



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

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

For the Fiscal Year ended June 30, 2015

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, 2015

We have audited the financial statements of the LMA, which comprise the statement of financial position as at June 30, 2015, the statements of comprehensive income and statements of cash flow 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 International Financial Reporting Standards (IFRS), 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

The Liberia Maritime Authority's Building and Improvement are carried in the statement of financial position at US\$3,093,545. Management has elected to use the book value as deemed cost. The company records have no indication of prior evaluation to authenticate the use of the deemed cost as required by IFRS. We cannot reasonably determine the effect of the lack of evaluation on the Income Statement and Shareholders' Equity.

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.

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, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


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

Monrovia, Liberia
January 2017

RESTATED STATEMENT OF FINANCIAL POSITION

	<i>2014/2015</i>	<i>2013/2014</i>	<i>As at July 1, 2013</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<i>NON-CURRENT ASSETS</i>			
Fixed Assets	389,084	1,012,769	1,150,367
Land	960	0	0
Buildings and Improvements	3,093,545	3,212,443	3,544,540
Leasehold Improvements	178,754	816,123	766,227
Construction in Process	2,398,350	1,983,350	1,671,350
Other Assets	0	0	0
	6,060,693	7,024,684	7,132,484
CURRENT ASSETS:			
Inventory Store-MRCC	2,398	2,398	2,398
Staff Receivable	33,866	15,428	120,060
Interagency Prepayments	0	25,000	428,502
Other Current Assets	31,667	41,667	0
Cash & Cash Equivalent	742,265	437,110	61,887
	810,197	521,604	612,848
TOTAL ASSETS	6,870,889	7,546,288	7,745,332
EQUITY:			
Surplus (Deficit)	(726,661)	(509,563)	1,051,092
Retained Earnings	3,716,664	4,226,226	3,123,467
TOTAL EQUITY	2,990,003	3,716,664	4,174,559
NON CURRENT LIABILITIES			
Long-Term Debt	1,237,627	2,831,397	2,100,000
CURRENT LIABILITIES			
Current Liabilities	2,643,260	998,228	1,470,772
Total Liabilities	3,880,887	3,829,625	3,570,772
Total Equity & Liabilities	6,870,889	7,546,288	7,745,332

RESTATED STATEMENT OF REVENUE AND EXPENSES

	NOTES	2014/15 US\$	2013/14 US\$
INCOME			
Government of Liberia Subsidy	4	9,806,710	11,888,275
Internally Generated	4	(499,496)	2,682,100
TOTAL INCOME		9,307,214	14,570,375
 OPERATING EXPENSES			
Salaries, Wages and Benefits	1	2,682,634	2,995,925
Taxes	8	105,957	125,980
Miscellaneous, Freight and Subscription	15	95,513	126,850
Insurance		246,745	397,912
Special Employment/Waterways	18	1,106,569	2,769,455
Board Related Services		66,483	107,550
Diplomatic Initiatives		356,000	1,236,157
Contributions and Donations	14	67,382	133,728
Professional Services	10	1,990,093	1,964,077
Communications	13	152,070	848,678
Gas, Fuel and Lubricants	9	1,228,104	1,121,061
Stationeries, Supplies and Printing	12	152,583	119,742
Entertainment		12,767	41,890
Accommodation		0	890
Utilities	17	20,506	48,554
Repairs and Maintenance	11	113,763	201,712
Depreciation	2	505,639	514,003
Bank Charges		360,793	556,800
Travels and Transportation	16	456,431	728,434
Scholarship-Foreign and Local	19	58,869	525,213
Rent		54,000	55,000
Other Expense		0	170,263
Loss (Gain) on FX		103,742	115,912
Conferences		97,232	174,152
TOTAL OPERATIONAL EXPENSES		10,033,875	15,079,939
 SURPLUS (DEFICIT)		 (726,661)	 (509,563)
 SURPLUS (DEFICIT)		 (726,661)	 (509,563)

