



FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Regional Cultural and Performing Arts Development
Commission

Opinion

We have audited the accompanying financial statements of Regional Cultural and Performing Arts Development Commission (the "Commission"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regional Cultural and Performing Arts Development Commission as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Regional Cultural and Performing Arts Development Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Regional Cultural and Performing Arts Development Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Regional Cultural and Performing Arts Development Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Regional Cultural and Performing Arts Development Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 - 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on pages 33 - 35 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



St. Louis, Missouri

March 24, 2025

Regional Cultural and Performing Arts Development Commission

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Management's discussion and analysis of Regional Cultural and Performing Arts Development Commission's financial performance provides an overview of the Commission's financial activities for the years ended December 31, 2024 and 2023. The management's discussion and analysis should not be taken as a replacement for the financial statements but should be read in conjunction with them to enhance understanding of the Commission's financial performance.

Financial Statements

The Commission presents its annual financial statements in accordance with the effective pronouncements issued by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing accounting principles generally accepted in the United States of America (GAAP) for state and local governments.

Financial Highlights

- The Commission's revenue from the Hotel/Motel tax increased by 2.5% in 2024 and increased by 4% in 2023.
- Total operating revenues increased by 26% in 2024 and increased by 50% in 2023.
- Current assets decreased by 36% in 2024 and increased by 128% in 2023.
- Current liabilities decreased by 86% in 2024 and increased by 4,132% in 2023.
- Net position increased by 25% in 2024 and decreased by 13% in 2023.

Required Financial Statements

The financial statements presented by the management of the Commission include Statements of Net Position – Proprietary Funds, Statements of Revenues, Expenses and Changes in Net Position – Proprietary Funds and Statements of Cash Flows – Proprietary Funds. The statements are prepared using the accrual basis of accounting. This method of accounting recognizes revenues at the time they are earned and expenses when the related liability is incurred.

The Statements of Net Position – Proprietary Funds summarize the financial position of the Commission as of December 31. These statements are a snapshot of the Commission's current and other assets as well as capital assets, long-term and other liabilities. These statements also show any restriction on the Commission's net position. The Statements of Revenues, Expenses and Changes in Net Position – Proprietary Funds summarize calendar year revenues and expenses. The Statements of Cash Flows – Proprietary Funds account for the net change in cash and cash equivalents resulting from operating activities, non-capital financing activities, capital and related financing activities and investment activities. These statements assist the user in determining the sources of cash coming into the Commission, the items for which cash was expended, and the beginning and ending cash balances.

Regional Cultural and Performing Arts Development Commission
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

Table 1
Condensed Statements of Net Position
December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 8,563,872	\$ 13,296,435	\$ 5,821,067
Noncurrent assets	678,885	418,687	1,915,330
Total assets	\$ 9,242,757	\$ 13,715,122	\$ 7,736,397
Current liabilities	\$ 987,535	\$ 7,140,545	\$ 157,368
Noncurrent liabilities	302,362	196,619	218,021
Total liabilities	1,289,897	7,337,164	375,389
Net position			
Net investment in capital assets	215,785	220,951	1,870,088
Restricted	6,898	-	-
Unrestricted	7,730,177	6,157,007	5,490,920
Total net position	7,952,860	6,377,958	7,361,008
Total liabilities and net position	\$ 9,242,757	\$ 13,715,122	\$ 7,736,397

Current assets decreased \$4,732,563 from 2023 to 2024, a decrease of 36% due to the disbursement of the American Recovery Plan Act (ARPA) grants. Current assets increased \$7,475,368 from 2022 to 2023, due to moderate increases in hotel/motel tax revenue, the reclassification of the Commission’s land and building as property held for sale and the receipt of the American Recovery Plan Act (ARPA) funds totaling \$10,494,000.

Noncurrent assets increased \$260,198 from 2023 to 2024 due to the capitalization of a new office lease and multi-year IT subscription services. Noncurrent assets decreased by \$1,496,643 from 2022 to 2023 due to routine depreciation on capital assets and the reclassification of the Commission’s land and building as property held for sale, partially offset by the purchase of security equipment for the Delmar building, equipment for the ARPA Immersive project and capitalization of a new office lease.

Current liabilities decreased \$6,153,010 from 2023 to 2024 due to the disbursement of the ARPA grants. Current liabilities increased \$6,983,177 from 2022 to 2023 due to the receipt of the ARPA funds to be distributed in the subsequent three years.

Noncurrent liabilities increased by \$108,743 from 2023 to 2024 due to the capitalization of a new office lease and multi-year IT subscription agreements offset by annual principal payments. Noncurrent liabilities decreased by \$21,402 from 2022 to 2023 due to the annual principal payments and the forgiveness of \$110,136 of the PPP loan, partially offset by the incurrence of debt to fund the ARPA Immersive equipment and an office lease liability.

Regional Cultural and Performing Arts Development Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position
Year ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenue			
Hotel/motel tax revenue	\$ 7,523,411	\$ 7,340,164	\$ 7,075,939
Contributions and other revenue	6,258,567	3,586,243	205,854
	<u>13,781,978</u>	<u>10,926,407</u>	<u>7,281,793</u>
Operating expenses			
Grants	4,685,130	6,136,061	1,943,286
ARPA	6,281,155	3,607,633	-
Capacity Building	-	15,582	32,651
Cultural Tourism	767,458	777,786	93,218
Cultural Resource Center	-	222,331	336,285
CAT Institute	117,313	109,479	61,523
General Public Art	101,451	9,868	22,638
Gyo Obata Fellowship	28,461	110,614	70,695
Strat Plan, Advocate, Partner Catalyst	98,197	307,788	364,367
Research and Evaluation	299,967	-	-
Artist INC M-AAA	75,172	-	-
Growth and development	193,961	-	-
Administrative expenses	828,927	1,158,701	906,726
	<u>13,477,192</u>	<u>12,455,843</u>	<u>3,831,389</u>
Operating income (loss)	304,786	(1,529,436)	3,450,404
Nonoperating revenue (expenses)	<u>1,270,116</u>	<u>546,386</u>	<u>119,483</u>
CHANGE IN NET POSITION	1,574,902	(983,050)	3,569,887
Net position at beginning of year	<u>6,377,958</u>	<u>7,361,008</u>	<u>3,791,121</u>
Net position at end of year	<u>\$ 7,952,860</u>	<u>\$ 6,377,958</u>	<u>\$ 7,361,008</u>

Regional Cultural and Performing Arts Development Commission
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

Operating revenues increased in 2024 by \$2,855,571 or 26% due to the recognition of a portion of the ARPA funds disbursed and an anonymous donation. In 2023, operating revenues increased by \$3,644,614 or 50% due to an increase in hotel/motel tax revenue and the receipt of ARPA funds partially offset by the reduced rental income from the Loop East Community Improvement District.

