

2010

Recreation Trust

Statements of Account

For the Year Ended 31 December 2010



Office of the Auditor General
Government of the Virgin Islands



RECREATION TRUST
STATEMENTS OF ACCOUNT
For the Year Ended 31 December 2010

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OFFICE OF THE AUDITOR GENERAL GOVERNMENT OF THE VIRGIN ISLANDS

PO Box 174, Road Town, Tortola, British Virgin Islands
Telephone: (284) 468-4144, Facsimile: (284) 468-4148

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 2010 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.

Because of the matters described in the basis for disclaimer of opinion paragraphs we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

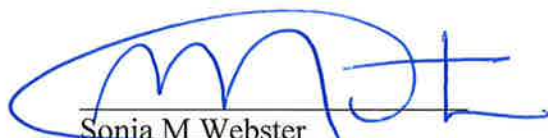
The financial statements and supporting records for the years 2002 - 2003 and 2006-2009 have not been submitted for audit examination. The Trust is known to have been in operation during those years and to have received Government Grants in excess of \$3.2 million to cover operating costs. Affected by this restriction of scope are items in the financial statements which should reflect brought forward balances such as assets, liabilities and the fund balance.

In addition we were unable to obtain sufficient, reliable evidence with respect to:

- i. the expenditure activity of the Trust. Relevant documents (including cancelled cheques representing nine months of expenditure activity, invoices, statements and contracts) were not available to allow for verification of amounts submitted on the Statement of Activities.
- ii. the existence and valuation of assets. No records were presented in support of these and a physical inspection was not performed at end of 2010 to confirm existence of the items presented in the Statement of Financial Position.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of the Recreation Trust as at 31 December 2010 and its financial performance for the year then ended.



Sonia M Webster
Auditor General

15 April 2015

RECREATION TRUST
STATEMENT OF FINANCIAL POSITION
 As at 31 December 2010

<u>ASSETS</u>	<u>Notes</u>	<u>2010</u> US\$
Current Assets		
Cash at Bank	4	167,775.74
Fixed Assets		
Office Furniture and Equipment	7	19,922.39
Recreational Equipment	7	<u>7,712.49</u>
		<u>195,410.62</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Payroll Tax Payable	8	14,550.29
Social Security Payable	8	11,422.80
Utilities Payable	9	36,301.70
Accounts Payable Other	10	24,467.50
Fund Balance		<u>108,668.33</u>
		<u>195,410.62</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 2010

	<u>Notes</u>	<u>2010</u> US\$
<u>REVENUE</u>		
Government Grant	5	996,670.05
Other Receipts	6	<u>28,536.51</u>
Total Revenue		1,025,206.56
<u>EXPENSES</u>		
Bank Charges		361.25
Concession Supplies		16,432.98
Depreciation	7	5,526.96
Electrical & Plumbing		54,407.50
Lease Property		42,016.00
Office and General		4,047.12
Property Maintenance		35,991.07
Payroll Expenses	8	314,088.05
Telephone & Fax		3,173.89
Utilities	9	453,871.75
Other Expenses		<u>4,457.88</u>
Total Expenditure		<u>934,374.45</u>
Operating Surplus		90,832.11
Fund Balance at Beginning of Year		<u>17,836.22</u>
Fund Balance at End of Year		<u><u>108,668.33</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 2010

	<u>2010</u>
CASH FLOW FROM OPERATING ACTIVITIES	US\$
Surplus for the year	90,832.11
Adjustment for Depreciation	5,526.96
Increase in Accounts Payable	<u>40,979.71</u>
Net Cash Flows from Operating Activities	137,338.78
CASH AND CASH EQUIVALENTS	
Cash at Beginning of the Year	<u>30,436.96</u>
Cash at End of the Year	<u><u>167,775.74</u></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 2010

1. Organisation

The 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 which contributed 95% of its revenue in 2010. The activities of the Trust are administered by a board, which consists of a Chairman, Treasurer, Secretary 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 Revenue and Expenditure.

iii. **Cash At Banks** – This represents unrestricted cash.

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. For this period of years, which was administered by its previously appointed Board, the Trust received Government funds of \$3,271,163.77. These funds have not been accounted for.

Affected by this restriction are items in the financial statements which should reflect brought forward balances such as assets, liabilities, the fund balance and the cash flow statement.

4. Cash Balance

The Cash Balance disclosed in the financial statements is represented by accounts held at Scotia Bank and Banco Popular.

RECREATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2010

5. **Government Grant**

The Government provides an annual subvention to the Trust to assist with operating expenses. During 2010 the amount totaled \$996,670.05 as indicated below.

	\$
Cash Subvention	579,100.00
Direct Payments on Behalf of Trust	<u>417,570.05</u>
	<u>996,670.05</u>

6. **Other Receipts**

Other Receipts of \$28,536.51 for 2010 are detailed in the schedule below. Insufficient details were provided to allow for classification of Miscellaneous Deposits of \$24,304.15 which were observed on the bank statements.

	\$
Advertisement Income	3,900.00
Service Charge Rebate & Interest	332.36
Miscellaneous Deposits	<u>24,304.15</u>
Total	<u>28,536.51</u>

7. **Fixed Assets**

Assets as of 31 December 2010 were reported as follows:

	<u>Office Equipment</u>	<u>Recreation Equipment</u>	<u>Total</u>
Cost/Valuation	\$	\$	\$
At Opening	23,906.86	9,254.98	33,161.84
Additions (Disposals)	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2010	<u>23,906.86</u>	<u>9,254.98</u>	<u>33,161.84</u>
Accumulated Depreciation			
At Opening	-	-	-
Depreciation Charge for 2010	<u>3,984.47</u>	<u>1,542.49</u>	<u>5,526.96</u>
At 31 December 2010	<u>3,984.47</u>	<u>1,542.49</u>	<u>5,526.96</u>
Net Book Value			
At 31 December 2010	<u>19,922.39</u>	<u>7,712.49</u>	<u>27,634.88</u>

RECREATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2010

8. **Liabilities**

Payroll and Related Payables

No payments were made for PAYE and Social Security for the year under review. This resulted in arrears of \$14,550.29 and \$11,422.80 for PAYE and Social Security respectively. These amounts represent both employer and employee contributions.

9. **Utilities Payable**

Utilities payable comprised of electricity expenses totaling \$417,570.05 were paid directly by the Government to BVI Electricity Corporation on behalf of the Trust during the year. At 31 December 2010, the unpaid electricity charges for the Trust were \$36,301.70.

10. **Accounts Payable Other**

Accounts payable other was comprised as follows:

	Amount \$
Electrical & Plumbing	23,267.50
Property Maintenance	1,200.00
	<u>24,467.50</u>