



March 16, 2022

Ms. Vanessa Cooksey
President and CEO
Regional Cultural and Performing Arts Development Commission
6128 Delmar Blvd.
St. Louis, Missouri 63112

Dear Vanessa:

Below you will find in PDF format (with printing capabilities only) the financial statements of Regional Cultural and Performing Arts Development Commission as of December 31, 2021, along with our report. You should not alter the language or financial information included in the attached document. If you have any questions regarding the attached, please call at your convenience.

As a reminder, any reproduction of this document must be in its entirety, including our accompanying report. You may not include this document and our report in an annual report, offering memorandum, or similar document without our review and approval.

Your opening of this document indicates your understanding and acceptance of these conditions. Double-click the attached paperclip next to the word "attachment" below the signature line to access the document.

We appreciate this opportunity to provide professional services to you. If you require other assistance in this or another matter, please let us know.

Sincerely,

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}

Attachment: 



FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

Members of the Commission
Regional Cultural and Performing Arts Development Commission
St. Louis, Missouri

Opinion

We have audited the accompanying financial statements of Regional Cultural and Performing Arts Development Commission (a nonprofit organization) (the "Commission"), which comprise the statement of net position as of December 31, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regional Cultural and Performing Arts Development Commission as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Regional Cultural and Performing Arts Development Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Regional Cultural and Performing Arts Development Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Regional Cultural and Performing Arts Development Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Regional Cultural and Performing Arts Development Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter – Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information presented on pages 28 - 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter - Prior Year Financial Statements

The financial statements as of December 31, 2020, were audited by Brown Smith Wallace, LLP, whose practice became part of Armanino LLP as of August 1, 2021, and whose report dated March 11, 2021, expressed an unmodified opinion on those statements.



Armanino ^{LLP}
St. Louis, Missouri

March 16, 2022

Regional Cultural and Performing Arts Development Commission

MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

Management’s discussion and analysis of Regional Cultural and Performing Arts Development Commission’s financial performance provides an overview of the Commission’s financial activities for the years ended December 31, 2021 and 2020. The management’s discussion and analysis should not be taken as a replacement for the financial statements, but should be read in conjunction with them to enhance understanding of the Commission’s financial performance.

Financial Statements

The Commission presents its annual financial statements in accordance with the effective pronouncements issued by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing accounting principles generally accepted in the United States of America (GAAP) for state and local governments.

Financial Highlights

- The Commission’s revenue from the Hotel/Motel tax increased by 57% in 2021 and decreased by 58% in 2020.
- Total operating revenues increased by 54% in 2021 and decreased by 58% in 2020.
- Current assets increased by 44% in 2021 and decreased by 52% in 2020.
- Current liabilities decreased by 22% in 2021 and decreased by 34% in 2020.
- Net position increased by 58% in 2021 and decreased by 34% in 2020.

Required Financial Statements

The financial statements presented by the management of the Commission include Statements of Net Position – Proprietary Funds, Statements of Revenues, Expenses and Changes in Net Position – Proprietary Funds and Statements of Cash Flows – Proprietary Funds. The statements are prepared using the accrual basis of accounting. This method of accounting recognizes revenues at the time they are earned and expenses when the related liability is incurred.

The Statements of Net Position – Proprietary Funds summarize the financial position of the Commission as of December 31. These statements are a snapshot of the Commission’s current and other assets as well as capital assets, long-term and other liabilities. These statements also show any restriction on the Commission’s net position. The Statements of Revenues, Expenses and Changes in Net Position – Proprietary Funds summarize calendar year revenues and expenses. The Statements of Cash Flows – Proprietary Funds account for the net change in cash and cash equivalents resulting from operating activities, non-capital financing activities, capital and related financing activities and investment activities. These statements assist the user in determining the sources of cash coming into the Commission, the items for which cash was expended, and the beginning and ending cash balances.

Regional Cultural and Performing Arts Development Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Table 1
Condensed Statements of Net Position
December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current assets	\$ 3,066,586	\$ 2,134,403	\$ 4,484,019
Noncurrent assets	2,026,020	2,130,491	1,999,468
Total assets	<u>\$ 5,092,606</u>	<u>\$ 4,264,894</u>	<u>\$ 6,483,487</u>
Current liabilities	\$ 1,257,474	\$ 1,608,735	\$ 2,449,149
Noncurrent liabilities	44,011	262,333	397,484
Total liabilities	1,301,485	1,871,068	2,846,633
Net position			
Net investment in capital assets	1,763,687	1,660,313	1,417,868
Restricted	-	-	-
Unrestricted	2,027,434	733,513	2,218,986
Total net position	<u>3,791,121</u>	<u>2,393,826</u>	<u>3,636,854</u>
Total liabilities and net position	<u>\$ 5,092,606</u>	<u>\$ 4,264,894</u>	<u>\$ 6,483,487</u>

Current assets increased \$932,183 from 2020 to 2021, an increase of 44% due to moderate increases in hotel/motel tax revenue as the industry began some recovery from the COVID-19 pandemic. Current assets decreased \$2,349,616 from 2019 to 2020, a decrease of 52% due to a reduction of hotel/motel tax revenue with the start of the COVID-19 pandemic in March 2020.

Noncurrent assets decreased \$104,471 from 2020 to 2021 due to routine depreciation on capital assets, partially offset by the purchase of a new grant software. Noncurrent assets increased by \$131,023 from 2019 to 2020 due to the acquisition of a new website, HVAC system and roof, partially offset by routine depreciation of capital assets.

Current liabilities decreased \$351,261 from 2020 to 2021 due to a decrease in grants payable due to the final payment of the multi-year grant cycle scheduled for March and June 2022 in accordance with our strategic plan and focus on rebuilding the Commission's organizational infrastructure. Current liabilities decreased \$840,414 from 2019 to 2020 due to a decrease in grants payable caused by the decrease in hotel/motel tax revenue.