Operating expenses increased by \$1,021,349 or 8% from 2023 to 2024 due to the distribution ARPA grants as well as increases Growth and Development and Research and Evaluation, as a new program. These increases were partially offset by the decrease in grants awarded in 2024 as well as decreases in Strategic Plan, Advocate and Partner Catalyst and Administrative expenses. In 2023 operating expenses increased by \$8,624,454 or 225% from 2022 to 2023 due to the distribution of the increased grants awarded in 2023 including ARPA grants of \$3,498,534. Cultural Tourism also significantly increased due to an increase in marketing, advertising and sponsorships.

Capital Assets and Long-Term Debt

Capital Assets

The Commission’s investment in capital assets includes furniture and fixtures, right of use leases and subscriptions and digital media. As of December 31, 2024, the Commission had \$678,885 invested in capital assets, net of depreciation, as shown in the following table:

Table 3
 Capital Assets (net of depreciation)
 December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Land	\$ -	\$ -	\$ 135,214
Construction in progress	321,353	321,353	-
Building	-	-	1,476,447
Building improvements	-	-	211,248
Furniture and fixtures	-	17,010	20,094
Digital media	9,448	40,887	72,327
Intangible assets	348,084	39,437	-
	<hr/>	<hr/>	<hr/>
Capital assets, net	<u>\$ 678,885</u>	<u>\$ 418,687</u>	<u>\$ 1,915,330</u>

The increase in 2024 is due to the capitalization of right-of-use office lease and multi-year IT subscriptions offset by the routine depreciation of capital assets. The decrease in 2023 is due to reclassification of land and building to property held for sale and the routine depreciation of the capital assets over their useful lives offset by the acquisition of security and immersion equipment and capitalization of the new office lease.

Regional Cultural and Performing Arts Development Commission
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

Long-Term Debt

In 2020, the Commission executed a bank loan to finance a HVAC system. The loan was payable over sixty months and at an interest rate of 3.25%. In 2023, this loan was paid in full.

In 2021, the Commission executed a second Payroll Protection Program loan. In 2023, \$110,136 was forgiven and the unforgiven balance was paid in full in 2024.

In 2023, the Commission executed a bank loan to finance the partial payment of the ARPA Immersive equipment purchase. The loan is payable over sixty months at a variable rate tied to the Secured Overnight Financing Rate (SOFR). As of December 2024, the rate was 7.13%.

During 2023, the Commission entered into a lease agreement for office and event space at the City Foundry location. The current terms of the lease are monthly rent payments of \$2,500 per month through May 2025. At December 31, 2024, the value of the lease liability was \$12,254. In 2024, the Commission entered into a lease agreement for offices on the Cortex Innovation District campus through November 2026. The current terms of the lease are monthly rent payments on a sliding scale starting at \$11,000 per month through May 2025, then \$12,125 through November 2025, and finally \$13,250 through November 2026. The current value of the lease liability at December 31, 2024 was \$267,874.

During 2023, the Commission entered into two subscription - based information technology agreements. The agreements require annual payments of \$29,943 through July 2026 and \$5,500 through January 2025. In 2024, the Commission entered into a third subscription-based information technology agreement with annual payments of \$5,500 through September 2025. The current value of the liability for the subscription-based information technology agreements at December 2024 was \$52,983.

Long-term debt was as follows:

Table 4
 Outstanding Debt
 December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Compensated absences	\$ 38,226	\$ 16,917	\$ 11,745
HVAC loan	-	-	45,242
PPP loan	-	68,630	202,522
ARPA Immersive loan	129,989	157,663	-
Lease liability	280,128	40,073	-
Subscription liability	52,983	-	-
	<u>\$ 501,326</u>	<u>\$ 283,283</u>	<u>\$ 259,509</u>

Regional Cultural and Performing Arts Development Commission MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

Economic Factors and Next Year’s Budget

Primarily funded by hotel/motel tax earned in St. Louis City and St. Louis County, RAC saw a 1% increase in revenue over FY23 (\$7.3MM v. \$7.2MM) and a 10% increase compared to FY19 (\$7.3MM vs. \$6.7MM). This is up from a 47% revenue loss in 2020 due to the impacts of the COVID-19 pandemic. FY22 was the first year RAC saw an increase in revenue compared to FY19. Increases in leisure travel and a slight increase in business travel supported the 1% increase in FY24 revenues. Convention bookings were well below prior years, directly impacting occupancy and REVPAR. Serving as the largest public funder of arts and culture in the St. Louis region, RAC worked to diversify its revenues in FY24 to meet a 164% YOY increase in grant applications received from local artists and a 280% YOY increase in grant applications received from arts organizations. RAC was able to have a positive impact on the sector’s recovery by distributing a one-time, pass-through allocation of federal funding through its ARPA for the Arts grant programs received in FY22 and fully distributed in FY24. Recognizing continued economic challenges at the local and national level, RAC engaged in a year-long planning process, engaging board and staff to develop a new 10-year Theory of Change to guide the organization’s resource allocation and measure its impact.

The arts and culture sector is not a stagnant monolith but rather a fluid and dynamic ecosystem. Despite ongoing challenges, artists and arts & culture organizations continue to contribute to the state and local economies. RAC will celebrate its 40th Anniversary in FY25. The organization will mark this significant milestone with a special community event and a series of communications initiatives highlighting its accomplishments over the years. Management anticipates a modest 5% increase in hotel/motel tax revenue in FY25 and has budgeted operating expenses flat to FY24 except for a special budget to cover the costs of the 40th Anniversary projects. RAC will announce the programs and policies associated with the new Theory of Change in late summer/early fall of FY25 with the plan to begin implementation in FY26.

Contacting Regional Cultural and Performing Arts Development Commission’s Management

Questions regarding any of the information provided in this report or requests for additional information should be addressed to the President and Chief Executive Officer, Regional Cultural and Performing Arts Development Commission, 4220 Duncan Ave., Saint Louis, Missouri 63110 or emailed to info@racstl.org.

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF NET POSITION – PROPRIETARY FUNDS
Year ended December 31, 2024

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,796,272	\$ -	\$ 4,796,272
Investments	2,069,751	-	2,069,751
Accounts receivable			
Hotel/motel room sales tax	1,663,587	-	1,663,587
Prepaid expenses and other assets	34,262	-	34,262
Total current assets	8,563,872	-	8,563,872
Noncurrent assets			
Capital assets			
Nondepreciable capital assets	321,353	-	321,353
Depreciable capital assets, net	357,532	-	357,532
Total noncurrent assets	678,885	-	678,885
Total assets	\$ 9,242,757	\$ -	\$ 9,242,757
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	\$ 74,253	\$ -	\$ 74,253
Unearned revenue	649,190	-	649,190
Compensation and payroll taxes payable	65,128	-	65,128
Bank loans, current portion	29,673	-	29,673
Lease liability, current portion	138,486	-	138,486
Subscription liability, current portion	30,805	-	30,805
Total current liabilities	987,535	-	987,535
Noncurrent liabilities			
Compensated absences	38,226	-	38,226
Bank loans, less current portion	100,316	-	100,316
Lease liability, less current portion	141,642	-	141,642
Subscription liability, less current portion	22,178	-	22,178
Total noncurrent liabilities	302,362	-	302,362
Total liabilities	1,289,897	-	1,289,897
Net position			
Net investment in capital assets	215,785	-	215,785
Restricted net assets - Mural	6,898	-	6,898
Unrestricted	7,730,177	-	7,730,177
Total net position	7,952,860	-	7,952,860
Total liabilities and net position	\$ 9,242,757	\$ -	\$ 9,242,757

