

2014

Recreation Trust

Statements of Account

For the Year Ended 31 December 2014



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 2014

Table of Contents

Auditors' Report	ii - iii
Financial Statements for the Year Ended 31 December 2014	1- 6
Audit Certificate	ii
Statement of Financial Position	1
Statement of Activities	2
Statement of Cash Flows	3
Notes to the Financial Statements.....	4



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 2014 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.

Basis for Qualified 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.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial statements of the Recreation Trust as at 31 December 2014 and its financial performance for the year then ended.

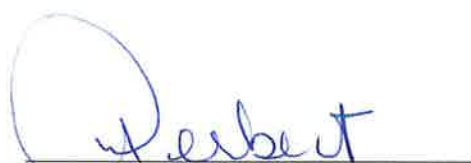


Sonia M Webster
Auditor General

10 June 2021

RECREATION TRUST
STATEMENT OF FINANCIAL POSITION
As At 31 December 2014

	<u>Notes</u>	<u>2014</u> US\$	<u>2013</u> US\$
<u>ASSETS</u>			
Current Assets			
Cash in Hand	4	-	43
Cash at Bank		13,480	41,486
Other Current Assets	5	2,432	2,432
Total Current Assets		15,912	43,961
		-	
Fixed Assets			
Office Furniture and Equipment	6	7,677	11,661
Recreational Equipment	6	1,543	3,085
Total Fixed Assets		9,220	14,746
		-	
Total Assets		25,131	58,707
		-	
<u>LIABILITIES AND FUND BALANCE</u>			
Payroll Tax Payable		69,039	29,471
Social Security Payable		98,199	56,042
Lease Payable		32,331	18,472
Utilities Payable	7	1,241,694	879,189
Accounts Payable Other		7,800	7,051
		1,449,063	990,224
		-	
Fund Balance		(1,423,931)	(931,517)
Total Liabilities and Fund Balance		25,131	58,707


 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 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
<u>REVENUE</u>		US\$	US\$
Government Grant		875,000	700,000
Other Receipts		<u>14,440</u>	<u>7,712</u>
Total Revenue		889,440	707,712
<u>EXPENSES</u>			
Accounting		7,600	9,500
Bank Charges		1,031	724
Concession Supplies		-	1,059
Depreciation	6	5,527	5,366
Electrical & Plumbing		6,428	61,972
Lease Property		42,344	42,344
Office and General		9,388	20,889
Property Maintenance		273,378	277,131
Payroll Expenses	8	663,045	607,164
Telephone & Fax		6,909	2,913
Utilities	9	363,094	208,699
Other Expenses		<u>3,111</u>	<u>5,699</u>
Total Expenditure		1,381,854	1,243,460
Operating Loss		<u>(492,414)</u>	<u>(535,748)</u>
Fund Balance at Beginning of Year		(931,517)	(395,769)
Fund Balance at End of Year		<u>(1,423,931)</u>	<u>(931,517)</u>

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

RECREATION TRUST
STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2014

	<u>2014</u>	<u>2013</u>
	US\$	US\$
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(492,414)	(535,748)
Adjustment for Depreciation	5,527	5,366
Accounts Payable	458,839	316,069
Accounts Receivable	-	197,569
Net Cash Flows from Operating Activities	<u>(28,049)</u>	<u>(16,744)</u>
 CASH AND CASH EQUIVALENTS		
Add Cash at Beginning of the Year	41,529	58,273
Cash at Beginning of the Year	<u>41,529</u>	<u>58,273</u>
Cash at End of the Year	<u><u>13,481</u></u>	<u><u>41,529</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 2014

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 Revenue and Expenditure.

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 \$3,271,164. These funds have not been accounted for.

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

4. **Cash Balances**

The Cash Balances disclosed in the financial statements are represented by a petty cash draw held for minor expenditure and bank accounts held at Scotia Bank and Banco Popular. The petty cash account was closed during the year under review.

RECREATION TRUST
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2014

5. **Other Current Assets**

Other Current Assets comprises of \$2,432 due from the Chairman of the Trust, Mr Roy Barry. This amount was brought forward from 2013.

6. **Fixed Assets**

Assets as of 31 December 2014 consisted of:

	Office Equipment	Recreation Equipment	Total
Cost/Valuation	\$	\$	\$
At Opening	27,760	9,255	37,015
Additions (Disposals)	-	-	-
At 31 December 2014	<u>27,760</u>	<u>9,255</u>	<u>37,015</u>
Accumulated Depreciation			
At Opening	16,098	6,170	22,268
Depreciation Charge for 2014	3,984	1,542	5,527
At 31 December 2014	<u>20,083</u>	<u>7,712</u>	<u>27,795</u>
Net Book Value			
At 31 December 2014	<u>7,677</u>	<u>1,543</u>	<u>9,220</u>

7. **Liabilities**

Utilities Payable for 2014 were comprised as follows:

	US\$
Utilities Payable	
Electricity	1,147,073
Water	94,621
	<u>1,241,694</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 includes payroll taxes and social security.

RECREATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2014

9. **Utilities**

Utilities expense recorded on the Statement of Activities of \$363,094 was comprised of electricity and water charges.

10. **Prior Period Adjustments**

Prior Period Adjustments were made to correct the following:

Lease Payments

Adjustments to the lease expenses for 2013 and 2012 were made to record the lease obligations actually accrued for those periods as per the lease documents. The adjustment affected the following accounts:

	\$
Lease Payable 2012	1,444
Lease Payable 2013	1,481
Lease Expense 2013	2,925

Accounts Receivable

An adjustment was made to the 2013 statements to record an amount of \$2,432 owed by the Chairman, that had been improperly expensed in 2013.

Accounts Payable

The 2013 Accounts payable were adjusted to remove a liability in the amount of \$27,339 that was being carried forward in the accounts but was paid off during that year.

