



**REGIONAL ARTS
COMMISSION**
OF ST. LOUIS

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**Regional Arts Commission
Finance Committee Minutes
Monday, March 10, 2024 via ZOOM
8 a.m.**

Call to Order & Roll Call – Russell & Sutherlin

Russell called the March 10, 2025 meeting to order at 8:02 a.m.

Committee Members in Attendance

John Russell, Chair, Robert Arbuthnot, Mont Levy, Cheryl Walker, Jerry Gennaria

Yea – Russell, Arbuthnot, Levy, Walker, Gennaria

Nay – none

Abstain – none

Absent

Sam Fiorello

Staff Attendees

Vanessa Cooksey, Savannah Babington, Charlie Bosco, Rita Dillard, Ann Haubrich, Tracey Morgan, Angie Peters, Jay Scherder, Jason Schipkowski, Chloe Smith, Leigh Winter, Lea Sutherlin

Others in Attendance

KEB - Rick Gratza, Trish Donovan, Chelsey Winsor, Katie Zahner, Andrew Brands

Approval of November 18, 2024 Minutes

Russell called for a motion to approve the minutes from the November 18, 2024, Finance Committee meeting.

Motion made by Walker seconded by Levy and unanimously carried to approve the November 18, 2024 Finance Committee minutes. Votes were as follows:

Yea – Russell, Arbuthnot, Levy, Walker, Gennaria

Nay – none

Abstain - none

Russell called for the following reports:

FY 2024 Audit presented by Armanino, LLP

Prior to the auditors' report, Cooksey extended a special thanks to KEB and RAC team members who participated in this audit. She then introduced members of Armanino.





Katie Zahner shared that she replaced Janet Ramey as audit partner at Armanino, and that it has been a great experience working with the RAC team.

Chelsea Winsor shared that she would present the financial statements, then ask Andrew Brands to review required communications. Winsor reiterated Zahner's remarks and added that Cooksey and the RAC team has been outstanding. She also expressed appreciation to Rick Gratza and Trish Donovan (KEB) who drafts the financial statements for the auditor's review. Winsor then highlighted the following: (1) RAC received an unmodified opinion on the audit (equal to an A+); (2) Armanino also performed a single audit; (3) encouraged RAC board review of the management discussion analysis; (3) changes on statement of net position; (3) noncurrent assets and noncurrent liabilities; (4) income statement; (5) statement of cash flow; and (6) notes to the financial statements highlighting leases and IT subscriptions and functional allocation of expenses.

Levy asked about the ARPA equipment/immersive loan.

Cooksey shared the following: (1) because of cost and timing, half was paid with ARPA funds and the other with an immersive loan for equipment at Foundry location; (2) RAC will be at Foundry location through 2026 and plan to renew; and (3) because of Bevis Schock's Sunshine request/inquiry (last year) regarding the 15% rule, auditors spent additional time in this audit to ensure compliance with the statute.

Winsor then highlighted the single audit and reported no deficiencies, and that they (auditors) also tested a major program – ARPA - and found no material weaknesses, deficiencies or audit findings. Winsor noted that this outcome was no small feat.

Cooksey commended Morgan, Harris, and Bosco for their exceptional efforts this year, noting that it was a significant milestone, as most remaining ARPA funds had been distributed with excellent recordkeeping. Cooksey also acknowledged Haubrich, Smith, and Winter for their outstanding recordkeeping, while effectively managing the timely execution of Hotel/Motel grantmaking.

Winsor then asked Andrew Brands to cover required communications from the audit.

Brands noted that it was great to work with the RAC team, and highlighted the required communications as follows: (1) auditors' responsibilities; (2) managements' responsibilities; (3) significant accounting policies; (4) estimates and sensitive disclosures; (4) no difficulties in performing audit work or disagreements with management; (5) consultations with other accounts or independent issues; and (6) proposed audit adjustments not included in financial statements.



Gratza noted that those adjustments were related to a timing issue.

Walker briefly left the meeting.

Winsor then highlighted the financial analysis as follows: (1) statements of net position-proprietary funds; (2) income statement; (3) program expenses by purpose per year; (4) total expenses by purpose for 2024 and administrative expenses to total revenue; (5) total revenue per year; and (6) liquidity ratios.

Motion made by Levy, seconded by Gennaria, and carried by majority to approve the FY 2024 Audit. Votes were as follows:

Yea – Russell, Arbuthnot, Levy, Gennaria

Nay – none

Abstain - none

IRS Form 990 Preparation

Winsor mentioned that she and the audit team maintain regular communication with the Armanino team, which specializes in non-profit tax matters. She added that they will begin working on the IRS Form 990 preparation as soon as the necessary requests are received.

Armanino left the meeting.

Walker returned to the meeting.

FY 2024 Q4 Management Report

Gratza presented the FY 2024 Q4 Management Report - statements of receipts and disbursements prior year comparison as follows: (1) revenue, expenses, unrestricted net position and administrative expenses statutory requirement met; (2) statements of receipts and disbursements budget vs. actual – revenue; (3) expenses; (4) net income and ending operating cash.

Gratza then highlighted the following two documents: (1) ARPA supplemental schedule which included revenue, expenses and net operating revenue and net revenue; and (2) RAC interest earned summary.

Russell then called for the following reports from Cooksey:

February 2025 Cash Management Update

Cooksey noted that the cash management update could be found on page 60 of the packet for this meeting and highlighted the updated cash management format.



Revenue Trends (Cooksey)

Cooksey presented the Hotel/Motel Tax Revenue chart/tracker and highlighted the following: (1) year over year percentage change and comparisons to 2019; (2) decent growth in comparison to 2019 and 2023 and 2024 with no double digits; and (3) her email recently sent to commissioners regarding revised forecast from Explore STL.

RAC Accounting Policies and Procedures Manual

Cooksey noted that the Accounting Policies and Procedures Manual could be found on page 94 of the packet for this meeting and reported the following: (1) completed a comprehensive overhaul of the Finance and Accounting Procedures Manual last year - driven in large part by the departure of RAC's Vice President of Finance and Operations; (2) the revised manual was approved by both the Finance Committee and the full Board; (3) during ongoing use of the manual and as part of RAC's audit process, identified that the procedures for monthly accruals and bank reconciliations still referenced the Vice President's role, resulting in minor text adjustments; (4) this Committee has approved the updates via email.

Open Discussion

Levy noted that the Cyber Policy found in the Accounting Policies and Procedures Manual had expired and asked if it had been renewed.

Dillard noted that the Cyber Policy had been renewed.

Cooksey noted that a current policy would be reported back to this Committee.

Adjournment

Russell called for a motion to adjourn. Motion made by Gennaria, seconded by Levy, and unanimously approved to adjourn the March 10, 2025 Finance Committee meeting at 8:56 a.m. Votes were as follows:

Yea – Russell, Arbuthnot, Levy, Walker, Gennaria

Nay – none

Abstain - none

Submitted by
L. Sutherlin, Exec. Asst. & Commission Administrator

Attachments

- Finance Committee Meeting Minutes, November 18, 2024
- FY 2024 Audit Draft
- FY 2024 Q4 Management Report
- February 2025 Cash Management Update
- Revenue Trends Chart