



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, 2011

January 2016

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

Republic of Liberia



The Honorable Speaker of the House of Representatives, and the President Pro-Tempore of the House of Senate:

We have undertaken the audit of the Liberia Maritime Authority's (LMA) financial statements for the financial year ended July 1, 2011. The audit was conducted under the Auditor General's statutory mandate, as provided for under Chapter 53.3 of the Executive Law of 1972.

Findings conveyed in this report have been formally communicated to the Management of the Liberia Maritime Authority (LMA). Where responses have been provided by the Authority on the audit findings, these have been evaluated and incorporated in this report.

Given the significance of the matters raise in this report, we urge the Hon. Speaker and the members of the House of Representatives and Hon. Pro-Tempore and members of the Liberian Senate to consider the implementation of the recommendations conveyed herein with urgency.


Yusador S. Gaye, CPA, CGMA
Auditor General, RL

Monrovia, Liberia
January, 2016

ACRONYMS USED

Abbreviation	Meaning
AG	Auditor General
ASC	Accounting Standards Codification
DCFA	Deputy Commissioner for Financial Affairs
DCO	Deputy Commissioner Office
DV	Disbursement Voucher
FAR	Fixed Asset Register
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
GAC	General Auditing Commission
GOL	Government of Liberia
IA	Internal Audit
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
INTOSAI	International Organization of Supreme Audit Institutions
ISAs	International Standards on Auditing
ISSAIs	International Standards of Supreme Audit Institutions
LISCR LLC	Liberia International Ship & Corporate Registry Limited Liability Corporation
LMA	Liberia Maritime Authority
MOF	Ministry of Finance
PFM	Public Financial Management Act of (2009)
PPCC	Public Procurement Concession Commission
PRC	Procurement Review Committee
SOE	State-Owned Enterprise
U.S GAAP	United States Generally Accepted Accounting Principles

Table of Contents

AUDITOR GENERAL'S REPORT ON THE LIBERIA MARITIME AUTHORITY'S (LMA)	
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2011	6
1 General Information.....	12
1.1 Overview.....	12
1.2 Accounting Policies.....	12
1.2.1 Basis of preparation.....	12
1.2.2 Accounting Period.....	12
1.2.3 Segment reporting.....	12
1.2.4 Foreign Currencies.....	13
1.2.5 Taxation	13
1.2.6 Inventories	13
1.2.7 Receivables and Prepayments.....	13
1.2.8 Cash and cash equivalents	14
1.2.9 Salaries and Other benefits	14
2 Property and Equipment	15
3 Liabilities.....	16
4 Revenue recognition	16
5 Leases	17
6 Foreign Exchange Risk	17
6.1 Liquidity Risk.....	17
7 Critical Accounting Estimates and Judgments	18

7.1 Allowance for doubtful debts.....	18
7.2 Inventories.....	18
7.3 Income taxes.....	18
7.4 Other benefit obligations	19
8 Taxes.....	19
9 Gas, Fuel and Lubricants	19
10 Professional Services.....	19
11 Repairs and Maintenance	20
12 Stationeries, Supplies and Printing.....	20
13 Communication.....	20
14 Contributions and Donation	21
15 Miscellaneous, Freight and Subscription	21
16 Travel and Transportation.....	21
17 Utilities.....	22
18 Special Project.....	22
19 Scholarship	22

AUDITOR GENERAL'S REPORT ON THE LIBERIA MARITIME AUTHORITY'S (LMA) FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2011

We have audited the financial statements of the LMA, which comprise the balance sheets as of June 30, 2011, the income statements and cash flow statements for the years 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

In 2010, LMA recognized a gain on sale of fixed assets of \$26,438. This gain, had a direct impact on the retained earnings balance as at June 30, 2011. GAC could not validate the gain recognized as the disposition was not recorded in the fixed assets roll forward. Additionally, GAC could not determine the fixed assets disposed thus was limited in scope in ascertaining the ending balance as of June 30, 2011.

Auditor General's Opinion

In our opinion, except for the possible effects of the matter 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, 2012, 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, RL

Monrovia, Liberia
January, 2016



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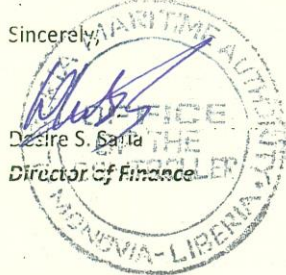


December 24, 2015

TRANSMITTAL OF LIBERIA MARITIME AUTHORITY RESTATED FINANCIAL STATEMENTS AS AT 30 JUNE 2011

This is to herewith submit the Restated Financial Statements of the Liberia Maritime Authority for the period July 1, 2010- June 30, 2011. The restatement is in compliance with the recommendations placed in the draft management letter of January, 2014.

