



Legislature of the Virgin Islands

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POST AUDIT DIVISION

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COMMITTEE ON FINANCE FISCAL YEAR 2017 BUDGET HEARING VIRGIN ISLANDS COUNCIL ON THE ARTS

TABLE OF CONTENTS

Title	Page Number
Background and History	2
Board Members	2
Organization Chart	2
Year in Review	3
Budget Overview	3 - 4
Personnel Services	5
Vacancy Listing	5
Real Property	5
Federal Grants	6
Accounting System and Financial Reporting Roles	6
Highlights	6
Summary	7

BACKGROUND AND HISTORY

The Virgin Islands Council on the Arts (VICA), an agency within the Department of Planning and Natural Resources, was established by Title 3 Virgin Islands Code section 405, as amended in 1966. The Legislature declared it to be the policy of the United States Virgin Islands to join with private patrons, institutions, and professional organizations concerned with art, to ensure that the artistic role in the life of the community will continue the growth, welfare, and education of citizens. VICA receives funds from the National Endowment for the Arts (NEA), a federal agency in Washington D.C., which must be matched with local appropriations from the Government of the Virgin Islands. Federal and local funds are disbursed territory-wide through a competitive grant award process to individual artists, art organizations, schools, and non-profit community-based entities.

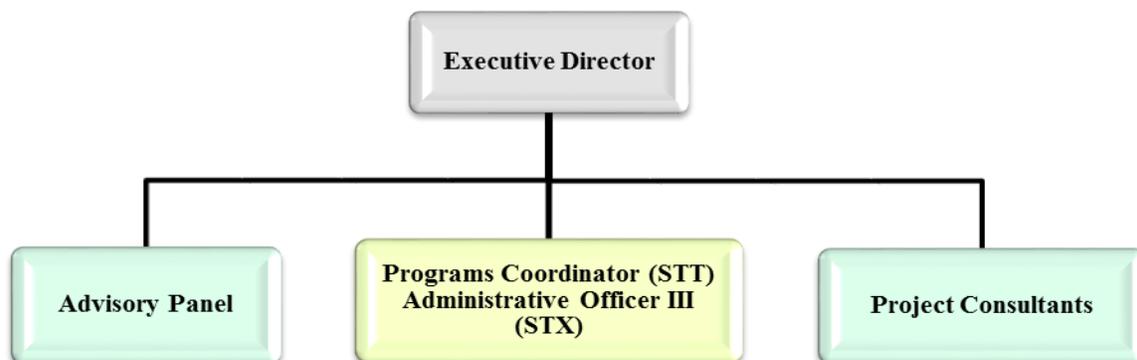
All activities undertaken by VICA are directed towards 1) encouragement and assistance in artistic expression that is essential for the well-being of the arts, 2) promoting further recognition to the arts as a vital aspect of the Virgin Islands culture and heritage and as a valued means of expanding the scope of education, 3) stimulating and encouraging people of the Virgin Islands in the study, preservation, public interest, and participation of the performing and fine arts which includes music, theater, dance, painting, sculpture, architecture, literature, arts and crafts, and media arts and 4) enhancing the revenue base of the community through purchase of materials and supplies, admission fees to events, local marketing events, and sale of art and craft products.

The Virgin Islands Council on the Arts’ mission is to enrich the cultural life of the Virgin Islands through focused leadership that preserves, supports, and makes accessible excellence in the arts to all Virgin Islanders.

Exhibit I displays a listing of the VICA’s board members and the current organizational chart.

Exhibit I

Board Member	Name
Chairman	Jose Raul Carrillo
Vice Chairwoman	Claire Roker
Treasurer	Karen Thurland
Member	Vernon Araujo
Member	Vernon Finch
Member	Glen “Kwabene” Davis
Member	Pastor Reuben A. Vessup



YEAR IN REVIEW

The Virgin Islands Council on the Arts was allocated **\$325,000** from the miscellaneous section of the budget for fiscal year 2016, in which **\$87,000** of that amount was matched to support territory wide programs. VICA was also awarded **\$315,500** from the National Endowment for the Arts Federal Program in fiscal year 2016.

BUDGET OVERVIEW

The Governor has recommended **\$325,000** from the miscellaneous section of the budget for the Virgin Islands Council on the Arts for Fiscal Year 2017, in which **\$87,000** of that amount will be utilized for the local matching fund in order to be in compliance with federal regulations. The VICA is requesting **\$340,000**, which represents an additional **\$15,000**. The VICA is also projected to receive a Federal Grant Award in the amount of **\$309,805** from the National Endowment for the Arts.

Exhibit II displays a breakdown of the Virgin Islands Council on the Art’s FY 2015 - FY 2017 budget.

