

St. Thomas Historical Trust, Inc.

FINANCIAL STATEMENTS

September 30, 2012 and 2011

Larry E. Kemp, C.P.A., P.C.
St. Thomas, US Virgin Islands

St. Thomas Historical Trust, Inc.
INDEX
September 30, 2012 and 2011

	PAGE
Independent Auditor's Report	3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities - 2012 and 2011	5
Statement of Activities - 2011	6
Statements of Functional Expenses - 2012 and 2011	7
Statement of Functional Expenses - 2011	8
Statements of Cash Flows	9
Notes to Financial Statements	10-12

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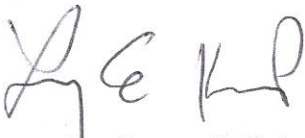
INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Thomas Historical Trust, Inc.

I have audited the accompanying statements of financial position of St. Thomas Historical Trust, Inc. (a nonprofit organization) as of September 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Thomas Historical Trust, Inc. as of September 30, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Larry E. Kemp, C.P.A., P.C.
US Virgin Islands
June 24, 2013

St. Thomas Historical Trust, Inc.
 Statements of Financial Position
 September 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash	\$ 306,850	\$ 264,489
Prepaid expenses - GALA	9,350	6,136
Miscellaneous receivable	450	0
Grants receivable	0	22,915
Unconditional promises to give	0	36,700
Prepaid expenses - other	0	2,695
Total current assets	<u>316,650</u>	<u>332,935</u>
Furniture and equipment		
Furniture and equipment	<u>12,749</u>	<u>10,005</u>
	12,749	10,005
Less accumulated depreciation	<u>7,766</u>	<u>6,185</u>
	<u>4,983</u>	<u>3,820</u>
Collectibles	<u>30,450</u>	<u>30,290</u>
Total assets	<u>\$ 352,083</u>	<u>\$ 367,045</u>
LIABILITIES AND NET ASSETS		
Accrued expenses and liabilities	\$ 10,544	\$ 37,908
Deferred income - GALA	<u>31,962</u>	<u>28,980</u>
Total current liabilities	<u>42,506</u>	<u>66,888</u>
Net assets		
Unrestricted	129,222	129,185
Temporarily restricted	<u>180,355</u>	<u>170,972</u>
	<u>309,577</u>	<u>300,157</u>
Total liabilities and net assets	<u>\$ 352,083</u>	<u>\$ 367,045</u>

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

St. Thomas Historical Trust, Inc.
 Statements of Activities
 Years ended September 30, 2012 and 2011

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
Revenues				
Contributions	\$ 4,950	\$ 80,775	\$ 85,725	\$ 115,148
Contribution - in kind	24,000		24,000	34,119
Contribution - collectibles	160	0	160	175
Grants	0	39,261	39,261	84,467
GALA income	70,360	0	70,360	58,054
Memberships	21,845	0	21,845	13,189
Sale of merchandise and other	13,971	0	13,971	7,121
Interest	1,538	0	1,538	1,608
Net assets released from restrictions:				
Satisfaction of donor/grantor requirements	110,653	(110,653)	0	0
Total revenues	<u>247,477</u>	<u>9,383</u>	<u>256,860</u>	<u>313,881</u>
Functional Expenses				
Program services	173,088	0	173,088	173,722
Management and general	51,914	0	51,914	46,244
Fundraising expenses	22,438	0	22,438	17,101
Total expenses	<u>247,440</u>	<u>0</u>	<u>247,440</u>	<u>237,067</u>
Increase in net assets	37	9,383	9,420	76,814
Net assets - beginning	<u>129,185</u>	<u>170,972</u>	<u>300,157</u>	<u>223,343</u>
Net assets - ending	<u>\$ 129,222</u>	<u>\$ 180,355</u>	<u>\$ 309,577</u>	<u>\$ 300,157</u>

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

St. Thomas Historical Trust, Inc.

Statement of Activities

Year ended September 30, 2011

	2011		
	Unrestricted	Temporarily Restricted	Total
Revenues			
Contributions	\$ 28,385	\$ 86,763	\$ 115,148
Contribution - in kind	34,119	0	34,119
Contribution - collectibles	175	0	175
Grants	0	84,467	84,467
GALA income	58,054	0	58,054
Memberships	13,189	0	13,189
Sale of merchandise and other	7,121	0	7,121
Interest	1,608	0	1,608
Net assets released from restrictions:			
Satisfaction of donor/grantor requirements	95,215	(95,215)	0
Total revenues	<u>237,866</u>	<u>76,015</u>	<u>313,881</u>
Functional Expenses			
Program services	173,722	0	173,722
Management and general	46,244	0	46,244
Fundraising expenses	17,101	0	17,101
Total expenses	<u>237,067</u>	<u>0</u>	<u>237,067</u>
Increase in net assets	799	76,015	76,814
Net assets - beginning	<u>128,386</u>	<u>94,957</u>	<u>223,343</u>
Net assets - ending	<u>\$ 129,185</u>	<u>\$ 170,972</u>	<u>\$ 300,157</u>