Sincerely,


Desire S. Satta
Director of Finance

APPROVED: _____

Nya S. Gbaintor
Director for Administration



LIBERIA MARITIME AUTHORITY (HEAD OFFICE)
RESTATED BALANCE SHEET
FOR THE PERIOD ENDED 30 JUNE 2011

		USD	USD
ASSETS	NOTES	30-Jun-11	30-Jun-10
CURRENT ASSETS:			
Cash & Cash Equivalent	1	139,342	91,635
Staff Receivable		28,415	38,835
Inventory Store-MRCC		2,398	2,398
Interagency Prepayments	1	47,414	0
TOTAL CURRENT ASSETS		217,569	132,869
NON-CURRENT ASSETS			
Buildings and Improvements		2,973,931	59,964
Leasehold Improvements	2	222,475	215,475
Work in Progress	2	0	1,253,036
Fixed Assets	2	853,192	425,849
TOTAL NON-CURRENT ASSETS		4,049,598	1,954,325
TOTAL ASSETS		4,267,167	2,087,194
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current Liabilities	3	3,243,016	1,548,802
TOTAL CURRENT LIABILITIES		3,243,016	1,548,802
NON CURRENT LIABILITIES			
Non - Current Liabilities		161,162	161,162
Total NON CURRENT LIABILITIES		161,162	161,162
TOTAL LIABILITIES		3,404,178	1,709,964
EQUITY			
Retained Earnings 07.01.2010		377,230	(7,632)
Net Income (Loss)		485,759	384,862
Retained Earnings 06.30.2011		862,989	377,230
TOTAL LIABILITIES AND EQUITY		4,267,167	2,087,194

LIBERIA MARITIME AUTHORITY (HEAD OFFICE)
RESTATED STATEMENT OF REVENUE AND EXPENSES
FOR THE PERIOD ENDED 30 JUNE 2011

INCOME	NOTES	USD	USD
		30-Jun-11	30-Jun-10
Government of Liberia Subsidy	4	9,662,000	1,736,919
International Registry Support	4	0	1,614,047
Internally Generated	4	663,934	708,187
TOTAL INCOME		10,325,934	4,059,153
OPERATING EXPENSES			
Salaries, Wages and Benefits	1	2,747,906	1,956,508
Taxes	8	101,395	65,754
Miscellaneous, Freight and Subscriptions	15	140,073	72,986
Insurance		223,914	168,844
Special Project	18	1,024,799	0
Board Related Expenses		71,133	0
Diplomatic Initiatives		1,161,000	0
Contributions and Donations	14	315,254	123,083
Professional Services	10	1,235,513	39,499
Communications	13	251,558	100,180
Gas, Fuel and Lubricants	9	587,564	302,321
Stationeries, Supplies and Printing	12	131,736	76,321
Entertainment		41,255	26,748
Accommodation		658	13,502
Utilities	17	15,221	10,277
Repairs and Maintenance	11	161,082	79,324
Depreciation	2	276,287	118,647
Bank Charges		250,827	51,489
Travel and Transportation	16	1,038,149	513,237
Scholarship	19	44,017	23,338
Rent		1,500	26,673
Gain or Loss on FX		23,453	0
Other Expense		(4,117)	(68,079)
Conferences		0	75
TOTAL OPERATIONAL EXPENSES		9,840,174	3,700,727
OPERATING INCOME		485,759	358,426
GAIN/LOSS ON PLANT ASSET SALE		0	26,438
NET INCOME		485,759	384,862

LIBERIA MARITIME AUTHORITY (HEAD OFFICE)
RESTATED STATEMENT OF CASH FLOWS
FOR THE PERIOD JULY, 2010 THROUGH JUNE, 2011

		USD	USD
	NOTES	30-Jun-11	30-Jun-10
OPERATING ACTIVITIES			
Net Income (Loss)		485,759	384,862
Adjustments to reconcile Surplus to Net Cash			
Provided by Operating Activities:			
Depreciation	2	276,287	118,647
Changes in Payable and Accruals		1,694,215	65,775
Changes in Receivables and Prepayments		(36,994)	(36,200)
TOTAL ADJUSTMENTS		1,933,508	148,222
Net Cash Provided by Operating Activities		2,419,267	533,084
INVESTING ACTIVITIES			
Acquisition of Fixed Assets		(703,630)	(92,591)
Building and Improvements		(2,913,967)	0
Leasehold Improvements		(7,000)	0
Work in Progress		1,253,036	(457,027)
Net cash provided by Investing Activities		(2,371,560)	(549,618)
Net Cash & Cash Equiv. increase for the period		47,707	(16,534)
Cash & Cash Equiv. at the Beginning at the Period		91,635	108,169
Cash and Cash Equi. at the End of the Period		139,342	91,635

Notes to the Restated Liberia Maritime Authority Financial Statements as of 30 June 2011

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.