Noncurrent liabilities decreased by \$218,322 from 2020 to 2021 and by \$135,151 from 2019 to 2020 due to the annual principal payments on the bonds. The decrease from 2019 to 2020 was partially offset by a bank loan executed in 2020 to finance a new HVAC system.

Regional Cultural and Performing Arts Development Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position
Year ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenue			
Hotel/motel tax revenue	\$ 4,458,423	\$ 2,838,168	\$ 6,791,042
Contributions and other revenue	200,968	195,207	398,184
	<u>4,659,391</u>	<u>3,033,375</u>	<u>7,189,226</u>
Operating expenses			
Grants	1,921,812	2,572,673	4,786,030
Cultural Tourism and Marketing	-	304,809	361,893
Cultural Resource Center	295,485	420,593	473,073
CAT Institute	26,784	62,329	66,568
General Public Art	-	9,237	8,234
Downtown StL Public Art Initiative	-	98,518	100,785
Arts Education	-	3,030	-
Teaching Art Institute	-	45,444	82,713
Capacity Building	50,342	59,859	87,540
Strat Plan, Advocate, Ptnshp Catalyst	139,075	152,390	321,670
Gyo Obata Fellowship	-	23,928	107,915
St. Louis Canvass Project	-	85,257	236,488
Administrative expenses	900,676	636,522	656,653
	<u>3,334,174</u>	<u>4,474,589</u>	<u>7,289,562</u>
Operating income (loss)	1,325,217	(1,441,214)	(100,336)
Nonoperating revenue (expenses)	<u>72,078</u>	<u>198,186</u>	<u>(11,748)</u>
CHANGE IN NET POSITION	1,397,295	(1,243,028)	(112,084)
Net position at beginning of year	<u>2,393,826</u>	<u>3,636,854</u>	<u>3,748,938</u>
Net position at end of year	<u>\$ 3,791,121</u>	<u>\$ 2,393,826</u>	<u>\$ 3,636,854</u>

Regional Cultural and Performing Arts Development Commission
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

The 2021 operating revenues increased from 2020 by \$1,626,016 or 54% due to an increase in hotel/motel tax revenue and industry began to recover from the COVID-19 pandemic. The 2020 operating revenues decreased from 2019 by \$4,155,851 or 58% due to the decrease in hotel/motel tax revenue caused by the COVID-19 pandemic which began in March 2020.

Operating expenses decreased by \$1,140,415 or 26% from 2020 to 2021 and by \$2,814,973 or 39% from 2019 to 2020 due to the impact of COVID-19, as programs and expenses were curtailed.

Capital Assets and Long-Term Debt

Capital Assets

The Commission’s investment in capital assets includes land, a building and building improvements, furniture and fixtures, and digital media. As of December 31, 2021, the Commission had approximately \$2.0 million invested in capital assets, net of depreciation, as shown in the following table:

Table 3
Capital Assets (net of depreciation)
December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 135,214	\$ 135,214	\$ 135,214
Building	1,547,862	1,619,277	1,690,692
Building improvements	217,588	241,279	143,101
Furniture and fixtures	21,590	26,026	30,461
Digital media	103,766	108,695	-
	<hr/>		
Capital assets, net	<u>\$ 2,026,020</u>	<u>\$ 2,130,491</u>	<u>\$ 1,999,468</u>

The decrease in 2021 is due to the routine depreciation of the capital assets over their useful lives, partially offset by the acquisition of a new grant software. The increase in 2020 is due to the acquisition of a new website, HVAC system and roof, partially offset by routine depreciation of the capital assets.

Long-Term Debt

In June 2002, the Loop East Community Improvement District (blended component unit) issued Leasehold Revenue Bonds in the amount of \$3,000,000 to finance the construction of a facility to serve as the new headquarters for the Commission. In October 2012, the Loop East Community Improvement District called the bonds and reissued new bonds that mature at various amounts through 2022 and bear interest at a flat rate of 2.071%.

Regional Cultural and Performing Arts Development Commission
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

In 2020, the Commission executed a bank loan to finance a HVAC system. The loan is payable over sixty months and bears interest at 3.25%.

In 2021, the Commission executed a Payroll Protection Program loan. The Commission expects a majority of the loan to be forgiven in 2022. The unforgiven balance would be payable over sixty months at an interest rate of 1%.

Long-term debt was as follows:

Table 4
Outstanding Debt
December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bonds payable	\$ 203,744	\$ 397,484	\$ 581,600
Bank loan	58,589	72,694	-
Payroll Protection Program loan	202,522	-	-
	<u>\$ 464,855</u>	<u>\$ 470,178</u>	<u>\$ 581,600</u>

In 2021 and 2020, bonds payable decreased \$193,740 and \$184,116 from the prior year, respectively, due to annual principal payments.

Economic Factors and Next Year’s Budget

The coronavirus (COVID-19) pandemic has been a period of extraordinary challenge for the Arts community. The region’s artists and arts organizations have survived through cancellations and mandated shutdowns. The drastic shrinking of their business, coupled with the severe decrease in RAC’s grantmaking that also supports them, have led to a crisis. The full extent and duration of the operational and financial impact of COVID-19 remains unknown and depends on uncertain and unpredictable developments. The full recovery of St. Louis’ Arts and Culture sector is paramount to the social and economic vitality of our region. This is a moment where RAC’s leadership and role as an Advocate, Catalyst and Partner is required. Despite ongoing diminished revenues, the Commission continues to deliver critical grants and programs and is identifying ways to eliminate unnecessary expenses over the next twelve months. In alignment with its Strategic Plan, the Commission has prioritized strengthening organization infrastructure and is making key investments in human and technology resources and is exploring opportunities to diversify its revenue to ensure long-term sustainability.

