State Owned Enterprises
FY2016/2017Quarter Two Consolidated Financial Performance Report

State Owned Enterprise Financial Reporting Unit
Ministry of Finance & Development Planning
Republic of Liberia

Foreword

I am pleased to issue the FY2016/2017 second quarter consolidated financial performance report of State Owned Enterprises (SOEs). The second quarter consolidated report recounts the major strides the SOE Unit has made towards ensuring that SOEs have a meaningful impact on the development efforts of the Government of Liberia.

Over the second quarter, the consolidated financial performance of SOEs has shown some positive results: subventions to SOEs were below the budget target by 26%, and expenses made by SOEs were also below budget target by 14%; at the same time, the sector maintained stable revenue collections over the period. As a result of policies initiated by Government for SOEs, returns on Government investment are showing remarkable improvement with a record US$16.3 million deposited into the Consolidated Fund Account (CFA) during the second quarter. Preliminary data for the third quarter indicates even better performance in terms of transfers into the Consolidated Fund Account.

In 2016, funding was secured from our development partners for the construction of a new airport terminal and the rehabilitation and expansion of the runway. Construction works were initiated during the second quarter of FY2016/2017, and the terminal is expected to be completed late 2018.

I am also pleased to report that the installation of the third and fourth turban at the Mount Coffee Hydro Electricity Power Plant is ongoing and commissioning is expected shortly. The rehabilitation of the Greenville port facilities and water treatment facilities at White Plains, Voinjama, Robertsport and Sanniquellie are also ongoing. Upon completion of these projects, the revenue collections of the respective SOEs will improve.

Finally, the SOE Financial Reporting Unit will continuously work with SOEs to provide guidance on corporate governance and financial reporting to ensure sustainability and viability of the sector.

Again, I remain positive about the future viability of the SOEs sector leading to enhanced profit levels for increased dividend contributions to the National Budget.

Boima S. Kamara
Minister

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Acronyms

AFT	Agenda for Transformation
CFA	Consolidated Fund Account
FDA	Forestry Development Authority
FY	Fiscal Year
GOL	Government of Liberia
JSPA	James Springs Payne Airport
LAA	Liberia Airport Authority
LEC	Liberian Electricity Corporation
LIBTELCO	Liberia Telecommunications Corporation
LiMA	Liberia Maritime Affairs
LPRC	Liberian Petroleum Refining Corporation
LTA	Liberia Telecommunications Authority
LWSC	Liberia Water and Sewer Corporation
MHI	Manitoba Hydro International
MFDP	Ministry of Finance and Development Planning
NASSCORP	National Social Security Corporation
NOCAL	National Oil Company of Liberia
NPA	National Port Authority
NTA	National Transit Authority
LBS	Liberia Broadcasting Corporations
NLA	National Lottery Authority
PFMA	Public Financial Management ACT
Q1	Quarter One
Q2	Quarter Two
RIA	Roberts International Airport
SAP	Sustainable Action Plan
SOEs	State Owned Enterprises
YTD	Year to Date

Introduction

The State Owned Enterprise (SOE) Financial Reporting Unit has been mandated to provide financial oversight management with strategic focus on monitoring and evaluating SOE's performance to ensure fiscal discipline, transparency and accountability of SOEs operations. The FY2016/2017 second quarter Financial Performance Report was prepared in accordance with the Public Finance Management Act of 2009, which requires the analysis of individual, SOEs report for consideration and publication.

This report provides an analytical review and evaluation of SOEs with key consideration to revenue and expenditure targets and profitability margin. The Government of Liberia (GOL) subvention serves as a key performance indicator in assessing specific capital investments and the ability of SOEs to move toward self-sustainability.

During the period under review, a total of fifteen SOEs submitted unaudited financial statements to the Unit. Where appropriate, discussions were held with key Executives and technical staffs of some SOEs. The Ministry of Finance and Development Planning (MFDP) is therefore pleased to present consolidated SOE financial information highlighting their performance and summarizing each SOE's financial position during the second quarter of FY2016/2017.

Year-to-Date Consolidated Financial Performance

Consolidated operating revenue over the six-month period (July-December 2016) is US$70.11 million, a drop of less than 1% when compared to FY2015/2016 and below budget target by 13%. For the period under review, operating revenue was recorded at US$34.1 million; a decrease of 5% when compared to the first quarter of FY2016/2017.

Reported subsidy to the sector for quarter two was US$3.1 million, an increase of 42% compared to quarter one of FY2016/2017. Combined subsidy over the six-month period is recorded at US$5.3million, down 5% from FY2015/2016. Of the US$21.8 million consolidated subsidy budgeted for the fiscal period, less than 25% has been allotted to SOEs, signaling the GOL's effort to put SOEs on a path toward self-sustainability.

Consolidated expenses for quarter two grew by 6% from the first quarter of FY2016/2017; personnel expense accounts for 35%, while goods and services accounts for 63%. Total expenses recorded over the six-month period was US$64.4 million, essentially even with the same period of FY2015/2016. For the six-month period, total expenses were below projected budget target by 14%.

GOL recorded US$16.3 million in deposits or transfers into the CFA for the quarter under review—an increase of 240% when compared to the first quarter. The huge increase in dividends or transfers to CFA is the result of the additional $0.25 tariff on storage for petroleum product imported into the country. Total transfers to the consolidated fund account stood at US$21.1million at the end of the six-month period. Although transfer is below budget target by 23%, it represents an increase of 130% when compared to FY2015/2016.

Consolidated net profits of US$4.2 million for the second quarter declined by 39% when compared to the first quarter. Year to date profits stands at US$11 million, a 4% drop from FY2015/2016 when profit was reported at US$11.5 million.

Table 1:Year to Date Consolidated Financial Performance

Consolidation	FY 2016/2017				FY 2015/16	Attainment	Q on Q
Income Statement	**Budget**	**ACT Q1**	**ACT Q2**	**ACT YTD**	**Q2 YTD**	**YTD vs. Budget**	**% Change**
Operating Revenue	**190,650,806**	35,969,679	34,149,258	70,118,937	70,417,289	37%	-0.42%
Accrued Revenue to GoL	**51,536,524**	**9,441,465**	**11,181,756**	**20,623,222**	**7,593,937**	40.02%	172%
GoL Subsidy (Subvention)	**21,823,209**	2,165,826	3,085,932	5,251,758	5,543,587	24%	-5%
Total Inflows	**212,474,015**	**38,135,506**	**37,235,190**	**75,370,696**	**75,960,876**	35%	-1%
Personnel & Payroll Related Expense	**45,576,907**	11,088,837	11,499,364	22,588,201	23,651,554	50%	-4%
Good and Services/ Other Expenses	**133,943,455**	19,971,558	20,778,242	40,749,800	39,587,769	30%	3%
Travel Expenses	**319,696**	141,477	146,100	287,577	-	90%	0%
Corporate Social Responsibility	**-**	93,200	632,735	725,935	**1,256,370**	0%	-42%
Capital Expenditure (Entity and Donor funded)	**5,115,993**	14,875,295	12,006,275	26,881,570	1,796,244	525%	1397%
Total Expenses	**179,840,059**	**31,295,072**	**33,056,441**	**64,351,513**	**64,495,692**	36%	0%
Net Profit/Loss	**32,633,956**	**6,840,434**	**4,178,749**	**11,019,183**	**11,465,183**	34%	-4%
Dividend/Deposits into Consolidated Fund	**79,636,000**	**4,802,984**	**16,307,433**	**21,110,417**	**9,168,502**	27%	130%
Net inflow	**32,633,956**	**6,840,434**	**4,178,749**	**11,019,183**	**11,465,183**	34%	-4%

Notes: Capital Expenditure is not part of total operating expenses

Quarter Two Financial Performance

A summary of quarter two financial performance reports for the SOE sector shows that combined operating revenue collections stands at US$34.1 million for Q2. The SOEs driving operating revenues for the quarter are: LPRC, NASSCORP, NPA, and LEC with 19%, 18%, 15%, and 18% shares of the sector revenue, respectively. Accrued revenue to Government for the period stands at US$11.2 million. Of this amount, more than half (58%) is derived from LPRC; other major contributors include LTA (25%), LiMA (10%), and FDA (8%), respectively. Taking in to consideration accrued revenue to GoL, total operating revenue is US$45.3 million for the period under review.

