

**Regional Arts Commission  
Finance Committee Minutes  
Monday, March 7, 2022 @ 9:00AM via ZOOM**

**Attendees:**

John Russell, Chair, Rhonda Adams, Jerry Gennaria, Cheryl Walker

**Absent:**

Sam Fiorello

Staff: Vanessa Cooksey, Ann Haubrich, Rita Dillard, Jay Scherber, Chloe Smith, Lea Sutherlin

Other: Rick Gratza (KEB), Trish Donovan (KEB), Armanino LLP – Chelsea Winsor, Jesseca Lowe, Janet Ramey

**Call to order**

While awaiting Russell's arrival, Walker called the meeting to order at 9:05 a.m.

**Review and Recommendation to approve Finance Committee Meeting Minutes  
February 7, 2022**

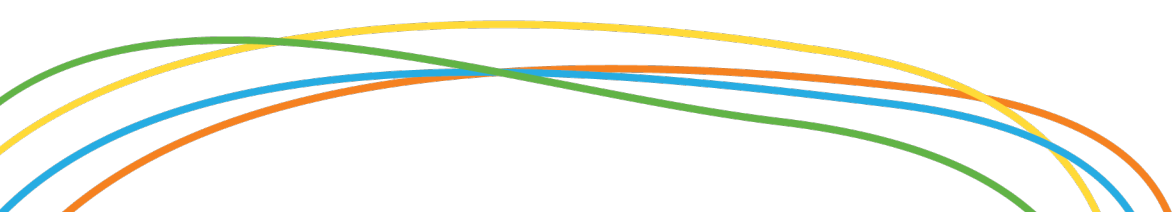
Walker called for approval of the February 7, 2022, minutes.

**Motion made to approve the February 7, 2022, Finance Committee meeting minutes by Carter-Adams, seconded by Gennaria and unanimously approved.**

Russell asked Gratza to present the following:

**February 2022 Cash Flow Update (KEB)**

Gratza reported on the February 2022 cash flow update included in the Board packets, which represents actual financial activity through February and projected March through December; hotel/motel cash receipts received in February; highlighted cash position for the end of February; payroll - as info presented in current cash flow represents known employees, and additional positions still need to be completed. Gratza noted that he anticipates the year will end with a strong cash position.



## **FY21 Audit Presented by Armanino, LLP**

Janet Ramey, Engagement Partner at Armanino, introduced the Armanino team including Chelsea Winsor, manager, and Jesseca Lowe, non-for-profit specialist. Ramey noted RAC team has been very responsive and highlighted the following: (1) financial statements – noted opinion has changed from the past now issued on the first page and unmodified as in previous years; reminded Brown Smith Wallace merged with Armanino in August 2021– encouraged reading management’s discussion and analysis which addresses impact of COVID; accounts receivables; income statement; and grant awards. Ramey then asked Winsor to present audit highlights.

Winsor highlighted results of the following: (1) the engagement – kudos to KEB and the RAC Team for their cooperation and responsiveness; special kudos to Cooksey for taking a “deep dive” and ownership of the information contained in the financial statements; (2) highlights of required communications with no significant deficiencies or advisory comments – additional kudos to KEB and the RAC Team; no material weaknesses, significant difficulties or adjustments; (3) financial analysis – which also included graphs of expenses by purpose, revenue analysis, 5-year trend of current ratio; and (4) new accounting and reporting considerations.

Carter-Adams expressed appreciation of graphs and charts around sunset guidelines and percentages for remaining within thresholds.

Russell called for a motion to approve the FY21 Audit for presentation to the Full Commission at its March 10<sup>th</sup> meeting.

**Motion made by Gennaria to present the FY21 Audit at the March 10<sup>th</sup> Board meeting, seconded by Carter-Adams and unanimously approved.**

Russell extended appreciation to KEB and RAC Team for their great work toward ensuring a clean audit; thanked Armanino for the FY21 Audit report.

Armanino left the meeting.

Russell asked Gratza to present update on the FY21 990 report.

## **FY21 990 Update (KEB)**

Gratza noted that Armanino will prepare the FY21 990; due May 15<sup>th</sup>; he (Gratza) and Donovan will review and ensure completion by deadline.

Russell asked Cooksey to present on diversifying RAC's revenue.

## **Diversifying RAC's Revenue (Cooksey)**

Cooksey presented the following: (1) background and highlights of recent meetings with Explore St. Louis; reminded 94-99% of RAC's revenue comes from hotel/motel sales tax earned in STL City and STL County; on track to receive full recovery by 2025; although still not at pre-pandemic levels; other political and environmental threats; (2) objective of diversifying RAC's revenue; (3) existing opportunities based on work plan approved by this committee and the full Board; (4) endowment income; (5) producing partner 2022 – evolving RAC's role as investor in its sector; and (6) retail sponsored cause-marketing 2023 as a key revenue opportunity and offering consumers the opportunity to opt-in. Cooksey noted that next steps will include legal and financial due diligence, revenue modeling and market research and create a more detailed execution timeline.

## **Open Discussion**

Comments made regarding the presentation as a great report; the opportunity to grant additional funding; securing talent; endowment percentages as it relates to salary.

## **Adjournment**

Russell reminded that next full Board meeting will be on March 10th. Motion made by Carter Adams, unanimously approved to adjourn the March 7th Finance Committee at 10 a.m.

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

## **Attachments**

- Finance Committee Meeting Minutes, February 7, 2022
- February Cash Flow Spreadsheet
- FY21 Audit