

2016

# Recreation Trust

Statements of Account

For the Year Ended 31 December 2016



Office of the Auditor General  
Government of the Virgin Islands





Office of the Auditor General  
Government of the Virgin Islands

**RECREATION TRUST**  
**Statements of Account**  
For the Year Ended 31 December 2016

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## **OFFICE OF THE AUDITOR GENERAL GOVERNMENT OF THE VIRGIN ISLANDS**

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**The Chairman and Board**  
Recreation Trust  
Road Town, Tortola  
British Virgin Islands

### **THE AUDITOR GENERAL'S REPORT**

#### **AUDIT CERTIFICATE**

We have examined the accompanying financial statements of the Recreation Trust which comprise of the Statement of Financial Position and Statement of Activities for the year ending 31 December 2016 and the related notes.

#### ***Management's Responsibility***

Management is responsible for the preparation and fair presentation of the Trust's financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### ***Auditor's Responsibility***

Our Responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with international standards on auditing. 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 of material misstatement, whether due to fraud or error.

#### ***Scope***

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 misstatements of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used

and significant estimates made by management, as well as evaluating the overall financial statement presentation.

***Audit Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial statements of the Recreation Trust as at 31 December 2016 and its financial performance for the year then ended.



Sonia M Webster  
Auditor General

10 September 2021

**RECREATION TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**As At 31 December 2016**

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		US\$	US\$
<b>Current Assets</b>			
Cash at Bank	4	(503)	63,588
Other Current Assets	5	2,800	6,000
Total Current Assets		<u>2,297</u>	<u>69,588</u>
<b>Fixed Assets</b>			
Furniture and Equipment	6	13,193	3,692
Total Fixed Assets		<u>13,193</u>	<u>3,692</u>
Total Assets		<u><u>15,490</u></u>	<u><u>73,280</u></u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
Payroll Tax Payable		145,124	109,446
Social Security Payable		160,272	136,752
NHI Payable		22,010	-
Lease Payable		70,237	34,394
Utilities Payable	7	1,912,758	1,526,227
Accounts Payable Other		45,184	423
		<u>2,355,585</u>	<u>1,807,242</u>
Fund Balance		<u>(2,340,095)</u>	<u>(1,733,962)</u>
Total Liabilities and Fund Balance		<u><u>15,490</u></u>	<u><u>73,280</u></u>

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Executive Director/Treasurer

*The accompanying notes form an integral part of these financial statements.*

**RECREATION TRUST**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended 31 December 2016**

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	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>REVENUE</u>		<u>US\$</u>	<u>US\$</u>
Government Grant		700,000	875,000
Other Receipts		<u>9,690</u>	<u>11,690</u>
Total Revenue		709,690	886,690
<u>EXPENSES</u>			
Accounting		9,150	6,050
Bank Charges		1,050	991
Depreciation	6	3,692	5,527
Electrical & Plumbing		6,550	6,000
Lease Property		42,344	42,344
Office and General		9,665	6,496
Property Maintenance		208,672	196,012
Payroll Expenses	8	630,174	634,501
Telephone & Fax		11,282	8,736
Utilities	9	386,532	289,979
Other Expenses		<u>6,712</u>	<u>85</u>
Total Expenditure		1,315,823	1,196,721
Operating Loss		<u>(606,133)</u>	<u>(310,031)</u>
Fund Balance at Beginning of Year		(1,733,962)	(1,423,931)
Fund Balance at End of Year		<u><u>(2,340,095)</u></u>	<u><u>(1,733,962)</u></u>

*The accompanying notes form an integral part of these financial statements.*

**RECREATION TRUST**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended 31 December 2016

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	<u>2016</u>	<u>2015</u>
	US\$	US\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the year	(606,133)	(310,031)
Adjustment for Depreciation	3,693	5,527
Accounts Payable	548,342	358,180
Accounts Receivable	3,200	(3,568)
Cash Flows from Operating Activities	<u>(50,898)</u>	<u>50,108</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	<u>(13,193)</u>	<u>-</u>
Cash Flow from Investing Activities	<u>(13,193)</u>	<u>-</u>
Net Cash Flows	<u>(64,091)</u>	<u>50,108</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net Increase (Decrease) in Cash Equivalents	(64,091)	50,108
Cash at Beginning of the Year	<u>63,588</u>	<u>13,480</u>
Cash at End of the Year	<u>(503)</u>	<u>63,588</u>

*The accompanying notes form an integral part of these financial statements.*



**RECREATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

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1. **Organisation**

The BVI Recreation Trust (the Trust) is a corporate body established under the Recreation Trust Ordinance (Cap. 278) of the laws of the Virgin Islands. The Trust is charged with the responsibility of acquiring, administering and maintaining recreational grounds and facilities to meet the continuing needs of the BVI community. The Trust is funded primarily through contributions from the Government of the Virgin Islands.

The activities of the Trust are administered by a Board, which in accordance with the Recreation Trust (Amendment) Act, 2012 now consists of a Chairman, Executive Director and members.

2. **Significant Accounting Policy**

i. **Basis of Preparation** – The accompanying financial statements were prepared on a modified cash basis of accounting. The Statements show recognition of accounts payable, accounts receivables and assets, with the exception of leasehold property which, at the time of writing, had not been valued for inclusion. All amounts are stated in United States Currency.

ii. **Fixed Assets: Land and Buildings** – The land and buildings administered by the Trust are the property of the Government of the Virgin Islands. Therefore the substantial amount expended each year on maintenance and improvements of these assets is not capitalized but expensed in the Statement of Activities.

3. **Non-submission of 2002, 2003 and 2006-2009 Statements of Accounts**

The financial statements and supporting records for the years 2002, 2003 and 2006 through 2009 were not submitted for audit examination. During the stated years the Trust, operating under different chairman and board, received Government funds of \$3,271,164. No information was provided on how these funds were applied.

4. **Cash Balances**

The Cash Balances disclosed in the financial statements are represented by bank accounts held at Scotia Bank and Banco Popular.

5. **Other Current Assets**

Other Current Assets is comprised of an employee loan issued in 2015 to Stephen Payne. The balance on the loan was reduced from \$6,000 in 2015 to \$2,800 at the end of 2016.

**RECREATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

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6. **Fixed Assets**

Assets as of 31 December 2016 were as shown in the table below.

	<u>2016</u>
<b>Furniture &amp; Equipment</b>	\$
Valuation At Opening	3,693
Additions (Disposals)	13,193
	<u>16,886</u>
Depreciation Charge for 2016	<u>(3,693)</u>
Net Book Value At 31 December 2016	<u>13,193</u>

7. **Liabilities**

Utilities Payable at year end were comprised as follows:

	<u>2016</u>	<u>2015</u>
<b>Utilities Payable</b>	\$	\$
Electricity	1,796,482	1,418,045
Water	116,276	108,182
	<u>1,912,758</u>	<u>1,526,227</u>

8. **Payroll Related Expenses**

**Salaries and Wages** - This primarily refers to payments made to employees for custodial and maintenance services provided at the various recreation facilities and grounds. This amount also includes employee deductions and employer's contributions for social security, national health insurance and payroll taxes.

9. **Utilities**

Utilities expense recorded on the Statement of Activities was comprised of electricity, telephone and water charges for 2016. The unpaid amounts for utilities are shown in Note 7 above.

	<u>2016</u>	<u>2015</u>
<b>Utilities</b>	\$	\$
Electricity	378,438	276,418
Water	8,094	13,561
	<u>386,532</u>	<u>289,979</u>



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