



Promoting Accountability of Public Resources

## AUDITOR GENERAL'S REPORT



**ON THE LIBERIA MARITIME AUTHORITY'S  
(LMA) FINANCIAL STATEMENTS**

*For the Fiscal Year ended June 30, 2013*

*January 2017*

**Yusador S. Gaye, CPA, CGMA  
Auditor General, R.L.**

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## **AUDITOR GENERAL'S REPORT ON THE LIBERIA MARITIME AUTHORITY'S (LMA) FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2013**

We have audited the financial statements of the LMA, which comprise the balance sheets as at June 30, 2013, the income statements and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with United States (US) Generally Accepted Accounting Principles (US GAAP), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor General's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

#### **Property, Plant and Equipment**

As disclosed in Note 2, LMA maintains a Fixed Assets Register on which it records activities associated with Property, Plant & Equipment including addition, usage and disposal. During the audit period, the activities on the Fixed Assets Register were inconsistent with the activities and balances reflected in the general ledgers. Due to these inconsistencies, Fixed Assets costs is overstated by US\$1,039,657, depreciation expense is understated by US\$25,254 and accumulated depreciation is overstated by



US\$1,046,514. We have reasonably determined the effects on the financial statements of the variances to be material.

**Auditor General's Opinion**

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects, the financial position of Liberia Maritime Authority as at June 30, 2013, and its financial performance and its cash flows for the year then ended in accordance with US Generally Accepted Accounting Principles.

  
**Yusador S. Gaye, CPA, CGMA**  
**Auditor General, R.L.**

**Monrovia, Liberia**  
**January 2017**



## RESTATED BALANCE SHEET

		USD	USD
	NOTES	30-Jun-13	30-Jun-12
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash & Cash Equivalent	4	61,887	458,007
Staff Receivable		120,060	44,537
Inventory Store-MRCC		2,398	2,398
Interagency Prepayment	20	428,502	261,914
Other Current Assets		51,667	
<b>TOTAL CURRENT ASSETS</b>		<b>664,515</b>	<b>766,857</b>
<b>NON-CURRENT ASSETS</b>			
Buildings and Improvements		3,544,540	2,974,879
Leasehold Improvements	2	766,227	707,931
Work in Progress	2	1,671,350	1,670,100
Fixed Assets		1,150,367	1,033,614
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,132,484</b>	<b>6,386,524</b>
<b>TOTAL ASSETS</b>		<b>7,796,999</b>	<b>7,153,381</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current Liabilities	7	2,803,061	3,678,823
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,803,061</b>	<b>3,678,823</b>
<b>NON CURRENT LIABILITIES</b>			
Non- Current Liabilities		767,711	351,091
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>767,711</b>	<b>351,091</b>
<b>TOTAL LIABILITIES</b>		<b>3,570,773</b>	<b>4,029,914</b>
<b>EQUITY</b>			
Retained Earnings 07.01.2012		3,123,467	862,988
Net Income		1,102,759	2,260,479
<b>Retained Earnings 06.30.2013</b>		<b>4,226,226</b>	<b>3,123,467</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,796,999</b>	<b>7,153,381</b>