Subventions (GoL subsidy) to the sector for the period amounted to US$3.1 million. FDA received 54% of government subventions, followed by NTA (21%) and LEC (10%). It should be noted that the combined inflow to the sector for the period is approximated at US$37.1 million.

Operating expenses during the period are reported at US$33.1 million. LEC (18%), NASSCORP (16%), NPA (14%), LPRC (13%), and LAA/RIA/JSPA (10%) are the key drivers of expenses. Dividends or deposit into Government's consolidated fund were US$16.3 million. Of this, LPRC deposited over US$13.00 million during the period under review. The transfer by LPRC is the result of the accumulated accrued revenue during the second half of FY2015/2016, when the policy decision taken by Government for an additional $0.25 tariff on storage for gas and gas oil imported into the country took effect.

For the quarter under review, consolidated profits stood at US$4.2 million. Entities reporting significant loss were NOCAL (US$0.95 million) and LAA (US$0.36 million).

Table 2: SOEs Quarter Two Financial Performance

SOEs	Operating Revenue	Accrued To GoL	Subsidy to SOEs	Total Inflows	Operating Expenses	Dividend or deposits to CFA	Total Outflow	Net Profits/Loss
LWSC	1,240,445	-	295,869	1,536,314	1,263,032	-	1,263,032	273,282
LPRC	6,605,333	6,446,839	-	6,605,333	4,205,956	13,041,000	4,205,956	2,399,377
NPA	5,132,632	-	-	5,132,632	4,479,025	-	4,479,025	653,607
NOCAL	114,859	-	-	114,859	1,062,841	-	1,062,841	(947,982)
LEC	6,216,517	-	-	6,216,517	5,795,457	-	5,795,457	421,060
LIBTELCO	900,794		-	900,794	938,981	-	938,981	(38,187)
NTA	426,380	-	662,314	1,088,695	1,082,491	-	1,082,491	6,204
RIA	2,847,860	-	-	2,847,860	3,209,783	-	3,209,783	(361,923)
LMA	1,795,417	1,129,000	-	1,795,417	1,778,474	1,129,000	1,778,474	16,943
FDA	-	846,433	1,664,608	1,664,608	1,657,736	846,433	1,657,736	6,873
LTA	2,257,760	2,759,485	-	2,257,760	1,343,579	1,291,000	1,343,579	914,181
NASSCORP	6,185,093	-	-	6,185,093	5,356,526	-	5,356,526	828,567
NHA	195,000	-	166,000	361,000	368,000	-	368,000	(7,000)
NLA	3,143	-	52,574	55,717	56,735	-	56,735	(1,018)
LBS	228,024	-	244,567	472,590	457,825	-	457,825	14,765
Consolidated	**34,149,258**	**11,181,756**	**3,085,932**	**37,235,190**	**33,056,441**	**16,307,433**	**33,056,441**	**4,178,749**

Source: SOEs Q2 Financial Reports

SOEs Liabilities

Consolidated liabilities of SOEs stand at US$213.94 million as at December 31, 2016, a growth of 3% over the six-month period when compared to the fiscal period ending June 30, 2016. Current liabilities account for 21% of total liabilities while non-current liabilities account for 69%. For several entities, liabilities are driven up by deferred income and external lending. Government is thus making every effort to work with SOEs to proactively manage the potential fiscal risk posed to the government in the event of any SOEs becoming illiquid and insolvent.

Table 3: SOEs Liabilities as at December 31, 2016

SOE	Total Liabilities at June 30, 2016	Outstanding Liabilities as at December 31, 2016		
		CURRENT	NON-CURRENT	Total Liabilities
LWSC	$2,309,410	$2,044,817	$1,407,529	$3,452,346
LPRC	$19,591,051	$15,520,342	$0	$15,520,342
NPA	$51,454,253	$1,440,821	$57,191,589	$58,632,410
NOCAL	$4,667,356	$3,494,923	$1,509,512	$5,004,435
LEC	$117,459,063	$11,584,534	$107,183,270	$118,767,804
LIBTELCO	$8,032,922	$2,049,710	$5,497,554	$7,547,264
NASSCORP	$2,187,718	$3,728,705	$0	$3,728,705
RIA/LAA	$2,050,932	$1,693,858	$0	$1,693,858
LiMA	$4,575,972	$3,906,337	$0	$3,906,337
NTA ***	$293,217	$520,489	$0	$520,489
FDA ***	$963,941	$963,312	$0	$963,312
LTA ***	$97,418	$107,408	$0	$107,408
NHA	$252,901	$0	$0	$0
NLA ***	$0	$0	$0	$0
LBS **	$0	$0	$0	$0
Total	**$213,936,154**	**$47,055,257**	**$172,789,454**	**$219,844,710**

* Amounts represent unaudited figures presented by the respective entities in their annual financial statements. Total liabilities figure includes deferred income, external multilateral and bilateral loans, and other components.

**Balance sheet was not available for this entity.

*** Debt information was extracted from the entity's IPSAS reports. **** Debt information was not available in report.

Source: SOE's Financial Reports

State Owned Enterprises

There are thirty-six SOEs that are established by law. The SOE Unit at MFDP currently tracks the activities of fifteen of those SOEs. The government and people of Liberia own 100% shares of all SOEs that are being tracked by the Unit. The reporting arrangement is such that SOEs are to submit periodic financial statement in accordance with the PFM Act of 2009.

As of December 31, 2016, the equity value of SOEs stands at US$276 million. It should be noted that the equity share value account for only ten of the SOEs that are being tracked.

Almost all of the state corporations does not operate in a competitive market, but nevertheless play an important role in the economic development of the country and the people. The overarching strategy of the SOE Unit is to strengthen the SOEs in order to create and sustain long-term value for the growth and development of the country.

Liberia Water and Sewer Corporation (LWSC)

LWSC was established by an Act in 1973 to manage the public water and sewage system of Liberia. Its mandate is to provide safe and affordable drinking water to the Liberian people. Currently, the entity is undergoing capitalization and upgrading of its facilities at the White Plains Water Treatment Plant, outside of Monrovia, rehabilitating piping systems, and working with development partners to extend the pipe-borne water supply and sewer services across the country.

Table 4: LWSC Financial Performance

LWSC	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**6,203,520**	1,062,989	1,240,445	2,303,434	2,098,168	37%	10%
Accrued Revenue to Gol	-	-	-	-	-	0%	0%
GoL Subsidy	**1,500,000**	214,975	295,869	510,844	1,179,985	34%	-57%
Total Inflows	**7,703,520**	**1,277,964**	**1,536,314**	**2,814,278**	**3,278,153**	37%	-14%
Personnel & Payroll Related Expense	**2,223,177**	634,948	632,265	1,267,213	1,033,989	57%	23%
Good and Services/ Other Expenses	**3,863,920**	355,777	630,767	986,544	1,797,790	26%	-45%
Travel Expenses	-	13,357		13,357	-	0%	0%
Corporate Social Responsibility	-	-	-	-	-	0%	0%
Cap Exp (Entity and Donor funded)	-	-		-	-	0%	0%
Total Expenses	**6,087,097**	**1,004,082**	**1,263,032**	**2,267,114**	**2,831,778**	37%	-20%
Net Profit/Loss	**1,616,423**	**273,882**	**273,282**	**547,164**	**446,375**	34%	23%
Dividend/Deposits into Consolidated Fund	-	-	-	-	-	0%	0%
Net inflow	**1,616,423**	**273,882**	**273,282**	**547,164**	**446,375**	34%	23%

Source: LWSC Financial Reports

Key Business Performance

For the quarter under review, LWSC operating revenue grew by 17%, while at the same time government subsidy grew by 38% when compared to Q1 of FY2016/2017. Operating revenue for quarter two accounts for 81% of the entity's total inflow while subsidy accounts for 19%. Year to date operating revenue grew by 10%, while subsidy dropped by 57% when compared to the same period of FY2015/2016. Attainment against projected budget target for the period is 37% and 34% respectively.