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF NET POSITION – PROPRIETARY FUNDS
Year ended December 31, 2023

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
ASSETS			
Current assets			
Cash and cash equivalents	9,839,731	\$ -	\$ 9,839,731
Accounts receivable			
Hotel/motel room sales tax	1,680,860	-	1,680,860
Prepaid expenses and other assets	40,024	-	40,024
Property held for sale	1,735,820	-	1,735,820
	<hr/>		
Total current assets	13,296,435	-	13,296,435
Noncurrent assets			
Capital assets			
Nondepreciable capital assets	321,353	-	321,353
Depreciable capital assets, net	97,334	-	97,334
	<hr/>		
Total noncurrent assets	418,687	-	418,687
	<hr/>		
Total assets	\$ 13,715,122	\$ -	\$ 13,715,122
<hr/>			
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	\$ 87,563	\$ -	\$ 87,563
Unearned revenue	6,907,757	-	6,907,757
Compensation and payroll taxes payable	58,561	-	58,561
Payroll Protection Program loan, current portion	31,491	-	31,491
Bank loans, current portion	27,354	-	27,354
Lease liability, current portion	27,819	-	27,819
	<hr/>		
Total current liabilities	7,140,545	-	7,140,545
Noncurrent liabilities			
Compensated absences	16,917	-	16,917
Payroll Protection Program loan, less current portion	37,139	-	37,139
Bank loans, less current portion	130,309	-	130,309
Lease liability, less current portion	12,254	-	12,254
	<hr/>		
Total noncurrent liabilities	196,619	-	196,619
	<hr/>		
Total liabilities	7,337,164	-	7,337,164
Net position			
Net investment in capital assets	220,951	-	220,951
Unrestricted	6,157,007	-	6,157,007
	<hr/>		
Total net position	6,377,958	-	6,377,958
	<hr/>		
Total liabilities and net position	\$ 13,715,122	\$ -	\$ 13,715,122
<hr/>			

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS
Year ended December 31, 2024

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Operating revenue			
Hotel/motel tax revenue	\$ 7,523,411	\$ -	\$ 7,523,411
ARPA grant	6,258,567	-	6,258,567
Total operating revenue	13,781,978	-	13,781,978
Operating expenses			
Grants			
Direct assistance			
General Operating Support	2,270,960	-	2,270,960
Program Support	295,200	-	295,200
Artist Support	1,029,933	-	1,029,933
Other grants	534,936	-	534,936
Other grant expenses	554,101	-	554,101
ARPA for the Arts			
Direct assistance			
General Operating Support	2,110,513	-	2,110,513
Program Support	2,970,000	-	2,970,000
Artist Support	885,510	-	885,510
Other expenses	315,132	-	315,132
Cultural Tourism Outreach and Marketing	767,458	-	767,458
Community Arts Training Institute (CAT)	117,313	-	117,313
General Public Art	101,451	-	101,451
Gyo Obata Fellowship	28,461	-	28,461
Strategic Plan, Advocate, Partner Catalyst Investments	98,197	-	98,197
Research and Evaluation	299,967	-	299,967
Artist INC M-AAA	75,172	-	75,172
Growth and development	193,961	-	193,961
Administrative expenses	828,927	-	828,927
Total operating expenses	13,477,192	-	13,477,192
Operating income	304,786	-	304,786
Nonoperating revenue (expenses)			
Contributions and grants	114,571	-	114,571
Investment income	358,285	-	358,285
Miscellaneous income	63,912	-	63,912
Interest expense	(15,299)	-	(15,299)
Gain on sale of asset	748,647	-	748,647
Total nonoperating revenue (expenses)	1,270,116	-	1,270,116
INCREASE IN NET POSITION	1,574,902	-	1,574,902
Net position at beginning of year	6,377,958	-	6,377,958
Net position at end of year	\$ 7,952,860	\$ -	\$ 7,952,860

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
Year ended December 31, 2023

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Operating revenue			
Hotel/motel tax revenue	\$ 7,340,164	\$ -	7,340,164
ARPA grant	3,586,243	-	3,586,243
Total operating revenue	10,926,407	-	10,926,407
Operating expenses			
Grants			
Direct assistance			
General Operating Support	1,629,369	-	1,629,369
Program Support	1,683,071	-	1,683,071
Artist Support	1,172,709	-	1,172,709
Other grants	729,852	-	729,852
Other expenses	920,115	945	921,060
ARPA for the Arts			
Direct assistance			
General Operating Support	1,000,000	-	1,000,000
Artist Support	2,498,534	-	2,498,534
Other expenses	109,099	-	109,099
Cultural Resource Center	206,508	15,823	222,331
Cultural Tourism Outreach and Marketing	777,786	-	777,786
Community Arts Training Institute (CAT)	109,243	236	109,479
General Public Art	9,868	-	9,868
Gyo Obata Fellowship	110,614	-	110,614
Capacity Building	15,110	472	15,582
Strategic Plan, Advocate, Partner Catalyst Investments	307,316	472	307,788
Administrative expenses	1,153,032	5,669	1,158,701
Total operating expenses	12,432,226	23,617	12,455,843
Operating loss	(1,505,819)	(23,617)	(1,529,436)
Nonoperating revenue (expenses)			
Contributions and grants	84,707	-	84,707
Interest income	309,857	-	309,857
Payroll Protection Program forgiveness	110,136	-	110,136
Miscellaneous income	46,002	-	46,002
Interest expense	(4,316)	-	(4,316)
Transfer of property	1,588,044	(1,588,044)	-
Total nonoperating revenue (expenses)	2,134,430	(1,588,044)	546,386
INCREASE (DECREASE) IN NET POSITION	628,611	(1,611,661)	(983,050)
Net position at beginning of year	5,749,347	1,611,661	7,361,008
Net position at end of year	\$ 6,377,958	\$ -	\$ 6,377,958

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2024

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Cash flows from operating activities			
Tax receipts from St. Louis City and County	\$ 7,540,684	\$ -	\$ 7,540,684
Grant payments	(10,247,052)	-	(10,247,052)
Payments to and for the benefit of employees	(1,739,739)	-	(1,739,739)
Payments to suppliers and vendors	(1,376,734)	-	(1,376,734)
Net cash used in operating activities	(5,822,841)	-	(5,822,841)
Cash flows from noncapital financing activities			
Contributions and grants received	114,571	-	114,571
Miscellaneous receipts	63,912	-	63,912
Net cash provided by noncapital financing activities	178,483	-	178,483
Cash flows from capital and related financing activities			
Proceeds from sale of asset	2,506,976	-	2,506,976
Principal payments on loans, lease liabilities and subscription liabilities	(179,313)	-	(179,313)
Interest paid	(15,299)	-	(15,299)
Net cash provided by capital and related financing activities	2,312,364	-	2,312,364
Cash flows from investing activities			
Purchase of investments	(2,512,379)	-	(2,512,379)
Sales of investments	513,000	-	513,000
Interest income	287,914	-	287,914
Net cash used in investing activities	(1,711,465)	-	(1,711,465)
INCREASE IN CASH AND CASH EQUIVALENTS	(5,043,459)	-	(5,043,459)
Cash and cash equivalents at beginning of year	9,839,731	-	9,839,731
Cash and cash equivalents at end of year	\$ 4,796,272	\$ -	\$ 4,796,272
Schedule of non-cash capital and related financing activities			
Lease and subscription liabilities arising from obtaining right-to-use leased office space and IT subscription agreements	\$ 367,047	\$ -	\$ 367,047

