

FINANCIAL STATEMENTS
U.S. DEPARTMENT OF TRANSPORTATION—Maritime Administration

Exhibit 1. Statement of Financial Condition
September 30, 2002 and September 30, 2001

ASSETS	September 30	
	2002	2001
Selected Current Assets		
Funded Balances with Treasury:		
Budget Funds	\$751,596,000	\$ 803,500,000
Deposit Funds	1 0,000	10,000
	751,606,000	803,510,000
Federal Security Holdings	276,291,000	86,125,000
Accounts Receivable:		
Government Agencies	181,156,000	170,236,000
The Public	184,000	
	181,156,000	170,420,000
Advances To:		
Government Agencies		
The Public		
Total Selected Current Assets	\$ 1,209,053,000	\$1,060,055,000
Loans Receivable:		
Repayment in Dollars	470,325,605	128,228,000
Allowances ()	(381,570,605)	(90,840,000)
	88,755,000	37,388,000
Real Property and Equipment:		
Land	3,962,000	3,962,000
Structures and Facilities	54,548,687	56,470,000
Equipment, Vessels, Inventory	300,088,313	292,849,000
Leasehold Improvements	0	0
	358,599,000	353,281,000
Total Other Assets	\$447,354,000	\$390,669,000
Total Assets	\$1,656,407,000	\$1,450,724,000

The notes to Financial Statements are an integral part of this statement.

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U.S. DEPARTMENT OF TRANSPORTATION—Maritime Administration

Exhibit 1. Statement of Financial Condition
September 30, 2002 and September 30, 2001

LIABILITIES	September 30	
	2002	2001
Selected Current Liabilities (Note 2)		
Accounts Payable (Including Funded Accrued Liabilities):		
Government Agencies	\$ 428,582,000	\$ 440,832,000
The Public	278,870,000	45,279,000
	707,452,000	486,111,000
Accrued Liabilities for Loan Guaranteed	383,993,000	400,359,000
Unfunded Liabilities:		
Environmental Liabilities	372,500,000	320,000,000
Other Liabilities	21,605,000	93,557,000
Federal Employee's Benefits Payable	17,389,000	22,182,000
	411,494,000	435,739,000
Total Selected Current Liabilities	1,502,939,000	1,322,209,000
Deposit Fund Liabilities	0	
Debt issued under borrowing Authority:		
Borrowing from Treasury	0	0
Other Liabilities:		
Vessel Trade in Allowance and Other		
Accrued Liabilities	0	0
Future Funding (ODS Contract Authority)		
Total Liabilities	\$ 1,502,939,000	\$ 1,322,209,000
Government Equity		
Unexpended Budget Authority:		
Unobligated	256,084,000	24,325,000
Undelivered Orders	239,660,000	309,183,000
	495,744,000	333,508,000
Unfinanced Budget Authority ()		
Unfilled Customer Orders	(114,362,000)	0
Contract Authority		
	(114,362,000)	0
Invested Capital	(227,914,000)	(204,993,000)
Total Government Equity	\$153,468,000	\$128,515,000
Total Liabilities and Government Equity	\$1,656,407,000	\$1,450,724,000

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FINANCIAL STATEMENTS
U.S. DEPARTMENT OF TRANSPORTATION—Maritime Administration

Exhibit 2. Statement of Financial Condition	Year Ended September 30	
	2002	2001
OPERATIONS OF THE MARITIME ADMINISTRATION		
Net Costs of Operating Activities		
Reserve Fleet Programs:		
Maintenance and Preservation	\$ 4,412,000	\$ 3,903,137
Direct Subsidies and National Defense Costs:		
Operating Differential	5,088,000	27,130,769
Ocean Freight Differential	54,331,000	141,005,726
Title XI Credit Reform Program And Financing Fund	130,280,000	211,245,633
Maritime Security Program	96,192,000	98,405,136
Administrative (includes Financial Assistance to State Maritime Schools, School ships, Student Incentive	89,286,000	82,049,000
Other Operating Income Net of Expenses	362,672,000	302,700,599
Net Cost of Maritime Administration	\$742,261,000	\$866,440,000
Operations of Revolving Funds (-Income):		
Vessel Operations Revolving Fund	(319,946,000)	(410,710,746)
War Risk Revolving Fund	(1,958,000)	(1,560,068)
Construction Differential Fund	(1,884,000)	(2,167,645)
Federal Ship Financing Fund	(384,000,)	(1,739,276)
Gifts and Bequests	(97,000)	(1,321,865)
Special Studies	(3,000)	(18,400)
	(324,272,000)	(417,518,000)
Net Cost of Combined Operations	\$417,989,000	\$448,922,000

The notes to Financial Statements are an integral part of this statement.