Quarter two operating expenses grew by 26% when compared to quarter one of FY2016/17. Personnel and other related expenses account 50% of total expenses for the quarter and remain stable as compared to Q1 FY2016/2017. Despite the growth in Q2 expenses, year to date total expenses dropped by 20% when compared to fiscal year 2015/2016.

The entity recorded a net profit of US$0.27 million, on par with the first quarter of FY2016/2017. Year to date profit is below budget targeted by 16% but grew by 23% when compared to the same period of FY2015/2016.

Risk to Business Performance

The high cost of power and continued breakdowns of equipment pose a severe risk to the entity's revenue collections. Production cost for quarter two stands at US$1.8 million, with electricity accounting for 78% of the production cost. Given the huge cost of production, management needs to assert more efforts bringing online additional customers to its distribution network that will eventually result into increased revenues for the entity.

Liberia Electricity Corporation (LEC)

LEC operations are conducted under a Management Contract (MC) with Manitoba Hydro International (MHI) for the period under review. Although the entity did not receive subsidy from Government, its operations are financed from income generated and off-budget financial support, which include grants and concessional loans from development partners.

Table 5: LEC Financial Performance

LEC	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**57,183,084**	5,733,968	6,216,517	11,950,485	11,235,652	21%	6%
Accrued Revenue to Gol	-	-			-	0%	0%
GoL Subsidy	-	-		-	-	0%	0%
Total Inflows	**57,183,084**	**5,733,968**	**6,216,517**	**11,950,485**	**11,235,652**	21%	6%
Personnel & Payroll Related Expense	**3,400,000**	945,656	932,828	1,878,484	1,393,769	55%	35%
Good and Services/ Other Expenses	**58,900,000**	4,888,602	4,862,629	9,751,231	9,128,247	17%	7%
Travel Expenses	-	-		-	-	0%	0%
Corporate Social Responsibility						0%	0%
Cap Exp (Entity and Donor funded)	-	-		-	-	0%	0%
Total Expenses	**62,300,000**	**5,834,258**	**5,795,457**	**11,629,715**	**10,522,016**	19%	11%
Net Profit/Loss	**(5,116,916)**	**(100,290)**	**421,060**	**320,770**	**713,636**	-6%	-55%
Dividend/Deposits into Consolidated Fund	-	-	-	-	-	0%	0%
Net inflow	**(5,116,916)**	**(100,290)**	**421,060**	**320,770**	**713,636**	-6%	-55%

Source: LEC Financial Reports

Key Business Performance

LEC revenue collections for quarter two grew by 8% when compared to quarter one of FY2016/2017. Year to date revenue collections grew by 6% when compared to FY2015/2016. However, the entity is falling short of its projected revenue target for the fiscal period by 29%, which risks LEC's revenue target at the end of the fiscal period.

Operating expenses recorded for the period under review are approximately US$5.8 million, a drop of 1% from Q1 FY2016/2017. For the period under review, personnel expenses account for 16% of total expenses. Year to date personnel grew by 35% as total expenses also increased by 11% when compared to FY2015/2016. LEC did not provide an explanation for the increased expenses.

The entity recorded a net profit of US$0.42 million in the second quarter, rebounding from Q1 FY2016/2017 when the entity reported a loss of US$100,290. However, year to date profit declined by 55% when compared to FY2015/2016.

Risk to Business Performance

A major risk to LEC's operations is widespread electricity theft and technical losses, which is passed on to the costs of the utility and, in turn, the tariff costs to consumers. Moreover, with the commissioning of the Mount Coffee Hydropower Plant, the pace of electricity connections has failed to keep up. Going forward, the inability to extend network capacity to large businesses and other communities across the country commensurate with newly-available electricity generation capacity could result in excess supply, resulting in a further loss for the entity.

Liberia Telecommunications Corporation (LIBTELCO)

LIBTELCO was designated as the National Operator as licensed fixed line telephone provider in the country in the Telecom Act of 2007.

Table 6: LIBTELCO Financial Performance

LIBTELCO	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	2,850,177	1,045,882	900,794	1,946,676	1,596,029	68%	22%
GoL Subsidy	630,000	-	-	-	350,000	0%	-100%
Total Inflows	3,480,177	1,045,882	900,794	1,946,676	1,946,029	56%	0%
Personnel & Payroll Related Expense	1,812,282	443,011	388,413	831,424	929,126	46%	-11%
Good and Services/ Other Expenses	1,574,798	902,466	550,568	1,453,033	907,316	92%	60%
Corporate Social Responsibility	-	-	-	-	-	0%	0%
Cap Exp (Entity and Donor funded)	-	-	-	-	-	0%	0%
Total Expenses	3,387,080	1,345,477	938,981	2,284,457	1,836,442	67%	24%
Net Profit/Loss	93,097	(299,595)	(38,187)	(337,781)	109,587	-363%	-408%
Dividend/Deposits into Consolidated Fund	-	-	-	-	-	0%	0%
Net inflow	93,097	(299,595)	(38,187)	(337,781)	109,587	-363%	-408%

Source: LIBTELCO Financial Reports

Key Business Performance

LIBTELCO recorded operating revenue for quarter two is approximately US$0.90 million, a 14% decrease from the first quarter of FY2016/2017. Year to date revenue is approximately US$1.9 million, a 68% attainment against projected budget and a 22% increment when compared to FY2015/2016. LIBTELCO is on track in meeting its revenue targets.

Operating expenses for the quarter under review dropped by 30% when compared to quarter one FY2016/2017. Personnel expenses for the period under review grew by 27% when compared to the first quarter and accounts for 34% of total expenses. While there was a reduction in expenditure for the period, year to date expenses grew by 24%. The entity exceeded its planned budget targets by 17% after the six months period.

Although the entity reported successive losses over the last two quarters, LIBTELCO decreased its quarter two losses by 87% from the first quarter of FY2016/2017. Year to date total losses are US$0.34 million, down from the same period of FY2015/2016 when the entity reported a profit of US$109,587.

Risk to Business Performance

The entity faces an operational risk with a working capital of negative US$1.8 million. It has absolutely no funds to carry out its normal operations and at the same time replace equipment when needed. Liquidity and solvency risks are very high. Current ratio of 0.1 indicates the inability to settle its current liabilities when they come due. 43% of assets owned by the entity are financed through debt, with an asset turnover of 0.05 and return on assets of 0%. Financial reporting risk is prevalent due to the late submission of financial reports.

Liberia Telecommunication Authority (LTA)

LTA was established by the Telecom Act 2007 with the mandate to regulate the telecom sector through efficient management and monitoring of spectrum. Presently, the entity has a 39:61 revenue sharing agreement with the GOL of Liberia for the revenue collected from the sector.

Table 7: LTA Financial Performance

LTA	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**8,148,191**	2,103,343	2,257,760	4,361,103	3,588,608	54%	22%
Accrued Revenue to GoL	**7,967,000**	2,570,752	2,759,485	5,330,237	5,618,937	67%	0%
GoL Subsidy	-	-	-	-	-	0%	0%
Total Inflows	**16,115,191**	**4,674,095**	**5,017,245**	**9,691,340**	**9,207,545**	60%	5%
Personnel & Payroll Related Expense	**3,486,236**	773,444	986,089	1,759,533	1,809,629	50%	-3%
Good and Services/ Other Expenses	**5,714,136**	1,138,606	307,344	1,445,950	1,094,822	25%	32%
Travel Expenses	-	-	10,588	10,588	-	0%	0%
Corporate Social Responsibility	-	-	39,558	39,558	-	0%	0%
Cap Exp (Entity and Donor funded)	-	-	-	-	-	0%	0%
Total Expenses	**9,200,372**	**1,912,050**	**1,343,579**	**3,255,629**	**2,904,451**	35%	12%
Net Profit/Loss	**(1,052,181)**	**191,293**	**914,181**	**1,105,474**	**684,156**	-105%	62%
Dividend/Deposits into Consolidated Fund	**7,967,000**	**2,353,000**	**1,291,000**	**3,644,000**	**4,022,502**	46%	-9%
Net inflow	**(1,052,181)**	**191,293**	**914,181**	**1,105,474**	**684,156**	-105%	62%

Source: LTA Financial Reports

Key Business Performance

For the quarter under review, total inflow reported by the entity is approximately US$5 million. This amount represents an increase of US$0.34 million or 7% over first quarter. Accrued revenue to government is US$2.76million (55%) while LTA share of revenue is US$2.26 million (45%). LTA operating revenue grew by 7% when compared to the first quarter of FY2015/2016, while budget attainment is 54% as of December 31, 2016. Year to date operating revenue also grew by 22%, while accrued revenue to government dropped by 5%. The report gives no explanation for the decline in accrued revenue to government.