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2023

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 304,786	\$ -	\$ 304,786
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	93,339	-	93,339
(Increase) decrease in assets			
Hotel/motel room sales tax receivable	17,273	-	17,273
Prepaid expenses and other current assets	5,762	-	5,762
Increase (decrease) in liabilities			
Accounts payable	(13,310)	-	(13,310)
Unearned revenue	(6,258,567)	-	(6,258,567)
Compensation and payroll taxes payable	27,876	-	27,876
Net cash used in operating activities	<u>\$ (5,822,841)</u>	<u>\$ -</u>	<u>\$ (5,822,841)</u>

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2023

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Cash flows from operating activities			
Tax receipts from St. Louis City and County	\$ 7,283,882	\$ -	\$ 7,283,882
Contributions and grants received	10,494,000	-	10,494,000
Grant payments	(8,713,535)	-	(8,713,535)
Payments to and for the benefit of employees	(1,377,933)	-	(1,377,933)
Payments to suppliers and vendors	(2,190,763)	-	(2,190,763)
Net cash provided by operating activities	5,495,651	-	5,495,651
Cash flows from noncapital financing activities			
Contributions received	84,707	-	84,707
Miscellaneous receipts	46,002	-	46,002
Net cash provided by noncapital financing activities	130,709	-	130,709
Cash flows from capital and related financing activities			
Purchase of capital assets	(334,224)	-	(334,224)
Proceeds from issuance of debt	160,677	-	160,677
Principal payments on debt	(87,616)	-	(87,616)
Interest paid	(4,316)	-	(4,316)
Net cash used in capital and related financing activities	(265,479)	-	(265,479)
Cash flows from investing activities			
Interest income	309,857	-	309,857
INCREASE IN CASH AND CASH EQUIVALENTS	5,670,738	-	5,670,738
Cash and cash equivalents at beginning of year	4,168,995	-	4,168,995
Cash and cash equivalents at end of year	\$ 9,839,731	\$ -	\$ 9,839,731
Schedule of non-cash capital and related financing activities			
Lease liabilities arising from obtaining right-to-use leased office space	\$ 55,677	\$ -	\$ 55,677

Regional Cultural and Performing Arts Development Commission
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
Year ended December 31, 2023

(See Independent Auditors' Report)

	Enterprise Funds		
	Regional Cultural and Performing Arts Development Commission	Loop East Community Improvement District	Total
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (1,505,819)	\$ (23,617)	\$ (1,529,436)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	127,107	23,617	150,724
(Increase) decrease in assets			
Hotel/motel room sales tax receivable	(56,282)	-	(56,282)
Prepaid expenses and other current assets	(12,530)	-	(12,530)
Increase (decrease) in liabilities			
Accounts payable	5,281	-	5,281
Unearned revenue	6,907,757	-	6,907,757
Compensation and payroll taxes payable	30,137	-	30,137
Net cash provided by operating activities	<u>\$ 5,495,651</u>	<u>\$ -</u>	<u>\$ 5,495,651</u>

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

NOTE A | SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Nature of Entity

The Regional Cultural and Performing Arts Development Commission (the Commission) was incorporated on February 19, 1985, as a not-for-profit corporation under "The General Not-For-Profit Corporation Law of Missouri." The Commission was created in May of 1984 by passage of Senate Bill No. 709 which authorized the formation of a Regional Cultural and Performing Arts Development District in St. Louis City and County. The formation of the district was completed in November 1984, when the voters in St. Louis City and County approved, by a simple majority, the levy of a 3.75 percent hotel/motel tax, of which the Commission receives four-fifteenths.

The Commission is authorized to develop and implement plans, policies and programs to promote, encourage and foster the arts and cultural institutions in St. Louis City and County. The Commission's programs consist of the following:

Grants – Provides financial support for both nonprofit organizations and individual artists in St. Louis City and County.

ARPA for the Arts – A pass through grant from the City of St. Louis that provides American Rescue Plan Act (ARPA) money as revenue replacement, aid to tourism and hospitality and direct relief to the arts and cultural sector impacted during the COVID-19 pandemic. The Commission is maintaining the advance grant funds in an interest-bearing bank account. The interest received on these funds is being utilized for expenditures for this program and is included in the statements of revenues, expenses and changes in net positions-proprietary funds as such.

Cultural Resource Center - Provides meeting and event space for local nonprofit arts and other organizations, along with a gallery showcasing the work of local artists. The program terminated due the sale of the Commission's building.

Cultural Tourism Outreach & Marketing – Provides marketing and communications services to attract local, regional, national, and international visitors to experience arts and culture in St. Louis City and County.

Community Arts Training Institute (CAT) – A 16-week program of training, professional development, and networking for regional residents working at the intersection of art and community.

General Public Art – Implements Public Art Ordinance for the City of St. Louis and provides general public art grants for the creation and maintenances of public art in the St. Louis region.

Gyo Obata Fellowship – a 10-week summer fellowship at a hosting nonprofit arts organization for college undergraduates from underrepresented backgrounds pursuing careers in arts administration.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Capacity Building – Provides training and professional development opportunities for St. Louis-based nonprofit arts and culture organizations and individual artists. The program was completed and not renewed in 2024.

Strategic Plan, Advocate, Partner Catalyst Investments – Special grants to support the four pillars of the 2020-2024 Strategic Plan: (1) Capacity Building for Artists and Arts Organizations, (2) Arts Education, (3) DEI Leadership and (4) Organizational Infrastructure. The strategic plan was created in partnership with the residents of the St. Louis region.

Research and Evaluation – The Research and Evaluation Department (RED), led by a Research and Evaluation Manager (REM), leads projects that support data-informed strategic planning and routine decision making at the enterprise level. The key functions of the RED include Research and Evaluation Management and Administration, Data Analysis and Reporting and Community and Industry Engagement. The Research and Evaluation Manager works independently and as a member of the Growth & Development team to plan and execute research and evaluation projects, including collecting, compiling, validating, analyzing, and communicating data. The REM executes research initiatives, including the Arts and Economic Prosperity Study, Creatives Count, and the Arts & Health Symposium. The Research and Evaluation Manager ensures RAC delivers actionable research and evaluation that informs, guides, and influences the arts and culture sector’s best practices and policies.

