

**ST. LOUIS REGIONAL CONVENTION AND  
SPORT COMPLEX AUTHORITY**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2023 AND 2022**



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**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

|  |           |
|--|-----------|
| <b>ACCOUNTANTS' COMPILATION REPORT</b>                               | <b>1</b>  |
| <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>                          | <b>2</b>  |
| <b>STATEMENTS OF NET POSITION</b>                                    | <b>9</b>  |
| <b>STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b> | <b>10</b> |
| <b>STATEMENTS OF CASH FLOWS</b>                                      | <b>11</b> |
| <b>NOTES TO FINANCIAL STATEMENTS</b>                                 | <b>12</b> |



## ACCOUNTANTS' COMPILATION REPORT

Board of Commissioners  
St. Louis Regional Convention and Sport Complex Authority  
St. Louis, Missouri

Management is responsible for the accompanying financial statements of St. Louis Regional Convention and Sport Complex Authority, which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the 2023 financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The 2022 financial statements were audited by other accountants, and those accountants expressed an unmodified opinion on them in their report dated May 19, 2023. They have not performed any auditing procedures since that date.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as referenced in the Table of Contents, be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, conclusion, nor provide any assurance on such information.

We are not independent with respect to St. Louis Regional Convention & Sport Complex Authority.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
July 2, 2024

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023 AND 2022**

This section presents management's analysis of the St. Louis Regional Convention and Sport Complex Authority's (the Authority) financial condition and activities for the years ended December 31, 2023 and 2022. This information should be read in conjunction with the financial statements.

The Bylaws of the Authority and Missouri State Statutes require a biennial audit. The Authority, therefore, is presenting 2023 compiled and 2022 audited financial statements.

**FINANCIAL HIGHLIGHTS**

The following are key financial highlights for 2023 and 2022:

- Total assets at December 31, 2023 were \$198.83 million as compared to \$206.30 million in 2022, and exceeded liabilities by \$197.18 million and \$201.97 million (i.e. net position), respectively. Total net position decreased in 2023 by \$4.79 million and increased in 2022 by \$62.78 million.
- Total assets at December 31, 2022 were \$206.30 million as compared to \$143.21 million in 2021, and exceeded liabilities by \$201.98 million and \$139.20 million (i.e. net position), respectively. Total net position increased in 2022 by \$62.78 million and increased in 2021 by \$12.55 million.
- The largest source of revenue for the Authority in 2022 was the litigation income from the NFL settlement followed by the annual preservation payments from the State of Missouri, the City of St. Louis and St. Louis County.

**OVERVIEW OF ANNUAL FINANCIAL REPORT**

The MD&A of the Authority serves as an introduction to, and should be read in conjunction with, the financial statements. The MD&A provides an overall review of the Authority's financial activities for the years ended December 31, 2023 and 2022. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole.

The financial statements report information about the Authority using the full accrual accounting method as utilized by similar business activities in the private sector. The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to financial statements.

The statement of net position presents the financial position of the Authority on a full accrual basis. The statement of net position presents information on all of the Authority's assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the Authority is improving or deteriorating.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023 AND 2022**

While the statement of net position provides information about the nature and amount of resources and obligations at year end, the statement of revenues, expenses, and changes in net position presents the results of the business activities over the course of the year and information as to how net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. This statement also provides certain information about the Authority's recovery of its costs.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities.

The notes to financial statements provide required disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

**FINANCIAL ANALYSIS**

One of the questions to ask about the Authority's financial health is, "Has the Authority's net position increased or decreased as a result of the year's activities?" Increases or decreases in the Authority's net position provide one indicator of the financial health of the Authority. The statement of net position and the statement of revenues, expenses, and changes in net position include all of the Authority's assets, deferred outflows of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The largest portion of the Authority's net position (57% and 59% for the years ended December 31, 2023 and 2022, respectively), reflects its investment in capital assets (e.g. buildings, furniture, and equipment), net of any related outstanding debt used to construct or acquire those assets. These assets are used in the Authority's provision of services and are not available for liquidation and future spending. The resources necessary to repay the related debt must be provided from other sources.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023 AND 2022**

The following comparative condensed financial statements serve as the key financial data and indicators for management, monitoring, and planning:

