

FORESTRY DEVELOPMENT AUTHORITY

Financial Report

For the month and year ended June 30, 2007

The Finance Department is pleased to report on financial results of the Forestry Development Authority for the month and year ended June 30, 2007.

1. COLLECTIONS AND GRANTS

1.1 TIMBER REVENUE AND NON-FOREST PRODUCTS FEES

The amount of US\$513 thousand was collected as timber revenue and deposited into the account of the Ministry of Finance at the Central Bank of Liberia.

The equivalent of US\$6 thousand was collected from charcoal processing and other non-timber products and deposited into another account of the Ministry of Finance held at the Central Bank of Liberia.

FDA's Collection on Behalf of GOL

Activity	June	FY2006/07
Swan Timber Revenue	43,000	513,000
Charcoal Processing & Others	815	6,000
Total	43,815	519,000

1.2 GRANTS

International partners came to the assistance of the Forestry Development Authority with support in cash and in kind totaling US\$394,000.

Contributions from International Partners

Contributor	June	FY2006/07
Cash		
Liberia Forest Initiative (LFI)		
Termination payments (rightsizing)	0	204,154
Other		6,725
Subtotal	0	210,879
UNFAO		

Contributor	June	FY2006/07
Forest Inventory	9,009	9,009
Other	0	762
Subtotal	9009	9,771
UNMIL Quick Impact Project	4,959	51,922
International Fund for Animal Welfare, Ltd.	0	8,981
Fauna and Flora International (FFI) -- Expenses	12,234	12,234
Total Cash Contributions	26,203	293,788
In-Kind		
UNDP -- vehicle	24,503	24,503
FAO -- vehicles		
Liberia Forest Initiative -- computers	3,650	3,650
Fauna and Flora International		
Two Computers	2,100	2,100
Pickup	33,459	33,459
Subtotal	35,559	35,559
Total In-Kind Contributions	100,772	100,772
Total Cash and In-Kind Contributions	126,975	394,550

In addition, international partners and foreign governments generously hosted FDA staff at a number of significant conferences on conservation, biodiversity, timber management and other topics in forestry.

2. SPENDING – BUDGET vs. ACTUAL

For the fiscal year, the FDA was budgeted to spend \$2,640,000. By year end, it had expended \$2,425,529. An addition \$170,897 was scheduled for disbursement at the year end. When these final disbursements are made, spending will total 98.3 percent of budget.

Budgeted vs. Actual Spending Year ended June 30, 2007

Description	Budget	Actual	Variance -- Fav/(Unfav)
Civilian Personnel	1,177,904	1,191,151	(13,247)
Professional Services/Board Fees	99,700	55,822	43,878
Redundancy	372,096	372,096	-
Fuel & Lubricants	82,080	72,994	9,086

Description	Budget	Actual	Variance -- Fav/(Unfav)
Vehicle Serv. Repairs & Maint	36,600	16,970	19,630
Insurance	27,000	-	27,000
Office Material & Supplies	26,200	25,859	341
Cleaning Material and Services	3,820	2,407	1,413
Printing and Publication Services	21,480	2,223	19,257
Security Services	6,920	-	6,920
Vehicle Rental	-	29,748	(29,748)
Rental and Leases/Office Building	68,724	81,869	(13,145)
Utilities	-	3,859	(3,859)
Electricity	33,100	650	32,450
Telephone, Fax & E-Mails	16,840	4,522	12,318
Postage and Courier Services	5,400	2	5,398
Domestic Travel	28,100	43,301	(15,201)
Foreign Travel	22,000	30,381	(8,381)
Routine Repairs & Maint./Equip	29,476	7,097	22,380
Contribution & Fees/Int'l Organization	99,000	67,500	31,500
Advertising and Promotions	12,900	9,566	3,334
Entertainment	5,400	6,213	(813)
Conference, W/shop, Seminar & Trng.	33,500	14,549	18,951
Legal Fees	5,400	1,500	3,900
Bank Charges	1,080	1,056	24
Other/Operational Expenses	17,280	12,254	5,026
Purchase of Vehicles	211,000	211,000	-
Purchase of Other Land Transport	52,000	52,000	-
Purchase of Communication, Power	41,500	-	41,500
Purchase of Equip. & Inst.	6,500	8,500	(2,000)
Purchase of Office Furniture	5,000	10,516	(5,516)
Purchase of Office Equipment	8,000	5,925	2,075
Purchase of Computers & Related Items	84,000	84,000	-
Total	2,640,000	2,425,529	214,471

The amounts scheduled to be disbursed after the close of the fiscal year are set out below.