RESTSTED STATEMENT OF CASH FLOWS

	2014/15 US\$	2013/14 US\$
OPERATING ACTIVITIES		
Surplus (Deficit)	(726,661)	(509,563)
Adjustments to reconcile Surplus to Net Cash Provided by Operating Activities:		
Net Changes in Adjusted Depreciation (Excluding Building and Leasehold)	(126,041)	343,841
Changes in Payables and Accruals	50,302	259,812
Changes in Prepayments	16,562	518,133
TOTAL ADJUSTMENTS	(59,176)	1,121,786
Net Cash Provided by Operating Activities	(785,837)	612,224
INVESTING ACTIVITIES		
Acquisition of Fixed Assets	749,725	(206,243)
Building and Improvements	118,898	332,097
Leasehold Improvements	637,369	(49,896)
Land	0	(960)
Work in Progress	(415,000)	(312,000)
Net cash provided by Investing Activities	1,090,992	(237,002)
Net Cash increase for the period	305,155	375,223
Beginning Cash Balance	437,110	61,887
Ending Cash Balance	742,265	437,110

Notes to the Restated Liberia Maritime Authority Financial Statements as of 30 June 2015

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 financial statements of LiMA have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). See Notes (1.2.3-7)

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.

INTERAGENCY PREPAYMENTS	30-Jun-15	30-Jun-14
Prepayment to DCFA	0	25,000
Prepayment to Escrow	0	0
Total Interagency Prepayments	0	25,000

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. Increase in cash for the end of this fiscal year is largely due to the late remittance of the allotment for June 2015 just as that of the previous fiscal period.

CASH AND CASH EQUIVALENT	30-Jun-15	30-Jun-14
Cash in Bank/Ecobank Enterprise Fund	132	777
Cash in Ecobank/ Building Fund	2,506	1,279
Cash in Ecobank/ Operations	272	426,634
Cash in Ecobank/LMTI	38	857
Cash in Ecobank/Small Watercraft	2,976	3,694
Cash in Bank/UBA	198	677
Cash in Bank/UBA LD	137	137
Cash in GT Bank/Special Project	735,605	474

Cash in GT Bank/Operations	400	1,576
Total Cash In Bank	742,265	436,104
Petty Cash	0	1,006
Total Cash and Cash Equivalent	742,265	437,110

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 obligation is accrued for during 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 accrued. 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. Decrease in salaries, wages and benefits were a direct result of a reduction in benefits and reduction in the number of senior staffers.

SALARIES, WAGES AND BENEFITS	30-Jun-15	30-Jun-14
Salaries and Wages	2,673,714	2,661,524
Allowance (General)	0	1,060
Relocation Allowance	0	15,000
Other Benefits	8,920	318,341
Total Salaries, Wages and Benefits	2,682,634	2,995,925

1.3 For all periods up to and including the year ended 30 June 2014, the LiMA prepared its financial statements in accordance with US Generally Accepted Accounting Principle. These financial statements for the year ended 30 June 2015 are the first the LiMA has prepared in accordance with IFRS. Accordingly, LiMA has prepared financial statements, which comply with IFRS applicable for periods ending on June 30, 2015, together with the comparative period data as at and for the year ended June 30, 2014. In preparing these financial statements, the LiMA's opening statement of financial position was prepared as at 1 July 2014, the LiMA's date of transition to IFRS. This note explains the principal adjustments made by LiMA in restating US GAAP statement of financial position as at July 1, 2014 and its previously published US GAAP financial statements as at and for the year ended June 30, 2014.

The LiMA has applied the following exemptions:

Freehold land and buildings were carried in the statement of financial position prepared in accordance with US GAAP on the cost basis. The cost of these assets which, includes leasehold improvements and constructions, were carried out in the last three years. LiMA has elected to regard those values as deemed cost at the date of transition since they were broadly comparable to fair value.

LiMA has applied the transitional provision in IFRIC 4 *Determining Whether an Arrangement Contains a Lease* and has assessed all arrangements based upon the conditions in place as at the date of transition.