Table I provides a summary of the Authority's Net Position (difference between its assets and deferred outflows of resources and liabilities) as of December 31, 2023 as compared to December 31, 2022 and 2021:

**Table I  
Net Position  
(In Millions)**

|                                       | <b>2023</b>      | <b>2022</b>      | <b>2021</b>      |
|---------------------------------------|------------------|------------------|------------------|
| <b>Assets</b>                         |                  |                  |                  |
| Current assets                        | \$ 80.47         | \$ 70.32         | \$ 0.67          |
| Restricted assets                     | 6.92             | 15.89            | 13.12            |
| Capital assets                        | 111.44           | 120.09           | 129.42           |
| <b>Total Assets</b>                   | <b>198.83</b>    | <b>206.30</b>    | <b>143.21</b>    |
| <b>Deferred Outflows Of Resources</b> |                  |                  |                  |
|                                       | -                | -                | -                |
| <b>Liabilities</b>                    |                  |                  |                  |
| Current liabilities                   | 1.65             | 1.83             | 1.52             |
| Long-term liabilities                 | -                | 2.49             | 2.49             |
| <b>Total Liabilities</b>              | <b>1.65</b>      | <b>4.32</b>      | <b>4.01</b>      |
| <b>Net Position</b>                   |                  |                  |                  |
| Net investment in capital assets      | 111.44           | 120.09           | 129.41           |
| Restricted                            | 5.98             | 14.84            | 12.37            |
| Unrestricted                          | 79.77            | 67.05            | (2.58)           |
| <b>Total Net Position</b>             | <b>\$ 197.19</b> | <b>\$ 201.98</b> | <b>\$ 139.20</b> |

Capital assets decreased as a result of normal depreciation expense. There were no capital asset disposals during the year ended December 31, 2023. The statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. As of December 31, 2023, 2022 and 2021, The Authority had no deferred outflows of resources.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023 AND 2022**

Table II shows the Changes in Net Position for the year ended December 31, 2023 as compared to December 31, 2022 and 2021.

Table II  
Changes in Net Position  
(In Millions)

|                                   | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|-----------------------------------|-------------|-------------|-------------|
| <b>Operating Revenues</b>         | \$ -        | \$ -        | \$ -        |
| <b>Operating Expenses</b>         | 11.58       | 11.56       | 11.34       |
| <b>Nonoperating Revenues, Net</b> | 6.79        | 74.34       | 23.89       |
| <b>Increase In Net Position</b>   | (4.79)      | 62.78       | 12.55       |
| <b>Net Position - Beginning</b>   | 201.98      | 139.20      | 126.65      |
| <b>Net Position - Ending</b>      | \$ 197.19   | \$ 201.98   | \$ 139.20   |

The net position of the Authority decreased by \$4.79 million and major changes in total assets and deferred outflows of resources and total liabilities were the result of the following factors:

- Effective March 31, 2016, the lease between the St. Louis Convention and Visitors Commission (CVC) and the St. Louis Rams terminated their rights to occupy and use the Dome. In addition, on April 30, 2016, the training facility lease between the Authority and the St. Louis Rams terminated. As a result, the Authority has been operating and maintaining the training facility since May 1, 2016. During 2023, 2022, and 2021, the Authority incurred total costs of approximately \$0, \$29,000 and \$207,000, respectively, relating to the training facility.

During 2017, the Authority entered into a lease agreement and subsequent lease amendments with a tenant for the training facility as described in Note 11. During 2023, 2022, and 2021, the Authority recognized approximately \$26,000, \$37,000, and \$224,000 of lease income, respectively. The lease amendment that took effect on February 1, 2022, created a triple-net lease which requires the lessee to pay all costs to operate and maintain the facility, while the Authority will realize a decrease in lease income.

The lease between the St. Louis Rams and the Authority related to the training facility property contains a provision giving the St. Louis Rams an option of purchasing the facility and the land in October 2024 for \$1.

