

St. Thomas Historical Trust, Inc.

FINANCIAL STATEMENTS

September 30, 2010 and 2009

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

St. Thomas Historical Trust, Inc.
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September 30, 2010 and 2009

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LARRY E. KEMP, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANT
6501 RED HOOK PLAZA #201
ST. THOMAS, VI 00802
Phone (340) 775-9887

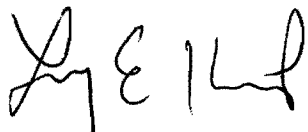
INDEPENDENT AUDITOR'S REPORT

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, 2010 and 2009, 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, 2010 and 2009 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
May 10, 2011

St. Thomas Historical Trust, Inc.
 Statements of Financial Position
 September 30, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Cash	\$ 134,303	\$ 102,014
Unconditional promises to give, current portion	65,600	60,000
Prepaid expenses - GALA	6,825	7,171
Prepaid expenses - other	<u>719</u>	<u>0</u>
Total current assets	207,447	169,185
Furniture and equipment		
Furniture and equipment	<u>5,815</u>	<u>5,416</u>
	5,815	5,416
Less accumulated depreciation	<u>4,632</u>	<u>3,774</u>
	<u>1,183</u>	<u>1,642</u>
Unconditional promises to give, less current portion - net	0	37,900
Collectibles	<u>33,115</u>	<u>16,300</u>
Total assets	<u>\$ 241,745</u>	<u>\$ 225,027</u>
 LIABILITIES AND NET ASSETS		
Deferred income - GALA	\$ 14,140	\$ 11,495
Accrued expenses and liabilities	<u>4,262</u>	<u>0</u>
Total current liabilities	<u>18,402</u>	<u>11,495</u>
Net assets		
Unrestricted	128,386	112,365
Temporarily restricted	<u>94,957</u>	<u>101,167</u>
	<u>223,343</u>	<u>213,532</u>
Total liabilities and net assets	<u>\$ 241,745</u>	<u>\$ 225,027</u>

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

St. Thomas Historical Trust, Inc.
Statements of Activities
Years ended September 30, 2010 and 2009

	2010			2009 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues				
Contributions	\$ 140	\$ 22,700	\$ 22,840	\$ 29,285
Contribution - in kind	31,040	0	31,040	24,000
Contribution - collectibles	16,815	0	16,815	10,000
License plates	5,946	0	5,946	7,849
GALA income	42,470	0	42,470	39,740
Memberships	11,150	0	11,150	7,950
Interest	897	0	897	1,138
Other	140	0	140	65
Net assets released from restrictions:				
Satisfaction of donor requirements	28,910	(28,910)	0	0
Total revenues	137,508	(6,210)	131,298	120,027
Functional Expenses				
Program services	64,811	0	64,811	64,969
Management and general	32,650	0	32,650	22,795
Fundraising expenses	24,026	0	24,026	17,401
Total expenses	121,487	0	121,487	105,165
Increase (decrease) in net assets	16,021	(6,210)	9,811	14,862
Net assets - beginning	112,365	101,167	213,532	198,670
Net assets - ending	\$ 128,386	\$ 94,957	\$ 223,343	213,532

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

St. Thomas Historical Trust, Inc.

Statement of Activities

Year ended September 30, 2009

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Revenues			
Contributions	\$ 1,235	\$ 28,050	\$ 29,285
Contribution - in kind rent	24,000	0	24,000
Contribution - collectibles	10,000	0	10,000
License plates	7,849	0	7,849
GALA income	39,740	0	39,740
Memberships	7,950	0	7,950
Interest	1,138	0	1,138
Other	65	0	65
Net assets released from restrictions:			
Satisfaction of donor requirements	30,210	(30,210)	0
Total revenues	<u>122,187</u>	<u>(2,160)</u>	<u>120,027</u>
Functional Expenses			
Program services	64,969	0	64,969
Management and general	22,795	0	22,795
Fundraising expenses	17,401	0	17,401
Total expenses	<u>105,165</u>	<u>0</u>	<u>105,165</u>
Increase (decrease) in net assets	17,022	(2,160)	14,862
Net assets - beginning	<u>95,343</u>	<u>103,327</u>	<u>198,670</u>
Net assets - ending	<u>\$ 112,365</u>	<u>\$ 101,167</u>	<u>\$ 213,532</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, 2010 and 2009