Contacting Regional Cultural and Performing Arts Development Commission’s Management

Questions regarding any of the information provided in this report or requests for additional information should be addressed to the President and Chief Executive Officer, Regional Cultural and Performing Arts Development Commission, 6128 Delmar Blvd., Saint Louis, Missouri 63112 or emailed to info@racstl.org.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF NET POSITION - PROPRIETARY FUNDS
December 31, 2021

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,971,639	\$ -	\$ 1,971,639
Accounts receivable			
Hotel/motel room sales tax	1,091,585	-	1,091,585
Prepaid expenses and other assets	3,362	-	3,362
Total current assets	3,066,586	-	3,066,586
Noncurrent assets			
Capital assets			
Nondepreciable capital assets	-	135,214	135,214
Depreciable capital assets, net	342,944	1,547,862	1,890,806
Total noncurrent assets	342,944	1,683,076	2,026,020
Total assets	\$ 3,409,530	\$ 1,683,076	\$ 5,092,606
LIABILITIES AND NET POSITION			
Current liabilities			
Bonds payable	\$ -	\$ 203,744	\$ 203,744
Bank loan, current portion	14,578	-	14,578
Accounts payable	26,110	-	26,110
Grants payable	753,823	-	753,823
Unearned revenue	8,500	-	8,500
Payroll Protection Program loan	202,522	-	202,522
Compensation and payroll taxes payable	48,197	-	48,197
Total current liabilities	1,053,730	203,744	1,257,474
Noncurrent liabilities			
Bank loan, less current portion	44,011	-	44,011
Total noncurrent liabilities	44,011	-	44,011
Total liabilities	1,097,741	203,744	1,301,485
Net position			
Net investment in capital assets	284,355	1,479,332	1,763,687
Unrestricted	2,027,434	-	2,027,434
Total net position	2,311,789	1,479,332	3,791,121
Total liabilities and net position	\$ 3,409,530	\$ 1,683,076	\$ 5,092,606

The accompanying notes are an integral part of these statements.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF NET POSITION - PROPRIETARY FUNDS
December 31, 2020

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,365,175	\$ -	\$ 1,365,175
Accounts receivable			
Hotel/motel room sales tax	763,851	-	763,851
Prepaid expenses and other assets	5,377	-	5,377
Total current assets	2,134,403	-	2,134,403
Noncurrent assets			
Capital assets			
Nondepreciable capital assets	-	135,214	135,214
Depreciable capital assets, net	376,002	1,619,275	1,995,277
Total noncurrent assets	376,002	1,754,489	2,130,491
Total assets	\$ 2,510,405	\$ 1,754,489	\$ 4,264,894
LIABILITIES AND NET POSITION			
Current liabilities			
Bonds payable, current portion	\$ -	\$ 193,740	\$ 193,740
Bank loan, current portion	14,105	-	14,105
Accounts payable	28,377	-	28,377
Grants payable	1,278,535	-	1,278,535
Compensation and payroll taxes payable	93,978	-	93,978
Total current liabilities	1,414,995	193,740	1,608,735
Noncurrent liabilities			
Bonds payable, less current portion	-	203,744	203,744
Bank loans, less current portion	58,589	-	58,589
Total noncurrent liabilities	58,589	203,744	262,333
Total liabilities	1,473,584	397,484	1,871,068
Net position			
Net investment in capital assets	303,308	1,357,005	1,660,313
Unrestricted	733,513	-	733,513
Total net position	1,036,821	1,357,005	2,393,826
Total liabilities and net position	\$ 2,510,405	\$ 1,754,489	\$ 4,264,894

The accompanying notes are an integral part of these statements.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
Year ended December 31, 2021

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Operating revenue			
Hotel/motel tax revenue	\$ 4,458,423	\$ -	\$ 4,458,423
Rental income	-	200,968	200,968
Total operating revenue	4,458,423	200,968	4,659,391
Operating expenses			
Grants			
General Operating Support	565,368	-	565,368
Program Support	1,142,400	-	1,142,400
Artist Relief Fund	10,000	-	10,000
Other grants	15,000	-	15,000
Other grant expenses	182,617	6,427	189,044
Cultural Resource Center	247,637	47,848	295,485
CAT Institute	25,356	1,428	26,784
Capacity Building	48,200	2,142	50,342
Strategic Plan, Advocate, Partnership Catalyst	136,933	2,142	139,075
Administrative expenses	889,250	11,426	900,676
Total operating expenses	3,262,761	71,413	3,334,174
Operating income	1,195,662	129,555	1,325,217
Nonoperating revenue (expenses)			
Contributions	33,438	-	33,438
Miscellaneous revenue	48,021	-	48,021
Interest income	33	-	33
Interest expense	(2,186)	(7,228)	(9,414)
Total nonoperating revenue (expenses)	79,306	(7,228)	72,078
INCREASE IN NET POSITION	1,274,968	122,327	1,397,295
Net position at beginning of year	1,036,821	1,357,005	2,393,826
Net position at end of year	\$ 2,311,789	\$ 1,479,332	\$ 3,791,121

The accompanying notes are an integral part of these statements.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
Year ended December 31, 2020

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Operating revenue			
Hotel/motel tax revenue	\$ 2,838,168	\$ -	\$ 2,838,168
Rental income	-	195,207	195,207
Total operating revenue	2,838,168	195,207	3,033,375
Operating expenses			
Grants			
General Operating support	1,507,646	-	1,507,646
Program Support	291,175	-	291,175
Artist Fellowship	200,000	-	200,000
Artist Support	53,848	-	53,848
Artist Relief Fund	101,098	-	101,098
Other grant expenses	412,034	6,872	418,906
Cultural Tourism & Marketing	302,020	2,789	304,809
Cultural Resource Center	368,629	51,964	420,593
CAT Institute	61,526	803	62,329
General Public Art	9,094	143	9,237
Downtown StL Public Art Initiative	98,152	366	98,518
Arts Education	2,994	36	3,030
Teaching Art Institute	45,258	186	45,444
Organization & Artist Capacity Initiative	58,800	1,059	59,859
Planning Initiative	151,302	1,088	152,390
Gyo Obata Fellowship	23,554	374	23,928
St. Louis Canvass Project	85,013	244	85,257
Administrative expenses	631,031	5,491	636,522
Total operating expenses	4,403,174	71,415	4,474,589
Operating income (loss)	(1,565,006)	123,792	(1,441,214)
Nonoperating revenue (expenses)			
Contributions	1,304	-	1,304
Gain on extinguishment of debt - Paycheck Protection Program	207,800	-	207,800
Interest income	146	-	146
Miscellaneous income	436	-	436
Interest expense	(409)	(11,091)	(11,500)
Total nonoperating revenue (expenses)	209,277	(11,091)	198,186
INCREASE (DECREASE) IN NET POSITION	(1,355,729)	112,701	(1,243,028)
Net position at beginning of year	2,392,550	1,244,304	3,636,854
Net position at end of year	\$ 1,036,821	\$ 1,357,005	\$ 2,393,826