- During 2022, the Authority reached an agreement with St. Louis City and St. Louis County to allocate the settlement funds from the lawsuit with the National Football League and Rams owner Stan Kroenke. The Authority's allocation is \$70 million and is recorded with interest on the statement of revenues, expenses, and changes in net position. 2022 is also the first year that the Authority receives only the Preservation payments of \$ 4 million from the Sponsors.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023 AND 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At December 31, 2023, the Authority had \$355.35 million invested in capital assets. Of this amount, \$243.91 million has been taken in depreciation. The Authority had a net book value of \$111.44 million or approximately 46% of the cost. Increases during the year represent additions while decreases represent retirements of assets during the year and the depreciation of depreciable assets for the year. This year the Authority has taken measures to reduce capital asset activity in anticipation that capital assets will be needed in the future after the Sponsor payments expire. As of December 31, 2023, the Authority had \$38.29 thousand in construction in progress for upgrades to the air conditioning system.

At December 31, 2022, the Authority had \$353.95 million invested in capital assets. Of this amount, \$233.86 million has been taken in depreciation. The Authority had a net book value of \$120.08 million or approximately 34% of the cost. Increases during the year represent additions while decreases represent retirements of assets during the year and the depreciation of depreciable assets for the year. This year the Authority has taken measures to reduce capital asset activity in anticipation that capital assets will be needed in the future after the Sponsor payments expire.

Table III provides a summary of the Authority's capital assets as of December 31, 2023 compared to December 31, 2022 and 2021.

Table III  
Capital Assets At  
December 31, 2023, 2022, and 2021  
(In Millions)

|   | <b>2023</b>      | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|------------------|
| Land  | \$ 46.40         | \$ 46.40         | \$ 46.40         |
| Construction in process                       | 0.03             | -                | 0.45             |
| Multi-purpose convention and stadium facility | 303.19           | 302.19           | 301.06           |
| Furniture and equipment                       | 5.73             | 5.36             | 5.51             |
| <b>Totals</b>                                 | <b>\$ 355.35</b> | <b>\$ 353.95</b> | <b>\$ 353.42</b> |

Refer to Note 5 in the financial statements for a summary of the capital assets activity.



**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023 AND 2022**

Debt

At December 31, 2023, the Authority had no outstanding general obligation bonds. The final principal payments on bonds outstanding at December 31, 2020 were made during 2021. The bonds originally issued were used for the acquisition of land and for the construction and equipping of the multi-purpose convention and sports facility (Facility). Since the bonds were originally issued, several refunding bond issues were sold to refund prior bond issues. Refer to Note 6 in the financial statements for a summary of the bonds payable activity.

At December 31, 2022, the Authority had \$1.50 million in outstanding notes payable. These notes were paid off during the year ended December 31, 2023.

Table IV provides a summary of the Authority's outstanding debt as of December 31, 2023 compared to December 31, 2022, 2021 and 2020.

Table IV  
Outstanding Debt, At Year End  
(In Millions)

|   | 2023        | 2022           | 2021           | 2020            |
|---|-------------|----------------|----------------|-----------------|
| 2007 - Series C (City of St. Louis, Missouri) | \$ -        | \$ -           | \$ -           | \$ 4.74         |
| 2013 - Series A (State of Missouri)           | -           | -              | -              | 9.52            |
| 2013 - Series B (St. Louis County, Missouri)  | -           | -              | -              | 4.76            |
| Unamortized bond premium                      | -           | -              | -              | 0.29            |
| Note payable                                  | -           | 1.50           | 1.50           | 1.50            |
| <b>Totals</b>                                 | <b>\$ -</b> | <b>\$ 1.50</b> | <b>\$ 1.50</b> | <b>\$ 20.81</b> |

**ECONOMIC FACTORS AND NEXT YEAR'S ESTIMATES**

The Authority assumed operation and maintenance of the former St. Louis Ram's Leased Training Facility in Earth City, Missouri, on May 1, 2016, after the St. Louis Rams were allowed to leave St. Louis for Los Angeles. The Authority spent approximately \$29 thousand in 2022, and \$207 thousand in 2021 on operating the facility, primarily for security, utilities, inspections, insurance, and necessary repairs. No funds were spent during 2023.

The Authority has leased the facility to two tenants since May 2016 and in the last three years has received lease revenue in the amount of approximately \$26,000 in 2023, \$37,000 in 2022, and \$224 thousand in 2021. The current lease expires in October 2024.