Total expenses of US$1.34 million as reported by the entity for Q2 represents a 30% drop in expenses when compared to Q1 of FY2016/2017. However, year to date expenses of US$3.3 million represents a 12% growth when compared to FY2015/2016 of the same period. Based on the management's second quarter report, significant reductions were noted in repairs and maintenance, foreign travel, office rental, and printing and publications. However, in its report, management made no assertion as to the cause of the reduction in operating expenses. In aggregate, while significant reduction was noted in cost of goods, services, and other expenses, personnel and payroll-related costs grew by 27% over previous quarter. In the future, the entity's management would be able to state reasons for significant movements in the accounts between reporting periods.

The entity recorded successive profits over the last two quarters. Net profits reported for quarter two is approximately US$914,181 which represents a 378% growth from first quarter of FY2016/2017 when the entity reported a profit of US$0.19million. Year to date profit also grew by 62% when compared to the same period of FY2015/2016.

Risk to Business Performance

The entity faces an operational efficiency risk for the quarter under review, even with a reduction in operational efficiency risk by 30%. Operational efficiency ratio (operating expenses to net revenue) stands at 60%, a decrease by 30% when compared to Q1 which was recorded at 91% for the fiscal year.

National Transit Authority (NTA)

NTA was established 2008 with a mandate to provide and expand access to affordable, convenient, reliable and sustainable mass transit services to residents in major cities and other parts of Liberia. The entity, through the initiative of the President of Liberia with support from government, has expanded transport services to eight counties in the country geared towards making efforts to implement an effective and efficient transport system throughout the country.

Table 8: NTA Financial Performance

NTA	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**2,594,247**	377,079	426,380	803,460	978,791	31%	-18%
GoL Subsidy	**2,265,636**	492,184	662,314	1,154,498	1,378,522	51%	-16%
Total Inflows	**4,859,883**	**869,263**	**1,088,695**	**1,957,958**	**2,357,312**	40%	-17%
Personnel & Payroll Related Expense	**1,791,725**	397,552	458,607	856,158	888,105	48%	-4%

Good and Services/ Other Expenses	**3,068,158**	461,458	623,885	1,085,342	1,517,300	35%	-28%
Corporate Social Responsibility	**-**	-	-	-	-	0%	0%
Cap Exp (Entity and Donor funded)	**-**	-	2,977	2,977	439,019	0%	-99%
Total Expenses	**4,859,883**	**859,010**	**1,082,491**	**1,941,501**	**2,405,406**	40%	-19%
Net Profit/Loss	**-**	**10,254**	**6,204**	**16,457**	**(48,094)**	0%	-134%
Dividend/Deposits into Consolidated Fund	**-**	-	-	-	-	0%	0%
Net inflow	**-**	**10,254**	**6,204**	**16,457**	**(48,094)**	0%	-134%

Source: NTA Financial Reports

Key Business Performance

For the second quarter under review, NTA reported total inflows are approximately US$1.1 million. Internal revenue collections account for 39% while subventions to the entity by the Government of Liberia accounts for 61% of total inflow. Internal revenue collections for the quarter two increased by 13% from the first quarter. Subsidies also showed an increment of 35% during the same period. However, year to date internal revenue collections for FY2016/2017 dropped by 18% when compared to fiscal year 2015/2016, while subsidy also dropped by 16%.

The entity total operating expenses during quarter two is approximately US$1.1 million, a 26% increase from quarter one FY2016/2017. Personnel expenses, which show an increase of 15% from quarter one, account for 42%, of total expenses while goods and services and other expenses account for 58%. Year to date expenses was down by 19% when compared to the same period for FY2015/2016.

Risk to Business Performance

The IPSAS cash basis is the standard for reporting at the entity which does not provide adequate disclosure. Without standardized financial reports such as income statement, balance sheet, statement of cash flow statement, it is difficult to conduct comprehensive evaluation and analysis of entity operations and understand the viability of NTA.

National Port Authority (NPA)

NPA system has four ports: Freeport of Monrovia, Port of Buchanan, Port of Greenville, and Port of Harper. The entity financial reports and all other disclosures are consolidated to reflect the overall operational performance of the authority. The Freeport of Monrovia is currently under a public-private partnership (PPP) agreement with the APM Terminals to manage Marine Services, General Cargo, Container Operations and Storage.

Table 9: NPA Financial Performance

NPA	FY 2016/2017				FY 2015/16	Attainment	QonQ
	Budget	**ACT Q1**	**ACT Q2**	**ACT YTD**	**Q2 YTD**	**YTD vs. Budget**	**% Change**
Income Statement							
Operating Revenue	**29,501,379**	4,235,471	5,132,632	9,368,103	12,001,491	32%	-22%
Accrued Revenue to Gol	**-**	-	-			0%	0%
GoL Subsidy	**-**	-	-	-	-	0%	0%
Total Inflows	**29,501,379**	**4,235,471**	**5,132,632**	**9,368,103**	**12,001,491**	32%	-22%
Personnel & Payroll Related Expense	**5,985,337**	1,404,497	1,556,879	2,961,376	2,455,760	49%	21%

Good and Services/ Other Expenses	**18,928,278**	3,549,446	2,922,146	6,471,592	8,995,701	34%	-28%
Corporate Social Responsibility	**-**	-	-	-	-	0%	0%
Cap Exp (Entity and Donor funded)	**-**	-	-	-	-	0%	0%
Total Expenses	**24,913,615**	**4,953,943**	**4,479,025**	**9,432,968**	**11,451,461**	38%	-18%
Net Profit/Loss	**4,587,764**	**(718,472)**	**653,607**	**(64,865)**	**550,030**	-1%	-112%
Dividend/Deposits into Consolidated Fund	**2,500,000**	-	-	-	-	0%	0%
Net inflow	**2,087,764**	**(718,472)**	**653,607**	**(64,865)**	**550,030**	-3%	-112%

Source: NPA Financial Reports

Key Business Performance

NPA reported operating revenue for the quarter under review is US$5.13 million, a 21% increment from the first quarter of FY2016/2017 when revenue was recorded at US$4.24million. Despite the increase in revenue for the second quarter, year to date operating revenue of US$9.37 million is below budget target by 18% and below FY2015/2016 performance by 22%. Key drivers of NPA revenue during the quarters were Land and Building Leases, Concession Fees, rural ports revenue and Marine Facilities fees.

Total expenses for the quarter under review decreased by 10% from quarter one of FY2016/2017. Of the US$4.48 million in expenses reported for quarter two, personnel expenses account for 35% of total expenses, and represent a 11% growth over the first quarter. Year to date total expenses is US9.43millionwhich represents an 18% reduction when compared toFY2015/2016 when total expenses was recorded at US11.45million.

Net profit reported for the quarter under review is approximately US$0.65 million which is a turnaround from the first quarter of FY2016/2017 when the entity reported a loss of US$0.72 million.

Risk to Business Performance

Fiscal risk associated with the entity includes default judgment on past management contract of US$46.36 million. This huge debt could be transferred to the Government if the entity is unable to settle payment thereby reducing the fiscal space for government spending.

As of December 31, 2016 the entity receivable was reported at US$52.56 million, while 48% is provision for uncollectable. According to the entity report, the huge provision for uncollectable was based on a Board decision in 2015 to write off bad debts from a controversial 2006 Board Policy on Lease. Accounts receivable for the quarter under review grew by US$2.00 million bringing the total receivable for the entity to US$27.40 million indicating weak collection policies by the entity.

Liberia Airport Authority

LAA (RIA/JSPA) was established 2009 by an Act which authorizes the entity to manage all international and domestic airports, consolidating the financial activities of RIA and JSPA. This has enabled the management to develop a single strategy for the smooth operations and growth of the airports based on the objective of restoring the airports to prewar status. This objective entailed the rebuilding of the RIA and JSPA to a world-class standard for better service delivery.