The accompanying notes are an integral part of these statements.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2021

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Cash flows from operating activities			
Tax receipts from St. Louis City and County	\$ 4,130,689	\$ -	\$ 4,130,689
Receipts from facility rentals	-	200,968	200,968
Contributions received	-	-	-
Grant payments	(2,242,480)	-	(2,242,480)
Payments to and for the benefit of employees	(644,320)	-	(644,320)
Payments to suppliers and vendors	(889,549)	-	(889,549)
Net cash provided by operating activities	354,340	200,968	555,308
Cash flows from noncapital financing activities			
Contributions received	41,938	-	41,938
Miscellaneous receipts	48,021	-	48,021
Net cash provided by noncapital financing activities	89,959	-	89,959
Cash flows from capital and related financing activities			
Purchase of capital assets	(24,099)	-	(24,099)
Proceeds from Payroll Protection Program loan	202,522	-	202,522
Principal payments on debt	(14,105)	(193,740)	(207,845)
Interest paid	(2,186)	(7,228)	(9,414)
Net cash provided by (used in) capital and related financing activities	162,132	(200,968)	(38,836)
Cash flows from investing activities			
Interest income	33	-	33
INCREASE IN CASH AND CASH EQUIVALENTS	606,464	-	606,464
Cash and cash equivalents at beginning of year	1,365,175	-	1,365,175
Cash and cash equivalents at end of year	\$ 1,971,639	\$ -	\$ 1,971,639

The accompanying notes are an integral part of these statements.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2021

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income	\$ 1,195,662	\$ 129,555	\$ 1,325,217
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	57,157	71,413	128,570
(Increase) decrease in assets			
Hotel/motel room sales tax receivable	(327,734)	-	(327,734)
Prepaid expenses	2,015	-	2,015
Increase (decrease) in liabilities			
Accounts payable	(2,267)	-	(2,267)
Grants payable	(524,712)	-	(524,712)
Accrued liabilities	(45,781)	-	(45,781)
Net cash provided by operating activities	<u>\$ 354,340</u>	<u>\$ 200,968</u>	<u>\$ 555,308</u>

The accompanying notes are an integral part of these statements.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2020

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Cash flows from operating activities			
Tax receipts from St. Louis City and County	\$ 3,528,238	\$ -	\$ 3,528,238
Receipts from facility rentals	-	195,207	195,207
Contributions received	-	-	-
Grant payments	(2,939,567)	-	(2,939,567)
Payments to and for the benefit of employees	(1,134,230)	-	(1,134,230)
Payments to suppliers and vendors	(1,118,788)	-	(1,118,788)
Net cash provided by (used in) operating activities	(1,664,347)	195,207	(1,469,140)
Cash flows from noncapital financing activities			
Contributions and grants received	209,104	-	209,104
Miscellaneous income	436	-	436
Net cash provided by noncapital financing activities	209,540	-	209,540
Cash flows from capital and related financing activities			
Purchase of capital assets	(180,017)	-	(180,017)
Principal payments on bonds payable	(2,306)	(184,116)	(186,422)
Interest paid	(409)	(11,091)	(11,500)
Net cash used in capital and related financing activities	(182,732)	(195,207)	(377,939)
Cash flows from investing activities			
Interest income	146	-	146
DECREASE IN CASH AND CASH EQUIVALENTS	(1,637,393)	-	(1,637,393)
Cash and cash equivalents at beginning of year	3,002,568	-	3,002,568
Cash and cash equivalents at end of year	<u>\$ 1,365,175</u>	<u>\$ -</u>	<u>\$ 1,365,175</u>

The accompanying notes are an integral part of these statements.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2020

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (1,565,006)	\$ 123,792	\$ (1,441,214)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	52,579	71,415	123,994
(Increase) decrease in assets			
Hotel/motel room sales tax receivable	690,070	-	690,070
Prepaid expenses	22,153	-	22,153
Increase (decrease) in liabilities			
Accounts payable	(21,059)	-	(21,059)
Grants payable	(768,050)	-	(768,050)
Accrued liabilities	(75,034)	-	(75,034)
Net cash provided by (used in) operating activities	\$ (1,664,347)	\$ 195,207	\$ (1,469,140)
Noncash investing and financing activities			
Acquisition of heating, ventilation and air conditioning system financed through a bank loan	\$ 75,000	\$ -	\$ 75,000

The accompanying notes are an integral part of these statements.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

NOTE A | SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Nature of Entity

The Regional Cultural and Performing Arts Development Commission (the Commission) was incorporated on February 19, 1985, as a not-for-profit corporation under "The General Not-For-Profit Corporation Law of Missouri." The Commission was created in 1984 by passage of Senate Bill No. 709 which authorized the formation of a Regional Cultural and Performing Arts Development District in St. Louis City and County. The formation of the district was completed in November 1984, when the voters in St. Louis City and County approved, by a simple majority, the levy of a 3.75 percent hotel/motel tax, of which the Commission receives four-fifteenths.

The Commission is authorized to develop and implement plans, policies and programs to promote, encourage and foster the arts and cultural institutions in St. Louis City and County. The Commission's programs consist of the following:

Grants – Provides financial support for both nonprofit organizations and individual artists in St. Louis City and County.