LiMA reconciliation of equity as at July 1, 2014

Statement of Financial Position as at June 30, 2013	US GAAP	Re-measurements	IFRS as at July 1, 2014
NON-CURRENT ASSETS			
Fixed Assets	1,150,367.31		1,150,367.31
Land			
Buildings and Improvements	3,544,539.68		3,544,539.68
Leasehold Improvements	766,227.15	603,276.00	162,951.15
Construction in Process	1,671,350.00		1,671,350.00
Other Assets			
	7,132,484.14		6,529,208.14
CURRENT ASSETS:			
Inventory Store-MRCC	2,398.43		2,398.43
Staff Receivable	120,059.80		120,059.80
Interagency Prepayments	428,502.08		428,502.08
Prepaid Rent		51,667.00	51,667.00
Other Current Assets			
Cash & Cash Equivalent	61,887.29		61,887.29
	612,847.60		612,847.60
TOTAL ASSETS	7,745,331.74		7,142,055.74
EQUITY			
Surplus (Deficit)	447,815.94		447,815.94
Retained Earnings	3,123,467.32		3,123,467.32
TOTAL EQUITY	4,174,559.26		3,571,283.26
NON CURRENT LIABILITIES			
Long-Term Debt	2,100,000.00		2,100,000.00
CURRENT LIABILITIES			
Current Liabilities	1,470,772.48		1,470,772.48
Total liabilities	3,570,772.48		3,570,772.48
Total Equity & Liabilities	7,745,331.74		7,142,055.74
Statement of Income			
Government of Liberia Subsidy	12,471,584.00		12,471,584.00
International Registry Support			
Internally Generated	1,282,910.75		1,282,910.75
TOTAL INCOME	13,754,494.75		13,754,494.75

OPERATING EXPENSES			
Salaries, Wages and Benefits	3,221,542.71		3,221,542.71
Taxes	128,090.13		128,090.13
Misc., Freight and Subscriptions	129,736.68		129,736.68
Insurance	318,522.60		318,522.60
Special Project	1,874,572.02		1,874,572.02
Board Related Expenses	173,175.00		173,175.00
Diplomatic Initiatives	275,750.00		275,750.00
Contributions and Donations	34,116.00		34,116.00
Professional Services	1,194,513.88		1,194,513.88
Communications	470,250.23		470,250.23
Gas, Fuel and Lubricants	1,101,160.44		1,101,160.44
Bad Debt Expense			
Stationeries, Supplies and Printing	261,626.05		261,626.05
Entertainment	23,338.10		23,338.10
Accommodation	7,834.77		7,834.77
Utilities	14,186.81		14,186.81
Repairs and Maintenance	200,473.18		200,473.18
Depreciation	405,259.98		405,259.98
Bank Charges	415,923.54		415,923.54
Travel and Transportation	783,844.86		783,844.86
Scholarship	789,815.52		789,815.52
Rent	115,000.00	51,667.00	63,333.00
Other Expense	663,035.81		663,035.81
Gain or Loss on FX			
Conferences	101,634.50		101,634.50
TOTAL OPERATIONAL EXPENSES	12,703,402.81		12,703,402.81
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	1,051,091.94		1,051,091.94
GAIN/LOSS ON PLANT ASSET SALE			
SURPLUS (DEFICIT) AT END OF PERIOD	1,051,091.94	603,276.00	447,815.94

2. Property and Equipment

Building, Lease Improvement and Construction in Progress were carried in the statement of financial position prepared in accordance with US GAAP on the cost basis. LiMA has elected to regard those values as deemed cost since they are broadly comparable to fair value.