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

St. Thomas Historical Trust, Inc.
 Statements of Functional Expenses
 Years ended September 30, 2012 and 2011

	2012				2011 Total
	Program Services	General and Administrative	Fundraising	Total	
Credit card fees	\$ 0	\$ 844	\$ 826	\$ 1,670	\$ 1,417
Cost of merchandise sold	0	0	3,300	3,300	1,152
Depreciation	1,186	395	0	1,581	1,553
Gala Expenses	0	0	18,312	18,312	15,500
Hassel Island expenses	98,589	0	0	98,589	88,928
Health insurance	2,585	862	0	3,447	4,311
Insurance	0	3,281	0	3,281	3,133
Marketing and advertising	1,091	1,092	0	2,183	3,132
Meetings	221	222	0	443	0
Miscellaneous	0	0	0	0	1,614
Office expense	927	309	0	1,236	1,452
Payroll taxes and related	3,270	1,090	0	4,360	3,972
Postage and delivery	929	310	0	1,239	907
Printing	2,397	0	0	2,397	0
Professional fees	0	18,703	0	18,703	17,208
Program - other	0	0	0	0	3,177
Repairs	3,435	1,145	0	4,580	3,820
Salaries	37,500	12,500	0	50,000	44,808
Security	700	233	0	933	1,840
Telephone	794	265	0	1,059	1,085
Uncollectible pledges	0	4,175	0	4,175	0
Utilities	1,464	488	0	1,952	3,939
In kind expenses					
Rent	18,000	6,000	0	24,000	24,000
Services	0	0	0	0	10,000
Other	0	0	0	0	119
	\$ <u>173,088</u>	\$ <u>51,914</u>	\$ <u>22,438</u>	\$ <u>247,440</u>	\$ <u>237,067</u>

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

St. Thomas Historical Trust, Inc.

Statements of Functional Expenses

Year ended September 30, 2011

	2011			Total
	Program Services	General and Administrative	Fundraising	
Credit card fees	\$ 0	\$ 968	\$ 449	\$ 1,417
Cost of merchandise sold	0	0	1,152	1,152
Depreciation	1,165	388	0	1,553
Gala Expenses	0	0	15,500	15,500
Hassel Island expenses	88,928	0	0	88,928
Health insurance	3,233	1,078	0	4,311
Insurance	0	3,133	0	3,133
Marketing and advertising	1,566	1,566	0	3,132
Miscellaneous	1,197	417	0	1,614
Office expense	1,089	363	0	1,452
Payroll taxes and related	2,979	993	0	3,972
Postage and delivery	680	227	0	907
Professional fees	0	17,208	0	17,208
Program - other	3,177	0	0	3,177
Repairs	2,865	955	0	3,820
Salaries	33,606	11,202	0	44,808
Security	1,380	460	0	1,840
Telephone	814	271	0	1,085
Utilities	2,954	985	0	3,939
In kind expenses				
Rent	18,000	6,000	0	24,000
Services	10,000	0	0	10,000
Other	89	30	0	119
	\$ <u>173,722</u>	\$ <u>46,244</u>	\$ <u>17,101</u>	\$ <u>237,067</u>

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

St. Thomas Historical Trust, Inc.
 Statements of Cash Flows
 Years ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Increase in net assets	\$ 9,420	\$ 76,814
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Uncollectible pledges	4,175	0
Depreciation	1,581	1,553
Contributions - collectibles	(160)	(175)
Collectibles reverted to on loan status	0	3,000
Changes in assets and liabilities affecting cash flows from operating activities		
Grants receivable	22,915	(22,915)
Miscellaneous receivable	(450)	0
Unconditional promises to give	32,525	28,900
Prepaid expenses	(519)	(1,287)
Deferred income	2,982	14,840
Accrued expenses and liabilities	(27,364)	33,646
Net cash provided by operating activities	45,105	134,376
Cash flows from investing activities		
Purchase of fixed assets	(2,744)	(4,190)
Net cash used by investing activities	(2,744)	(4,190)
Net increase in cash	42,361	130,186
Cash, beginning of year	264,489	134,303
Cash, ending of year	\$ 306,850	\$ 264,489
Supplemental disclosures:		
Income tax paid	\$ 0	\$ 0
Interest paid	\$ 0	\$ 0

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

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2012 and 2011

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

St. Thomas Historical Trust, Inc. (STHT) is a nonprofit organization incorporated in the U.S. Virgin Islands. The Organization's mission is to identify, protect and preserve the historical identity, structure and sites, and cultural heritage of St. Thomas through education, advocacy and promotion.

