

St. Thomas Historical Trust, Inc.

FINANCIAL STATEMENTS

September 30, 2011 and 2010

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

St. Thomas Historical Trust, Inc.
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September 30, 2011 and 2010

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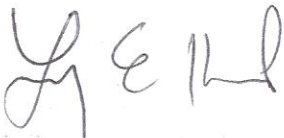
INDEPENDENT AUDITOR'S REPORT

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, 2011 and 2010, 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, 2011 and 2010 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 21, 2012

St. Thomas Historical Trust, Inc.
 Statements of Financial Position
 September 30, 2011 and 2010

ASSETS	<u>2011</u>	<u>2010</u>
Cash	\$ 264,489	\$ 134,303
Grants receivable	22,915	0
Unconditional promises to give	36,700	65,600
Prepaid expenses - GALA	6,136	6,825
Prepaid expenses - other	<u>2,695</u>	<u>719</u>
Total current assets	332,935	207,447
Furniture and equipment		
Furniture and equipment	<u>10,005</u>	<u>5,815</u>
	10,005	5,815
Less accumulated depreciation	<u>6,185</u>	<u>4,632</u>
	3,820	1,183
Collectibles	<u>30,290</u>	<u>33,115</u>
Total assets	<u>\$ 367,045</u>	<u>\$ 241,745</u>
 LIABILITIES AND NET ASSETS		
Accrued expenses and liabilities	\$ 37,908	\$ 4,262
Deferred income - GALA	<u>28,980</u>	<u>14,140</u>
Total current liabilities	<u>66,888</u>	<u>18,402</u>
Net assets		
Unrestricted	129,185	128,386
Temporarily restricted	<u>170,972</u>	<u>94,957</u>
	300,157	223,343
Total liabilities and net assets	<u>\$ 367,045</u>	<u>\$ 241,745</u>

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

St. Thomas Historical Trust, Inc.
 Statements of Activities
 Years ended September 30, 2011 and 2010

	2011			2010 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues				
Contributions	\$ 28,385	\$ 86,763	\$ 115,148	\$ 22,840
Contribution - in kind	34,119	0	34,119	31,040
Contribution - collectibles	175	0	175	16,815
Grants	0	84,467	84,467	0
GALA income	58,054	0	58,054	42,470
Memberships	13,189	0	13,189	11,150
License plates	5,864	0	5,864	5,946
Interest	1,608	0	1,608	897
Other	1,257	0	1,257	140
Net assets released from restrictions:				
Satisfaction of donor/grantor requirements	95,215	(95,215)	0	0
Total revenues	237,866	76,015	313,881	131,298
Functional Expenses				
Program services	173,722	0	173,722	64,811
Management and general	46,244	0	46,244	32,650
Fundraising expenses	17,101	0	17,101	24,026
Total expenses	237,067	0	237,067	121,487
Increase in net assets	799	76,015	76,814	9,811
Net assets - beginning	128,386	94,957	223,343	213,532
Net assets - ending	\$ 129,185	\$ 170,972	\$ 300,157	223,343

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

St. Thomas Historical Trust, Inc.

Statement of Activities

Year ended September 30, 2010

	2010		
	Unrestricted	Temporarily Restricted	Total
Revenues			
Contributions	\$ 140	\$ 22,700	\$ 22,840
Contribution - in kind	31,040	0	31,040
Contribution - collectibles	16,815	0	16,815
GALA income	42,470	0	42,470
Memberships	11,150	0	11,150
License plates	5,946	0	5,946
Interest	897	0	897
Other	140	0	140
Net assets released from restrictions:			
Satisfaction of donor requirements	28,910	(28,910)	0
Total revenues	<u>137,508</u>	<u>(6,210)</u>	<u>131,298</u>
Functional Expenses			
Program services	64,811	0	64,811
Management and general	32,650	0	32,650
Fundraising expenses	24,026	0	24,026
Total expenses	<u>121,487</u>	<u>0</u>	<u>121,487</u>
Increase (decrease) in net assets	16,021	(6,210)	9,811
Net assets - beginning	<u>112,365</u>	<u>101,167</u>	<u>213,532</u>
Net assets - ending	<u>\$ 128,386</u>	<u>\$ 94,957</u>	<u>\$ 223,343</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, 2011 and 2010