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 that has expired 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
Building and Improvement	25 Years

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

FIXED ASSETS COST SUMMARY	30-Jun-15	30-Jun-14
Furniture, Fixtures & Fittings	90,098	77,988
Building and Improvement	3,093,545	3,212,443
Leasehold and Improvement	178,754	816,123
Machines and Equipment	136,653	440,662
Motor vehicles	162,333	494,119
	3,661,383	5,041,334
FIXED ASSETS- BOOK VALUE REFLECTED		
Total Cost	7,395,872	7,395,872
Accumulated Depreciation and Write-offs		
30-06-2015	3,734,490	2,354,538
Net book value at 30-06-2015	3,661,383	5,041,334

3. Liabilities

Accounts payable and others are stated at their nominal value. Additionally, as at June 30, 2012 long-standing accounts payable that have be carried over from prior periods were reclassified as long-term debt. Liabilities increased in this period due to delays in receiving funding from the GoL. The resulted in the acquisition of debt from financial institutions to enable LMA meet its operational needs.

CURRENT LIABILITIES	30-Jun-15
Accounts Payable	1,889,489
Board Fees Payable	18,700
Salaries Payable	0
Income Tax Payable	181,101
NASSCORP Payable	550,493
Other Benefits Payable	3,478
GT Bank Financing Gap Facility (Short Term)	0
Non Current Liabilities	
Ecobank Restructured Facility (Repayment)	1,237,627
Total Liabilities	3,880,887

3.1 Long-term Liabilities

Long-term liabilities comprise of accruals made between 2006 and 2014, 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, 2015 was \$1,237,627.

4. Revenue

Revenue comprises of 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 the Authority has received cash in the case of GOL subsidies. Decrease in Domestic Registry collections was a direct result of a decline in activity within the oil sector as it relates to exploration and the registration of more fishing vessels and as well a rise in the Ebola crisis which caused a state of emergency in the entire nation.

Revenues include the following:

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

INCOME	30-Jun-15	30-Jun-14
Government of Liberia Subsidy		
Subsidy from GOL	9,806,710	11,888,275
Total Government of Liberia Subsidy	9,806,710	11,888,275
Domestic (Small) watercraft	352,872	2,586,870
Other Income	0	90,095
Miscellaneous Income	51,655	5,135
Internally Generated (Total)	404,527	2,682,100
TOTAL INCOME	10,211,237	14,570,375

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. Liquidity Risks

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 International Financial Reporting Standards (IFRS) 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. Social Security Contributions

Social Security Contributions represent management contributions to the Social Security Scheme on behalf of the employees. The contribution is 4.75% of employees’ gross salaries.

TAXES	30-Jun-15	30-Jun-14
Social Security Tax	105,957	125,980
Total Taxes	105,957	125,980

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 all the ports are compliant 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. Increase in the price of fuel caused a rise in this line item of expenditure coupled with all the installation heavy reliance on generator other than City Power specifically at the Head Office in Sinkor.

GAS, FUEL AND LUBRICANTS	30-Jun-15	30-Jun-14
Fuel	1,228,104	1,121,061
Total Gas, Fuel and Lubricants	1,228,104	1,121,061

10. Professional Services

All laws of the Republic of Liberia applying to the selection and maintenance of such consulting services were vehemently adhered to. The increase in Professional Service as compared to the previous fiscal period was driven by the fact that the cost of settlement and court related expenses for the lawsuit filed by the fallen Maritime Cadet's families.

The settlement was in the amount of US\$1.2 Million. Additionally, Professional services include payments made to Orion for the management of the Waterways Project.

PROFESSIONAL SERVICES	30-Jun-15	30-Jun-14
Professional Services	244,893	179,477
Legal Services	1,745,200	1,784,600
Total Professional Services	1,990,093	1,964,077

11. Repairs and Maintenance

Repairs and Maintenance 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. Decrease in repairs and maintenance was primarily driven by the closure of the Liberia Marine Training Institute.