Cultural Tourism & Marketing – Provides marketing and communications services to promote the Commission programs and services and the arts and culture sector in St. Louis City and County.

Cultural Resource Center – Provides meeting and event space for local nonprofit arts and other organizations, along with a gallery showcasing the work of local artists.

Community Arts Training Institute (CAT) – Provides 16-week training, professional development, and networking opportunities for people working at the intersection of art and community.

General Public Art – Implements Public Art Ordinance for the City of St. Louis and provides general public art information for St. Louis County.

Downtown StL Public Art Initiative – Implements the Downtown StL Public Art Plan to increase public art in downtown St. Louis.

Arts Education – The goal of RAC's Arts Education programs is to meaningfully increase exposure and access to arts education through collaborative programming to benefit children in St. Louis.

Teaching Artist Institute – Provides oversight of curriculum development that focuses on hands-on opportunities to explore and understand the arts through "imaginative learning."

Organization & Artist Capacity Initiative – Provides training and professional development opportunities for St. Louis-based nonprofit arts and culture organizations and individual artists.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Planning Initiative – Supports activities to develop, implement and evaluate organizational planning strategies that fulfill the Commission’s mission.

Gyo Obata Fellowship – Subsidizes a ten-week summer fellowship at a hosting nonprofit arts organization for college undergraduates from underrepresented backgrounds pursuing careers in arts administration.

St. Louis Canvass Project – Provides middle school students with opportunities to experience the St. Louis arts and cultural programs under the guidance of professional teaching artists.

The Commission is limited to spending no more than fifteen percent of annual revenues on administrative costs and is prohibited from directly funding the institutions who are members of the Zoo Museum District. The Commission spent 20% of annual revenues on administrative costs for the years ended December 31, 2021 and 2020 due to the decrease in hotel/motel tax revenues caused by the COVID-19 pandemic. In addition, many of the Commission’s programs were curtailed as a result of the pandemic. Administrative costs in excess of fifteen percent of annual revenues were funded by net position accumulated in prior years.

The Board of Commissioners consists of fifteen members, each appointed for a four year term. The Mayor of the City of St. Louis appoints seven Commissioners and the St. Louis County Executive appoints eight Commissioners.

The Commission’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Commission are discussed below.

Reporting Entity

These financial statements present the Commission (the primary government) and its component unit, the Loop East Community Improvement District. As defined by generally accepted accounting principles, component units are legally separate entities that are included in the Commission’s reporting entity because of the significance of their operating or financial relationships with the Commission.

The Loop East Community Improvement District (the District) is a legally separate political subdivision of the State of Missouri. The District was formed on April 1, 2002 pursuant to the Community Improvement District Act of the Revised Statutes of the State of Missouri. The District is governed by a five member Board of Directors and has an existence of 25 years. It was formed to acquire and improve property located in the City of St. Louis nearly adjacent to the downtown business district of University City, Missouri. In connection therewith, the District entered into a lease purchase agreement with the Commission to acquire, construct, and equip a building to serve as the headquarters of the Commission. Although legally separate, the District is blended as an enterprise fund into the primary government. Separate financial statements for the District are not published.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Basis of Presentation

The accounts of the Commission are organized and operated on a basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and managerial requirements.

The funds of the Commission are described below:

Proprietary Funds

Regional Cultural and Performing Arts Development Commission

An enterprise fund is used to account for all of the Commission's activities including the collection of tax monies received from the City of St. Louis and from St. Louis County and for the expenses of operating the Commission.

Loop East Community Improvement District

An enterprise fund is used to account for all of the District's activities, which include collecting rents from the Commission and servicing the bonded debt.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The financial statements are prepared using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position, financial position and cash flows. All assets and liabilities, whether current or noncurrent, are reported.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic assets are used.

Cash and Cash Equivalents

The Commission's policy is to invest cash in excess of operating requirements in income producing investments. The Commission considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Sales Taxes

The Commission receives the majority of its revenue from four-fifteenths of a 3.75% tax on hotel/motel room sales in St. Louis City and County. Taxes are collected by St. Louis City and County and remitted to the St. Louis Convention and Visitors Commission, which in turn remits four-fifteenths of the collected amount to the Commission. Sales tax revenue is recognized in the year the tax is collected by the hotels and motels. Taxes receivable consists primarily of taxes collected in the fourth quarter of each year that are received by the Commission in the first quarter of the following year. Taxes receivable are considered fully collectible.

Capital Assets and Depreciation

Capital assets are recorded at cost. Currently, the Commission capitalizes any fixed asset addition with a cost of \$5,000 or more and a useful life greater than two years. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis as follows:

	<u>Years</u>
Building	40
Improvements	5 - 35
Furniture and fixtures	3 - 10
Digital media	5

PPP Loan and Forgiveness of Debt Income

During 2021, the Organization applied and was awarded a loan in the amount of \$202,522 under the Paycheck Protection Program “PPP”. The Organization initially records the proceeds received as financing activities and the loan as a liability until the Organization is legally released from the obligation to repay the loan. When the Organization is released from all requirements to pay back the loan, the forgiveness is recorded as a gain on extinguishment of debt on the statement of revenues, expenses and changes in net position.

Equity Classifications

Fund equity is classified as net position and displayed in three components. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction or improvement of those capital assets. Net position is reported as restricted when there are constraints imposed on their use either through enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments. All other net position that does not meet the definition of restricted or net investment in capital assets is reported as unrestricted. The Commission first utilizes restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Operating Revenue and Expenses

Revenues and expenses are divided into operating and nonoperating items. Operating revenues generally result from providing services in connection with the Commission's principal ongoing operations. The primary operating revenues are hotel/motel sales tax revenues and contributions and grants which contributors or grantors have restricted for program related activities. Other revenues, such as unrestricted contributions and interest income, are not generated from operations and are considered to be nonoperating revenues. Operating expenses primarily include grants to not-for-profit organizations which produce or present arts or cultural programs and other programs and administrative expenses. Other expenses, such as interest expense on debt, are considered to be nonoperating.

