



**Regional Arts Commission  
Finance Committee Minutes  
Monday, March 11, 2024 via ZOOM  
8 a.m.**

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

Russell called the March 11 meeting to order at 8:05 a.m.

**Committee Members in Attendance**

John Russell, Chair, Sam Fiorello, Cheryl Walker, Roz Johnson

**Committee Members Absent**

Mont Levy  
Tino Ochoa

**Staff Attendees**

Vanessa Cooksey, Savannah Babington, Nichole Belford, Tony Chance, Rita Dillard, Ann Haubrich, Angie Peters, Chloe Smith, MK Stallings, Jay Scherder, Lea Sutherlin

**Others in Attendance**

Armanino - Chelsey Winsor, Janet Ramey, Andrew Brands, KEB - Rick Gratza, Trish Donovan

**Approval of November 13, 2023 Minutes**

Russell called for the approval of the minutes from the November 13, 2023, Finance Committee meeting.

**Motion made by Fiorello, seconded by Walker, and unanimously carried to approve the November 13, 2023 Finance Committee minutes. Votes were as follows:**

**Yea – Russell, Fiorello, Walker, Johnson**  
**Nay – none**  
**Abstain - none**

Russell then called for the following reports:

**FY 2023 Audit presented by Armanino, LLP [VOTE]**

Chance welcomed Armanino LLP - Janet Ramey, Chelsea Winsor, and Andrew Brands to the meeting.



Ramey gave kudos to Windsor for the sufficiency of the audit and gave a brief overview of the single audit statements which she stated resulted in no findings. Ramey then asked Winsor to present the results of the FY 2023 Audit – Results of the Engagement and Audit Highlights.

Winsor thanked KEB and the RAC team for their support and presented the following: (1) Results of the Engagement - audit financial statements, and preparation of Form 990 to be filed by May 15; (2) Audit Highlights - independent auditors reports, and risk based audit approach; (3) Required Communications - auditor's responsibilities, management's responsibilities, significant accounting policies, significant accounting estimates, and sensitive disclosures; (4) no proposed or actual adjustments identified during the audit; and (5) Financial Analysis – program expenses, total expenses, total revenue per year, and current ratio.

Russell called for the approval of the FY23 Audit.

**Motion made by Fiorello, seconded by Walker, and unanimously approved to present the FY23 Audit to the full Commission at the March 11 Board meeting. Votes were as follows:**

**Yea – Russell, Fiorello, Walker, Johnson**

**Nay – none**

**Abstain – none**

Cooksey thanked Ramey and Winsor and reminded about the FY223 Audit presentation at the March 14 Board meeting.

Armanino left the meeting.

Chance then presented the following:

**IRS 990 Preparation**

Chance noted that following the March 14 full Board approval of the FY23 Audit, preparation will begin for the FY23 990.

**Accounting Policies and Procedures Manual**

Chance noted the following revisions/additions to the Accounting Policies and Procedures Manual: (1) updated responsibility descriptions for President & CEO, and for the Business Operations Manager; (2) update to Gift Acceptance Policy; (3) revised minimum unrestricted net position balance, (4) updated Conflict of Interest Policy approved at the September 2023 full Board meeting; (5) updated credit card policy/verification procedures; (6) updated Budget Policy to reflect Vice President of Finance & Operations, and responsibilities and timing of deliverables; (7) bank accrual and bank reconciliation procedures responsibilities changed to Vice President of Finance & Operations; (8) Commission Resolution of Proceeds from Building Sale added to appendix; (9) acknowledgement of RAC's cybersecurity insurance policy added; (10) updated chart of accounts incorporating the current budget accounts and class codes; and (11) updated list of accounting and finance vendors.



Russell called for the approval of the Accounting Policies and Procedures Manual.

**Motion made by Walker, seconded by Fiorello, and unanimously approved the Accounting Policies and Procedures Manual. Votes were as follows:**

**Yea – Russell, Fiorello, Levy, Walker, Johnson**  
**Nay – none**  
**Abstain – none**

**Revisit 6128 Delmar Proceeds Resolution**

Chance presented breakdown of net proceeds for the sale of 6128 Delmar which included purchase price, sales commission, closing fees, escrow for building repairs and total net proceeds after release of escrow. Chance also noted the following: (1) reminded that the Resolution for Investment of 6128 Delmar Building Sale Net Proceeds (resolution approved by this Committee in September 2023) limited investment to CDs; and (2) recommended change to the current resolution to allow for additional investment options that potentially generate additional interest. Chance then shared the recommended resolution with this Committee.