REPAIRS AND MAINTENANCE	30-Jun-15	30-Jun-14
Repairs and Maintenance- Equipment	3,143	19,461
Repairs and Maintenance- Building	5,761	34,466
Repairs and Maintenance- Vehicles	84,140	112,954
Repairs and Maintenance- General	500	0
Repairs and Maintenance- Generators	15,295	24,975

Repairs and Maintenance- Grounds	4,925	9,855
Total Repairs and Maintenance	113,763	201,712

12. Stationeries, Supplies and Printing

Stationeries, Supplies and Printing highlight 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 is a direct result of an increase in security supplies and Stationery and Supplies due to the imposition of the State of Emergency, which was a direct result of the Ebola Virus Disease Outbreak.

STATIONERIES, SUPPLIES & PRINTING	30-Jun-15	30-Jun-14
Stationery and Supplies Expense	104,284	91,892
Janitorial supplies Expense	739	6,971
Security Supplies Expense	26,070	3,826
Canteen Supplies Expense	5,932	5,499
Instructional Supplies (LMTI)	0	898
Printing	15,559	10,657
Total Stationeries, Supplies and Printing	152,583	119,742

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 was due to the fact that marketing was not carried internationally and locally as the Council was held in 2013.

COMMUNICATION	30-Jun-15	30-Jun-14
Telephone and Telex	33,865	92,327
Postage	155	4,052
Press and Public Relations	118,050	752,300
Total Communication	152,070	848,678

14. Contributions and Donation

This includes all of the Liberia Maritime 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 account is related to health and community volunteering.

CONTRIBUTIONS AND DONATION	30-Jun-15	30-Jun-14
Corporate Social Responsibility	67,382	133,728
Total Contributions and Donation	67,382	133,728

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 other miscellaneous expenses.

MISCELLANEOUS, FREIGHT AND SUBSCRIPTION	30-Jun-15	30-Jun-14
Honorarium	26,536	24,485
Subscriptions	47,822	34,731
Freight, Handling and Forwarding	0	153
License and Registration	7,825	4,895
Miscellaneous Expense	13,331	62,586
Total Miscellaneous, Freight and Subscription	95,513	126,850

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 by the GoL. Moreover, these rates were inherited by the current administration and had been used from the pre war era. The expenses paid for vehicle rental are also a part of this account 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. In this period, the Maritime Security, Maritime Environmental Protection and the Domestic Vessel Registration and Documentation Departments did regular maritime inspections on a monthly basis.

TRAVELS AND TRANSPORTATION	30-Jun-15	30-Jun-14
Local Travel	145,885	74,946
Foreign Travel-Air Tickets	165,562	314,890
Per Diems	136,409	316,305
Transportation (Vehicle Rental)	8,575	22,293
Total Travels and Transportation	456,431	728,434

17. Utilities

Utilities include 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-15	30-Jun-14
Water	3,069	5,239
Electricity	17,436	43,315
Total Utilities	20,506	48,554

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.

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 for several students at almost all of the higher institutions of learning and high schools across the country. The reduction is largely due to the completion of studies by students sponsored by LiMA abroad and by the reduction in the number of students at the LMTI. Due to the lack of funding the LMTI was shut down in December 2013. The decrease in scholarship is particularly driven by the closure of LMTI as the cost of running the school was classified as scholarship within the financial statements.

SCHOLARSHIPS	30-Jun-15	30-Jun-14
Foreign	51,987.00	85,965.00
Local (CSR/LMTI)	6,882.00	439,249.00
Total Scholarships	58,869.00	525,214.00

Subsequent Event

The Liberia Maritime Authority as of July, 2015 will no longer received its operational funding through the Ministry of Finance and Development Planning instead it will be entitled to 25% of the GoL share of the Maritime Revenue and said funds will be remitted directly to LiMA Account. Additionally, LiMA will have to reduce its cost of operations to fit into amount received that would lead to a drastic reduction in staff and other expenses. The International Registry will pay directly to the contractor the amount due for the construction of the LiMA Headquarter construction in Marshall for GoL Share of the Revenue and as well will operate the Liberia Marine Training Institute from the GoL share of the Revenue collected. All these changes in the operations of the Authority are a direct result of an Amendment to the Restated Agency Agreement between LISCR/GoL passed in May 2015.