**RESTATED STATEMENT OF REVENUE AND EXPENSES**

		USD	USD
<b>INCOME</b>	<b>NOTES</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Government of Liberia Subsidy	8	12,471,584	13,946,120
Internally Generated	8	1,282,911	1,537,146
<b>TOTAL INCOME</b>		<b>13,754,495</b>	<b>15,483,266</b>
<b>OPERATING EXPENSES</b>			
Salaries, Wages and Benefits	9	3,221,543	3,015,453
Taxes	19	128,090	119,247
Miscellaneous, Freight and Subscription	16	129,737	357,483
Insurance		318,523	189,909
Special Employment/Waterways		1,874,572	2,772,212
Board Related Services		173,175	119,000
Diplomatic Initiatives		275,750	1,102,526
Contributions and Donations	15	34,116	253,419
Professional Services	11	1,194,514	727,132
Communications	14	470,250	950,322
Gas, Fuel and Lubricants	10	1,101,160	711,338
Stationeries, Supplies and Printing	13	261,626	198,372
Entertainment		23,338	21,614
Accommodation		7,835	75,335
Utilities	18	14,187	24,527
Repairs and Maintenance	12	200,473	221,676
Depreciation	6.1	405,260	349,382
Bank Charges		415,924	400,758
Travel and Transportation	17	783,845	1,030,875
Scholarship-Foreign and Local	21	789,816	252,482
Rent		63,333	40,000
Other Expense		663,036	194,797
Conferences		101,635	94,931
<b>TOTAL OPERATIONAL EXPENSES</b>		<b>12,651,736</b>	<b>13,222,788</b>
<b>OPERATING INCOME</b>		<b>1,102,759</b>	<b>2,260,479</b>
<b>NET INCOME</b>		<b>1,102,759</b>	<b>2,260,479</b>

## RESTATED STATEMENT OF CASH FLOWS

	NOTES	30-Jun-13	30-Jun-12
<b>OPERATING ACTIVITIES</b>			
Net Income		1,102,759	2,260,479
<b>Adjustments to reconcile Surplus to Net Cash Provided by Operating Activities:</b>			
Depreciation	6.1	405,260	349,382
Changes in Payables and Accruals		(459,141)	625,735
Changes in Prepayments		(293,778)	(230,622)
<b>TOTAL ADJUSTMENTS</b>		<b>(347,659)</b>	<b>744,495</b>
<b>Net Cash Provided by Operating Activities</b>		<b>755,100</b>	<b>3,004,973</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of Fixed Assets		(522,013)	(529,804)
Building and Improvements		(569,661)	(948)
Leasehold Improvements		(58,296)	(485,456)
Work in Progress		(1,250)	(1,670,100)
<b>Net cash provided by Investing Activities</b>		<b>(1,151,220)</b>	<b>(2,686,308)</b>
Net Cash increase (Decrease) for the period		(396,120)	318,666
Beginning Cash Balance		458,007	139,342
<b>Cash at the End of the Period</b>		<b>61,887</b>	<b>458,007</b>

## Notes to the Restated Liberia Maritime Authority Financial Statements as of 30 June 2013

### 1. General information

#### 1.1 Overview

The Liberia Maritime Authority (the “Authority”), formerly the Bureau of Maritime Affairs, was established by an Act of the National Legislature on September 6, 2010 with the mandate, among others, to regulate, control and administer all matters to the standards for merchant shipping, and all foreign and domestic water-borne commercial and noncommercial activities. The Authority is also charged with the responsibilities of coordinating and assisting by forming strategic partnerships in the growth and development of the maritime sector and other maritime related industries in Liberia. Operating segments are those segments for which results are reviewed by the Authority’s Board of Directors (BoD) to assess performance and make decisions about resources to be allocated.

The (BoD) meets regularly throughout the year to discuss the performance and results of the Authority as a whole. The business of the Authority is focused almost entirely to regulate, control and administer all matters pertaining to the standards for merchant shipping, and all foreign and domestic water-borne commercial and noncommercial activities. The Authority operates as a legal entity in Liberia, the United States, United Kingdom, and Ghana and in order to provide information in a structured manner to readers of the accounts who are unfamiliar with the internal management reporting of the Authority, its financial statements are consistent with the core principle of US GAAP, which is to disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business activities in which the Authority engages the economic activities in which it operates.

#### 1.2 Accounting Policies

##### 1.2.1 Basis of preparation

The Authority’s financial statements have been prepared on the historical cost basis as modified by the revaluation of financial assets and financial liabilities at fair value through the Revenue and Expenses accounts, in accordance with the **United States- Generally Accepted Accounting Principle (US-GAAP)**. Upon the adoption of the use of International Financial Reporting Standards (IFRS) by the Government of Liberia, the Authority will continue to use US-GAAP for the preparation of its Financial Statements.