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 Segment reporting

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.

1.2.4 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.

1.2.5 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.

1.2.6 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.

1.2.7 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. This prepayment accounts for advance to DCFA in anticipation for the upcoming IMO council elections in 2011.

Interagency Prepayments	30-Jun-11	30-Jun-10
Due to/Due From DCFA	47,414	0
Total Interagency Prepayments	47,414	0

1.2.8 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.

	30-Jun-11	30-Jun-10
CASH AND CASH EQUIVALENT		
Cash in Bank/Ecobank Lighthouses	(101)	1,579
Cash in Ecobank/ Building Fund	2	1,757
Cash in Ecobank/ Operations	48,458	11,518
Cash in Ecobank/LMTI	3,928	1,566
Cash in Ecobank/Small Watercraft	49,624	28,318
Cash in Bank-CBL	590	1,068
Cash in Bank/LBDI USD	0	25
Cash in Bank/LBDI LD	1,124	1,484
Cash in Bank/UBA	5,328	24,898
Cash in GT Bank/Special Project	20,179	0
Cash in GT Bank/Operations	0.00	10,235
Total Cash In Bank	129,132	82,448
Cash in Vault	2,000	2,000
Petty Cash	8,210	7,187
Total Cash and Cash Equivalent	139,342	91,635

1.2.9 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. Salaries, wages and benefits increased due to creation of new departments under the new Authority as well as staff.

SALARIES, WAGES AND BENEFITS	30-Jun-11	30-Jun-10
Salaries and Wages	2,141,993	1,390,702
Allowances	0	9,000
Other Benefits	340,959	372,937
Medical	4,765	153
Bonus	170,349	93,616
Incidental Allowance	8,900	7,500
Relocation Allowance	45,000	0
Honorarium	35,940	82,600
TOTAL Salaries, Wages and Benefits	2,747,906	1,956,508

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) and a Guest House Project being carried out in Lofa County.

Work in progress is a direct result of LMTI rehabilitation after being in ruins for 20 years as well as architectural and 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.

FIXED ASSETS COST SUMMARY	30-Jun-11	30-Jun-10
Furniture, Fixtures & Fittings	81,124	64,891
Machines and Equipment	395,840	230,145
Motor vehicles	376,228	130,813
TOTAL Fixed Assets Cost Summary	853,192	425,849
FIXED ASSETS- BOOK VALUE REFLECTED		
Cost for the Period	1,710,840	1,007,210
Less: Accumulated Depreciation Expense	857,648	581,361
Net book value as at 30 June	853,192	425,849

3 Liabilities

Accounts payable and others are stated at their nominal value. 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. Additionally, delay in funding caused an accrual in salaries for June 2011.

CURRENT LIABILITIES	30-Jun-11	30-Jun-10
Accounts Payable	786,897	33,700
Commissioner Allowance Payable	82,600	82,600
Income Tax Payable	281,274	324,618
NASSCORP Payable	140,855	107,386
Incidental Allowance Payable	13,085	13,085
Housing Allowance Payable	153,861	153,861
Accrued Expense Payable	1,566	1,566
Own Your Own Car Payable	24,900	24,900
Salaries Payable	157,978	0
Inter-Agency Payable- DCFA Payable	0	807,086
Ecobank Restructured Facility (Repayment)	600,000	0
GT Bank Financing Gap Facility (Short Term)	1,000,000	0
TOTAL Current Liabilities	3,243,016	1,548,802

3.1 Long-term liabilities

Long-term liabilities comprise of accruals made in 2006, 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, 2011 was \$161,162.

4 Revenue recognition

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.

Revenues include the following:

- a. Revenue from Domestic (Small) Watercraft
- b. Subsidy from DCO (Deputy Commissioner Office)
- c. Special Qualification Revenue (Training Fund)
- d. Miscellaneous income
- e. Government of Liberia Subsidy

Government of Liberia Subsidy	30-Jun-11	30-Jun-10
Subsidy from GOL	9,662,000	1,736,919
Total Government of Liberia Subsidy	9,662,000	1,736,919
International Registry Support		
Subsidy from DCO	0	599,000
Training Fund	0	1,015,047
Total International Registry Support	0	1,614,047
Internally Generated		
Domestic (Small) watercraft	570,434	626,994
Miscellaneous Income	93,500	81,193
Internally Generated(Total)	663,934	708,187
TOTAL REVENUE	10,325,934	4,059,153

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 is 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. In FY2011/12, after being vetted the management wrote off said obligations due to the lack substantial evidence.

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.

