

2015

Recreation Trust

Statements of Account

For the Year Ended 31 December 2015



Office of the Auditor General
Government of the Virgin Islands





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Government of the Virgin Islands

RECREATION TRUST
Statements of Account
For the Year Ended 31 December 2015

Table of Contents

Auditors' Report.....ii - iii

Financial Statements for the Year Ended 31 December 20151- 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

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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 2015 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 2015 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 2015

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		US\$	US\$
Current Assets			
Cash at Bank	4	63,588	13,480
Other Current Assets	5	6,000	2,432
Total Current Assets		<u>69,588</u>	<u>15,912</u>
Fixed Assets			
Office Furniture and Equipment	6	3,693	7,677
Recreational Equipment	6	-	1,543
Total Fixed Assets		<u>3,693</u>	<u>9,220</u>
Total Assets		<u><u>73,280</u></u>	<u><u>25,131</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Payroll Tax Payable		109,446	69,039
Social Security Payable		136,752	98,199
Lease Payable		34,394	32,331
Utilities Payable	7	1,526,227	1,241,694
Accounts Payable Other		424	7,800
		<u>1,807,242</u>	<u>1,449,063</u>
Fund Balance		<u>(1,733,962)</u>	<u>(1,423,931)</u>
Total Liabilities and Fund Balance		<u><u>73,280</u></u>	<u><u>25,131</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 2015

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<u>REVENUE</u>		US\$	US\$
Government Grant		875,000	875,000
Other Receipts		11,690	14,440
Total Revenue		<u>886,690</u>	<u>889,440</u>
<u>EXPENSES</u>			
Accounting		6,050	7,600
Bank Charges		991	1,031
Depreciation	6	5,527	5,527
Electrical & Plumbing		6,000	6,428
Lease Property		42,344	42,344
Office and General		6,496	9,388
Property Maintenance		196,012	273,378
Payroll Expenses	8	634,501	663,045
Telephone & Fax		8,736	6,909
Utilities	9	289,979	363,094
Other Expenses		85	3,111
Total Expenditure		<u>1,196,720</u>	<u>1,381,854</u>
Operating Loss		<u>(310,031)</u>	<u>(492,414)</u>
Fund Balance at Beginning of Year		<u>(1,423,931)</u>	<u>(931,517)</u>
Fund Balance at End of Year		<u><u>(1,733,962)</u></u>	<u><u>(1,423,931)</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 2015

	<u>2015</u>	<u>2014</u>
	US\$	US\$
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(310,031)	(492,414)
Adjustment for Depreciation	5,527	5,527
Accounts Payable	358,180	458,839
Accounts Receivable	(3,569)	-
Net Cash Flows from Operating Activities	<u>50,108</u>	<u>(28,049)</u>
 CASH AND CASH EQUIVALENTS		
Add Cash at Beginning of the Year	13,480	41,529
Cash at Beginning of the Year	<u>13,480</u>	<u>41,529</u>
Cash at End of the Year	<u><u>63,588</u></u>	<u><u>13,481</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 2015

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 bank accounts held at Scotia Bank and Banco Popular.

RECREATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2015

5. **Other Current Assets**

Other Current Assets are comprised as follows:

	2015	2014
Roy Barry – Receivable from Chairman	-	2,431
Stephen Payne – Employee Loan	6,000	-
	<u>6,000</u>	<u>2,431</u>

6. **Fixed Assets**

Assets as of 31 December 2015 were as shown in the table below. Recreation Equipment was fully depreciated at year end, resulting in a book value of \$0.00.

	<u>Office Equipment</u>	<u>Recreation Equipment</u>	<u>Total</u>
Cost/Valuation	\$	\$	\$
At Opening	27,760	9,255	37,015
Additions (Disposals)	-	-	-
At 31 December 2015	<u>27,760</u>	<u>9,255</u>	<u>37,015</u>
Accumulated Depreciation			
At Opening	20,083	7,712	27,795
Depreciation Charge for 2015	3,984	1,542	5,527
At 31 December 2015	<u>24,067</u>	<u>9,255</u>	<u>33,322</u>
Net Book Value			
At 31 December 2015	<u>3,693</u>	<u>-</u>	<u>3,693</u>

7. **Liabilities**

Utilities Payable were comprised as follows:

	<u>2015</u>
Utilities Payable	\$
Electricity	1,418,045
Water	108,182
	<u>1,526,227</u>

RECREATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2015

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 social security and payroll taxes.

9. **Utilities**

Utilities expense recorded on the Statement of Activities was comprised of electricity and water charges for 2015. The unpaid amounts for utilities are shown in Note 7. above.

Utilities	<u>2015</u>
Electricity	276,418.38
Water	<u>13,560.74</u>
	<u>289,979.12</u>