Income Tax Status

The Commission qualifies as a charitable organization as defined by Internal Revenue Code 501(c)(3), and accordingly it is exempt from Federal income taxes under Internal Revenue Code Section 501(a) and similar provisions of state law. The Commission files federal information returns. The statutes of limitations for these returns are generally subject to examination by the Internal Revenue Service for three years from the date they are filed.

Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing the financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through March 16, 2022, the date the financial statements were available to be issued.

NOTE B | CASH AND INVESTMENTS

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2021 and 2020, respectively, the entire bank balance was covered by federal depository insurance along with collateralization to cover the balance exceeding the insurance coverage.

Investments

The Commission may purchase any investments allowed by the State Treasurer. The Commission had no investments as of December 31, 2021 and 2020.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

NOTE C | CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance at January 1, 2021	Additions	Reclassification and Deletions	Balance at December 31, 2021
Non-depreciable capital assets				
Land	\$ 135,214	\$ -	\$ -	\$ 135,214
Depreciable capital assets				
Building	2,856,609	-	-	2,856,609
Building improvements	340,599	-	-	340,599
Furniture and fixtures	185,854	-	-	185,854
Digital media	133,096	24,100	-	157,196
	3,516,158	24,100	-	3,540,258
Less accumulated depreciation for:				
Building	1,237,332	71,415	-	1,308,747
Building improvements	99,320	23,691	-	123,011
Furniture and fixtures	159,828	4,436	-	164,264
Digital media	24,401	29,029	-	53,430
	1,520,881	128,571	-	1,649,452
Depreciable capital assets, net	1,995,277	(104,471)	-	1,890,806
Capital assets, net	\$ 2,130,491	\$ (104,471)	\$ -	\$ 2,026,020

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance at January 1, 2020	Additions	Reclassifications and Deletions	Balance at December 31, 2020
Non-depreciable capital assets				
Land	\$ 135,214	\$ -	\$ -	\$ 135,214
Depreciable capital assets				
Building	2,856,609	-	-	2,856,609
Building improvements	218,677	121,922	-	340,599
Furniture and fixtures	185,854	-	-	185,854
Digital media	287,426	133,096	(287,426)	133,096
	3,548,566	255,018	(287,426)	3,516,158
Less accumulated depreciation for:				
Building	1,165,917	71,415	-	1,237,332
Building improvements	75,576	23,744	-	99,320
Furniture and fixtures	155,393	4,435	-	159,828
Digital media	287,426	24,401	(287,426)	24,401
	1,684,312	123,995	(287,426)	1,520,881
Depreciable capital assets, net	1,864,254	131,023	-	1,995,277
Capital assets, net	\$ 1,999,468	\$ 131,023	\$ -	\$ 2,130,491

NOTE D | GRANT AWARDS

The Commission awarded the following grants:

General Operating Support – These grants are awarded to nonprofit art organizations with a history of funding from the Commission, at least one full-time-equivalent employee, and annual operating expenses exceeding \$150,000. These grants provide unrestricted, renewable funding to support day-to-day operations of nonprofit arts organizations that produce and present ongoing year-round programming. These grants are awarded in June for a two-year period and paid in monthly installments starting in July and ending in June. The second year of grant funding is conditional upon the grantee's compliance with the program requirements and approval by the Commission. Due to the COVID-19 pandemic, reduced grant payments were made quarterly instead of monthly beginning in June 2020, and the grant period was extended to a third year.

Program Support – These grants are awarded to arts and non-arts organizations which request up to \$15,000 in program support. The recipient organization must match one dollar for each Commission grant dollar. The grants provide funding for ongoing arts programs or a specific one-time arts and cultural program. These grants are paid in three equal installments. Due to the COVID-19 pandemic, grants payments were reduced, and grantees were allowed to use the funding for general operating expenses beginning in June 2020.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Artists Fellowship – These grants of \$20,000 each are awarded annually to 10 artists residing in St. Louis City or County. The grants are “fellowships” intended to advance the individual artist’s careers. Due to the COVID-19 pandemic, these grants were not awarded in 2021.

Artists Support – These grants of \$3,000 or less are awarded to artists residing in St. Louis City or County to support projects, needs, and creative opportunities in all artistic disciplines. Due to the COVID-19 pandemic, these grants were not awarded in 2021.

Artists Relief Fund – Partnering with the St. Louis Community Foundation, the Commission provided funding to aid artists whose incomes have been directly impacted by the COVID-19 pandemic. This was a special initiative offered in 2020, but not offered in 2021 due to the continued financial hardships of COVID-19.

The Commission reports a liability at year end for unconditional grants awarded in the current year and paid in a subsequent year.

NOTE E | PENSION PLAN

The Commission has an IRC 403(b) tax-deferred annuity program covering substantially all employees. The Commission determines an amount to contribute annually. Pension plan expense was \$7,029 and \$24,488 for the years ended December 31, 2021 and 2020, respectively.

NOTE F | DEBT

On June 1, 2002, the District issued Leasehold Revenue Bonds in the amount of \$3,000,000 to finance the construction of a facility to serve as the headquarters for the Commission. On October 1, 2012, the District refunded the 2002 series bonds with \$1,640,000 in Leasehold Revenue Refunding Bonds. The bonds and interest are limited obligations of the District and are solely payable from the rents received by the District from the Commission under an annually renewable lease purchase agreement. The Commission may terminate its obligation under the lease on an annual basis without penalty. The bonds are secured by a first deed of trust on the facility. The bonds do not constitute an indebtedness or pledge of faith and credit of the District or the Commission. The bonds are limited and special revenue obligations of the District and reported as liabilities in the accompanying financial statements.

The bonds mature at various amounts through 2022 and bear interest at 2.071%. Interest is payable on a monthly basis.