Table 10: LAA Financial Performance

LAA	FY 2016/2017				FY 2015/16	Attainment	Qon Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**11,887,182**	2,949,238	2,847,860	5,797,098	4,719,689	49%	23%
GoL Subsidy	**665,661**	80,324	-	80,324	115,052	12%	-30%
Total Inflows	**12,552,843**	**3,029,562**	**2,847,860**	**5,877,422**	**4,834,741**	47%	22%
Personnel & Payroll Related Expense	**4,949,244**	1,264,264	1,099,545	2,363,809	2,155,122	48%	10%
Good and Services/ Other Expenses	**6,091,496**	1,543,665	2,110,238	3,653,903	2,288,531	60%	60%
Travel Expenses	**319,696**	49,263	-	49,263	-	15%	0%
Corporate Social Responsibility	**-**	-	-	-	-	0%	0%
Cap Exp (Entity and Donor funded)	**-**	-	-	-	-	0%	0%
Total Expenses	**11,360,436**	**2,857,192**	**3,209,783**	**6,066,975**	**4,443,653**	53%	37%
Net Profit/Loss	**1,192,407**	**172,370**	**(361,923)**	**(189,553)**	**391,088**	-16%	-148%
Dividend/Deposits into Consolidated Fund	**-**	**-**	**-**	**-**	**-**	0%	0%
Net inflow	**1,192,407**	**172,370**	**(361,923)**	**(189,553)**	**391,088**	-16%	-148%

Source: LAA/RIA/JSPA Financial Reports

Key Business Performance

LAA total operating revenue for quarter two FY2016/17 was US$2.85 million, comprising of aeronautical revenues of US$2.69 million which is key driver of the entity revenue. Quarter two operating revenue showed a decline of 3% when compared to quarter one of this fiscal year. Total operating revenue year to date of US$5.80 million represents 49% of annual projection, and places the entity in the realm of meeting its planned revenue targets at the end of the fiscal period. It should also be noted that total operating revenue to date showed an increase of 23% over the same period of FY2015/2016. Management reported that continued positive performance in operating revenue is a result of the increase in the number of flights landing at the RIA, and also additional charges intended to raise funds for the airport terminal project implementation. The entity did not receive any subvention from GOL during the quarter under review.

Total operating expenses for quarter two stand at US$3.2 million while at the same time represents an increase of 12% over first quarter. The huge increase is attributed to additional costs incurred for goods, services, and other expenses, which increase by 37% from the first quarter. Of significance in the management's report is the increase in repairs and maintenance by US$0.79 million. According to the report, additional cost resulted from frequent breakdowns of outdated equipment leading to demands from airlines for improved services to meet international standards.

Cost-saving measures were introduced in personnel cost which fell by US$0.16 million compared to Q1, and the reduction in administrative expenses by about US$0.74 million due to the absence of an approved budget for FY 2016/2017 to implement management administrative objectives. Other cost-savings included a reduction in the cost of materials, supplies, and services by US$0.2million as a result of no viable commercial activity at JSPA.

The entity reported net loss of US$0.36 million at the end of Q2, which is 148% below first quarter achievement. Overall, cumulative net loss was US$0.19 million, representing a decrease of 14% below planned profit expectation for FY2016/2017. Comparatively, at the end of Q2 of FY2015/2016, cumulative net profit was US$0.39 million.

Risk to Business Performance

The entity continues to face numerous challenges in its operations, including the high cost of power generation, and repairs of broken or obsolete equipment that have driven-up maintenance and repair costs on the physical infrastructures of the entity. These high variable costs tend to impact the profitability of the entity. At the same time, increased flight volume and collection of additional fees should be reflected in financial reports for the latter half of FY 2016/2017. Management should account for its plans to manage these operations challenges and to manage the financing for the airport runway and terminal projects, including debt service for these projects.

Liberia Maritime Authority (LiMA)

LiMA (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 non-commercial 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.

Table 11: LiMA Financial Performance

LiMA	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	7,246,000	560,911	1,795,417	2,356,328	3,695,503	33%	-36%
Accrued Revenue to Gol	11,504,000	861,000	1,129,000	1,990,000	-	17%	0%
GoL Subsidy	-	-	-	-	-	0%	0%
Total Inflows	18,750,000	560,911	1,795,417	2,356,328	3,695,503	13%	-36%
Personnel & Payroll Related Expense	2,511,090	620,571	619,820	1,240,391	1,614,093	49%	-23%
Good and Services/ Other Expenses	2,645,588	228,887	1,158,654	1,387,541	860,375	52%	61%
Travel Expenses	-	34,576	-	34,576	-	0%	0%
Corporate Social Responsibility	-	-	-	-	-	0%	0%
Cap Exp (Entity and Donor funded)	2,705,993	-	10,070	10,070	-	0%	0%
Total Expenses	5,156,678	884,034	1,778,474	2,662,508	2,474,468	52%	8%
Net Profit/Loss	2,089,322	(323,123)	16,943	(306,180)	1,221,035	-15%	-125%
Dividend/Deposits into Consolidated Fund	11,504,000	861,000	1,129,000	1,990,000	1,975,000	17%	1%
Net inflow	2,089,322	(323,123)	16,943	(306,180)	(753,965)	-15%	-59%

Source: LiMA Financial Reports

Key Business Performance

For quarter two of the FY2016/17, operating revenue was US$1.8 million, an increase of 220% over quarter one. GOL share of revenue deposited into the CFA for the second quarter was approximately US$1.13 million, an increase of 31% for the first quarter of the fiscal period. The entity total operating revenue to date stands at US$2.36 million depicting budget attainment of 33% of annual revenue projection, while the share of GOL to date is approximately US$2.0 million.

Total operating expenses for quarter two was US$1.78 million, an increase by 101% from the first quarter. Additional costs incurred for goods, services, and other expenses contributed to this huge increase in expenses. During the quarter under review, the entity made a one-time payment of

US$0.59 million for severance payments for retirement benefits obligations to former employees. As of December 31, 2016, all outstanding liabilities for severance payments are settled. Key among other operating expenses include personnel cost, US$1.19 million, international obligations, US$0.2 million, and bank interest charges, US$0.13 million.

Reported profit for the quarter was barely US$16,943. With a net loss of US$0.32 million for first quarter, the entity's accumulated results now stands at negative US$306,108, representing a dropped in the entity losses by 59% when compared to the FY2015/2016 when the entity reported losses was US$0.75 million.

Risk to Business performance

The entity reported in its second quarter management report its exposure to critical liquidity risk as shown by the cash balance at the end of the quarter. Current ratio is 0.05, depicting that the entity has only five cents available for every $1 of debt. Current liabilities are US$3.40 million at December 31, 2016. Based on the above, the entity stated that it will be unable to meet its financial obligations as they become due. Management however asserted that its approach to mitigating liquidity risk was to ensure, as much as possible, that it will always have sufficient liquidity to meet its liabilities subject to the availability of funding through MFDP.

The Unit is of the opinion that the above assertion is evasive as it does not address the crucial liquidity problem the entity is faced with. We believe that cost reduction strategies if put in place immediately will help alleviate the situation in the short run. An approach should be adopted to manage commercial and environmental concerns, while reducing the operating costs to manage the liquidity risk. A longer-term strategy could entail infusion of additional equity funding by the GOL.

National Oil Company of Liberia (NOCAL)

NOCAL was established in April 2000, by an Act of the National Legislature for the purpose of holding government's rights, titles and interests in the deposits and reserves of liquid and gaseous hydrocarbons within the country. The act establishing the entity was amended and approved in October 2016, re-establishing the entity as commercial institution and dislodging its regulatory functions. However, the entity continues to play a key role in coordinating exploration efforts of multinational oil companies in Liberia in the absence of the Liberia Petroleum Regulatory Authority (LPRA) pursuant to the Article 78 of the New Petroleum Exploration and Production Law of 2014.

