

2011

Recreation Trust

Statements of Account

For the Year Ended 31 December 2011



Office of the Auditor General
Government of the Virgin Islands



RECREATION TRUST
STATEMENTS OF ACCOUNT
For the Year Ended 31 December 2011

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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 2011 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.

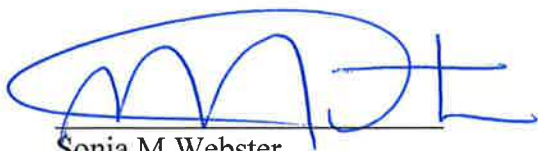
Basis for Disclaimer of Opinion

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. We were in addition, unable to satisfactorily verify the existence and value of assets stated in the accounts.

We were unable to receive sufficient, reliable evidence (including cancelled cheques representing six months of expenditure activity, invoices, statements and contracts) to allow for verification of expenditure amounts submitted on the statements.

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 2011 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 2011

	<u>Notes</u>	<u>2011</u> US\$	<u>2010</u> US\$
<u>ASSETS</u>			
Current Assets			
Cash at Bank	4	6,974.37	167,775.74
Government Subvention Receivable	5	375,000.00	-
Fixed Assets			
Office Furniture and Equipment	7	19,630.38	19,922.39
Recreational Equipment	7	6,170.00	7,712.49
		<u>407,774.75</u>	<u>195,410.62</u>
<u>LIABILITIES AND FUND BALANCE</u>			
PAYE Payable		29,470.07	14,550.29
Social Security Payable		23,559.97	11,422.80
Lease Payable		39,831.00	-
Utilities Payable	8	276,915.47	36,301.70
Accounts Payable Other	8	50,911.05	24,467.50
Fund Balance		<u>(12,912.81)</u>	<u>108,668.33</u>
		<u>407,774.75</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 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
<u>REVENUE</u>		US\$	US\$
Government Grant	5	750,000.00	996,670.05
Lease Income		4,528.30	-
Other Receipts		14,486.85	28,536.51
Total Revenue		<u>769,015.15</u>	<u>1,025,206.56</u>
<u>EXPENSES</u>			
Accounting		14,625.00	-
Bank Charges		250.75	361.25
Concession Supplies		9,924.67	16,432.98
Depreciation	7	5,687.50	5,526.96
Electrical & Plumbing		57,950.00	54,407.50
Lease Property		42,016.00	42,016.00
Office and General		833.73	4,047.12
Property Maintenance		19,872.77	35,991.07
Payroll Expenses		344,785.13	314,088.05
Telephone & Fax		1,926.95	3,173.89
Utilities	10	389,635.59	453,871.75
Other Expenses		3,088.20	4,457.88
Total Expenditure		<u>890,596.29</u>	<u>934,374.45</u>
Operating Loss		(121,581.14)	90,832.11
Fund Balance at Beginning of Year		<u>108,668.33</u>	<u>17,836.22</u>
Fund Balance at End of Year		<u>(12,912.81)</u>	<u>108,668.33</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 2011

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 97% of its revenue in 2011. 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 Statement of Financial Position items 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 2011

5. **Government Grant**

Government subvention of \$750,000 was recorded for 2011. Of this, \$375,000 was received in 2012 and is accordingly recorded on the Statement of Financial Position as a receivable.

6. **Other Receipts**

Other Receipts of \$14,486.85 comprised as follows:

Other Receipts	\$
Miscellaneous Deposits	14,350.00
Service Charge Rebate	136.85
Total	<u><u>14,486.85</u></u>

7. **Fixed Assets**

Assets as of 31 December 2011 consisted of:

	<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	3,853.00	-	3,853.00
Disposals	-	-	-
At 31 December 2011	<u><u>27,759.86</u></u>	<u><u>9,254.98</u></u>	<u><u>37,014.84</u></u>
Accumulated Depreciation			
At Opening	3,984.47	1,542.49	5,526.96
Depreciation Charge for 2011	4,145.01	1,542.49	5,687.50
Written Off on Disposal	-	-	-
At 31 December 2011	<u><u>8,129.48</u></u>	<u><u>3,084.98</u></u>	<u><u>11,214.46</u></u>
Net Book Value			
At 31 December 2011	<u><u>19,630.38</u></u>	<u><u>6,170.00</u></u>	<u><u>25,800.38</u></u>

RECREATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2011

8. **Liabilities**

Utilities Payable and Accounts Payable Other were comprised of unpaid amounts as indicated below:

Utilities Payable	\$
Electricity	187,061.56
Water	89,853.91
	<u>276,915.47</u>

Accounts Payable Other	\$
Electrical & Plumbing	38,447.50
Maintenance	3,185.00
Supplies	5,603.55
Accounting Fees	3,375.00
Other	300.00
	<u>50,911.05</u>

9. **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.

10. **Utilities**

Utilities expense was comprised as follows. These included the unpaid amounts shown in note 8 above.

Utilities Expense	\$
Electricity	299,781.68
Water	89,853.91
	<u>389,635.59</u>