



**REGIONAL ARTS  
COMMISSION**  
OF ST. LOUIS

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**Regional Arts Commission  
Finance Committee Minutes  
Monday, March 9, 2026 via ZOOM  
8 a.m.**

**Call to Order & Roll Call – Russell & Sutherlin**

Chair Russell called the March 9, 2026 meeting to order at 8:03 a.m.

**Committee Members in Attendance**

John Russell, Rob Arbuthnot, David Wilson, Gerad Ewing, Mont Levy, Cheryl Walker,

**Yea – Russell, Arbuthnot, Wilson, Ewing, Levy, Walker**

**Nay – none**

**Abstain – none**

**Absent**

Tino Ochoa ex-officio

**Staff Attendees**

Vanessa Cooksey, Savannah Babington, Charlie Bosco, Rita Dillard, Ann Haubrich, Gregory Harris, Tracey Morgan, Angie Peters, Chloe Smith-Higgins, Jason Schipkowski, Leigh Winter, Lea Sutherlin

**Others in Attendance**

KEB - Rick Gratza, Trish Donovan

Armanino Advisory LLC - Katie Zahner, Andrew Brands, Chelsea Windsor

**Approval of November 17, 2025 Minutes**

Russell called for a motion to approve the minutes from the November 17, 2025, Finance Committee meeting.

**Motion made by Levy seconded by Walker and unanimously carried to approve the November 17, 2025 Finance Committee minutes. Votes were as follows:**

**Yea – Russell, Arbuthnot, Wilson, Ewing, Levy, Walker**

**Nay – none**

**Abstain – none**

Russell called for the following reports:





### **Status on FY 2025 Audit by Armanino, LLP**

Cooksey (1) welcomed the team from Armanino and expressed appreciation for their ongoing collaboration; and (2) deferred to Armanino representatives for updates.

Zahner shared the following update: (1) the team has recently completed an audit process, with cooperation from RAC staff; (2) the draft financial statements have been prepared, reviewed, and amended as needed, and an exit meeting with management and the KEB team was held; (3) a full audit investigation from the state was initiated near the end of the audit period; (4) the audit was adjusted to address NOCLAR [non-compliance with laws and regulations]; (5) clarification was provided on the scope of financial audit versus performance audit—only material errors or misstatements are typically identified; (6) Armanino is conducting deeper investigations into specific areas such as credit cards, grant disbursements, and employee incentives, with additional requests to Cooksey; (7) the final opinion will note that the financial statements are fairly stated in accordance with GAAP, pending the completion of some compliance testing; and (8) the deadline for completing the audit is April 6th, with the final report expected shortly after.

Cooksey emphasized the following: (1) that RAC complies with state laws regarding incentives and bonuses; (2) incentives are based on a formal approved work plan, with legal counsel ensuring adherence to law prohibitions on employee compensation; (3) RAC's policies include setting clear deliverables at the start of each year and assessing them at year-end; (4) addressed media and opposition concerns, and clarified that all procedures are compliant and within legal bounds; (5) bonus and incentive calculations are influenced by budget constraints, salary caps, and performance assessments; (6) Cooksey highlighted the ambiguity within the statute, which leads to differing interpretations, but reassured the organization's legal compliance based on counsel's guidance.

Levy raised question regarding the interpretation of law and audit opinion concerning employee bonuses.

Cooksey reiterated that legal counsel has been consulted, and the organization operates within a reasonable interpretation of the statutes.

### **IRS Form 990 Preparation**

Russell inquired about the 990 filing.

Cooksey stated that the 990 draft is ready and should facilitate timely submission by May 15<sup>th</sup>, and that RAC will adhere to statutory deadlines for reporting to the mayor, county executive, and governor by April 6.