Table 12: NOCAL Financial Performance

NOCAL	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**575,000**	1,305,761	114,859	1,420,620	545,851	247%	160%
Accrued Revenue to Gol	**-**	-	-	-	-	0%	0%
GoL Subsidy	**4,585,000**	-	-	-	-	0%	0%
Total Inflows	**5,160,000**	**1,305,761**	**114,859**	**1,420,620**	**545,851**	28%	160%
Personnel & Payroll Related Expense	**1,584,000**	315,229	334,842	650,071	4,224,565	41%	-85%
Good and Services/ Other Expenses	**2,105,851**	496,450	336,334	832,784	1,711,671	40%	-51%
Travel Expenses	**-**	44,281	103,815	148,096	-	0%	0%
Corporate Social Responsibility		4,000	287,850	291,850	-	0%	0%
Cap Exp (Entity and Donor funded)	**-**	-	-	-	-	0%	0%
Total Expenses	**3,689,851**	**859,960**	**1,062,841**	**1,922,801**	**5,936,236**	52%	-68%
Net Profit/Loss	**1,470,149**	**445,801**	**(947,982)**	**(502,180)**	**(5,390,384)**	-34%	-91%
Dividend/Deposits into Consolidated Fund	**-**	-	-	-	-	0%	0%
Net inflow	**1,470,149**	**445,801**	**(947,982)**	**(502,180)**	**(5,390,384)**	-34%	-91%

Source: NOCAL Financial Reports

Key Business Performance

NOCAL shares revenues with TGS NOPEC based on ratios contained in each agreement of Seismic sales. However, the share of ratios to each entity is not stated in the report. NOCAL reported revenue for quarter two is US$0.11 million, a 91% drop when compared to the first quarter of the FY2016/2017 when revenue was reported at US$1.3 million. Year to date operating revenue is approximately US$1.4 million, a growth of 160% from FY2015/2016. The entity did not receive GOL subsidy during the quarter.

Total expenses during the period under review are US$1.1 million, an increase of 24% from the first quarter FY2016/2017. Personnel expenses, which are reported at US$0.33 million (32%), while other expenses accounts for 68% of total expenses. Of the US$0.33 million reported as personnel expenses for the period under review, US$0.14 million (43%) was used to pay off employees that were redundant during the restructuring of the entity. Year to date total expenses dropped by 68% when compared to the FY2015/2016. Management points to the fact that the implementation of a Sustainable Action Plan (SAP) by the interim management team has being the result of the reduction in aggregate expenses for the period. The management SAP strategy is streamlining all the companywide operations and expenses. Total expenses to date represent a 52% of planned annual expenditures of US$3.7 million.

The entity recorded net loss for the quarter is US$0.95 million; a 313% drop from the first quarter of FY2016/2017 when the entity reported profit was US$0.45 million. The abrupt fall in revenue in Q2, couple with committed expenditure for the same period accounts for the recorded lasses for the quarter. Year to date loss stands at US$0.50 million.

Risk to Business Performance

The entity faces both operational and solvency risks at the end of the quarter two. Working capital at end of the quarter is US$0.32 million, down 68% from the first quarter when working capital

was calculated at US$0.98 million. NOCAL will have no cash to run its operations if its current liabilities were to be liquidated.

Liberia Petroleum Refining Company (LPRC)

LPRC was established by an article of incorporation in 1978 by the government of Liberia with the statutory and exclusive mandate of refining, storing, distributing, and supplying petroleum product to the Liberian market to assist in the socio-economic growth and industrialization of the country. The entity is wholly owned with corporate powers under the Liberian Business Corporation Act.

Table 13: LPRC Financial Performance

LPRC	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**28,778,466**	8,023,403	6,605,333	14,628,736	12,493,460	51%	17%
Accrued Revenue to Gol	**27,786,642**	4,420,729	6,446,839	10,867,568	-	39%	0%
Total Inflows	**56,565,108**	**12,444,132**	**13,052,172**	**25,496,304**	**12,493,460**	45%	104%
Personnel & Payroll Related Expense	**7,229,921**	1,812,423	2,070,877	3,883,299	3,689,830	54%	5%
Good and Services/ Other Expenses	**10,425,574**	2,854,610	2,103,382	4,957,992	3,807,760	48%	30%
Travel Expenses	**-**	-	31,697	31,697	-	0%	0%
Corporate Social Responsibility	**-**	-	-	-	-	0%	0%
Cap Exp (Entity and Donor funded)	**-**	-	-	-	-	0%	0%
Total Expenses	**17,655,495**	**4,667,033**	**4,205,956**	**8,872,989**	**7,497,590**	50%	18%
Net Profit/Loss	**11,122,971**	**3,356,370**	**2,399,377**	**5,755,747**	**4,995,870**	52%	15%
Dividend/Deposits into Consolidated Fund	**46,828,000**	**-**	**13,041,000**	**13,041,000**	**-**	28%	0%
Net inflow	**11,122,971**	**3,356,370**	**2,399,377**	**5,755,747**	**4,995,870**	52%	15%

Source: LPRC Financial Reports

Key Business Performance

LPRC quarter two operating revenue declined by 17% or US$1.4 million when compared to the operating revenue of Q1 in FY2016/17. Of the US$13.05 million reported as total cash inflow for the period, US$6.45 million represents accrued revenue to GOL for the CFA in FY2016/2017. Beginning FY 2017/2018, accrued revenue to GoL of the petroleum levy will be deposited into the dedicated Road Fund Account. Year-to-date revenue is US$25.5 million, representing 45% attainment against planned projections for FY2016/17 and a growth of 104% FY 2015/2016. Much of the growth is mainly attributed to the increase in petroleum levy and volume of petroleum products imported into the country.

Operating expense for the quarter amounted to US$4.2 million, of which personnel cost is US$2.07 million or 49% of total operating expenses, while goods, services, and other expenses account US$2.13 million. Personnel cost grew by 14% over quarter one of FY2016/2017. According to the entity's second quarter management report, the increment in personnel cost was as a result of payment of bonuses to employees; this amount was not budgeted for in the entity's fiscal plan for FY2016/17.

Other operating expenses were down by 26% when compared to quarter one FY2016/17. The reduction, according to management, is a strategy in place to reduce non-priority expenditures

items. No explanation was given, raising concerns whether such cost reduction will have a negative impact on operational efficiency of the entity.

During the second quarter under review, the entity deposited US$13.04 million in to the CFA. The deposited amount was accrued revenue to GOL was an accumulation from the second half of fiscal year 2015/2016. As a result of the payment made, the entity liabilities decline. Additional contributions for FY2016/2017 are anticipated in the latter half of the fiscal year.

Cash balance at December 31, 2016 stands at US$6.8 million representing deposits at various commercial banks. According to the management report, of the amount stated above, US$3.2 held at LBDI is intended for capital expenditures for on-going expansion of the entity's facilities.

Trade receivables as at December 31, 2016 is US$28.6 million; representing payments due from various importers of petroleum products. According to its second quarter management report, the schedule of receivables is as follows:

% of Receivables	No. of Days Outstanding
37%	31-60 days
47%	60 -90 days
16%	Current

Even though the entity is reporting all of its trade receivables as current in nature, no provision is taken for uncollectible accounts, which will eventually affect both the receivables, and thus create an expense against revenue. A more practical approach would be a provision of at least 2% against current receivables.

Assets under construction as at December 31, 2016 is US$20.2 million representing various contract awarded, including the construction of the petroleum storage tanks by Motherwell Bridge.

Outstanding obligations as at December 31, 2016 stands at US$15.5 million, of which US$10.26 million is due to the GOL representing portion of 25₵ storage fees not yet collected from import customers at the end of the period under review. US$4.16 is unsettled liability for corporate income accumulated from FY 2015/16 ended June 30, 2016 to first quarter FY2016/17 ended September 30, 2016. Of this amount, the entity paid US$2.32 million to the GOL on February 28, 2017.

Risk to Business performance

The entity operating performance continues to be hampered as a result of the bad conditions of its storage facilities for petroleum products. The recent demolition of several tanks to prevent spillage has reduced storage capacity thereby causing a fall in storage revenue. Also, recent franchises granted to various importers for the construction of their own storage facilities will lead to less dependency on LPRC, which will further affect the revenue base of the entity. It is hoped that upon the completion of the new storage facilities of the entity, revenue once again will be enhanced leading to higher profitability of the entity.

Another area of operational risk is unbudgeted expenditures undertaken during the quarter under review. While management may have been under pressure to declare bonuses for employees, this reflects the entity's inability to adhere to its strategic and budget plans in compliance to fiscal rules.