Taxes	30-Jun-11	30-Jun-10
Social Security Tax	101,395	65,754
TOTAL Taxes	101,395	65,754

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 staff 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.

GAS, FUEL AND LUBRICANTS	30-Jun-11	30-Jun-10
Fuel	587,002	224,130
Gasoline	547	78,085
Lubricants	15	106
TOTAL Gas, Fuel and Lubricants	587,564	302,321

10 Professional Services

This includes the hiring of consultants to assist in the rebranding and reorganization of the Authority as the strategic plan had been rolled out and the need to ratify International Maritime Law and Regulations, the establishment of an IT Data Center and reopening of the Liberia Marine Training Institute were the core objectives to the achieved during this reporting period. All laws of the Republic of Liberia apply to the selection and maintenance of such consulting services. Increase in Professional Service was due to the restructuring and realignment exercises. The aforementioned exercises begun effectively in FY2010/2011.

PROFESSIONAL SERVICES	30-Jun-11	30-Jun-10
Professional Services	1,072,513	35,999
Legal Services	163,000	3,500
TOTAL Professional Services	1,235,513	39,499

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 building maintenance was due to creation of office spaces to accommodate new divisions and staffs as well as create more room for divisions that were expanded.

REPAIR AND MAINTENANCE	30-Jun-11	30-Jun-10
Repair and Maintenance- Equipment	11,286	11,556
Repair and Maintenance- Building	72,307	19,316
Repair and Maintenance- Vehicles	43,518	27,892
Repair and Maintenance- General	3,317	1,636
Repair and Maintenance- Generators	16,886	15,116
Repair and Maintenance- Grounds	13,768	3,808
TOTAL Repair and Maintenance	161,082	79,324

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.

STATIONERIES, SUPPLIES & PRINTING	30-Jun-11	30-Jun-10
Stationery and Supplies Expense	97,724	63,864
Janitorial supplies Expense	9,466	5,699
Security Supplies Expense	1,657	0
Canteen Supplies Expense	10,582	4,340
Printing	12,197	2,319
Binding	110	100
TOTAL Stationeries, Supplies and Printing	131,736	76,321

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 increase in

communication is largely due to the Authority's rebranding locally and internationally ahead of its bid for the council seat in November 2011.

COMMUNICATION	30-Jun-11	30-Jun-10
Telephone and Telex	66,998	28,225
Postage	2,870	3,561
Press and Public Relations	181,690	68,394
TOTAL Communication	251,558	100,680

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.

CONTRIBUTIONS AND DONATION	30-Jun-11	30-Jun-10
Corporate Social Responsibility	315,254	121,957
Donations	0	1,126
TOTAL Contributions and Donations	315,254	123,083

15 Miscellaneous, Freight and Subscription

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

MISCELLANEOUS, FREIGHT AND SUBSCRIPTION	30-Jun-11	30-Jun-10
Contract Services	2,575	0
Subscriptions	44,667	31,595
Freight, Handling and Forwarding	2,275	1,641
License and Registration	4,548	1,928
Miscellaneous Expense	86,008	37,822
TOTAL Miscellaneous, Freight & Subscription	140,073	72,986

16 Travel 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.

Increase in Travel and Transportation is due to Liberia's increased participation in all of the IMO Conferences ahead of the its bid for IMO Council.

TRAVEL AND TRANSPORTATION	30-Jun-11	30-Jun-10
Local Travel	79,177	8,435
Foreign Travel-Air Tickets	241,521	256,280
Per Diems	584,357	220,729
Transportation (Vehicle Rental)	133,094	27,793
TOTAL Travel and Transportation	1,038,149	513,236

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.

UTILITIES	30-Jun-11	30-Jun-10
Water	1,617	1,119
Electricity	13,604	9,158
TOTAL Utilities	15,221	10,277

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. This segment also included works on the Marshall Road- the main route leading to the Liberia Marine Training Institute.

Special Project	30-Jun-11	30-Jun-10
Waterways	102,537	0
Ferry Cargo Acquisition	32,262	0
LMTI Road Rehabilitation	890,000	0
Total Special Project	1,024,799	0

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. The increment realized in Scholarships for this fiscal period was a result of Corporate Social Responsibility Scholarship to various Universities and high schools across Liberia.

Scholarships	30-Jun-11	30-Jun-10
Foreign	9,828	21,037
Local (CSR/LMTI)	34,188	2,301
Total Scholarships	44,016	23,338

Subsequent Event

Liberia's bid to regain its seat on the International Maritime Organization's Council after losing it due to the civil war would greatly impact public relations and other related expenditure as the Authority begins to rebrand itself. Liberia lost its first bid in 2009 and has done immense work in rebranding itself locally and internationally to regain its seat amongst the comity of maritime nations in November 2011.