

St. Thomas Historical Trust, Inc.

FINANCIAL STATEMENTS

September 30, 2013 and 2012

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

LARRY E. KEMP, C.P.A., P.C.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors

St. Thomas Historical Trust, Inc.

I have audited the accompanying financial statements of St. Thomas Historical Trust, Inc., which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit 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 from material misstatement.

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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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, 2013 and 2012 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Larry E. Kemp, C.P.A., P.C.
St. Thomas, Virgin Islands
May 5, 2014

St. Thomas Historical Trust, Inc.
 Statements of Activities
 Years ended September 30, 2013 and 2012

	2013			2012 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues				
Contributions	\$ 12,952	\$ 101,609	\$ 114,561	\$ 85,725
Contribution - in kind	24,000	0	24,000	24,000
Contribution - collectibles	0	0	0	160
Grants	0	1,500	1,500	39,261
GALA income	78,692	0	78,692	70,360
Memberships	18,705	0	18,705	21,845
Sale of merchandise and other	10,386	0	10,386	13,971
Interest	1,378	0	1,378	1,538
Net assets released from restrictions:				
Satisfaction of donor/grantor requirements	103,797	(103,797)	0	0
Total revenues	249,910	(688)	249,222	256,860
Functional Expenses				
Program services	165,500	0	165,500	173,088
Management and general	50,033	0	50,033	51,914
Fundraising expenses	34,232	0	34,232	22,438
Total expenses	249,765	0	249,765	247,440
Increase (decrease) in net assets	145	(688)	(543)	9,420
Net assets - beginning	129,222	180,355	309,577	300,157
Net assets - ending	\$ 129,367	\$ 179,667	\$ 309,034	309,577

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

St. Thomas Historical Trust, Inc.
 Statements of Functional Expenses
 Years ended September 30, 2013 and 2012

	2013			Total	2012 Total
	Program Services	General and Administrative	Fundraising		
Credit card fees	\$ 0	\$ 1,204	\$ 771	\$ 1,975	\$ 1,670
Cost of merchandise sold	0	0	3,817	3,817	3,300
Depreciation	1,354	452		1,806	1,581
Gala Expenses	0	0	23,695	23,695	18,312
Hassel Island expenses	94,045	0	0	94,045	98,589
Health insurance	1,500	750	250	2,500	3,447
Insurance	2,500	3,900	0	6,400	3,281
Marketing and advertising	723	723	0	1,446	2,183
Miscellaneous	376	126	0	502	443
Office expense	1,566	522	0	2,088	1,236
Payroll taxes and related	2,751	1,376	459	4,586	4,360
Postage and delivery	383	128	0	511	1,239
Printing	28	53	0	81	2,397
Professional fees	0	17,236	0	17,236	18,703
Program - other	5,308	0	0	5,308	0
Repairs	1,737	579	0	2,316	4,580
Salaries	31,443	15,721	5,240	52,404	50,000
Security	1,028	343	0	1,371	933
Telephone	753	251	0	1,004	1,059
Uncollectible pledges	0	0	0	0	4,175
Utilities	2,005	669	0	2,674	1,952
In kind expenses					
Rent	18,000	6,000	0	24,000	24,000
	\$ <u>165,500</u>	\$ <u>50,033</u>	\$ <u>34,232</u>	\$ <u>249,765</u>	\$ <u>247,440</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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (543)	\$ 9,420
Adjustments to reconcile (decrease)increase in net assets to net cash provided by operating activities		
Uncollectible pledges	0	4,175
Depreciation	1,806	1,581
Contributions - collectibles	0	(160)
Changes in assets and liabilities affecting cash flows from operating activities		
Grants receivable	0	22,915
Miscellaneous receivable	(125)	(450)
Unconditional promises to give	0	32,525
Prepaid expenses	2,550	(519)
Deferred income	(4,737)	2,982
Accrued expenses and liabilities	<u>6,027</u>	<u>(27,364)</u>
Net cash provided by operating activities	<u>4,978</u>	<u>45,105</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>(1,128)</u>	<u>(2,744)</u>
Net cash used by investing activities	<u>(1,128)</u>	<u>(2,744)</u>
Net increase in cash	3,850	42,361
Cash, beginning of year	<u>306,850</u>	<u>264,489</u>
Cash, ending of year	<u>\$ 310,700</u>	<u>\$ 306,850</u>
Supplemental disclosures:		
Income tax paid	\$ <u>0</u>	\$ <u>0</u>
Interest paid	\$ <u>0</u>	\$ <u>0</u>

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

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2013 and 2012

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, 2013 and 2012 consist of unexpended contributions and grants of \$162,419 and \$160,355, respectively, restricted for the preservation, protection and enjoyment of Hassel Island, Virgin Islands (see notes 4 and 5).

Temporarily restricted net assets at September 30, 2013 and 2012 includes \$17,248 and \$20,000, respectively, comprised of unexpended grant funds received for the restoration of Step Street.

Temporarily restricted net assets are comprised of cash.

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.

The Organization actively seeks contributions and a grants to fund various Hassel Island projects. Expenditures related to Hassel Island during the fiscal years 2013 and 2012 were approximately \$100,000 and \$111,000 respectively.

Note 5 - Government of the U.S. Virgin Islands Department of Planning and Natural Resources / Hassel Island / Fort Christian

Memorandum of Understanding

In September 2013, the Organization entered into an agreement with the Government of the U.S. Virgin Islands (GVI) Department of Planning and Natural Resources (DPNR) to facilitate the preservation, protection and enjoyment of certain sites on Hassel Island and Ft. Christian on St. Thomas which are owned by the GVI. The agreement authorizes STHT to provide historical tours of the locations on Hassel Island and Ft. Christian.

The Organization actively seeks contributions and grants to fund various Hassel Island projects including sites owned by the GVI. During fiscal 2013, approximately \$66,000 was expended on restoration of two sites on Hassel Island owned by the GVI and included in this agreement.