In 2024, the Authority will receive a final preservation payment from the Sponsors of \$2 million in February 2024. The investment policy is designed to prudently maximize investment income on the litigation settlement funds that were received.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023 AND 2022**

**CONTACTING THE AUTHORITY**

This report is designed to provide our citizens, taxpayers, investors or creditors with a full and complete disclosure of the Authority's finances and to show the Authority's accountability for the resources it receives. If you have any questions about this report or need additional copies, please contact the Authority's Executive Director at 901 North Broadway, St. Louis, Missouri 63101.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

|  | December 31,          |                       |
|--|-----------------------|-----------------------|
|  | 2023<br>(Compiled)    | 2022<br>(Audited)     |
| <b>Current Assets</b>                              |                       |                       |
| Cash and cash equivalents                          | \$ 37,294             | \$ 96,341             |
| Accounts receivable                                | 5,080                 | 4,000                 |
| Accrued interest receivable                        | 261,627               | 2,643                 |
| Litigation settlement receivable                   | -                     | 70,110,275            |
| Prepaid items                                      | 31,031                | 30,135                |
| Short-term investments                             | 80,135,816            | 74,866                |
| <b>Total Current Assets</b>                        | <b>80,470,848</b>     | <b>70,318,260</b>     |
| <b>Restricted Assets</b>                           |                       |                       |
| Trustee-held investments                           | 6,891,448             | 15,444,410            |
| Accrued interest receivable                        | 29,495                | 446,751               |
| <b>Total Restricted Assets</b>                     | <b>6,920,943</b>      | <b>15,891,161</b>     |
| <b>Capital Assets</b>                              |                       |                       |
| Nondepreciable capital assets                      | 46,434,152            | 46,395,862            |
| Depreciable capital assets, net                    | 65,002,641            | 73,686,759            |
| <b>Total Capital Assets</b>                        | <b>111,436,793</b>    | <b>120,082,621</b>    |
| <b>Total Assets</b>                                | <b>\$ 198,828,584</b> | <b>\$ 206,292,042</b> |
| <b>Liabilities And Net Position</b>                |                       |                       |
| <b>Current Liabilities</b>                         |                       |                       |
| Accounts payable and accrued expenses              | \$ 703,805            | \$ 720,904            |
| Accounts payable and accrued expenses - restricted | 942,893               | 1,050,631             |
| Accrued interest payable                           | -                     | 56,689                |
| <b>Total Current Liabilities</b>                   | <b>1,646,698</b>      | <b>1,828,224</b>      |
| <b>Long-Term Liabilities</b>                       |                       |                       |
| Note payable                                       | -                     | 1,499,366             |
| Other  | -                     | 994,668               |
| <b>Total Long-Term Liabilities</b>                 | <b>-</b>              | <b>2,494,034</b>      |
| <b>Total Liabilities</b>                           | <b>1,646,698</b>      | <b>4,322,258</b>      |
| <b>Net Position</b>                                |                       |                       |
| Net investment in capital assets                   | 111,436,793           | 120,082,621           |
| Restricted for preservation and debt service       | 5,978,050             | 14,840,530            |
| Unrestricted                                       | 79,767,043            | 67,046,633            |
| <b>Total Net Position</b>                          | <b>197,181,886</b>    | <b>201,969,784</b>    |
| <b>Total Liabilities And Net Position</b>          | <b>\$ 198,828,584</b> | <b>\$ 206,292,042</b> |

See accompanying Notes to Financial Statements.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

|   | For The Years<br>Ended December 31, |                       |
|---|-------------------------------------|-----------------------|
|   | 2023                                | 2022                  |
|   | (Compiled)                          | (Audited)             |
| <b>Operating Revenues</b>                               | \$ -                                | \$ -                  |
| <b>Operating Expenses</b>                               |                                     |                       |
| Salaries and employee benefits                          | 82,684                              | 103,491               |
| General and administrative                              | 598,645                             | 344,671               |
| Repairs and maintenance                                 | 846,917                             | 1,097,222             |
| Depreciation  | 10,048,757                          | 10,014,524            |
| <b>Total Operating Expenses</b>                         | <b>11,577,003</b>                   | <b>11,559,908</b>     |
| <b>Net Operating Loss</b>                               | <b>(11,577,003)</b>                 | <b>(11,559,908)</b>   |
| <b>Nonoperating Revenues (Expenses)</b>                 |                                     |                       |
| Intergovernmental revenue                               | 4,000,000                           | 4,000,000             |
| Interest income and unrealized gain/loss on investments | 2,781,261                           | 368,844               |
| Other revenues  | 26,040                              | 70,037,489            |
| Interest expense  | (18,196)                            | (62,138)              |
| Other expenses  | -                                   | (7,023)               |
| <b>Nonoperating Revenues (Expenses), Net</b>            | <b>6,789,105</b>                    | <b>74,337,172</b>     |
| <b>Increase (Decrease) In Net Position</b>              | <b>(4,787,898)</b>                  | <b>62,777,264</b>     |
| <b>Net Position - Beginning Of Year</b>                 | <b>201,969,784</b>                  | <b>139,192,520</b>    |
| <b>Net Position - End Of Year</b>                       | <b>\$ 197,181,886</b>               | <b>\$ 201,969,784</b> |