Assets costing US\$500 and above are capitalized by the Authority. Work-in-progress involved the renovation and the improvement on the Liberia Marine Training Institute (LMTI).

##### 1.2.2 Accounting Period

The Authority’s financial statements are prepared on a Fiscal Year basis (July 1-June 30).

##### 1.2.3 Foreign Currencies

Functional and Presentation Currency – the Authority’s financial statements are presented in United States Dollars. The functional currency of the nation is the Liberian Dollar. However, the



currency (reporting currency) of the primary economic environment in which the entity operates both in Liberia and abroad is the US Dollar.

Transactions and Balances – transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date. Exchange differences on retranslating monetary assets and liabilities are recognized in the Revenue and Expense Statement.

#### 1.2.4 Taxation

Income tax for the year comprises current and deferred tax on withholdings from employees, professional services, board remuneration that are taxable and vendors payments subject to withholdings as enshrined in Section 905 of the **Liberia Revenue Code (LRC)** of 2000. Income tax is recognized in the Revenue and Expense Statement to the extent that it relates to items recognized directly in the statements. Additionally, it includes taxes withheld for the National Social Security Scheme. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities based on tax rates and laws that are enacted at the balance sheet date.

#### 1.2.5 Inventories

Inventories including work-in-progress are measured at the lower of cost and net realizable value on a weighted average cost basis. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

#### 1.2.6 Receivables and Prepayments

Receivables are non-interest bearing and are stated at their nominal amount less provisions made for estimated irrecoverable amounts in the financial statements. Estimated irrecoverable amounts are based on historical experience together with specific amounts that are not expected to be collectible. Individual amounts are written off when management deems them not to be collectible.

Prepayments are inter agency/department pass thru account given to the Government of Liberia and other relevant agencies and sub-offices of the Authority like that of the Deputy Commissioner for Financial Affairs (DCFA) in Vienna, VA, in the United States. The increment in prepayment for 2012/13 accounts for prepayment to Orion that is in charge of remitting wages to the Beaches and Waterways Program daily hires.

<b>Interagency Prepayment</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Prepayment to DCFA	179,757	222,414
Prepayment to Escrow	248,745	39,500
<b>Total Interagency Prepayment</b>	<b>428,502</b>	<b>261,914</b>

#### 1.2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, short-term deposits and bank overdrafts. Bank overdrafts are disclosed as current liabilities except where the group participates in offset arrangements with certain banks whereby cash and overdraft amounts are offset against each other. Decrease in cash for the end of this fiscal year is largely due to the early remittance of the allotment for June 2013 as compared to the late payment of the previous fiscal year.

<b>CASH &amp; CASH EQUIVALENT</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Cash in Bank/Ecobank Enterprise Fund	2,089	2,650
Cash in Ecobank/ Building Fund	(1,541)	(880)
Cash in Ecobank/ Operations	28,267	8,049
Cash in Ecobank/LMTI	(10)	1,823
Cash in Ecobank/Small Watercraft	26,605	55,361
Cash in Bank/UBA	3,200	270
Cash in Bank-CBL	242	503
Cash in LBDI LD	0	1,034
Cash in GT Bank/Special Project	1,344	380,081
Cash in GT Bank/Operations	1,693	(5,041)
<b>Total Cash in Bank</b>	<b>61,887</b>	<b>443,850</b>
Cash in Vault	0	4,225
Petty Cash	0	9,932
<b>Total Cash &amp; Cash Equivalent</b>	<b>61,887</b>	<b>458,007</b>

### 1.2.8 Salaries and Other benefits

Other benefits plan or scheme is a scheme in which the group pays contributions or pay-off retired employees in accordance with Liberia Labor Law and statutory or contractual basis. The group has no further payment obligations once the contributions have been made. The amount charged to the Revenue and Expense Statement is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as payables in the balance sheet.