Exhibit II

	Line Item Breakdown	FY 2015 Actuals	FY 2016 Appropriation	FY 2017 Budget	Variance 2017- 2016
Personnel Services	Unclassified Employee Salaries	\$ 106,345	\$ 121,000	\$ 121,000	\$ -
	Classified Employee Salaries	-	-	-	-
	Total Personnel Services	\$ 106,345	\$ 121,000	\$ 121,000	\$ -
Capital Outlays	Machinery	\$ -	\$ -	\$ -	\$ -
	Equipment	-	-	-	-
	Total Capital Outlays	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	Retirement Contribution	\$ 24,286	\$ 53,000	\$ 53,000	\$ -
	Fica and Medicare	10,018	9,000	9,000	-
	Health Insurance Premium	20,481	-	-	-
	Workers Comp. Premiums	821	-	-	-
	Total Fringe Benefits	\$ 55,606	\$ 62,000	\$ 62,000	\$ -
Supplies	Supplies	\$ 1,078	\$ -	\$ 3,000	\$ 3,000
	Operating Supplies	-	-	-	-
	Total Supplies	\$ 1,078	\$ -	\$ 3,000	\$ 3,000
Other Services and Charges	Professional Services	\$ 12,000	\$ -	\$ -	\$ -
	Communication	1,154	12,000	12,000	-
	Travel	-	8,000	8,000	-
	Rental of Land/Building	39,573	25,000	37,000	12,000
	Other Services NOC	80,335	87,000	87,000	-
	Total Other Services and Charges	\$ 133,062	\$ 132,000	\$ 144,000	\$ 12,000
Utility Services	Electricity	\$ 5,677	\$ 10,000	\$ 10,000	\$ -
	Water	-	-	-	-
	Total Utility Services	\$ 5,677	\$ 10,000	\$ 10,000	\$ -
	Grand Total	\$ 301,768	\$ 325,000	\$ 340,000	\$ 15,000

BUDGET OVERVIEW...Continued

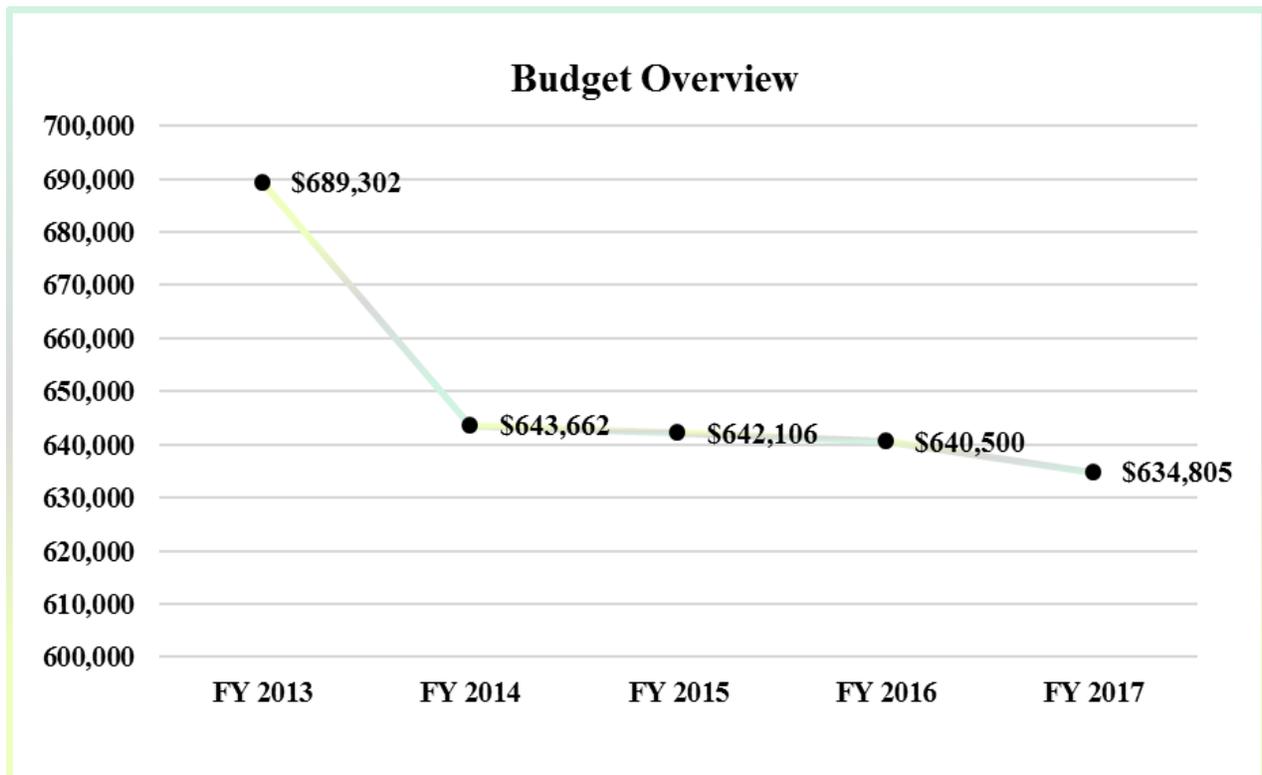
The VICA’s budget for fiscal years 2013 – 2017 has been listed in *Exhibit III*. The local matching fund is being deducted from the General Fund Miscellaneous.