The following changes occurred in bonds payable for the years ended December 31,:

	<u>2021</u>	<u>2020</u>
Bonds payable at beginning of year	\$ 397,484	\$ 581,600
Payments	(193,740)	(184,116)
Bonds payable at end of year	203,744	397,484
Less current portion of bonds payable	(203,744)	(193,740)
Bonds payable, less current portion	<u>\$ -</u>	<u>\$ 203,744</u>

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

The annual requirements to amortize the bonds and outstanding as of December 31, 2021 are as follows:

	Principal	Interest	Total
2022	203,744	2,110	205,854

On October 27, 2020, the Commission entered into a bank loan in the amount of \$75,000 to finance the purchase and installation of a heating, ventilation, and air conditioning unit. The loan carries an interest rate of 3.25%. The Commission is required to make sixty monthly payments of principal and interest in the amount of \$1,358.

The following changes occurred in the bank loan for the year ended December 31,:

	<u>2021</u>	<u>2020</u>
Bank loan at beginning of year	\$ 72,694	\$ -
Issuance of bank loan	-	75,000
Payments	(14,105)	(2,306)
Bank loan at end of year	58,589	72,694
Less current portion of bank loan	(14,578)	(14,105)
Bank loan, less current portion	<u>\$ 44,011</u>	<u>\$ 58,589</u>

The annual requirements to amortize the loan and outstanding as of December 31, 2021 are as follows:

	Principal	Interest	Total
2022	\$ 14,578	\$ 1,714	\$ 16,292
2023	15,066	1,226	16,292
2024	15,572	721	16,293
2025	13,373	203	13,576
	<u>\$ 58,589</u>	<u>\$ 3,864</u>	<u>\$ 62,453</u>

During 2020, the Commission applied and was awarded a loan in the amount of \$207,800 under the Paycheck Protection Program "PPP". As of December 31, 2020, the Commission was released from all requirements to pay back the loan and has recorded the forgiveness as a gain on extinguishment of debt on the statement of revenues, expenses and changes in net position.

During 2021, the Commission applied and was awarded a second loan in the amount of \$202,522 under the PPP. As of December 31, 2021, the Commission has not yet applied for forgiveness of the loan. Accordingly, the loan is reported as a liability on the statement of net position as of December 31, 2021.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

The unforgiven portion of the loan would be payable over sixty months at an interest rate of 1%. The Commission plans to apply for partial forgiveness of the loan during 2022.

The annual requirements to amortize the loan and outstanding as of December 31, 2021 are as follows

	Principal	Interest	Total
2022	\$ 26,422	\$ 1,273	\$ 27,695
2023	39,964	1,578	41,542
2024	40,366	1,177	41,542
2025	40,771	771	41,542
2026	41,181	362	41,542
2027	13,819	29	13,847
	<u>\$ 202,522</u>	<u>\$ 5,190</u>	<u>\$ 207,712</u>

During the years ended December 31, 2021 and 2020, interest costs totaling \$9,414 and \$11,500 respectively, were incurred. No interest costs were capitalized as part of the cost of assets acquired during the periods.

NOTE G | RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance for all such risks of loss, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Regional Cultural and Performing Arts Development Commission
SCHEDULES OF GRANT AWARDS APPROVED
Year ended December 31,

	<u>2021</u>	<u>2020</u>
General Operating Support	\$ 565,368	\$ 1,507,646
Program Support	1,127,400	291,175
Artist Fellowship	-	200,000
Artist Support	-	53,848
Artist Relief Fund	10,000	101,098
Other	15,000	-
	<hr/> 1,717,768	<hr/> 2,153,767
Less expired grants	<hr/> -	<hr/> -
	<hr/> \$ 1,717,768	<hr/> \$ 2,153,767

Regional Cultural and Performing Arts Development Commission
SCHEDULES OF GRANT AWARDS PAYABLE
December 31,

	<u>2021</u>	<u>2020</u>
General Operating Support	\$ 753,823	\$ 1,130,735
Program Support	-	147,800
	<u>\$ 753,823</u>	<u>\$ 1,278,535</u>

Regional Cultural and Performing Arts Development Commission
SCHEDULES OF EXPENSES
Year ended December 31, 2021

	Grants	Cultural Resource Center	CAT Institute	Capacity Building	Strategic Plan Advocate, Partner Catalyst	Administrative	Regional Cultural and Performing Arts Development Commission Total	Loop East Community Improvement District	Total
Operating expenses									
Salaries	\$ 108,872	\$ -	\$ 1,875	\$ 4,776	\$ 98,730	\$ 278,162	\$ 492,415	\$ -	\$ 492,415
Payroll taxes	7,730	-	140	363	6,956	20,006	35,195	-	35,195
Health insurance	3,762	-	139	223	2,698	57,079	63,901	-	63,901
Pension plan	1,529	-	13	29	1,462	3,995	7,028	-	7,028
Total salaries and benefits	121,893	-	2,167	5,391	109,846	359,242	598,539	-	598,539
Depreciation	9,597	28,127	2,130	2,396	2,396	12,511	57,157	71,413	128,570
Equipment rental and repair	5,180	536	1,422	1,599	1,982	9,117	19,836	-	19,836
Events	-	-	-	-	-	26,881	26,881	-	26,881
Facility maintenance	1,762	39,577	392	587	587	2,626	45,531	-	45,531
Honorariums & Stipends	2,100	-	200	-	-	-	2,300	-	2,300
Human resources and board development	-	-	-	-	-	9,356	9,356	-	9,356
Insurance	5,597	-	1,658	1,866	1,866	9,741	20,728	-	20,728
Marketing and advertising	-	-	-	-	-	152,565	152,565	-	152,565
Memberships and publications	2,235	-	-	-	-	5,006	7,241	-	7,241
Office supplies	1,222	-	362	407	407	2,365	4,763	-	4,763
Postage	31	-	82	10	10	95	228	-	228
Printing	1,165	-	346	388	388	1,893	4,180	-	4,180
Professional fees	24,247	29,395	11,100	27,775	11,620	256,445	360,582	-	360,582
Rent	18,087	134,649	4,019	6,029	6,029	32,155	200,968	-	200,968
Telephone	1,199	-	355	400	400	2,087	4,441	-	4,441
Travel, convention and seminar	3	15	-	-	-	1,437	1,455	-	1,455
Utilities	3,299	15,338	1,123	1,352	1,402	5,728	28,242	-	28,242
Grants	1,717,768	-	-	-	-	-	1,717,768	-	1,717,768
Total operating expenses	1,915,385	247,637	25,356	48,200	136,933	889,250	3,262,761	71,413	3,334,174
Nonoperating expenses									
Interest	-	-	-	-	-	-	2,186	7,228	9,414
Total expenses	\$ 1,915,385	\$ 247,637	\$ 25,356	\$ 48,200	\$ 136,933	\$ 889,250	\$ 3,264,947	\$ 78,641	\$ 3,343,588

