



Legislature of the Virgin Islands

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POST AUDIT DIVISION

July 1, 2016

COMMITTEE ON FINANCE FISCAL YEAR 2017 BUDGET HEARING

ST. JOHN FESTIVAL AND CULTURAL ORGANIZATION

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BACKGROUND AND HISTORY

St. John Festival and Cultural Organization (the Organization) is a non-profit community organization whose purpose is to protect, preserve, and maintain the cultural heritage of St. John. The Organization was created in the 1950s and continues to persevere through financial support of local businesses, private donations, and annual appropriations from the Virgin Islands Government. The Organization serves as the prime sponsor of community based events such as:

- ✚ Fourth of July Celebration
- ✚ Labor Day Events
- ✚ Christmas Festivities

The Organization offers activities that represent the culture of the Virgin Islands on a whole, targeting St. John in particular, and strives to promote other cultures through activities such as Salsa Night.

BUDGET OVERVIEW

The Governor has not recommended a General Fund appropriation from the Miscellaneous Section of the budget for Fiscal Year 2017. **\$1,385,000** is being allocated from the Tourism Advertising Revolving Fund for Carnival and Festival activities throughout the territory. The St. John Festival and Cultural Organization submitted a request for \$488,055 for Fiscal Year 2017. Per discussions with the Office of Management and Budget the allocated amount in the Governor’s submission will be divided as follows:

- St. John Festival and Cultural Organization - \$320,000
- Crucian Christmas Festival Organization, Inc. - \$520,000
- VI Carnival - \$545,000

An overview of the Organization’s Financial Summary as recommended by the Governor has been listed in *Exhibit I*.

**St. John Festival and Cultural Organization
 Financial Summary – (Fiscal Year 2015 – Fiscal Year 2017)
 All Funds**

	FY 2015 Actual	FY 2016 Appropriation	FY 2017 Recommendation
General Fund	\$245,000	\$245,000	\$0.00
Tourism Advertising Revolving Fund	\$275,000	\$75,000	\$320,000
Total Appropriated Funds	\$520,000	\$520,000	\$320,000

Exhibit I

Exhibit II depicts the Festival and Cultural Organization of St. John’s projected 2017 operating budget of **\$488,055.00**.

**St. John Festival and Cultural Organization
 Projected 2017 Expenditures and Revenues**

Projected 2017 Operating Budget	
General Fund	\$308,055.00
Tourism Revolving Fund	100,000.00
Projected Revenues	80,000.00
Total Projected Operating Budget	\$488,055.00
Projected 2017 Expenses	
Advertising and Promotion	\$25,000.00
Communication	4,500.00
Entertainment	175,000.00
Gifts/Awards	60,000.00
Hospitality Services	20,000.00
Insurances	5,555.00
Miscellaneous	5,000.00
Supplies	
Office Supplies	7,000.00
Operating Supplies	30,000.00
Professional Services	25,000.00
Rentals	4,000.00
Repairs/Maintenance	2,500.00
Security	2,000.00
Travel	75,000.00
Utilities	8,000.00
Total Projected Expenses	\$448,555.00
2016 Supplemental Budget Request	
Lumber	\$7,000.00
Tent	4,500.00
Chairs	3,000.00
Containers (4)	25,000.00
Total 2016 Supplemental Budget Request	\$39,500.00
TOTAL 2017 BUDGET REQUEST	\$488,055.00

Exhibit II

The St. John Festival and Cultural Organization submitted its expenditures by prime account totaling **\$310,414**. Upon computing the calculations, the Post Audit Division determined the figure to equate to **\$311,214** a difference of **\$800.00**. *Exhibit III* outlines the expenditures submitted by the Organization.

**St. John Festival and Cultural Organization
 Projected 2016 Expenditures**

Supplies	
Office Supplies	\$2,080.00
Operating Supplies	8,450.00
Small Tools/Minor Equipment	21,909.00
Sub Total	\$32,439.00
Other Services and Charges	
Professional Services	\$150,800.00
Communication	1,833.00
Travel	68,588.00
Transportation – Not Travel	14,780.00
Advertising and Promotions	19,149.00
Insurances	5,555.00
Repairs and Maintenance	475.00
Rental Machines/Equipment	4,595.00
Security	5,000.00
Sub Total	\$270,775.00
Utilities	
Electricity	\$8,000.00
Sub Total	\$8,000.00
TOTAL 2016 EXPENSES	\$310,414.00

Exhibit III

SUMMARY

The Governor has not recommended any General Funds from the Fiscal Year 2017 Executive Budget for the Organization. It is understood that St. John Festival and Cultural Organization operating budget will be appropriated from the Tourism Advertising Revolving Fund in the amount of **\$320,000**. As of May 25, 2016, the Organization received its full allotment and does not have an un-allotted balance.



Jose L. George
 Post Auditor