Russell noted that this was not the information he originally requested, and that he had asked about a program for purchasing US Treasury Bills, CDs and other short-term investments that are guaranteed.

Chance noted that this would require change to the current resolution. Chance then shared information on US Treasury Bills vs. Commerce Bank CDs and asked if this met Russell's request.

Russell again noted that this was not the information he requested and that he was looking for a proposal on how to ensure RAC receives the maximum interest on the building sale net proceeds. Russell then requested a separate meeting with Chance for further discussion, and to return to this Committee with a proposal to change the investment policy and how the building sale net proceeds are invested.

Cooksey noted that she and Chance will "circle back" for further discussion with Russell and will provide the information requested.

**Note: No vote during this meeting regarding the 6128 Delmar Proceeds Resolution.**



#### FY 2023 Q4 Management Report

Chance presented the FY 2023 Q4 Management Report, and highlighted the following prior year comparisons: (1) Hotel/Motel Tax Revenue; (2) organization contributions; (3) operating expenditures; (4) health insurance; (5) debt payments; (6) bond payments; (7) building equipment and maintenance; (8) internal affairs; (9) IT Cloud data services; (10) external affairs; (11) contingency; (12) General Operation Support [GOS] grants; (13) Program Support [PS] grants and Artist Support [AS] grants; (14) Public Art grants; (15) programs – Gyo Obata and CAT; (16) Capacity Building and program expenses; and (17) research and evaluation.

#### January/February 2024 Cash Flow Update

Cooksey reminded that most of this meeting was purposed for presentation of the FY 2023 Audit by Armanino, and in the interest of time, called attention to the January/February 2024 Cash Flow planned forecast proceeds (as reported in a recent Executive Committee meeting). Cooksey added that she would highlight the forecast during her report on Revenue Trends.

#### Revenue Trends

Cooksey presented the following regarding revenue trends: (1) Hotel/Motel Revenue Trends 2007-2023; (2) primary reasons for decrease in Hotel/Motel Revenue including lack of recovery in business travel, convention business down 20% per Explore STL; (3) as of February 2024, straight quarters of missing forecast and declines are increasing over the quarters; (4) imperative to watch this trend; (5) chart showing percent change; (6) overarching growth for revenue appears to be flat; (7) recently received revised forecast from Explore STL; (8) chart showing revenue vs. salary expense (also included in packet for this meeting) and may need adjusting based on completion of Convention Center Project; and (9) as leader, want to be proactive and make this Committee aware of what might be ahead in regards to revenue.

Brief discussion held regarding impact of legislative policies, reputation of the St. Louis Region and perceptions regarding safety, and completion of the Convention Center project.

Cooksey added that it would be prudent to create savings in 2024 for 2025 as it is important to acknowledge RAC's 40<sup>th</sup> Anniversary in a way that reflects the impact on the community. Cooksey then noted the following: (1) the team is in process of preparing to distribute remaining ARPA funds; (2) positive responses surrounding the mural project and applications for the larger tourism grants; and (3) Peters is working on a plan for diversifying revenue through Growth & Development. Cooksey then welcomed comments and feedback.

Johnson asked for any additional needed votes and left the meeting @ 9:02 a.m.



**Adjournment**

Motion made by Walker, seconded by Fiorello, and unanimously approved to adjourn the March 11, 2024 Finance Committee meeting at 9:05 a.m.

**Votes were as follows:**

**Yea – Russell, Fiorello, Walker, Johnson (proxy)**

**Nay – none**

**Abstain - none**

Submitted by

L. Sutherlin, Exec. Asst. & Commission Administrator

**Attachments**

- Finance Committee Meeting Minutes, November 13, 2023
- FY 2023 Audit presented by Armanino, LLP
- Accounting Policies and Procedures Manual
- FY 2023 Q4 Management Report
- January/February 2024 Cash Flow Spreadsheet
- Revenue Trends Chart