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of presentation - The Organization maintains its accounts on an accrual basis.

Unconditional promises to give - The Organization records unconditional promises to give as a receivable when the promise is made. An allowance for uncollectible promises is recorded based on an estimate made by management.

Property, furniture and equipment - Property, furniture and equipment is stated at cost or estimated value at time of contribution. Depreciation is calculated using the straight line and declining balance methods over the estimated useful lives of the assets.

Collectibles - Collectibles are stated at cost or estimated value at time of contribution.

Income Taxes - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

In-Kind Contributions - In-kind contributions meeting the criteria for recognition in the financial statements are recorded at fair value.

Grants - Grant income is recorded in the period earned. Expenditures chargeable to grants are recorded in the period incurred.

Allocated Expenses - Certain expenses by function have been allocated among program and supporting services classifications on the basis of estimates made by the Organization's management.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain amounts in the September 30, 2011 financial statements have been reclassified to conform with the current year's presentation.

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2012 and 2011

Note 2 - Unconditional Promises to Give

During 2007, the Organization initiated a fundraising effort to raise funds for the preservation, protection and enjoyment of Hassel Island, Virgin Islands (see notes 3, 4 and 5). Unconditional promises to give totaling \$245,300 were made to the Organization in 2007. At September 30, 2012, the remaining outstanding balances of \$4,175 were deemed uncollectible and are reflected as an expense.

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2012 and 2011 consist of unexpended contributions and grants of \$160,355 and \$170,972, respectively, restricted for the preservation, protection and enjoyment of Hassel Island, Virgin Islands (see note 4). At September 30, 2012, the funds are comprised of cash. At September 30, 2011, the funds were comprised of cash, unconditional promises and grants receivable.

Temporarily restricted net assets at September 30, 2012 includes \$20,000 comprised of unexpended grant funds received for the restoration of Step Street.

Note 4 - National Park Service/ Hassel Island

Memorandum of Understanding

In July, 2006, the Organization entered into an agreement with the United States Department of Interior - National Park Service / Virgin Island National Park (the Park) to provide funding, supporting and/or implementing projects and activities that further offer protection of natural resources; creating awareness for the preservation of the cultural resources and enhancement of environmental awareness; promoting volunteer and community involvement on Hassel Island and advocating for potential uses and advancing the best interests of Hassel Island before government and the general public.

Grant Agreements

In August, 2010, the Organization entered into a grant agreement with the United States Department of Interior - National Park Service (NPS) which provides funding of \$44,500 under the American Battlefield Protection Program. The funding will be provided on a reimbursement basis for expenditures. For the fiscal year ended September 30, 2011, expenditures reimbursable under the grant were incurred of \$33,717 which is included in grant income and Hassel Island expenses. Amounts due from the NPS at September 30, 2011 related to this grant is \$22,915. The balance of the grant was received and expended in fiscal 2012.

In May, 2011, the Organization entered into an agreement with the Virgin Island National Park and the National Park Foundation (the Foundation) which provides a grant to the Park of \$20,000 under the Active Trails Program. Under the agreement, the Organization has agreed to be fiscal manager of the Active Trails Program. The entire grant of \$20,000 was received in 2011 and was included as grant income. Contributions to the Active Trails Program of \$6,000 were received in 2011 and are included in temporarily restricted contributions. Expenditures for the Active Trails Program of \$5,891 were made during 2011 and are reflected in Hassel Island expenses. The balance of the grants and contributions were expended in fiscal 2012.

In August 2011, the Organization received a grant of \$25,000 from a local charitable trust to be used for Hassel Island trail projects. The entire grant is included in grant income for 2011. No expenditures were charged against the grant in 2011. Expenditures of \$18,051 were charged to the grant in fiscal 2012.

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2012 and 2011

Note 4 - National Park Service/ Hassel Island - continued

In Kind Services

During 2011, A BOD member acted as grant coordinator and performed other services for Hassel Island projects. The BOD member was not paid for these services and an in kind contribution of \$10,000 was been recorded for 2011.

Note 5 - Office Space

During the years ended September 30, 2012 and 2011, the Organization received office and museum space at no charge. The current agreement was effective May 1, 2009 for a period of one year and shall continue on a month to month basis unless terminated. The Organization has estimated the fair value of the space provided under the agreement as \$2,000 per month and has recorded in-kind contributions of \$24,000 for 2012 and 2011:

Note 6 - Concentrations

The Organization maintains an account with two separate institutions in the Virgin Islands. Account balances in these institutions are currently insured up to \$250,000 by the federal deposit insurance corporation (FDIC).

Note 7 - Date of Management's Review

In preparing the financial statements, management has evaluated subsequent events and transactions for potential recognition or disclosure through June 24, 2013, the date on which the financial statements were available to be issued.