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REGIONAL ARTS
COMMISSION OF ST. LOUIS



**Regional Arts Commission
Finance Committee Minutes - DRAFT
May 10, 2021 @ 9:00AM via ZOOM**



Attendees:

John Russell, Jerry Gennaria, Mont Levy

Staff: Vanessa Cooksey, Rita Dillard, Chloe Smith

Other: Rick Gratza (KEB), Lea Sutherlin (Admin Consultant)

Call to order: Russell called meeting to order at 9:00 a.m.

**Review and Recommendation to approve Finance Committee Meeting Minutes
April 5, 2021**

Motion made to approve the April 5, 2021, Finance Committee meeting minutes by Levy, seconded by Gennaria and unanimously approved.

Updated Cash Flow (Gratza, KEB)

Russell asked Gratza to present updated cash flow projections.



Gratza: Presented actuals through April 2021 – \$1,580,000 compared to original anticipated cash flow of \$1.2M which is \$300K higher than projected; hotel/motel \$86,000 less than anticipated - more than offset by fewer expenses through April; will catch up by end of the year.

Open Q & A session followed Gratza presentation. Meeting attendees asked several questions regarding/clarifying the information that was presented.

Discussion held regarding contingency may be needed in paying out grants in June and maintaining the current allocated amount 20% general operating support and 40% program support depending on May revenue amounts.

Q1'21 Management Report (Gratza, KEB)

Russell asked Gratza to present the Q1'21 Management Report.

Gratza reviewed the Q1'21 MR; among highlights - statement of financial position, snapshot of assets and liabilities; March 31, 2021 compared to March 31, 2020 - both assets and accounts receivables decreased from prior year resulting from of COVID-19; capital assets increased by \$55K due to prior year improvements – roof and HVAC system offset by depreciation expense; liabilities accounts payable/grants payables decreased; PPP loan proceeds in second round; needs to do analysis to decide eight (8) week or 24 week covered period is more advantageous for RAC; payments won't begin until next year, five years, 1%; ERC will help offset at \$65K.

Discussion held regarding reduction in staff and severance payments allowable/forgiven as part of the PPP loan.

Gratza continued report; among highlights - compensation payable increased approximately \$30K; bank loan for HVAC increased by \$69K; portion of net position not expendable; unrestricted can be spent at Board discretion.

Discussion held regarding internal policy, fund development and increased revenue compliance; and strategic conversations needed by the full Commission regarding revenue and expenses; plan needed within next 60 days.

Action item: Cooksey and Gratza will do analysis and discuss further at June meeting(s); will track on quarterly basis.

Action item: Russell requested that Cooksey send policy to this committee.

Discussion held regarding increased income, expenses, paying out grants, and need for two (2) urgent staff hires.

Gratza continued report; among highlights – comparison of revenue and expenses 2021 compared to 2020; both have decreased from the prior year; increase in net position; compared budget to actual; reminder on revenue recognition – look at total budgeted revenue for the year of hotel/motel taxes, divide by 12 and recognize 1/12 each month; salaries and budget are over budget due to severance payments and PTO; professional fees under budget - will catch up by end of year and expenses will increase; contributions under budget by approximately \$25K as Board committed to fundraising goal of \$100K; miscellaneous under budget \$36K; ended quarter with increase of net income of \$284K compared to budgeted income of \$310K.

Gratza continued report; among highlights - schedule of expenses by program and administrative expenses; schedule of tax receipts – compared to last year actual receipts were under budget by approximately \$4.2M; and scheduled key ratios.

Levy asked for clarity regarding the 2021 schedule of key ratios, and whether those represent the year-to-date projected forward, based on March 31st.

Gratza responded the numbers are calculated based on numbers as of March 31st prior to displacements.

Review Form 990 for Approval (Cooksey)

Russell asked Cooksey to review Form 990.

Cooksey reviewed Form 990; among highlights – items found in schedules A and B – recognition of revenue \$209K recognized as revenue for 2020, and revenue from tax collections from Conventions and Visitor’s Bureau as primary contributions, which is different in 2020 from 2019; change will be made in “list of team members” - adjustment will be made to reflect Levy’s hours as chair to eight (8) hours per week; filing deadline is May 17th, will present to full Commission at its May 13th for approval for Brown, Smith & Wallace to submit; will need to discuss in the future, how lobbying activities will be reported for the 2021 Form 990; will make any needed minor adjustments and include in Board packet.

Open Discussion

Discussion held regarding anticipated adjustments to Explore St. Louis forecast.

Cooksey shared overview of St. Louis Explore Partner Connection PPT.

Action item: Levy requested a cash flow analysis for the remainder of 2021 that prepares Commissioners for FY’22 budget; a new approach to spend available dollars where needed most.

Discussion held regarding need to add additional commissioners to this committee.

Russell adjourned the May 10th Finance Committee at 9:57 a.m.

Submitted by Lea Sutherlin
Administrative Consultant

Attachments

Finance Committee Minutes, April 5, 2021
Cash Flow Spreadsheet
Q1'21 Management Report
Review Form 990