National Social Security Corporation (NASSCORP)

NASSCORP was originally established by an Act in 1975 to administer the social security program in Liberia. On December 27, 2016, the National Legislature passed an Act to Repeal Degree No. 14 and to create a new chapter 89 of the Executive Law establishing NASSCORP. The entity currently operates two of three schemes mandated: the Employment Injury Scheme (EIS) and the National Pension Scheme (NPS); the third, the Welfare Scheme (WS) is yet to be launched.

Table 14: NASSCORP Financial Performance

NASSCORP	FY 2016/2017				FY 2015/16	Attainment	%
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	Change
Income Statement							
Operating Revenue	**32,392,711**	6,562,528	6,185,093	12,747,621	14,305,050	39%	-11%
GoL Subsidy	**-**	-	-	-	-	0%	0%
Total Inflows	**32,392,711**	**6,562,528**	**6,185,093**	**12,747,621**	**14,305,050**	39%	-11%
Personnel & Payroll Related Expense	**5,743,186**	1,329,102	1,304,283	2,633,385	2,463,816	46%	7%
Good and Services/ Other Expenses	**6,653,867**	1,686,495	1,700,673	3,387,168	3,335,424	51%	2%
Benefits and Related Expenses	**7,148,893**	1,294,472	2,046,242	3,340,714	2,367,604	47%	41%
Corporate Social Responsibility	**809,818**	89,200	305,328	394,528	1,256,370	0%	-69%
Cap Exp (Entity and Donor funded)	**-**	12,807,295	11,682,228	24,489,523	88,225	0%	27658%
Total Expenses	**19,545,947**	**4,399,268**	**5,356,526**	**9,755,795**	**9,423,215**	50%	4%
Net Profit/Loss	**12,846,764**	**2,163,259**	**828,567**	**2,991,826**	**4,881,835**	23%	-39%
Dividend/Deposits into Consolidated Fund	**-**	-	-	-	-	0%	0%
Net inflow	**12,846,764**	**2,163,259**	**828,567**	**2,991,826**	**4,881,835**	23%	-39%

Source: NASSCORP Financial Reports

Key Business Performance

Total operating revenue for quarter two FY2016/2017 stood at US$6.19 million; where collections from the National Pension Scheme (NPS) accounts for US$4.68 million or 76%, and Employment Injury Scheme (EIS) accounts US$1.51 million or 24%. The total operating revenue for the second quarter dropped by 6% as compared to first quarter of the same fiscal period. Year to date total operating revenue also dropped by 11% as compared to the same period FY2015/2016. The management attributes the dropped in collections from the schemes to the non-payment of employees 3% withholding by the GOL and slow recovery process of the Liberia's economy particularly in the extractive sector (e.g. China Union and Mittal Steel) due to contraction in workforce, leading to lower wage bills.

Management further points to the fact that the 2014 Ebola outbreak continues to have a drag on entity investment properties to include the guest houses and commercial complex in Buchanan and Lofa. These properties have remained vacant for an extended period of time, which has had a negative impact on investment income for the period. This raises the concern about whether the entity will achieve its planned target since it has achieved only 39% of its targeted revenue after the second quarter of the fiscal period. Management therefore, reemphasized the need for GOL to prioritize and regularize it commitments to the Corporation in the wake of declining contribution receipts.

Total operating expenses for the quarter under review were US$5.36 million; employees' compensation accounts for 24%, benefits and related payments accounts for 38% while goods and services and CSR spending accounts for 32% and 6% respectively. When compared to the first quarter, employee compensation dropped by 2%, benefits and related payments grew by 58%, while goods and services grew by 1%. . For the period under review, combine total expenses grew by 22% when compared to the first quarter. It is interesting to note that even with the dropped in quarter two operating revenue by 6% from the first quarter, operating expenses grew by 22% during quarter two. Management attributes the growth in total expenses for the period to the 58% growth in benefits and related payments.

Year to date benefits and related payment grew by 41%, employees compensation and goods and services grew by 7% and 2%, while CSR spending dropped by 69% when compared to the same period of FY2015/2016. Combined total expenses to include benefits and related payments grew by 4% when compared to FY2015/2016.

Capital expenditures on various investment and asset construction projects are now US$24.49 million as at December 31, 2016. On-going projects include:

Project	Cost to Date
Proposed 24th Street Headquarters building	US$12.28 million
Proposed Diagnostic Center, ELWA	US$7.67 million
Du Investment Corporation Land	US$3.70 million
Kakata Administrative Building	US$0.35 million
Kakata Administrative Residence	US$0.16 million

Source: NASSCORP Financial Reports

Net profit for the quarter under review was US$0.83 million. This shows a drop of 62% when compared to first quarter of the same fiscal period. Year to date operating profits also drop by 39% when compared to the quarter two of FY2015/2016. The entity's ability to achieve its annual net profit target, which is projected at US$12.03 million, is doubtful particularly without the settlement of GOL commitments for the current fiscal period. Attainment to date as at December 31, 2016 is 23% of projected annual profits target.

Risk to Business Performance

In its second quarter management report, the entity acknowledged its exposure to various financial management risks from the use of its financial statements: Credit risk; Liquidity risk; Market risk; Operational risk.

In its notes to the financial statements, the entity outlined how these risks may affect the corporation's objectives, policies and processes, management of capital, and various factors put in place to mitigate such risks. According to the management report, risk management policies are established to identify and analyze the above mentioned risks, and set appropriate limits and controls for monitoring and adherence. In assessing its overall risk, the corporation states that risk management efforts are aimed at balancing the avoidance of financial losses and damage to the corporation's reputation with cost effectiveness while at the same time avoiding control procedures

that restrict initiatives and creativity. The Unit is of the opinion that management needs to reassess its strategy that addresses the issue of risks associated management operations given the decline in revenue.

Forestry Development Authority (FDA)

FDA was established in 1976 by an act of the National Legislature to manage the forest of Liberia for the benefit of the people.

Table 16: FDA Financial Performance

FDA	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	-	12,010	-	12,010	3,171,000	0%	-100%
Accrued Revenue to Gol	**4,278,882**	1,586,436	846533	2,423,419	-	57%	0%
GoL Subsidy	**6,558,118**	707,971	1,686,890	2,394,861	757,912	37%	216%
Total Inflows	**10,837,000**	**719,981**	**1,686,890**	**2,406,871**	**3,928,912**	22%	-39%
Personnel & Payroll Related Expense	**2,807,940**	700,134	701,985	1,402,119	624,750	50%	124%
Good and Services/ Other Expenses	**3,750,178**	17,299	964,677	981,976	63,227	26%	1453%
Corporate Social Responsibility	-	-	-	-	-	0%	0%
Cap Exp. (Entity and Donor funded)	-	-	-	-	-	0%	0%
Total Expenses	**6,558,118**	**717,433**	**1,666,662**	**2,384,095**	**687,977**	36%	247%
Net Profit/Loss	-	**2,548**	**20,228**	**22,776**	**3,240,935**	0%	-99%
Dividend/Deposits into Consolidated Fund	**10,837,000**	**1,586,436**	**846,533**	**2,432,969**	**3,171,000**	22%	-23%
Net inflow	-	**2,548**	**20,128**	**22,676**	**69,935**	0%	-67%

Source: FDA Financial Reports

Key Business Performance

The FDA through the GOL has an agreement with SGS for the collection of revenues from logging companies operating in the forestry sector. Revenue collected by SGS are directly deposited into the CFA. Reported quarter two deposited into CFA was approximately US$0.85 million, a decline by 47% from the first quarter. For the second quarter, SGS accounts for 99% of the deposit in to CFA. GOL subvention to the entity was approximately US$1.7 million, increased by 138% from the first quarter for the fiscal period. Year to date total inflow is approximately US$4.8 million and the entity received US$2.4 million or 49% as subvention from government of Liberia.

Year to data total expenditure for the period under review is approximately US$2.4 million; employee's compensation accounts for 59% while goods and services account for 41%. Net deposit in to CFA is approximately US$2.4 million. The entity total current liabilities as at end of the second quarter stood at US$0.52 million which represent bank loans and obligations to vendors.