Artist INC M-AAA – A cutting-edge professional development program that empowers artists to take control of their careers. Artist INC addresses the specific business needs and challenges artists of all disciplines face every day. In its full iteration, Artist INC Live, participants gather for one night a week for eight weeks to learn business skills specific to their art practice and how to apply those skills cooperatively with their peers. Using a groundbreaking class design, artists learn and grow together through artist facilitator mentoring, small group application activities, as well as large group discussion and multi-media workshops.

The Commission is limited to spending no more than fifteen percent of annual revenues on administrative costs and is prohibited from directly funding the institutions who are members of the Zoo Museum District. The Commission spent 7% of annual revenues on administrative costs, including growth and development expense, in 2024 and 10% in 2023.

The Board of Commissioners consists of fifteen members, each appointed for a four year term. The Mayor of the City of St. Louis appoints seven Commissioners and the St. Louis County Executive appoints eight Commissioners.

The Commission’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Commission are discussed below.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Reporting Entity

These financial statements present the Commission (the primary government) and its component unit, the Loop East Community Improvement District. As defined by generally accepted accounting principles, component units are legally separate entities that are included in the Commission's reporting entity because of the significance of their operating or financial relationships with the Commission.

The Loop East Community Improvement District (the District) is a legally separate political subdivision of the State of Missouri. The District was formed on April 1, 2002 pursuant to the Community Improvement District Act of the Revised Statutes of the State of Missouri. The District is governed by a five member Board of Directors and has an existence of 25 years. It was formed to acquire and improve property located in the City of St. Louis nearly adjacent to the downtown business district of University City, Missouri. In connection therewith, the District entered into a lease purchase agreement with the Commission to acquire, construct, and equip a building to serve as the headquarters of the Commission. Although legally separate, the District is blended as an enterprise fund into the primary government. Separate financial statements for the District are not published.

During 2023, the District transferred title of the building at 6128 Delmar Boulevard to the Commission to facilitate the sale of the building.

Basis of Presentation

The accounts of the Commission are organized and operated on a basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and managerial requirements.

The funds of the Commission are described as follows:

Proprietary Funds

Regional Cultural and Performing Arts Development Commission

An enterprise fund is used to account for all of the Commission's activities including the collection of tax monies received from the City of St. Louis and from St. Louis County and for the expenses of operating the Commission.

Loop East Community Improvement District

An enterprise fund is used to account for all of the District's activities, which include collecting rents from the Commission and servicing the bonded debt.

**Regional Cultural and Performing Arts
Development Commission**
NOTES TO THE FINANCIAL STATEMENTS

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The financial statements are prepared using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position, financial position and cash flows. All assets and liabilities, whether current or noncurrent, are reported.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic assets are used.

Cash and Cash Equivalents

The Commission's policy is to invest cash in excess of operating requirements in income producing investments. The Commission considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Sales Taxes

The Commission receives the majority of its revenue from four-fifteenths of a 3.75% tax on hotel/motel room sales in St. Louis City and County. Taxes are collected by St. Louis City and County and remitted to the St. Louis Convention and Visitors Commission, which in turn remits four-fifteenths of the collected amount to the Commission. Sales tax revenue is recognized in the year the tax is collected by the hotels and motels. Taxes receivable consists primarily of taxes collected in the fourth quarter of each year that are received by the Commission in the first quarter of the following year. Taxes receivable are considered fully collectible.

Capital Assets and Depreciation

Capital assets are recorded at cost. Currently, the Commission capitalizes any fixed asset addition with a cost of \$5,000 or more and a useful life greater than two years. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis as follows:

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

	<u>Years</u>
Building	40
Improvements	5 - 35
Furniture and fixtures	3 - 10
Digital media	5

PPP Loan and Forgiveness of Debt Income

During 2021, the Commission applied for and was awarded a loan in the amount of \$202,522 under the Paycheck Protection Program “PPP”. The Commission initially recorded the proceeds received as financing activities and the loan as a liability until the Commission was legally released from the obligation to repay the loan. After incurring qualifying expenses, the Organization was released from requirements to pay back a portion of the loan in the amount of \$110,136. In 2023, the loan forgiveness was recorded as revenue on the statement of revenues, expenses and changes in net position. In 2024, the remaining balance was paid in full.

Leases and IT Subscription Agreements

The Commission is a lessee for noncancellable leases of office space. The Commission also utilizes information technology (IT) software under long-term subscription agreements. The Commission recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset in the financial statements. The Commission recognizes lease and subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease or IT subscription agreement, the Commission initially measures the lease/subscription liability at the present value of payments expected to be made during the lease/subscription term. Subsequently, the lease/subscription liability is reduced by the principal portion of lease/subscription payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for lease/subscription payments made at or before the lease/subscription commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases/subscriptions include how the Commission determines (1) the discount rate it uses to discount the expected lease/subscription payments to present value, (2) lease/subscription term, and (3) lease/subscription payments.

- The Commission uses the interest rate charged by the lessor/subscription provider as the discount rate. When the interest rate charged by the lessor/subscription provider is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases/subscriptions.
- The lease/subscription term includes the noncancellable period of the lease/subscription. Lease/subscription payments included in the measurement of the lease/subscription liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

The Commission monitors changes in circumstances that would require a remeasurement of its lease/subscription and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position

Equity Classifications

Fund equity is classified as net position and displayed in three components. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction or improvement of those capital assets. Net position is reported as restricted when there are constraints imposed on their use either through enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments. All other net position that does not meet the definition of restricted or net investment in capital assets is reported as unrestricted. The Commission first utilizes restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Operating Revenue and Expenses

Revenues and expenses are divided into operating and nonoperating items. Operating revenues generally result from providing services in connection with the Commission's principal ongoing operations. The primary operating revenues are hotel/motel sales tax revenues and contributions and grants which contributors or grantors have restricted for program related activities. Other revenues, such as unrestricted contributions and interest income, are not generated from operations and are considered to be nonoperating revenues. Operating expenses primarily include grants to not-for-profit organizations which produce or present arts or cultural programs and other programs and administrative expenses. Other expenses, such as interest expense on debt, are considered to be nonoperating.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of revenues, expenses and changes in net position – proprietary funds. Accordingly, certain costs have been allocated among the program(s) and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include depreciation and amortization, facility maintenance, rents, utilities, insurance, travel, convention and seminar, and meetings, delivery and office services, which are allocated on a square footage basis, as well as salaries and benefits, staff professional development, and interest expense which are allocated on the basis of estimates of time and effort.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Income Tax Status

The Commission qualifies as a charitable organization as defined by Internal Revenue Code 501(c)(3), and accordingly it is exempt from Federal income taxes under Internal Revenue Code Section 501(a) and similar provisions of state law. The Commission files federal information returns. The statutes of limitations for these returns are generally subject to examination by the Internal Revenue Service for three years from the date they are filed. In that regard, the Commission has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings and believes that no provision for income taxes is necessary, at this time, to cover any uncertain tax positions.

Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing the financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through March 24, 2025, the date the financial statements were available to be issued.

Reclassifications

Certain reclassification have been made to the 2023 financial statements to conform to the 2024 financial statement presentation.

NOTE B | CASH AND INVESTMENTS

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2024 and 2023, the entire bank balance was covered by federal depository insurance, along with collateralization to cover the balance exceeding the insurance coverage.