**Report to Congress Funds Administered by the Maritime Administration
Not appropriated to the Maritime Administration 1st Quarter, Fiscal Year 2003**

Accounts Funds are Credited to	Fund Source	Intended Use	Amount
Vessel Operating Revolving Fund (VORF)			
VORF	U.S. Department of the Navy	1st Quarter – CHESAPEAKE Operations and port security	4,236,940
VORF	U.S. Department of the Navy	1st Quarter – GOPHER STATE Operations and port security	4,135,000
VORF	U.S. Department of the Navy	1st Quarter – PETERSBURG Operations and port security	4,179,060
VORF	U.S. Department of the Navy	1st Quarter – CAPE JACOB Operations and port security	6,881,818
VORF	U.S. Department of the Navy	Naval reserve training aboard CAPE GIBSON	2,500
VORF	U.S. Department of the Navy	Emergency sustainment – CAPE HENRY	2,243,136
VORF	Bureau of Labor Statistics	Monthly import and trade data	2,500
VORF	Bureau of Economic Analysis	Monthly data to BEA	18,000
VORF	U.S. Department of the Navy	Continue No Notice Activation Test – TURBO 02-04	428,000
VORF	U.S. Army	1176th CAPE WASHINGTON for Training	1,250
VORF	U.S. Department of the Navy	Training on the SS CAPE GIBSON or CAPE GIRARDEAU	2,500
VORF	U.S. Department of the Navy	Project Enduring Freedom activation/deactivation of CAPE JOHNSON & CAPE JOHN	700,000
VORF	U.S. Department of the Navy	Project Enduring Freedom activation/deactivation of CAPE JOHNSON & CAPE JOHN	4,460,000
VORF	U.S. Department of the Navy	Project Enduring Freedom activation/deactivation of CAPE GIBSON	2,501,235
VORF	U.S. Department of the Navy	CAPE JACOB Dry Docking	300,000
VORF	U.S. Department of the Navy	Training on the CAPE GIRARDEAU	2,500
VORF	Military Sealift Command (MSC)	Officer Training for MARAD RRF Officers (USN)	46,000
VORF	Department of the Navy	Funding provided for two Aviation Logistics Support Ships (TAVBs) for certain equipment installations upgrades	170,000
VORF	Navy Engineering Logistics Office (NELO)	Operations and maintenance of a training vessel	450,475
VORF	U.S. Department of the Navy	Funding provided for the National Defense Sealift Fund for the operation and maintenance of the National Defense Reserve Fleet Ready Reserve Force (salary support costs shown in Oper. and Training (O&T))	205,649,000
VORF	U.S. Department of the Navy	Funding for the operation of the CAPE TRINITY	300,000
VORF	U.S. Department of the Navy	CAPE JOHNSON, exercise	910,000
VORF	U.S. Department of the Navy	CAPE JOHN, exercise	840,000
VORF	U.S. Department of the Navy	Funding provided for two Aviation Logistics Support Ships (TAVBs) for reefers, office and medical equipment	80,000
Total Vessel Operating Revolving Fund (VORF)			238,539,914

**Report to Congress Funds Administered by the Maritime Administration
Not appropriated to the Maritime Administration 1st Quarter, Fiscal Year 2003 (Continued)**