Key Risk to Performance

Year to data attainment of deposit into the CFA against budget is 22%; at the same time, FDA received US$2.4million subvention from GOL. It seems more likely that the entity may not meet its targets which could impose additional pressures on the government budget from other spending

agencies. The entity does not provide detail financial statements to include balance sheet, income statement and cash flow statement to the Unit which makes it difficult to capture all the risks and understand the viability of the entity.

National Housing Authority (NHA)

NHA was established to plan, initiate and implement housing development programs across the country that are affordable to low income citizen. The entity continues to make efforts in providing affordable housing unit to law-income citizen by constructing more affordable homes and purchased of land for the creation of new communities with the construction of more affordable homes. The strategy envisaged by the entity is the decentralization of homeownership across the country.

Table 17: NHA Financial Performance

NHA	FY 2016/2017				FY 2015/16	Attainment	Q on Q
	Budget	ACT Q1	ACT Q2	ACT YTD	Q2 YTD	YTD vs. Budget	% Change
Income Statement							
Operating Revenue	**1,884,970**	1,765,866	195,000	1,960,866	1,962,997	104%	0%
Accrued Revenue to Gol	-	-	-		-		0%
GoL Subsidy	**2,926,739**	303,000	166,000	469,000	1,762,116	16%	-73%
Total Inflows	**4,811,709**	**2,068,866**	**361,000**	**2,429,866**	**3,725,113**	50%	-35%
Personnel & Payroll Related Expense	**611,248**	183,000	213,000	396,000	369,000	65%	7%
Good and Services/ Other Expenses	**65,491**	268,000	155,000	423,000	1,712,000	646%	-75%
Corporate Social Responsibility							0%
Cap Exp (Entity and Donor funded)	**2,250,000**	2,068,000	283,000	2,351,000	1,269,000	104%	85%
Total Expenses	**676,739**	**451,000**	**368,000**	**819,000**	**2,081,000**	121%	-61%
Net Profit/Loss	**4,134,970**	**1,617,866**	**(7,000)**	**1,610,866**	**1,644,113**	39%	-2%
Dividend/Deposits into Consolidated Fund	-	-	-	-	-	0%	0%
Net inflow	**4,134,970**	**1,617,866**	**(7,000)**	**1,610,866**	**1,644,113**	39%	-2%

Source: NHA Financial Reports

Key Business Performance

The entity total inflows during quarter two declined by 83%, as compared to quarter one of the fiscal period. Internal revenue collections declined by 89% while subvention to the entity by GOL decreased by 45% when compared to the first quarter of the fiscal period. Year to date total inflow is approximately US$2.4million, a declined by 35% when compared to the same period of FY2015/2016. Internal revenue collections accounts for 81% of total inflow while subsidy accounts for 19%.

Year to date, the entity recorded a 61% declined in expenditure when compared to the same period of last fiscal year. Personnel expenses account for 48% of total expenditure while goods and services account for 52%. Capital investment is also a huge expenditure item for the entity. For the period under review, capital expenditure was approximately US$2.4 million, an 85% increase from last fiscal period when expenditure was US$1.3 million. Excess of cash over expenses declined by 2% from the same period of last fiscal year.

Key Risk to Performance

The IPSAS cash basis is the standard form of reporting at the entity which does not provide adequate disclosure of the entity performance. Without standardized financial reports such as income statement, balance sheet, cash flow statement it becomes difficult for comprehensive evaluation and analysis of entity operations and understand the viability of the entity. The limited presentation made by NHA does not include any debt, equity, receivables and assets structures, especially wherein there are continue assets acquisitions and construction of housings units.

National Lottery Authority (NLA)

NLA was established 2015 with the mandate to regulate all games of chance and instituting the legal requirements and operating procedures governing specific games of chance.

Table 18: NLA Financial Performance

NLA	FY 2016/2017				Attainment
	Budget	ACT Q1	ACT Q2	ACT YTD	YTD vs. Budget
Income Statement					
Operating Revenue	**458,546**	81,250	3,143	84,393	18%
GoL Subsidy	**272,490**	53,524	52,574	106,098	39%
Total Inflows	**731,036**	**134,774**	**55,717**	**190,491**	26%
Personnel & Payroll Related Expense	**234,290**	49,374	51,374	100,748	43%
Good and Services/ Other Expenses	**270,172**	56,112	5,361	61,473	23%
Corporate Social Responsibility	**-**	-	-	-	0%
Cap Exp (Entity and Donor funded)	**160,000**	-	28,000	28,000	18%
Total Expenses	**504,462**	**105,486**	**56,735**	**162,221**	32%
Net Profit/Loss	**226,574**	**29,288**	**(1,018)**	**28,270**	12%
Dividend/Deposits into Consolidated Fund	**-**	-	-	-	0%
Net inflow	**226,574**	**29,288**	**(1,018)**	**28,270**	12%

Source: NLA Financial Reports

Key Business Performance

For quarter two of the FY2016/2017, NLA received 94% of its total inflow from the GOL as subsidy while 6% of its revenue was generated from its internal operations. Recorded operating revenue for Q2 declined by 96% from last quarter FY2016/2017. Year to data operating revenue is 44% of total inflow while government subventions to the entity accounts for 56%. Given the current trend, it is more likely that the entity may not meet its revenue targets.

Personnel expenses for the quarter under review accounts for 91% of total expenditure which is an increase of 4% from Q1. Expenses on goods and services during Q2 declined by 90% from Q1. Key driver of the entity expenditure is personnel expenses which account for 62% of total expenditure year to date total.

Key Risk to Performance

The IPSAS cash basis is the standard form of reporting at the entity which does not provide adequate disclosure of the entity performance. Without standardized financial reports such as income statement, balance sheet, cash flow statement it becomes difficult for comprehensive evaluation and analysis of entity operations and understand the viability of the entity.

Liberia Broadcasting System (LBS)

LBS was established October 10, 1980 as a central programming facility of national broadcasting on television network, AM-Radio and FM-Stereo service. The entity is to receive 60% of its budget support from the national government while 40% of its budget is to be generated from its internal operations.

Table 19: LBS Financial Performance

LBS	FY 2016/2017				Attainment
	Budget	ACT Q1	ACT Q2	ACT YTD	YTD vs. Budget
Income Statement					
Operating Revenue	**947,333**	161,990	228,024	390,013	41%
GoL Subsidy	**2,419,565**	304,386	244,567	548,953	23%
Total Inflows	**3,366,898**	**466,376**	**472,590**	**938,966**	28%
Personnel & Payroll Related Expense	**1,207,231**	215,633	217,679	433,312	36%
Good and Services/ Other Expenses	**1,927,237**	229,214	240,147	469,361	24%
Corporate Social Responsibility	**-**	-	-	-	0%
Cap Exp (Entity and Donor funded)	**-**	-		-	0%
Total Expenses	**3,134,468**	**444,847**	**457,825**	**902,672**	29%
Net Profit/Loss	**232,430**	**21,529**	**14,765**	**36,294**	0%
Dividend/Deposits into Consolidated Fund	**-**	-	-	-	0%
Net inflow	**232,430**	**21,529**	**14,765**	**36,294**	0%

Source: LBS Financial Reports

Key Business Performance

During the second quarter of the FY2016/2017, LBS reported a total inflow of US$ 0.47million of which internally generated revenue accounts for 48% while government subventions to the entity accounts for 52%. The reported revenue for the second quarter represents a 41% increased form Q1 while subsidy declined by 20%. Year to date total inflow is approximately US$0.94 million which is 28% off its total inflow forecast target for the fiscal period. The entity may not meet inflows targets at the end of the fiscal period if the trend continues.

Quarter two of the FY2016/2017, the entity operating expenses is recorded at approximately US$0.46 million which represent a 3% increased from Q1. Personnel expenses is 48% of total expenses while goods and services and other expenses account for 52%. Year to date total expenses is approximately US$0.90 million and personnel expenditure remains the key driver of the entity expenditure.

Key Risk to Performance

The entity financial reports do not provide adequate information that would allow for comprehensive evaluation and in-depth analysis of the entity performance. The limited presentation submitted by LBS does not include any debt, equity, receivables and assets structures; especially when the entity relays to other community radio stations throughout the country.