Armanino left the meeting @ 8:25a

### **FY 2025 Q4 Management Report (KEB)**

Gratza discussed the fourth quarter management report for the fiscal year ending December 31, 2025 as follows: (1) total revenue; (2) miscellaneous income; (3) total expenses increased mainly because of higher grant spending, including program support, general operating support, and specific grants to organizations like the St. Louis Symphony and Crisis Grants - an intentional strategy to support the sector; (4) operating cash; (5) RAC maintained





policy on net position, ended the year within the acceptable range; (6) administrative expenses; (7) when comparing actual revenues and expenses to the budget, revenues were under budget, mainly due to delays in tax remittances, and expenses were over budget due to increased grant spending; and (8) ending cash balance.

Arbuthnot left mtg @ 8:29a

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.

Levy inquired about net loss observed in the ARPA program fund and whether this loss was expected.

Gratza noted the following: (1) the loss was expected, (2) listed attributable items; (3) loss being absorbed by RAC operating cash and investments; (4) moving forward, minimal impact on operational funds is expected from ARPA-related activity; and (5) confirmed that RAC owns the immersive equipment and it remains useful for events and activities.

Cooksey noted the next steps will include: (1) schedule and conduct ARPA closeout meeting with CDA; (2) clarify reimbursement eligibility for remaining administrative costs; and (3) discuss and decide on the future plans for immersive equipment and space utilization post-ARPA.

#### **February 2026 Cash Management Update (Cooksey & KEB)**

Gratza presented the January – February cash flow analysis as follows: (1) Hotel/Motel Tax Revenue which included a delay in December remittance from the CVC, and no revenue received for February 2026 at the time of this meeting; (2) cash balance; (3) year-end cash balance projection; and (4) budget variance.

Cooksey highlighted revenue trends and concerns regarding delays in comparison to previous years.

Discussion held regarding (1) importance of continued monitoring of revenue trends and delays; (2) engagement with Explore St. Louis for proactive communication regarding payment status; and (3) preparation for potential adjustments in revenue forecasting.

#### **Accounting Policies & Procedures Manual - Life Events Policy**

Cooksey reported the following regarding RAC's Life Events Policy included in the packet for this meeting: (1) inquiry received from the State Auditor's Office as to whether RAC makes grants to non-arts organizations; (2) clarification was provided regarding donations made in acknowledgment of life events for commissioners and team members, which led to [a] financial overview of donations and [b] development of a Life Events Policy - reviewed by legal counsel; and (3) awaiting further guidance from the state auditor's office before formalizing approval and presenting the policy for a vote at the appropriate time.

#### **Open Discussion**

Walker acknowledged Cooksey's leadership and poise during challenging times and expressed appreciation for her (Cookey's) efforts and grace.





Levy concurred.

Cooksey emphasized RAC's dedication to serving its grantees and fulfilling its mission amidst current challenges.

Russell invited questions or comments from attendees.

Cooksey then shared the following legal response update: (1) RAC has received numerous inquiries from the State Auditor's Office and has engaged RAC has also engaged Armanino for assistance in communications and document management to ensure clarity and compliance; (2) additional legal support is provided by Bryan Cave and Rich Finneran, who will assist with interactions with the U.S. District Attorney; and (3) document collection and uploading are supported by Sutherlin, Dillard and Donovan.

Additional discussion held regarding; (1) future outlook and expense tracking; and (2) the need to adjust the FY 26 Work Plan and categorize and track expenses without overburdening staff.

Cooksey emphasized her commitment to maintaining expense ratios within limits and managing RAC's capacity effectively.

### **Adjournment**

Chair Russell called for a motion to adjourn.

**Motion made by Levy, seconded by Walker, and unanimously approved to adjourn the March 9, 2026 Finance Committee meeting at 9:02 a.m. Votes were as follows:**

**Yea – Russell, Wilson, Ewing, Levy, Walker**

**Nay – none**

**Abstain - none**

Submitted by

L. Sutherlin, Exec. Asst. & Commission Administrator

### **Attachments**

- Finance Committee Meeting Minutes, November 17, 2025
- FY 2025 Audit Draft
- FY 2025 Q4 Management Report
- February 2025 Cash Management Update
- Accounting Policies and Procedures Manual Update: Life Event Policy