Exhibit III

Fund	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Variance
General Fund Misc.	\$ 372,402	\$ 335,162	\$ 328,506	\$ 325,000	\$ 325,000	\$ -
Local Matching Fund	102,707	80,550	86,681	87,000	87,000	-
Federal Fund	\$ 316,900	\$ 308,500	\$ 313,600	\$ 315,500	\$ 309,805	\$ (5,695)
Total	\$ 689,302	\$ 643,662	\$ 642,106	\$ 640,500	\$ 634,805	\$ (5,695)

Exhibit IV displays a pictorial view of the Virgin Islands Council on the Arts budget for fiscal years 2013 -2017.

Exhibit IV



PERSONNEL SERVICES

The VICA is requesting a budget of **\$138,000** for the Fiscal Year 2017 Personnel Services. *Exhibit V* displays the Virgin Islands Council on the Art’s current personnel listing.

Exhibit V

Classification	Position Title	Salary
Unclassified Filled	Acting Executive Director	\$ 65,000
Unclassified Vacant	Program Coordinator	38,000
Unclassified Filled	Office Assistant	35,000
Grand Total		\$ 138,000

VACANCY LISTING

The Virgin Islands Council on the Art has one vacancy which is displayed below in *Exhibit VI*.

Exhibit VI

Classification	Position Title	Salary
Unclassified Vacant	Program Coordinator	\$ 38,000
Grand Total		\$ 38,000

REAL PROPERTY

The Virgin Islands Council on the Arts has an office on St Croix and an office on St. Thomas. *Exhibit VII* displays a listing of real property for the VICA.

Exhibit VII

Mortgage Holder/Lessor	Sq. Ft.	Annual Total	Address	Terms
St. Croix				
Dept. of Planning and Natural Resources	1,520	\$ -	Dorsch Cultural Center 604 Strand Street Frederiksted	N/A
St. Thomas				
Cyril V. Francois Associates, LLC.	1,300	\$ 36,529	Cyril V. Francois Complex 41-42 Norre Gade, Suite 1	Pending with the Government's option of extending and/or renewing for a period of another twelve months
Grand Total	2,820	\$ 36,529		

FEDERAL GRANTS

The Virgin Islands Council on the Arts receives an annual federal grant from the National Endowment for the Arts Program in which the government is supposed to match. The VICA was projected to receive **\$315,300**, but have been recommended to receive **\$309,805**. *Exhibit VIII* displays the federal grants listing and the VICA’s spending plan for the federal grant.

Exhibit VIII

Grantor	Title	Amount	Grant Period
National Endowment for the Arts Federal Program	State Partnership Agreement Grant	\$ 309,805	Oct. 1, 2016 - Sept. 30, 2017

Program	Amount
State Art Plan	\$237,300
Poetry Out Loud	17,500
Arts Education	10,200
Arts in Underserved Communities	50,300
Total	\$315,300

ACCOUNTING SYSTEM AND FINANCIAL REPORTING ROLES

The Virgin Islands Council on the Arts uses the ERP system to process grantee payments, rent, utilities, and other operational expenditures. The documents are sent to the Department of Planning and Natural Resources for approval. After being approved by the Department of Planning and Natural Resources, the documents are then forwarded to Property and Procurement. The final payment is then processed by the Department of Finance.

VICA maintains a checking account for the purpose of processing discretionary grants and paying everyday expenditures for items such as water, stamps, FedEx, and special projects expenses. The checks are signed by one Board Member and the Executive Director. The treasurer of the Board of Directors also has the authority to sign checks.

HIGHLIGHTS

The following are some highlights the Post Audit division came across while reviewing VICA:

- The St. Thomas lease is still pending (*pg. 5*)
- VICA does not have any outstanding vendor payments
- VICA receives an annual federal grant from the National Endowment for the Arts Program in which the government should be matching (*pg. 6*)
- VICA is requesting an additional **\$15,000** (*pg. 3*)

SUMMARY

The Governor has recommended **\$325,000** from the miscellaneous section of the budget for the Virgin Islands Council on the Arts for Fiscal Year 2017. The VICA is requesting **\$340,000**, which represents an additional **\$15,000**. The table below displays the VICA's total funding for the FY 2017.

\$325,000	FY 2017 Governor's Recommended Budget (Miscellaneous Section)
<u>\$340,000</u>	<u>VICA Budget Request</u>
\$(15,000)	Variance
<u>\$309,805</u>	<u>FY 2017 Federal Grant</u>
\$634,805	FY 2017 Total Recommended Budget



Jose L. George
Post Auditor