Investments

The Commission may purchase any investments allowed by the State Treasurer. Investments held at December 31, 2024, and reported at fair value, are as follows:

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Type	Fair Value	Investment Maturities	
		0 to 1 year	1 to 3 years
U.S. Treasury notes	2,069,751	\$ 1,038,869	\$ 1,030,882

Custodial Credit Risk – Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Commission or its agent but not in the government’s name. All investments, evidenced by individual securities, are registered in the name of the Commission or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk – the Commission minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. Investments in banker’s acceptances shall mature in no more than 180 days from purchase date and U.S. Government agency securities, other than discount notes, shall mature and become payable in no more than five (5) years from purchase date. Discount notes shall mature in no more than one year. Maturities of investments held at December 31, 2024, are provided in the schedule above.

Investment Credit Risk – The Commission has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by pre-qualifying the institution with which the Commission will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized. At December 31, 2024, the Commission’s investments in U.S. Treasury notes were rated AAA.

Concentration of Investment Credit Risk – As a means of limiting its exposure to losses arising from concentration of investments, the Commission’s investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer or specific class of securities. At a minimum, diversification standards by security type and issuer are established as: (a) U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. Government, 100% (b) collateralized time and demand deposits, 100% (c) U. S. Government agencies, instrumentalities, and government sponsored enterprises, not more than 70% (d) collateralized repurchase agreements, no more than 75%; (e) U.S. Government agency callable securities, no more than 50%; (f) commercial paper and bankers’ acceptances, no more than 75%.

NOTE C | CAPITAL ASSETS

In 2023, the property located on Delmar Boulevard in St. Louis was transferred from East Loop Community Improvement District to the Commission to facilitate the sale of the building. The net book value of the property was transferred from capital assets to property held for sale as of December 31, 2023.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance at January 1, 2024	Additions	Reclassifications and Deletions	Balance at December 31, 2024
Non-depreciable capital assets				
Construction in progress	\$ 321,353	\$ -	\$ -	\$ 321,353
Depreciable capital assets				
Furniture and fixtures	188,729	-	(188,729)	-
Digital media	157,196	-	-	157,196
Intangible assets				
IT subscription agreements	-	97,173	-	97,173
Right-to-use leased office space	55,677	278,874	-	334,551
Total capital assets	401,602	376,047	(188,729)	588,920
Less accumulated depreciation for:				
Furniture and fixtures	(171,719)	-	171,719	-
Digital media	(116,309)	(31,439)	-	(147,748)
Intangible assets				
IT subscription agreements	-	(27,940)	-	(27,940)
Right-to-use leased office space	(16,240)	(39,460)	-	(55,700)
Total accumulated depreciation	(304,268)	(98,839)	171,719	(231,388)
Depreciable capital assets, net	97,334	277,208	(17,010)	357,532
Total capital assets, net	\$ 418,687	\$ 277,208	\$ (17,010)	\$ 678,885

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

Capital asset activity for the year ended March 20, 2025 was as follows:

	Balance at January 1, 2023	Additions	Reclassification and Deletions	Balance at December 31, 2023
Non-depreciable capital assets				
Land	\$ 135,214	\$ -	\$ (135,214)	\$ -
Construction in progress	-	321,353	-	321,353
	<u>135,214</u>	<u>321,353</u>	<u>(135,214)</u>	<u>321,353</u>
Depreciable capital assets				
Building	2,856,609	9,386	(2,865,996)	-
Building improvements	359,521	3,485	(363,006)	-
Furniture and fixtures	188,730	-	-	188,729
Digital media	157,196	-	-	157,196
Intangible assets				
Right-to-use leased office space	-	55,677	-	55,677
Total depreciable capital assets	<u>3,562,056</u>	<u>68,548</u>	<u>(3,229,002)</u>	<u>401,602</u>
Less accumulated depreciation for:				
Building	(1,380,162)	(71,566)	1,451,728	-
Building improvements	(148,273)	(28,395)	176,668	-
Furniture and fixtures	(168,636)	(3,083)	-	(171,719)
Digital media	(84,869)	(31,440)	-	(116,309)
Intangible assets				
Right-to-use leased office space	-	(16,240)	-	(16,240)
Total accumulated depreciation	<u>(1,781,940)</u>	<u>(150,724)</u>	<u>1,628,396</u>	<u>(304,268)</u>
Depreciable capital assets, net	<u>1,780,116</u>	<u>(82,176)</u>	<u>(1,600,606)</u>	<u>97,334</u>
Total capital assets, net	<u>\$ 1,915,330</u>	<u>\$ 239,177</u>	<u>\$ (1,735,820)</u>	<u>\$ 418,687</u>

NOTE D | GRANT AWARDS

The Commission awarded the following grants:

General Operating Support – Organizational Grants provide one-year, unrestricted, and flexible grants to support the day-to-day operations or programs of nonprofit arts and culture mission-driven organizations that produce and present arts and culture programming in St. Louis city and county.

Program Support – Program Grants provide one-year program or project support grants to fiscally-sponsored programs and non-arts organizations in the production and/or presentation of artistic activities in St. Louis city or county.

Artists Support - Artist Support Grants serve as funding for the career advancement of individual artists. This grant provides funds for an individual artist’s projects, needs, or creative opportunities in all artistic disciplines.

ARPA – Monies received under the American Plan Rescue Act to organizations and individuals impacted from the financial hardships caused by the COVID-19 pandemic, administered in partnership with the St. Louis Community Development Administration.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

The Commission reports a liability at year end for unconditional grants awarded in the current year and paid in a subsequent year. No liability was reported at December 31, 2024 and 2023 as all grant awards were fully funded by year end.

NOTE E | PENSION PLAN

The Commission has an IRC 403(b) tax-deferred annuity program covering substantially all employees. The Commission determines an amount to contribute annually. Pension plan expense was \$48,419 and \$35,282 for the years ended December 31, 2024 and 2023, respectively.

NOTE F | DEBT

The following changes occurred in debt and other long-term liabilities for the year ended December 31, 2024:

	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024	Amount Due within One Year
Compensated absences	\$ 16,917	\$ 21,309	\$ -	\$ 38,226	\$ -
PPP loan	68,630	-	68,630	-	-
ARPA Immersive loan	157,663	-	27,674	129,989	29,673
Lease liability	40,073	278,874	38,819	280,128	138,486
Subscription liability	-	97,173	44,190	52,983	30,805
	<u>\$ 283,283</u>	<u>\$ 397,356</u>	<u>\$ 179,313</u>	<u>\$ 501,326</u>	<u>\$ 198,964</u>

The following changes occurred in debt and other long-term liabilities for the year ended December 31, 2023

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023	Amount Due within One Year
Compensated absences	\$ 11,745	\$ 5,172	\$ -	\$ 16,917	\$ -
HVAC Loan	45,242	-	45,242 #	-	-
PPP Loan	202,522	-	133,892	68,630	31,491
ARPA Immersive loan	-	160,677	3,014	157,663	27,354
Lease liability	-	55,677	15,604	40,073	27,819
	<u>\$ 259,509</u>	<u>\$ 221,526</u>	<u>\$ 197,752</u>	<u>\$ 283,283</u>	<u>\$ 86,664</u>

On October 27, 2020, the Commission entered into a bank loan in the amount of \$75,000 to finance the purchase and installation of a heating, ventilation, and air conditioning unit. The loan carried an interest rate of 3.25%. The loan was paid in full in 2023.