Other benefits are a defined benefit scheme, which involves the amount of pay-offs benefit that an employee will receive on retirement. For the defined benefit scheme, other benefit costs and the costs of providing other post-retirement benefits are charged to the Revenue and Expense Statement. Additionally, the provision of a bag of rice to junior and support staff on a monthly basis is a part of the other benefits expenditure. The increase in Salaries, wages and other benefits was a direct result of the opening and full operations of the Liberia Marine Training Institute in Marshall after over 20 years of closure and as well expansion of other departments.

<b>SALARIES, WAGES AND BENEFITS</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Salaries and Wages	2,701,454	2,522,486
Medical	0	2,721
Bonus	0	211,092
Incidental Allowance	500	23,045
Other Benefits	519,589	256,109
<b>Total Salaries, Wages and Benefits</b>	<b>3,221,543</b>	<b>3,015,453</b>

## 2. Property and Equipment

Equipment is recorded at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The Authority has restated property previously revalued in accordance with US GAAP and to treat these earlier revaluations as deemed cost. Additionally, there are some fixed assets without value that were kept on the book. Leasehold improvement consists of arrangement with the Ministry of National Defense and the Coast Guard involved the renovation and maintenance of the Monrovia Regional-Maritime Rescue Coordination Center (This is a global distress maritime signal center for MR-MRCC covering Liberia, Ghana, Cote d'Ivoire and Sierra Leone), a Guest House lease in Lofa County as well as the Leasing of a sub office in Buchanan, Grand Bassa County.

Work in progress is a direct result of architectural, engineering design work and excavation of the site of the global headquarters of the Authority in Marshall, Margibi County.

Depreciation is calculated on the depreciable amount (being cost less the estimated residual value) on a straight line basis over the estimated useful lives of the assets as follow:

Machinery	6 Years
Fixtures and fittings	6 Years
Motor vehicles	3 Years
Office furniture	10 Years

All assets are depreciated fully regardless of the date of purchase. Residual values and useful lives are reviewed at each balance sheet date for continued appropriateness and indications of impairment and adjusted if appropriate.

<b>FIXED ASSETS COST SUMMARY</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Buildings and Improvements	3,544,540	2,974,879
Leasehold Improvements	766,227	707,931
Furniture, Fixtures & Fittings	79,583	84,126
Machines and Equipment	463,172	448,978
Motor vehicles	607,613	500,510
	<b>5,461,134</b>	<b>4,716,424</b>
<b>FIXED ASSETS- BOOK VALUE REFLECTED</b>		
Net book value at 01-07-2012	7,073,424	5,923,454
Less: Accumulated Depreciation Expense	1,612,290	1,207,030
<b>Net book value at 30-June-2013</b>	<b>5,461,134</b>	<b>4,716,424</b>

### 3. Liabilities

Accounts payable and others are stated at their nominal value. Additionally, as at June 30, 2012 Account payables were being classified as a portion was inherited by the current administration and carried over balance due to the reduction in the Authority's allotment. Liabilities increased in this period due to delays, in some instances, no funding from the GoL. This caused a heavy reliance on financing gaps from banks.

<b>CURRENT LIABILITIES</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Accounts Payable	118,923	336,378
Board Fees Payable	2,700	0
Income Tax Payable	173,470	282,643
NASSCORP Payable	407,968	319,069
Ecobank Restructured Facility (Repayment)	1,350,000	2,113,494

Ecobank Financing Gap Facility (Short Term)	750,000	0
GT Bank Financing Gap Facility (Short Term)	0	627,239
<b>Total Current Liabilities</b>	<b>2,803,061</b>	<b>3,678,823</b>

### 3.1 Long-term Liabilities

Long-term liabilities comprise of accruals made between 2006 and 2013, which were reclassified from accounts payable in current liabilities to notes payable in non-current liabilities. The total amount reclassified for the period ending June 30, 2013 was \$767,711.