See accompanying Notes to Financial Statements.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

|   | For The Years<br>Ended December 31, |                       |
|---|-------------------------------------|-----------------------|
|   | 2023<br>(Compiled)                  | 2022<br>(Audited)     |
| <b>Cash Flows Used In Operating Activities</b>  |                                     |                       |
| Cash paid to suppliers  | \$ (2,567,635)                      | \$ (1,089,620)        |
| Cash paid to employees  | (82,092)                            | (109,919)             |
| <b>Net Cash Used In Operating Activities</b>  | <b>(2,649,727)</b>                  | <b>(1,199,539)</b>    |
| <b>Cash Flows From Capital And Related Financing Activities</b>                       |                                     |                       |
| Acquisition and construction of capital assets  | (1,402,929)                         | (685,294)             |
| Cash received from other governmental entities  | 4,000,000                           | 4,000,000             |
| Payoff of note payable  | (1,499,366)                         | -                     |
| Interest payments   | (74,885)                            | (62,138)              |
| Proceeds from litigation  | 70,110,275                          | -                     |
| Other   | 26,040                              | (79,809)              |
| <b>Net Cash Provided By Capital And Related Financing Activities</b>                  | <b>71,159,135</b>                   | <b>3,172,759</b>      |
| <b>Cash Flows From Investing Activities</b>   |                                     |                       |
| Purchase of investments   | (187,937,032)                       | (19,456,943)          |
| Proceeds from sale of investments   | 117,046,894                         | 17,053,526            |
| Investment income received on investments   | 2,321,683                           | 215,664               |
| <b>Net Cash Used In Investment Activities</b>   | <b>(68,568,455)</b>                 | <b>(2,187,753)</b>    |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                           | <b>(59,047)</b>                     | <b>(214,533)</b>      |
| <b>Cash And Cash Equivalents - Beginning Of Year</b>                                  | <b>96,341</b>                       | <b>310,874</b>        |
| <b>Cash And Cash Equivalents - End Of Year</b>  | <b>\$ 37,294</b>                    | <b>\$ 96,341</b>      |
| <b>Reconciliation Of Net Operating Loss To Net Cash Used In Operating Activities</b>  |                                     |                       |
| Net operating loss  | \$ (11,577,003)                     | \$ (11,559,908)       |
| Adjustments to reconcile net operating loss to net cash used in operating activities: |                                     |                       |
| Depreciation  | 10,048,757                          | 10,014,524            |
| Amortization  | -                                   | -                     |
| Change in assets and liabilities:   |                                     |                       |
| Accounts receivable   | (1,080)                             | (3,755)               |
| Prepaid items   | (896)                               | 39,971                |
| Accounts payable and accrued expenses   | (1,119,505)                         | 309,629               |
| <b>Net Cash Used In Operating Activities</b>  | <b>\$ (2,649,727)</b>               | <b>\$ (1,199,539)</b> |

See accompanying Notes to Financial Statements.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the St. Louis Regional Convention and Sports Complex Authority (the Authority) conform to accounting principles generally accepted in the United States of America as applicable to governmental entities that use proprietary fund accounting. The following is a summary of the more significant policies:

