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ID account	Debtor's name	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
3124	Intra-Government Debtors (Government reporting entities)	443,384,905	681,148,810
3125	Receivable from Public Enterprises	2,569,826,364	5,469,453,947
3127	Receivable from Subsidiaries Entities	5,825,818	535,409
3221	Accounts receivables - Third parties	1,657,236,077	2,325,273,325
3222	Accounts receivables - Employees	123,523,382	238,023,496
3224	Intra-Government Debtors (Government reporting entities)	83,440,002	48,646,194
3141	Accounts receivables - Third parties	-	11,232,200
3146	Advance Payment Receivables	857,424,757	2,157,308,115
	Total	167,759,495,733	191,611,848,592

4.7.35. Receivables from non-exchange transactions

This refers to the amount receivable in next 12 months from taxes and other fees from non-exchange transactions.

ID account	Debtor's name	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
312105	Accounts receivable - RRA districts revenue - Non exchange transaction	-	114,789,595
	Total	-	114,789,595

4.7.36. Prepayments and other current assets

This includes payments made for goods and services not yet received or consumed by the end of the period.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
312801	Advance Payments on Works, Goods and Service Contracts	152,420,916,496	124,144,468,126
312802	Prepayments on Goods and Services Contract	4,863,301,073	3,462,394,393
	Total	157,284,217,569	127,606,862,519

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4.7.37. Investments in associates and joint ventures

This note details the investments made by the Government agencies as at the end of the period.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
3131	Currency And Deposits -Domestic	3,363,589,949	2,000,108,679
3133	Lending to Domestic Corporations	141,008,815,148	46,696,786,235
3134	Shares And Other equity - Domestic	140,148,756,155	79,887,081,660
3244	Shares And Other Equity-Foreign	4,999,435,551	2,036,139,185
	Total	289,520,596,803	130,620,115,759

4.7.38. Accounts Payables

This refers to the amounts payable by the Government agency in next 12 months subsequent to the reporting date.in a period exceeding next 12 months from the reporting date.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
4121	Accounts Payables -Third parties	433,063,786,472	295,314,273,264
4122	Payroll liabilities	4,910,080,325	5,013,011,761
4123	Inter-Government Creditors	195,017,074	130,536,593
4125	Retained Performance Securities	11,804,674,463	8,504,817,803
4221	Accounts Payables -Third parties	5,243,711,742	7,261,703,305
4222	Payroll liabilities	3,999	2,524,287
4311	Funds held on behalf of third parties	15,240,059,117	15,458,851,426
4411	Revenue Collection Control - RRA	10,223,210,959	3,708,347,428
4432	RRA collection on behalf of decentralised entities	241,008,674	383,166,740
4433	RRA collection on behalf of other entities	40,577,205	21,189,406
	Total	480,962,130,030	335,798,422,013

4.7.39. Tax liabilities

This refers to the amounts of taxes withheld by government entities but not yet transferred to Rwanda Revenue Authority as at the reporting date.

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ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
412401	VAT Payable (Input VAT)	68,770,603,653	51,377,277,834
412402	WHT Payable	14,014,033,777	7,604,919,893
412403	Defaulting Penalties	50,573,470	182,593,540
412404	VAT Payable (Output VAT)	12,779,581,272	9,954,487,089
	Total	95,614,792,172	69,119,278,356

4.7.40. Non-current payables

This refers to the amounts payable by the Government agency in a period exceeding next 12 months subsequent to the reporting date.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
4532	Non-current Inter-Government Creditors	6,331,000,661	14,323,937,489
4541	Non-current accounts Payables - Third parties-Foreign	3,336,902,770	3,243,461,784
	Total	9,667,903,431	17,567,399,273

* Among total Liabilities recognized include, the amount of **Frw 13,080,962,792** owed to China Bridge and road corporation for pre-financing projects for stadiums constructed at Bugesera, Ngoma and Nyagatare districts as detailed below;

Entity	Amount (Frw)
Ngoma District	5,403,091,482
Bugesera District	3,764,143,327
Nyagatare District	3,913,727,983
Total	13,080,962,792

4.7.41. Long-term borrowings

This refers to the amounts payable by the Government agency in a period exceeding 12 months subsequent to the reporting date on the long-term borrowings.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
4511	Domestic Borrowings in Cash	84,395,082,721	83,142,812,645
	Total	84,395,082,721	83,142,812,645

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4.7.42. Accumulated Opening Balance

This refers to balance of cash and cash equivalent, receivables, other assets and payables, of Government agency at the start.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
511	Initial Opening Balance	68,166,573,558	68,166,573,558
521101	Accumulated surpluses/ or (deficits) from previous years	184,182,790,050	(13,964,234,951)
512101	Adjustments on cash and cash equivalents from previous years	41,091,004,360	42,439,148,733
512102	Adjustments on Receivables from previous years	40,138,709,217	45,613,784,465
512204/ 514101	Adjustments on non-current assets from previous years	3,170,827,824	2,569,139,228
512103	Adjustments on current liabilities from previous years	(44,070,380,379)	52,331,773,518
	Adjustments on non-current liabilities from previous years	103,968,180,349	-
	Total	396,647,704,979	197,156,184,551

4.7.43. Adjustments

This refers to the changes made one opening balances of equity due to errors and changes in accounting policies.