	2010				2009 Total
	Program Services	General and Administrative	Fundraising	Total	
Contract services	\$ 0	\$ 0	\$ 0	\$ 0	828
Depreciation	643	215	0	858	1,525
Gala Expenses	0	0	16,448	16,448	15,114
Hassel Island expenses	2,866	0	0	2,866	30,210
Hassel Island expenses - contribution of equipment	26,044	0	0	26,044	0
Health insurance	538	180	0	718	1,490
Insurance	0	3,061	0	3,061	3,058
License plates	0	0	1,618	1,618	2,287
Marketing and advertising	0	800	960	1,760	2,964
Moving	0	0	0	0	1,545
Museum expenses	0	0	0	0	400
Miscellaneous	80	81	0	161	1,435
Office expense	1,362	454	0	1,816	3,264
Payroll taxes	877	293	0	1,170	703
Postage and delivery	235	79	0	314	573
Professional fees	0	16,911	0	16,911	3,775
Repairs	1,595	532	0	2,127	0
Salaries	8,653	2,885	0	11,538	7,116
Telephone	1,483	494	0	1,977	1,723
Utilities	795	265	0	1,060	3,155
In kind expenses					
Rent	18,000	6,000	0	24,000	24,000
Other	1,640	400	5,000	7,040	0
	\$ <u>64,811</u>	\$ <u>32,650</u>	\$ <u>24,026</u>	\$ <u>121,487</u>	\$ <u>105,165</u>

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

St. Thomas Historical Trust, Inc.

Statement of Functional Expenses

Year ended September 30, 2009

	Program Services	General and Administrative	Fundraising	Total
Contract services	\$ 621	\$ 207	\$ 0	\$ 828
Contributions	0	0	0	0
Depreciation	1,144	381		1,525
Gala Expenses	0	0	15,114	15,114
Hassel Island expenses	30,210	0	0	30,210
Health insurance	1,117	373	0	1,490
Insurance	0	3,058	0	3,058
License plates	0	0	2,287	2,287
Loss on abandonment of improvements	0	2,964	0	2,964
Moving	0	1,545	0	1,545
Museum expenses	400	0	0	400
Miscellaneous	1,077	358	0	1,435
Office expense	2,448	816	0	3,264
Payroll taxes	527	176	0	703
Postage and delivery	430	143	0	573
Professional fees	0	3,775	0	3,775
Salaries	5,337	1,779	0	7,116
Telephone	1,292	431	0	1,723
Utilities	2,366	789	0	3,155
In kind expenses				
Rent	18,000	6,000	0	24,000
	\$ <u>64,969</u>	\$ <u>22,795</u>	\$ <u>17,401</u>	\$ <u>105,165</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Increase in net assets	\$ 9,811	\$ 14,862
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	858	1,525
Loss on abandonment of improvements	0	2,964
Contributions - collectibles	(16,815)	(10,000)
Changes in assets and liabilities affecting cash flows from operating activities		
Unconditional promises to give	32,300	4,000
Prepaid expenses	(373)	(3,691)
Deferred income	2,645	4,845
Accrued expenses and liabilities	4,262	0
Net cash provided by operating activities	<u>32,688</u>	<u>14,505</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>(399)</u>	<u>0</u>
Net cash used by investing activities	<u>(399)</u>	<u>0</u>
Net increase in cash	32,289	14,505
Cash, beginning of year	<u>102,014</u>	<u>87,509</u>
Cash, ending of year	<u>\$ 134,303</u>	<u>\$ 102,014</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, 2010 and 2009

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.

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.

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2010 and 2009

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, 2010, the unconditional promises to give are as follows:

Due in 2011	\$97,900
Less: discount to present value	(7,300)
Less: allowance for uncollectible amounts	<u>(25,000)</u>
Net unconditional promises to give	<u>\$65,600</u>

A discount rate of 4% was used to record the present value of unconditional promises to give due in more than one year at the time the unconditional promise is recorded.

The net unconditional promise to give of \$65,600 and \$97,900 is reflected in temporarily restricted net assets at September 30, 2010 and 2009, respectively.

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2010 and 2009 consist of contributions restricted for the preservation, protection and enjoyment of Hassel Island, Virgin Islands. The funds are comprised of cash and unconditional promises to give at September 30, 2010 and 2009.

Note 4 - National Park Service

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 Agreement

In August, 2010, the Organization entered into a grant agreement with the United States Department of Interior - National Park Service which provides funding of \$44,500 under the American Battlefield Protection Program. The funding will be provided on a reimbursement basis for expenditures to be incurred in the fiscal year ended September 30, 2011.

Contribution of Equipment

In December 2009, the Organization donated certain construction equipment to the National Park Service / Virgin Island National Park to be used clear and maintain Hassel Island. The cost of the equipment was \$26,044 and is reflected as a contribution expense in the financial statements.

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2010 and 2009

Note 5 - Office Space

During the years ended September 30, 2010 and 2009, the Organization received office and museum space at no charge under two separate lease agreements. 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 both agreements as \$2,000 per month and has recorded in-kind contributions of \$24,000 for 2010 and 2009.

Note 6 - Concentrations

The Organization maintains accounts with a local bank. Account balances in this institution 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 May 10, 2011, the date on which the financial statements were available to be issued.