## 4. Revenue

Revenue comprises the amounts received or receivable in respect of the services provided in the normal course of business and subsidies from the Government of Liberia and donors. Revenue is recognized when the significant risks and rewards of services have been performed or cash in the case of GOL subsidies have been received by the Authority. Increase in Domestic Registry collections was a direct result of activity within the oil sector as it relates to exploration and the registration of more fishing vessels.

Revenues include the following:

- a. Revenue from Domestic (Small) Watercraft
- b. Miscellaneous income
- c. Government of Liberia Subsidy

<b>INCOME</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Government of Liberia Subsidy		
Subsidy from GOL	12,471,584	13,946,120
<b>Total Government of Liberia Subsidy</b>	<b>12,471,584</b>	<b>13,946,120</b>
Domestic (Small) Watercraft	1,071,495	1,171,590
Other Income	201,091	0
Miscellaneous Income	10,325	365,556
<b>Internally Generated (Total)</b>	<b>1,282,911</b>	<b>1,537,146</b>
<b>TOTAL INCOME</b>	<b>13,754,495</b>	<b>15,483,266</b>

## 5. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are accounted for as operating leases. Payments made under such leases are charged to the Revenue and Expense Statement on a straight line basis over the period of the lease.

## 6. Foreign Exchange Risk

The Authority operates internationally and is exposed to foreign currency risk on charges and fees due and purchases made that are denominated in a currency other than USD and Liberian Dollar. There are a range of currencies giving rise to this risk. To mitigate risks associated with future

exchange rate fluctuations, the Authority uses the daily market rate as of the date of that transaction.

### **6.1 Liquidity Risk**

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due subject to the availability of funding through the Ministry of Finance.

## **7. Critical Accounting Estimates and Judgments**

The preparation of financial statements in conformity with generally accepted accounting principles require the use of certain estimates and associated assumptions that affect the application of policies, the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best assessments of amounts, events or actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on a regular and ongoing basis.

The estimates and judgments that have had the most significant effect on the amounts included in these financial statements are as follows:

### **7.1 Allowance for doubtful debts**

Provision is made against accounts that in the estimation of management may be impaired. Within the receivables, assessment is made of the recoverability of receivables based on a range of factors including the age of the receivable and the creditworthiness of the customer.

Determining the recoverability of an account involves estimation as to the likely financial condition of the customer and their ability to subsequently make payment. If the LMA is cautious as to the financial condition of the customer the entity may provide for accounts that are subsequently recovered. Similarly, if the entity is optimistic as to the financial condition of the customer, the entity may not provide for an account that is subsequently determined to be irrecoverable.

### **7.2 Inventories**

For financial reporting purposes the Authority evaluates its inventory to ensure it is carried at the lower of cost or net realizable value. Provision is made against obsolete and damaged inventories. Damaged inventories are identified and written down through the inventory counting procedures.

### **7.3 Income taxes**

In determining the Authority's provisions for income tax and deferred tax, it is necessary to consider transactions in a small number of key tax jurisdictions for which the ultimate tax determination is uncertain. To the extent that the final outcome differs from the tax that has been provided, adjustments will be made to income tax and deferred tax provisions held in the period the determination is made.

### **7.4 Other benefit obligations**

The liability recognized in respect of other (retirement) benefit obligations is dependent on a number of estimates including those relating to mortality, inflation, salary increases, and the rate

at which liabilities are discounted. Any change in these assumptions would impact the retirement benefit obligations recognized. Additionally, obligations quoted were inherited from prior administration dating far back as 1999. Others are a direct result of constant budget cuts in the Authority's allotment regardless of approval by the Legislature.

## 8. Taxes

Taxes, in the case of this financial statement, represent the accounting for social security taxes (Management contribution) in the amount of 4.75% of the total gross monthly payroll. This is a mandate under the Liberian Labor Law.

<b>TAXES</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Social Security Tax	128,090	119,247
<b>Total Taxes</b>	<b>128,090</b>	<b>119,247</b>

## 9. Gas, Fuel and Lubricants

This segment is the sum of fuel and lubricants consumption at all Maritime Installations in Liberia especially at the MR-MRCC Headquarters at the Coast Guard Base that runs a 24-hour service for 365 days of the year. The center has never shut down since its inception and opening in April, 2009.