Disbursements pending at year-end

Description	Amount
Generators	6,300
Split Units	4,700
Communication equipment	35,067

Description	Amount
Motor Vehicle	17,500
National Tree Planting Day	3,980
Foreign Travel	22,000
Goods & Services June	38,000
Goods & Services May	21,000
ITTO	20,620
CITES	1,730
Total	170,897

In June, actual spending fell significantly short of budget. However, as noted in the table just above, many June payments were delayed because the June allotment had not been received by month end.

**Budgeted vs. Actual Spending
Month ended June 30, 2007**

Description	Budget	Actual	Variance - Fav/(Unfav)
Civilian Personnel	141,915	110,327	31,588
Professional Services/Board Fees	8,700	6,600	2,100
Redundancy	-	-	-
Fuel & Lubricants	7,820	19,411	(11,591)
Vehicle Serv. Repairs & Maint	5,550	1,186	4,364
Insurance	-	-	-
Office Material & Supplies	2,500	295	2,205
Cleaning Material and Services	-	-	-
Printing and Publication Services	-	2,085	(2,085)
Vehicle Rental	-	1,470	(1,470)
Rental and Leases/Office Building	-	-	-
Utilities	-	724	(724)
Electricity	-	-	-
Telephone, Fax & E-Mails	-	747	(747)
Postage and Courier Services	480	2	478
Domestic Travel	20,900	12,855	8,045
Foreign Travel	18,000	-	18,000
Routine Repairs & Maint./Equip	-	2,948	(2,948)
Advertising and Promotions	-	925	(925)
Entertainment	480	1,213	(733)
Conference, W/shop, Seminar & Trng.	-	-	-
Legal Fees	500	-	500
Bank Charges	80	150	(70)
Other/Operational Fund	1,440	7,491	(6,051)
Office Fixture and Fittings	-	220	(220)
Purchase of Other Land Transport	-	-	-
Purchase of Communication, Power	-	-	-

Description	Budget	Actual	Variance - Fav/(Unfav)
Purchase of Equip. & Inst.	-	-	-
Purchase of Office Furniture	-	-	-
Purchase of Office Equipment	-	-	-
Purchase of Computers & Related Items	-	-	-
Total	208,365	168,649	39,716

4.2 FUND STATEMENT

The Fund Statement that follows is an indication of what funds were placed in the Accounts of the FDA and how they were expended.

Comparatively, the Year-To-Date Actual in the Budget Vs Actual Statement has a higher figure because items paid directly by the Ministry of Finance on behalf of FDA are recognized by the Budget Vs Actual Statement but not taken into consideration in the Fund Statement. This was in the case of vehicles, other land transport items and payment of dues to International Organizations in the amount of US\$330,500.

3. FLOW OF FUNDS

For the year, the FDA received cash totaling \$2,043,612 and disbursed \$2,011,030. The balance in the bank increased by the difference.

Funds received and expended are lower than the figures shown on the budget vs. actual report above. This is because the Ministry of Finance pays for some items on behalf of the FDA. These payments are charged against the budget of the FDA. However, as the funds are never in the custody of the FDA, they do not appear in the funds statement.