Accounts Funds are Credited to	Fund Source	Intended Use	Amount
Operations and Training (O&T)			
O&T	Naval Sea Systems Command (NAVSEA)	First Quarter Inactive Fleet Maintenance – salary support	131,250
O&T	United States Marines	Training aboard USNS PATRIOT STATE	10,100
O&T	United States Army	Training aboard Ready Reserve Fleet (RRF) vessel	1,250
O&T	Bureau of Econ. Analysis (BEA)	Monthly data to BEA	18,000
O&T	U.S. Department of the Navy	Project Enduring Freedom activation/deactivation of CAPE JOHNSON & CAPE JOHN (salary support)	100,000
O&T	DOT/Research and Special Programs Admin. (RSPA)	Conduct research of new vessel technologies that can reduce pollution and develop a comprehensive database of waterborne fleet	53,000
O&T	Space and Naval Warfare Systems Command	Ship Tracking and Routing System (STARs)	150,000
O&T	U.S. Department of the Army Reserve fleet	Annual custody of the STURGIS at the James River	23,000
O&T	TRANSCOM	Cooperative advanced logistics research and development	100,000
O&T	U. S. Coast Guard (USCG)	Assist in funding contract to develop and maintain an electronic grants system for the Port Security Grants Program	252,000
O&T	U.S. Department of the Navy (USN)	Salary support costs from the National Defense Sealift Fund for the operation and maintenance of the National Defense Reserve Fleet Ready Reserve Force	35,889,000
O&T	DOT/OST	Information Tech. Support Services, OST Civil Rights	6,000
O&T	USCG	Mooring of USCG ships at the Suisan Bay Reserve Fleet	11,000
O&T	USCG	Marine Board Support	99,000
Total Operations and Training (O&T)			36,843,600
Gifts and Bequests Trust Fund (GF)			
GF	USMMA (1/4 of 2002 actual)		534,369
Total Gifts and Bequests Trust Fund (GF)			534,369
Global Maritime and Transportation School (GMATS)			
GMATS	USMMA Global Maritime and Transportation (GMATS) Program (Non-appropriated) from tuition paid by trainees	The mission of the U.S. Merchant Marine Academy GMATS is to offer leading-edge education and training to maritime and transportation professionals. The GMATS program is a “non-appropriated fund instrumentality” (NAFI) of the U.S. Merchant Marine Academy generating funds through tuition, meal and lodging fees. (1/4 of 2002 actual)	1,198,750
Total Global Maritime and Transportation School (GMATS)*			1,198,750

* This amount was derived from the Income Statements provided by the GMATS program. These figures have not been audited by an accounting firm.

**Report to Congress Funds Administered by the Maritime Administration
Not appropriated to the Maritime Administration 1st Quarter, Fiscal Year 2003 (Continued)**

**Accounts
Funds are**

Credited to	Fund Source	Intended Use	Amount
Special Studies, Services, and Projects Trust Fund (SSSP)			
SSSP	U.S. Department of the Army Corp of Engineers (USACE)	The other flow of funds into MARAD that does not involve reimbursable agreements comes from the sale of data and data products, primarily from the MAnRAD/USACE produced United States Foreign Waterborne Statistics (USFWTS) program. (1/4 of 2002 actual)	7,738
Total Special Studies, Services, and Projects Trust Fund (SSSP)			7,738

Summary Quarter 1, 2003

Total Vessel Operating Revolving Fund	238,539,914
Total Operations & Training	36,843,600
Total Gifts and Bequests	534,369
Total GMATS	1,198,750
Total Special Studies, Services, and Projects 7,738	
Total FY 2003 YTD Funding Authority	277,124,371

This is the total funding authority received/accepted through Quarter 1 of fiscal year 2003, and cannot exceed the estimated offsetting collections apportioned by the Office of Management and Budget.

**Notes to Financial Statements
September 30, 2002 and September 30, 2001**

1. The preceding financial statements include combining assets, liabilities, income, and expenses of the Maritime Administration (MARAD); the Vessel Operations Revolving Fund, the War-Risk Insurance Revolving Fund, and the Federal Ship Financing Fund, Programs of the Federal Credit Reform Act of 1990 and other appropriations. Fiscal Year 2002 & 2001 financial information is based on MARAD's FY 2002 & 2001 audited financial statements required by the Chief Financial Officer Act.
2. Contingent liabilities for Title XI guaranteed loans aggregated \$4.3 billion as of September 30, 2002.
3. There were no conditional liabilities for pre-launching War-Risk Builder's Insurance on September 30, 2002.
4. The Federal Ship Financing Fund incurred no defaults during FY 2002.
5. The Title XI Credit Reform Program incurred six default in fiscal year 2002 in the amount of \$350.5 million.
6. Real Property and Equipment are reported net of allowances for FY 2002.