Fuel Cost increased due to price changes, increment in staffs of expanded departments and the LMTI as well as increased inspections at the port of Buchanan and Greenville in order to ensure that the all the ports are complaint with the International Ship and Port Security (ISPS) convention. The Authority serves as the Designated Authority- appointed in 2009 by the President of the Republic of Liberia. The opening of the Liberia Marine Training Institute also caused an increase in the fuel consumption for 2012/13.

<b>GAS, FUEL AND LUBRICANTS</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Fuel	1,101,160	711,338
<b>Total Fuel, Gas and Lubricants</b>	<b>1,101,160</b>	<b>711,338</b>

## 10. Professional Services

All laws of the Republic of Liberia apply to the selection and maintenance of such consulting services. The increase in Professional Service as compared to the previous fiscal period was driven by the fact that the cost of services incurred to revamp the inland waterways of Liberia, public relations and legal services.

<b>PROFESSIONAL SERVICES</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Professional Services	364,964	306,232
Legal Services	829,550	420,900
<b>Total Professional Services</b>	<b>1,194,514</b>	<b>727,132</b>

## 11. Repairs and Maintenance

This segment of the financial statement highlights the sum total expense for maintaining equipment, vehicles, Buildings, Generators, etc. that are either owned or leased by the Liberia Maritime Authority. Vehicles services are carried out by entities that the vehicles are purchased from as this form part of the initial contract that is signed after the bidding process. Increase in repairs and maintenance was driven by the increase in the Authority fleet of vehicles and the numerous trips to Buchanan, Greenville and the Marshall area (LMTI Campus).

<b>REPAIRS AND MAINTENANCE</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Repairs and Maintenance- Equipment	6,144	12,721
Repairs and Maintenance- Building	32,754	88,429
Repairs and Maintenance- Vehicles	109,531	90,839
Repairs and Maintenance- General	1,635	995
Repairs and Maintenance- Generators	31,330	18,937
Repairs and Maintenance- Grounds	19,080	9,755
<b>Total Repairs and Maintenance</b>	<b>200,473</b>	<b>221,676</b>

## 12. Stationeries, Supplies and Printing

This segment of the Revenue and Expense Statement highlights the Authority's expenditure on stationeries, supplies, printing and binding. The supplies highlighted are office, janitorial, canteen, security and instructional supplies that may be needed by departments of the Authority, as it is known that the authority runs an elite Maritime Security Division. The increase in Stationery and Supplies is driven by the expansion of some existing department as well as the creation of the Coastal and Inland Waterways Department. The operational cost of stationeries, supplies and printing increment over previous year is driven by the opening of the LMTI leading to the need for instructional supplies.

<b>STATIONERIES, SUPPLIES &amp; PRINTING</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Stationery and Supplies Expense	173,004	133,078
Janitorial Supplies Expense	18,647	7,337
Security Supplies Expense	7,733	37,696
Canteen Supplies Expense	6,000	8,644
Instructional Supplies (LMTI)	32,240	0
Printing	24,003	11,617
<b>Total Stationeries, Supplies and Printing</b>	<b>261,626</b>	<b>198,372</b>

## 13. Communication

The Liberia Maritime Authority used this account to highlight cost of telephone and Telex, Press and Public Relations, Advertisement, postage and or any other publication that the Authority may deemed necessary for the public consumption. The decrease in communication is a direct result of the reduction in press and public relations.

<b>COMMUNICATION</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Telephone and Telex	64,980	70,797
Postage	2,985	7,106
Press and Public Relations	402,285	872,419
<b>Total Communication</b>	<b>470,250</b>	<b>950,322</b>

#### 14. Contributions and Donation

This segment controls all of the Authority's contribution and donation for the period. It also highlights the Authority's corporate social responsibility program, which focuses on three (3) areas Health and Social Welfare, Community Volunteering and Education. The education forms part of the Liberia Maritime Authority Local Scholarships. Expenditure reported in this segment is related to health and community volunteering. The decrease is caused by a reduction in the donations and the slowing down of the CSR Program due to the diversion of focus on the opening of the LMTI.