ID account	Description	Balance as at 30 June 2023 Frw	Balance as at 30 June 2022 Frw
512101	Adjustments on cash and cash equivalents	4,276,857,394	(1,398,046,833)
512102	Adjustments on Receivables	(38,342,100,583)	(5,700,728,097)
512104	Adjustments on non-current assets	(919,298,182)	601,688,596
512103	Adjustments on current liabilities	(33,612,860,233)	9,399,249,920
512204	Adjustments on non-current Liabilities	99,533,077	-
	Total	(68,497,868,527)	2,902,163,586

4.7.44. Net assets

Under accrual basis of accounting, Net Assets is the residual interest in total assets after deducting all its liabilities. Under the current modified accrual basis where proceeds from loans borrowing contracted by the State and its repayment recognised respectively as revenues and expenditures in the statement of financial performance, Net Assets is equivalent to residual interests of financial assets minus liabilities which exclude state borrowings (public debts).

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Changes in net assets items	Accumulated surplus/ deficit 2021/2022	Movement during the year 2022/2023	Total 2022/2023
	Frw	Frw	Frw
CHANGES IN NET ASSETS	396,647,704,979	(289,702,637,397)	106,945,067,582
Initial opening balance	68,166,573,558	-	68,166,573,558
Initial opening balance	68,166,573,558	-	68,166,573,558
Surplus/Deficit for the period	182,625,121,891	(221,204,768,870)	(38,579,646,979)
Surplus/(deficit) for the Period	182,625,121,891	(221,204,768,870)	(38,579,646,979)
Accumulated adjustments	145,856,009,530	(68,497,868,527)	77,358,141,003
Adjustments on cash and cash equivalents	41,041,101,900	4,276,857,394	45,317,959,294
Adjustments on Receivables	39,913,056,368	(38,342,100,583)	1,570,955,785
Adjustments on non-current Assets	3,170,827,824	(919,298,182)	2,251,529,642
Adjustments on current liabilities	61,731,023,438	(33,612,860,233)	28,118,163,205
Adjustments on non-current Liabilities	-	99,533,077	99,533,077

However, treating receipts of borrowings as revenue and repayment as expenditure has resulted into deficit of **Frw (221,204,768,870)** instead of **Frw (1,269,386,652,261)** if receipts of borrowings were not treated as revenue and repayments as expenditure as detailed in the tables below:

Net Deficit

Description	2022-2023
	Frw
Net deficit (A)	(221,204,768,870)
Net borrowings (Frw 1,422,447,976,814- Frw 374,266,093,423) (B)	1,048,181,883,391
The Net deficit that would be reported, if borrowings were not treated as revenue on receipts and expenditure on repayment (C=A-B)	(1,269,386,652,261)

Net liability

Description	As at 1 July 2022	Movement during the year 2022/2023	As at 30 June 2023
	Frw	Frw	Frw
	(A)	(B)	(C=A-B)
Initial opening balance (A)	68,166,573,558	-	68,166,573,558
Surplus/Deficit for the period (B)	(221,204,768,870)	(1,269,386,652,261)	(1,490,591,421,131)
Accumulated adjustments (C)	145,856,009,530	(59,267,816,909)	86,588,192,621
Total Net liability supposed to be reported if borrowings were not treated as revenue on receipts and expenditure on repayment (C=A+B+C)	(7,182,185,782)	(1,328,654,469,170)	(1,335,836,654,952)

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4.7.45. Changes in Accounts Receivables and Accounts Payables

These comprise of changes in account receivables and accounts payables from previous year to this year. Once the change in accounts receivable is positive, it represents the cash outflow while the negative change in accounts receivables implies cash inflows. As far as accounts payable are concerned, the positive change implies more cash inflows whereas the negative trend of accounts payable implies the cash flowing outside the entity. Below is the movement within accounts receivable and accounts payable.

Description	Balance as at 30 June 2023	Movement during the current year	Balance as at 30th June 2022	Movement during the previous year
	Frw	Frw	Frw	Frw
Changes in receivables	325,043,713,302	(5,710,212,596)	319,333,500,706	(87,807,268,271)
Changes in payables	586,244,825,633	163,759,725,991	422,485,099,642	(9,481,373,722)

4.7.46. Explanation of major variances between the approved budgets versus actuals

Generally, major variances between approved budget versus actuals are explained as follows;

- 1. Variances related to coverage of consolidated Financial Statements:** Consolidated financial statements cover the general government which comprises central government budgetary and extra budgetary institutions (known as Public Institutions non-commercial) as well as decentralised entities that comprise of Districts and its subsidiaries entities. Following the roadmap to migrate to accrual basis of accounting using the International Public Sector Accounting Standards, subsidiary entities to Districts including Public District hospitals and Public Health Centers have been consolidated in districts' financial statements with its actual revenues and expenses consolidated in respective Districts actual revenues and expenses while its budget estimates (own resources) are not part of respective Districts' budgets. Categories of other income and use of goods and services are the ones affected by this category of variances.
- 2. Variances related to timing differences:** Under modified accrual basis of accounting, transactions are largely recognised in books of accounts when they occur and regardless of when its associated cash flows are received or paid out. In this regard, such expenses recognised in books of accounts for completeness purposes may have not resulted from commitments charged against approved budgets. Recognition of expenditures that are not financed by the same year resources leads to noted deficit in the consolidated financial statements.

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Specifically,

- The over performance of actual tax revenues as compared to approved budget results to better performance of some taxes categories like PAYE which increased due to creation of new institutions and teachers' salaries increase whereas taxes on income also increased due to EBM implementation measures;
- The underperformance in external grants was due to delayed disbursements from donors and commitment not executed by some donors;
- The underperformance of external loans was caused by delayed disbursements by lenders caused mainly by delays in development project implementation which affect disbursement rate;
- The underperformance registered under the grant payment is due to transfers between entities which are considered for budgeting purpose but eliminated for accounting purposes to avoid double accounting;
- The over performance in social benefits is linked to various interventions related to May 2023 flood