During 2021, the Commission applied for and was awarded a second loan in the amount of \$202,522 under the Payroll Protection Plan. The full amount of the loan is reported as a liability on the Statement of Net Position as of December 31, 2022. In 2023, \$110,136 of the loan was forgiven and the remaining balance is payable at an interest rate of 1% with a maturity date in 2026. The loan was paid in full in 2024.

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

On November 27, 2023 the Commission entered into a bank loan in the amount of \$160,677 to finance a portion of the ARPA Immersive equipment project. The loan requires sixty equal payments with a variable interest rate based on the CME Term SOFR Reference Rate Index. The interest rate at December 31, 2024 was 7.13%.

The annual requirements to amortize the outstanding balance as of December 31, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 29,673	\$ 9,466	\$ 39,139
2026	32,149	6,989	39,138
2027	34,832	4,306	39,139
2028	33,335	2,221	39,138
	<u>\$ 129,989</u>	<u>\$ 22,982</u>	<u>\$ 156,554</u>

NOTE G | RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance for all such risks of loss, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE H | LEASES

In 2023, the Commission entered into a lease agreement for the office and event space located at the City Foundry. The right-to-use leased office was recorded in the amount of \$55,677 and presented net of accumulated amortization of \$44,080 and \$16,240 at December 31, 2024 and 2023, respectively, in the statements of net position-proprietary funds and the value of the lease liability was \$12,254 and \$40,073 at December 31, 2024 and 2023, respectively. The Commission will make monthly payments of \$2,500 through May 2025.

In 2024, the Commission entered into a lease agreement for the office space located on the Cortex Innovation District campus. The right-to-use leased office was recorded in the amount of \$278,874 and presented net of accumulated of amortization of \$11,620 in the statement of net position-proprietary funds and the value of the lease liability was \$267,874 at December 31, 2024. The commission will make \$11,000 monthly payments through May 2025, then \$12,125 through November 2025, and finally \$13,250 through November 2026.

The future principal and interest payments as of December 31, 2024 were as follows:

	Principal	Interest	Total
2025	\$ 138,486	\$ 15,012	\$ 153,498
2026	141,642	4,985	146,627
	<u>\$ 280,128</u>	<u>\$ 19,997</u>	<u>\$ 300,125</u>

**Regional Cultural and Performing Arts
Development Commission
NOTES TO THE FINANCIAL STATEMENTS**

The Commission also leases parking spaces for its employees under month-to-month leasing arrangements.

NOTE I | SUBSCRIPTION - BASED INFORMATION TECHNOLOGY AGREEMENTS

The Commission is a party to three subscription-based information technology agreements. The right-to-use subscriptions were recorded in the amount of \$97,173 and presented net of accumulated amortization of \$27,940 in the statement of net position-proprietary funds as of December 2024, and the value of the subscription liability was \$52,983.

The future principal and interest payments as of December 31, 2024 were as follows:

	Principal	Interest	Total
2025	\$ 30,805	\$ 4,138	\$ 34,943
2026	22,178	1,766	23,944
	<u>\$ 52,983</u>	<u>\$ 5,904</u>	<u>\$ 58,887</u>

NOTE J | BUILDING SALE

In August 2023, the Commission entered into an agreement for the sale of the property on Delmar Boulevard for \$2,575,000. The cost of the land, building and building improvements net of accumulated depreciation was reclassified from capital assets to property held for sale on the statement of net position – proprietary funds at December 31, 2023. In March 2024, the sale of the Delmar property was finalized and a gain on the sale of \$748,647, net of selling costs, was recorded in the statement of revenues, expenses and changes in net position-proprietary funds.

SUPPLEMENTARY INFORMATION

Regional Cultural and Performing Arts Development Commission
SCHEDULES OF GRANT AWARDS APPROVED
Year ended December 31,

	<u>2024</u>	<u>2023</u>
Grants		
General Operating Support	\$ 2,270,960	\$ 1,629,369
Program Support	295,200	1,683,071
Artist Support	1,029,933	1,172,709
Other	534,936	729,852
	<hr/>	<hr/>
ARPA for the Arts	4,131,029	5,215,001
ARPA General Operating Support	2,110,513	1,000,000
ARPA Program Support	2,970,000	-
ARPA Artist Support	885,510	2,498,534
	<hr/>	<hr/>
Cultural Tourism	5,966,023	3,498,534
Explore St. Louis signage art	150,000	-
	<hr/>	<hr/>
	<u>\$ 10,247,052</u>	<u>\$ 8,713,535</u>

Regional Cultural and Performing Arts Development Commission
SCHEDULES OF EXPENSES
Year ended December 31, 2024

	Grants	Cultural Tourism	CAT Institute	General Public Art	Gyo Obato Fellowship	Strategic Plan, Advocate, Partner Catalyst	Research and Evaluation	Artist INC M-AAA	ARPA	Growth and Development	Administrative	Regional Cultural and Performing Arts Development Commission Total	Loop East Community Improvement District	Total
Operating expenses														
Salaries	\$ 272,230	\$ 174,221	\$ 45,976	\$ 64,730	\$ 15,733	\$ 58,175	\$ 137,524	\$ 45,976	\$ 160,371	\$ 122,527	\$ 279,218	\$ 1,376,681	\$ -	\$ 1,376,681
Payroll taxes	20,302	13,200	3,360	4,782	1,077	4,493	10,321	3,360	12,136	9,178	81,438	163,647	-	163,647
Health insurance	44,409	18,830	5,896	8,407	1,543	6,733	13,758	5,896	20,621	14,659	38,116	178,868	-	178,868
Pension plan	11,613	5,332	1,835	2,693	654	2,440	3,562	1,835	2,857	4,677	10,921	48,419	-	48,419
Total salaries and benefits	348,554	211,583	57,067	80,612	19,007	71,841	165,165	57,067	195,985	151,041	409,693	1,767,615	-	1,767,615
Depreciation and amortization	24,178	5,590	266	1,065	266	266	2,130	1,331	27,840	3,461	26,946	93,339	-	93,339
Equipment rental and repair	-	-	-	-	-	-	-	-	30,725	-	3,921	34,646	-	34,646
Events	6,149	6,413	2,784	1,272	212	2,696	62,844	1,088	18,639	2,311	2,333	106,741	-	106,741
Facility maintenance	3,709	2,941	384	767	128	639	1,279	384	11,412	1,151	1,407	24,201	-	24,201
Honorariums and stipends	38,100	-	9,526	-	-	-	5,112	-	1,100	-	-	53,838	-	53,838
Human resources and staff development	14,497	10,912	1,976	3,246	433	2,380	6,275	1,947	2,435	4,111	31,707	79,919	-	79,919
Insurance	3,890	3,085	402	805	134	671	1,342	402	-	1,207	1,477	13,415	-	13,415
Marketing and advertising	-	266,001	-	-	-	6,000	-	-	4,680	-	8,014	284,695	-	284,695
Meetings, delivery and office services	41,467	61,282	2,435	4,869	812	6,357	19,984	2,435	5,628	14,371	17,771	177,411	-	177,411
Memberships and publications	3,799	-	-	-	-	-	550	-	-	550	10,089	14,988	-	14,988
Office supplies	1,247	3,471	138	246	41	205	410	123	6,982	369	449	13,681	-	13,681
Professional fees	27,090	13,143	38,050	-	6,000	-	20,035	1,000	10,700	2,535	299,390	417,943	-	417,943
Rents	35,680	28,298	3,691	7,382	1,230	6,152	12,303	8,801	(2,500)	11,073	13,553	125,663	-	125,663
Travel, convention and seminar	1,287	1,207	133	266	44	222	1,002	133	73	399	488	5,254	-	5,254
Utilities	4,454	3,532	461	921	154	768	1,536	461	1,433	1,382	1,689	16,791	-	16,791
Grants	4,131,029	150,000	-	-	-	-	-	-	5,966,023	-	-	10,247,052	-	10,247,052
Total operating expenses	4,685,130	767,458	117,313	101,451	28,461	98,197	299,967	75,172	6,281,155	193,961	828,927	13,477,192	-	13,477,192
Nonoperating expenses														
Interest	462	338	62	103	14	76	200	62	13,645	131	206	15,299	-	15,299
Total expenses	\$ 4,685,592	\$ 767,796	\$ 117,375	\$ 101,554	\$ 28,475	\$ 98,273	\$ 300,167	\$ 75,234	\$ 6,294,800	\$ 194,092	\$ 829,133	\$ 13,492,491	\$ -	\$ 13,492,491