Regional Cultural and Performing Arts Development Commission
SCHEDULES OF EXPENSES
Year ended December 31, 2020

	Grants	Cultural Tourism & Marketing	Cultural Resource Center	CAT Institute	General Public Art	Downtown STL Public Art Initiative	Arts Education	Teaching Art Institute	Organization & Artist Capacity Initiative	Planning Initiative	Gyo Obato Fellowship	St. Louis Canvass Project	Administrative	Regional Cultural and Performing Arts Development Commission Total	Loop East Community Improvement District	Total
Operating expenses																
Salaries	\$ 296,070	\$ 108,977	\$ 109,550	\$ 36,549	\$ 7,077	\$ 17,883	\$ 2,410	\$ 7,992	\$ 47,667	\$ 37,032	\$ 17,225	\$ 10,172	\$ 191,123	\$ 889,727	\$ -	\$ 889,727
Payroll taxes	21,873	7,989	8,175	2,745	540	1,292	181	599	3,526	2,584	1,267	753	14,108	65,632	-	65,632
Health insurance	23,329	7,883	9,325	2,559	740	1,139	118	1,046	2,300	1,311	2,383	1,766	25,450	79,349	-	79,349
Pension plan	8,460	3,735	2,091	1,415	242	324	118	252	1,642	555	639	192	4,823	24,488	-	24,488
Total salaries and benefits	349,732	128,584	129,141	43,268	8,599	20,638	2,827	9,889	55,135	41,482	21,514	12,883	235,504	1,059,196	-	1,059,196
Depreciation	1,993	11,789	26,197	3,893	42	106	11	54	307	315	108	71	7,693	52,579	71,415	123,994
Equipment rental and repair	8	580	1,428	-	-	-	-	-	-	-	-	-	11,036	13,052	-	13,052
Events	611	165	-	340	-	-	-	36	-	3,761	-	3,649	3,485	12,047	-	12,047
Facility maintenance	1,352	734	39,002	137	23	81	21	95	159	301	192	185	2,486	44,768	-	44,768
Honorariums and stipends	15,250	-	-	100	-	-	-	-	-	-	-	-	-	15,350	-	15,350
Human resources and board development	970	1,188	-	-	-	-	-	-	-	-	-	-	101,096	103,254	-	103,254
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	18,656	18,656	-	18,656
Marketing and advertising	23	144,111	-	-	-	-	-	-	-	33,616	325	39	1,174	179,288	-	179,288
Meetings, delivery and office services	-	-	-	-	-	-	-	-	-	-	-	-	10,775	10,775	-	10,775
Memberships and publications	-	-	-	-	-	-	-	-	-	-	-	-	6,222	6,222	-	6,222
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	-	-	-	184	-	-	-	-	-	-	-	-	2,543	2,727	-	2,727
Postage	11	-	-	16	-	-	-	-	-	-	-	-	1,221	1,248	-	1,248
Printing	-	-	-	-	-	-	-	-	-	265	-	-	682	947	-	947
Professional fees	20,701	5,845	4,899	11,137	-	76,171	-	34,470	-	50,229	-	67,108	202,093	472,653	-	472,653
Rents	18,785	7,623	142,039	2,196	392	1,000	94	510	2,894	2,973	1,023	666	15,012	195,207	-	195,207
Telephone	221	120	2,226	22	3	13	3	15	26	50	32	31	8,009	10,771	-	10,771
Travel, convention and seminar	-	-	-	-	-	-	-	27	-	28	23	54	173	305	-	305
Utilities	2,377	1,281	23,697	233	35	143	38	162	279	532	337	327	3,171	32,612	-	32,612
Grants	2,153,767	-	-	-	-	-	-	-	-	17,750	-	-	-	2,171,517	-	2,171,517
Total operating expenses	2,565,801	302,020	368,629	61,526	9,094	98,152	2,994	45,258	58,800	151,302	23,554	85,013	631,031	4,403,174	71,415	4,474,589
Nonoperating expenses																
Interest	39	16	298	5	1	2	1	1	6	6	2	1	31	409	11,091	11,500
Total expenses	\$ 2,565,840	\$ 302,036	\$ 368,927	\$ 61,531	\$ 9,095	\$ 98,154	\$ 2,995	\$ 45,259	\$ 58,806	\$ 151,308	\$ 23,556	\$ 85,014	\$ 631,062	\$ 4,403,583	\$ 82,506	\$ 4,486,089

**Regional Cultural And Performing
Arts Development Commission**

Communication Of Other
Findings And Observations

December 31, 2021

March 16, 2022

To the Board of Commissioners and Management
c/o Vanessa Cooksey, President and CEO
6128 Delmar Boulevard
St. Louis, Missouri 63112

In planning and performing our audit of the financial statements of each major fund of Regional Cultural and Performing Arts Development Commission (the "Commission") as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. To the extent that such deficiencies rise to the level of a significant deficiency or material weakness, we are required to bring them to the attention of those charged with governance.

This communication is intended solely for the information and use of management, Board of Commissioners, and others within the Commission, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Armanino LLP".
Armanino^{LLP}