	2011				2010 Total
	Program Services	General and Administrative	Fundraising	Total	
Credit card fees	\$ 0	\$ 968	\$ 449	\$ 1,417	\$ 0
Depreciation	1,165	388	0	1,553	858
Gala Expenses	0	0	15,500	15,500	16,448
Hassel Island expenses	88,928	0	0	88,928	2,866
Hassel Island expenses - contribution of equipment	0	0	0	0	26,044
Health insurance	3,233	1,078	0	4,311	718
Insurance	0	3,133	0	3,133	3,061
License plates	0	0	1,152	1,152	1,618
Marketing and advertising	1,566	1,566	0	3,132	1,760
Miscellaneous	1,197	417	0	1,614	161
Office expense	1,089	363	0	1,452	1,816
Payroll taxes and related	2,979	993	0	3,972	1,170
Postage and delivery	680	227	0	907	314
Professional fees	0	17,208	0	17,208	16,911
Program - other	3,177	0	0	3,177	0
Repairs	2,865	955	0	3,820	2,127
Salaries	33,606	11,202	0	44,808	11,538
Security	1,380	460	0	1,840	0
Telephone	814	271	0	1,085	1,977
Utilities	2,954	985	0	3,939	1,060
In kind expenses					
Rent	18,000	6,000	0	24,000	24,000
Services	10,000	0	0	10,000	0
Other	89	30	0	119	7,040
	\$ <u>173,722</u>	\$ <u>46,244</u>	\$ <u>17,101</u>	\$ <u>237,067</u>	\$ <u>121,487</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, 2010

	2010			Total
	Program Services	General and Administrative	Fundraising	
Depreciation	\$ 643	\$ 215	\$ 0	\$ 858
Gala Expenses	0	0	16,448	16,448
Hassel Island expenses	2,866	0	0	2,866
Hassel Island expenses - contribution of equipment	26,044	0	0	26,044
Health insurance	538	180	0	718
Insurance	0	3,061	0	3,061
License plates	0	0	1,618	1,618
Marketing and advertising	0	800	960	1,760
Miscellaneous	80	81	0	161
Office expense	1,362	454	0	1,816
Payroll taxes	877	293	0	1,170
Postage and delivery	235	79	0	314
Professional fees	0	16,911	0	16,911
Repairs	1,595	532	0	2,127
Salaries	8,653	2,885	0	11,538
Telephone	1,483	494	0	1,977
Utilities	795	265	0	1,060
In kind expenses				
Rent	18,000	6,000	0	24,000
Other	1,640	400	5,000	7,040
	<u>\$ 64,811</u>	<u>\$ 32,650</u>	<u>\$ 24,026</u>	<u>\$ 121,487</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Increase in net assets	\$ 76,814	\$ 9,811
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	1,553	858
Collectibles reverted to on loan status	3,000	0
Contributions - collectibles	(175)	(16,815)
Changes in assets and liabilities affecting cash flows from operating activities		
Grants receivable	(22,915)	0
Unconditional promises to give	28,900	32,300
Prepaid expenses	(1,287)	(373)
Deferred income	14,840	2,645
Accrued expenses and liabilities	33,646	4,262
Net cash provided by operating activities	<u>134,376</u>	<u>32,688</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>(4,190)</u>	<u>(399)</u>
Net cash used by investing activities	<u>(4,190)</u>	<u>(399)</u>
Net increase in cash	130,186	32,289
Cash, beginning of year	<u>134,303</u>	<u>102,014</u>
Cash, ending of year	<u>\$ 264,489</u>	<u>\$ 134,303</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, 2011 and 2010

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.

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2011 and 2010

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, 2011, the unconditional promises to give are as follows:

Due in 2012	\$64,500
Less: discount to present value	(2,800)
Less: allowance for uncollectible amounts	<u>(25,000)</u>
Net unconditional promises to give	<u>\$36,700</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 promises to give are reflected in temporarily restricted net assets at September 30, 2011 and 2010.

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2011 and 2010 consist of contributions and grants restricted for the preservation, protection and enjoyment of Hassel Island, Virgin Islands (see note 4). The funds are comprised of cash, unconditional promises and grants receivable to give and grants receivable at September 30, 2011 and 2010.

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 will be expended in fiscal 2012.

St. Thomas Historical Trust, Inc.
Notes to Financial Statements
September 30, 2011 and 2010

Note 4 - National Park Service/ Hassel Island - continued

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 is 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.

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.

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 has been recorded for 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 2010.

Note 5 - Office Space

During the years ended September 30, 2011 and 2010, 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 2011 and 2010.

Note 6 - Concentrations

The Organization maintains an account with a local bank. Account balances in this institution are currently insured up to \$250,000 by the federal deposit insurance corporation (FDIC). The uninsured balance in the account at September 30, 2011 was approximately \$13,000.

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 21, 2012, the date on which the financial statements were available to be issued.