Regional Cultural and Performing Arts Development Commission
SCHEDULES OF EXPENSES
Year ended December 31, 2023

	Grants	Cultural Tourism	Cultural Resource Center	CAT Institute	General Public Art	Gyo Obata Fellowship	Capacity Building	Strategic Plan, Advocate, Partner Catalyst	ARPA	Administrative	Regional Cultural and Performing Arts Development Commission Total	Loop East Community Improvement District	Total
Operating expenses													
Salaries	\$ 303,963	\$ 143,537	\$ 990	\$ -	\$ -	\$ -	\$ -	\$ 183,580	\$ 55,092	\$ 469,260	\$ 1,156,422	\$ -	\$ 1,156,422
Payroll taxes	21,690	10,549	38	-	-	-	-	12,910	4,170	33,597	82,954	-	82,954
Health insurance	42,639	11,265	-	-	-	-	-	23,702	4,445	51,359	133,410	-	133,410
Pension plan	11,279	4,421	-	-	-	-	-	6,566	-	13,016	35,282	-	35,282
Total salaries and benefits	379,571	169,772	1,028	-	-	-	-	226,758	63,707	567,232	1,408,068	-	1,408,068
Depreciation and amortization	10,387	-	59,821	1,999	-	-	2,479	2,479	16,240	33,702	127,107	23,617	150,724
Equipment rental and repair	2,031	1,622	7,568	160	-	-	273	985	4,519	5,405	22,563	-	22,563
Events	10,666	16,151	-	2,111	-	1,116	964	15,727	-	19,258	65,993	-	65,993
Facility maintenance	687	-	58,035	172	-	500	344	344	13,487	20,577	94,146	-	94,146
Honorariums and Stipends	13,850	-	-	1,400	-	80,400	-	-	-	-	95,650	-	95,650
Human resources and staff development	6,069	26,751	-	2,081	-	-	2,081	2,081	764	64,506	104,333	-	104,333
Insurance	862	-	14,438	216	-	-	431	431	-	5,171	21,549	-	21,549
Marketing and advertising	41,832	512,870	-	2,804	-	-	2,804	7,062	575	44,753	612,700	-	612,700
Meetings, delivery and office services	86,293	13,703	-	4,514	-	-	4,514	10,571	4,471	87,671	211,737	-	211,737
Memberships and publications	1,750	2,255	-	-	-	-	-	-	-	127	4,132	-	4,132
Office supplies	2,551	10,223	-	1,984	56	98	389	2,706	1,922	8,257	28,186	-	28,186
Professional fees	334,482	15,775	40,000	91,265	9,812	28,500	-	24,597	2,025	245,052	791,508	-	791,508
Rent	20,417	-	-	-	-	-	-	9,917	3	32,421	62,758	-	62,758
Travel, convention and seminar	7,488	8,664	-	242	-	-	242	3,069	82	11,829	31,616	-	31,616
Utilities	1,179	-	25,618	295	-	-	589	589	1,304	7,071	36,645	-	36,645
Grants	5,215,001	-	-	-	-	-	-	-	3,498,534	-	8,713,535	-	8,713,535
Total operating expenses	6,135,116	777,786	206,508	109,243	9,868	110,614	15,110	307,316	3,607,633	1,153,032	12,432,226	23,617	12,455,843
Nonoperating expenses													
Interest	-	-	-	-	-	-	-	-	-	-	4,316	-	4,316
Total expenses	\$ 6,135,116	\$ 777,786	\$ 206,508	\$ 109,243	\$ 9,868	\$ 110,614	\$ 15,110	\$ 307,316	\$ 3,607,633	\$ 1,153,032	\$ 12,436,542	\$ 23,617	\$ 12,460,159

SINGLE AUDIT REPORTS AND SCHEDULES

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Regional Cultural and Performing Arts Development Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Regional Cultural and Performing Arts Development Commission (the "Commission"), which comprise the statements of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated March 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Amadio LLP".

St. Louis, Missouri

March 24, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Regional Cultural and Performing Arts Development Commission

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Regional Cultural and Performing Arts Development Commission (the "Commission")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended December 31, 2024. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Commission as of and for the year ended December 31, 2024, and have issued our report thereon dated March 24, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Armenino LLP

St. Louis, Missouri

March 24, 2025

Regional Cultural and Performing Arts Development Commission
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Treasury			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			
Pass-through program from:			
City of St. Louis Community Development Administration	21.027	22-SLFRF- ART01	\$ <u>6,258,567</u>
Total U.S. Department of Treasury			<u>6,258,567</u>
Total Expenditures of Federal Awards			<u>\$ <u>6,258,567</u></u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Regional Cultural and Performing Arts Development Commission
Notes to Schedule of Expenditures of Federal Awards
December 31, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Regional Cultural and Performing Arts Development Commission (the "Commission") under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the net position, changes in net position, or cash flows of the Commission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COST RATE

Regional Cultural and Performing Arts Development Commission has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. The Commission has a contractual indirect cost rate with the City of St. Louis that may from time to time exceed the 10-percent de minimis indirect cost rate.

Regional Cultural and Performing Arts Development Commission
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Regional Cultural and Performing Arts Development Commission
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Regional Cultural and Performing Arts Development Commission
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.