<b>CONTRIBUTIONS AND DONATION</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Corporate Social Responsibility	34,116	253,419
<b>Total Contribution and Donation</b>	<b>34,116</b>	<b>253,419</b>

#### 15. Miscellaneous, Freight and Subscription

This category summarizes the Authority's expenditure on honorarium, contract services, subscriptions, freight forwarding and handling, license and registration as well as miscellaneous.

<b>MISCELLANEOUS, FREIGHT &amp; SUBSCRIPTION</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Honorarium	46,752	147,089
Contract Services	0	10,750
Subscriptions	42,505	52,212
Freight, Handling and Forwarding	2,500	18,922
License and Registration	6,475	4,105
Miscellaneous Expense	31,504	124,405
<b>Total Miscellaneous, Freight and Subscription</b>	<b>129,737</b>	<b>357,483</b>

#### 16. Travels and Transportation

This accounts for cost of local and foreign travel in terms of the tickets for foreign travels and that of the per diem component for both local and foreign travel. All rates are in line with the finance manual of the Authority as approved for usage. Moreover, these rates were inherited by the current administration and had been used from the pre war era. The costing for vehicle rental is also a part of this segment as the Authority used this as a means of travel domestically to attend to pertinent maritime obligations at the port of Buchanan, Greenville and Harper. This fiscal period saw the regaining of Liberia's seat on the IMO Council.



<b>TRAVELS AND TRANSPORTATION</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Local Travel	65,383	92,119
Foreign Travel-Air Tickets	344,066	385,822
Per Diems	302,710	479,504
Transportation (Vehicle Rental)	71,685	73,430
<b>Total Travel and Transportation</b>	<b>783,845</b>	<b>1,030,875</b>

#### 17. Utilities

Utilities capture the Authority's usage of water from the Liberia Water and Sewer Corporation and that of the Electricity from the Liberia Electricity Corporation all at the Headquarters in Sinkor, Monrovia.

<b>UTILITIES</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Water	3,421	3,689
Electricity	10,765	20,838
<b>Total Utilities</b>	<b>14,187</b>	<b>24,527</b>

#### 18. Special Project

This accounts for the "Reclaiming Liberia's Waterways" Project and other projects that brings in direct benefits to the Republic of Liberia. This project has employed nearly 2,000 persons in coastal communities around Monrovia. Decrease in this expenditure line was driven by the completion of the other projects except for the waterways daily hires spanning from Bushrod Island up to ELWA Communities.

#### 19. Scholarship

This accounts for the Authority's expenditure on foreign and local scholarships. The Authority maintains scholarship at the Regional Maritime University in Accra, Ghana and other International Maritime Institutes and Universities around the world. The Authority also under its local scholarship program maintained by the Corporate Social Responsibility Department handles tuition payments several students at the almost all of the higher institutions of learning and high schools across the country. Increase in employees, students on Foreign Scholarships at International Maritime Law Institute in Malmo, Sweden, John Moores University in Liverpool, England, Regional Maritime University in Accra, Ghana as well as increment in beneficiaries of CSR scholarships across the Country drove the increase in scholarships over the previous fiscal period. The upkeep of students at the LMTI amounted for the increase in the Local Scholarships line at the LMTI.

<b>SCHOLARSHIPS</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Foreign	154,475	86,339
Local (CSR/LMTI)	635,341	166,143
<b>Total Scholarships</b>	<b>789,816</b>	<b>252,482</b>

### **Subsequent Event**

The lawsuit filed by families of the fallen cadets coupled with the judgment in favor of them will cause an increase in LiMA Expenditure for 2013/14. Another major event is the IMO Council elections in October of 2013 where Liberia will be going to reelection to the council of the IMO.