Fund Statement

For the month and year ended June 30, 2007

	June	FY2006/07
Cash books opening balances	47,538	25,499
Receipts:		
GOL Subsidy - Goods and Services	68,755	368,179

	June	FY2006/07
GOL Subsidy - Salaries & Rightsizing	110,327	1,550,000
GOL Subsidy - Severance	-	115,000
Cash Contribution by FAO	-	762
Contribution by Int'f Fund for Animal Welfare	-	8,981
Sale of FDA Maps & Act	110	690
Total	179,192	2,043,612
Total Cash Available	226,730	2,069,111
Disbursements:		
Personnel Cost	110,327	1,563,247
Travel & Perdiem	12,855	73,682
Professional Services/Board Fees	6,600	55,822
Entertainment	1,213	6,213
Advertising and Promotions	925	9,566
Vehicle Rental	1,470	29,748
Rental and Leases/Office Building	-	81,869
Telephone, Fax and Email	747	4,522
Postage and Courier services	2	2
Utilities	724	3,859
Electricity	-	650
Repair and Maintenance Equipment	2,948	7,097
Printing and Publication	2,085	2,223
Repair and Maintenance Vehicle	1,186	16,970
Fuel & Lubricant	19,411	72,994
Office Materials and Supplies	295	25,859
Cleaning Material and Services	-	2,407
Conference, W/Shop, Seminar & Training	-	14,549
Legal Fees	-	1,500
Bank Charges	150	1,056
Office Fixture and Fittings	220	10,516
Purchase of Equip. & Installation	-	8,500
Purchase of Office Equipment	-	5,925
Other/Operational Expense	7,491	12,254
Total	168,649	2,011,030
Cash balance at the end of June 2007	58,081	58,081

4. ASSETS AND LIABILITIES

The Finance Department will soon be producing a balance sheet, setting out the FDA's assets, liabilities and equity. We are unable to do so at present. Many records have been lost, and some very large items need to be re-valued.

4.1 Receivables

At the close of FY2005/06, the FDA carried receivables in the amount of \$29 million. Collection is problematical. The Finance Department will prepare a study and make recommendations on collection efforts as well as valuation.

4.2 Payables

At the same time, the FDA carried trade payables of \$1.7 million. These payables present similar difficulties of validation and valuation. Again, we will prepare recommendations.

4.3 Fixed Assets

The two independent studies commissioned in recent years by the European Community were unable to establish a roster and valuation of fixed assets.

The Finance Division will soon undertake an effort to do so, beginning with a physical inventory and a review of purchase records. In the meantime, we present below the fixed assets acquired in FY2006/07.

Fixed Assets Acquired in FY2006/07

Asset	Acq. Date	Cost	Depr. Rate	Acc. Depr.	Net Book Value
Vehicles					
Nissan Urvah Bus	04/04/07	29,500	33%	2,028	27,471
Nissan Civilian Bus	04/04/07	58,000	33%	3,987	54,012
Hyunda Elentra (2)	04/04/07	35,000	33%	2,406	32,593
Nissan Double cabin pickups (4)	04/04/07	110,000	33%	7,562	102,437
Motorcycles (8)	04/04/07	9,600	33%	660	8,940
Subtotal		232,500		16,644	225,455
Office Equipment					
Conference Table	01/31/07	520	15%	32	487.50
HP Deskjet Printer	03/20/07	530	15%	19	510.11
A/C Split Unit (1)	03/19/07	800	15%	30	770

Asset	Acq. Date	Cost	Depr. Rate	Acc. Depr.	Net Book Value
A/C Split Unit (3)	01/04/07	1,920	15%	132	1,788
Subtotal		3,770		214	3,555
Other					
Generator 27 KVA	03/23/07	8,500	15%	319	8,181
Subtotal		8,500		319	8181
Total		244,770		17,177	237,191

5.0 LOOKING FORWARD TO 2007/2008

Budget Implementation: The final budget submission for 2007/2008 is in the neighborhood of US\$2.770 million. When approved, this is what the FDA will have to operate on. The program developed by the FDA requires rigorous management of the budget so that expenditures will be by the defined line items. This careful management will ensure that much is accomplished with the usage of the available funds.

Internal Controls: The Finance Department will continue to develop the necessary internal control measures that will enhance financial accuracy, propriety and transparency.

Capacity Building: Under the GEMAP program, the capacity of the Finance Staff is being built up, equipping them for the continuous implementation of the internal control procedures developed for financial soundness.

Respectfully submitted on behalf of the FDA.

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Approved by:

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