**Financial Reporting Entity**

The Authority was created by an Act of the State of Missouri (the State) in May 1989 for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility (the Facility) (the Project) to be located adjacent to the A.J. Cervantes Convention Center in the city of St. Louis (the City). In connection with these activities, the Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the Facility. The Authority operates under a Board of Commissioners, three of whom are appointed by the Mayor of the City, three of whom are appointed by the County Executive of St. Louis County (the County), and five of whom are appointed by the Governor of the State. The Authority represents a joint venture between the City, County, and State (collectively, the Sponsors). The annual lease payments provided by the Sponsors are intended to defray the cost of debt service which was paid in full in 2021. In addition, the Sponsors have committed, through their annual budgeting process, to provide the annual preservation payments through February 1, 2024. The Authority expects to receive \$2,000,000 in 2024. These payments are:

|               | <b>Annual<br/>Lease<br/>Payments</b> |   | <b>Annual<br/>Preservation<br/>Payments</b> |           |
|---------------|--------------------------------------|---|---|-----------|
| <b>State</b>  | \$                                   | - | \$  | 2,000,000 |
| <b>County</b> |                                      | - |   | 1,000,000 |
| <b>City</b>   |                                      | - |   | 1,000,000 |
| <b>Total</b>  | \$                                   | - | \$  | 4,000,000 |

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
**(SEE ACCOUNTANTS' COMPILATION REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Reporting Entity (Continued)**

The Authority entered into an operating lease agreement in 1991 with the St. Louis Convention and Visitors Commission (CVC) to maintain, operate, and manage the Facility pursuant to a 30-year lease between the Authority and the CVC. Under this agreement, the CVC pays nominal annual rent to the Authority, and the CVC has the right to terminate the operating lease on relatively short notice upon the occurrence of certain events (primarily non-appropriation by the Sponsors). The CVC is a public body corporate and politic of the State of Missouri. The CVC's primary source of revenue is a 3.75% tax on the sales or charges for all sleeping rooms paid by transient guests of hotels and motels within the city of St. Louis and St. Louis County, Missouri. The CVC operates the Facility on an integrated basis with the existing Convention Center, marketing the Facility and the Convention Center as America's Center. The Authority will continue to function to preserve the physical structure by providing oversight to the CVC as it relates to the operating lease and to compliance with existing government and legal requirements utilizing the preservation fund account. During the year ended December 31, 2022, the lease was extended through November 30, 2030.

**Basis of Accounting and Presentation**

The Authority prepares its financial statements on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. In reporting its financial activity, the Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenditures not meeting this definition are reported as non-operating revenues and expenditures.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets and deferred outflows of resources net of total liabilities) is segregated into "net investment in capital assets;" "restricted for preservation and debt service;" and "unrestricted" components. When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
**(SEE ACCOUNTANTS' COMPILATION REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

All capital assets are valued at historical cost and updated for additions and retirements during the year. The Authority maintains a capitalization threshold of ten thousand dollars. Depreciation expense is recorded on a straight-line basis over the estimated useful life of the Facility and improvements, which range from 7 to 35 years. Depreciation expense for furniture and equipment is recorded on a straight-line basis over estimated lives ranging from 3.5 to 20 years.

**Investments**

Investments are generally stated at fair value. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. An exception to fair value is an external investment pool that provides a net asset value per share that approximates fair value. Similarly, investments in nonparticipating interest-earning investment contracts do not consider market rates and are reported using a cost-based measure.

**Statement of Cash Flows**

For purposes of the statement of cash flows, cash and cash equivalents consist of demand deposits and all unrestricted highly liquid investment securities with maturities of three months or less at the time of purchase.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 2, 2024, the date the financial statements were available to be issued.

**Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
**(SEE ACCOUNTANTS' COMPILATION REPORT)**

**NOTE 2 DEPOSITS AND INVESTMENTS**

**Investments**

The Authority is governed by the deposit and investment limitations of state law. It is the policy of the Authority to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Authority and conforming to all state and local statutes governing the investment of public funds. The Authority's policy and state law authorize the following types of investments:

- i. Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are fully guaranteed by the United States of America, or securities which represent an undivided interest in such obligations, which obligations are held in a custody account by a custodian of the Authority and senior debt obligations of other government-sponsored agencies.
- ii. Bonds, notes or other obligations of any state of the United States of America or any political subdivision of any state, which at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service.
- iii. Certificates of deposit, time deposits, or money market accounts, constituting direct obligations of any bank that are either insured or secured with acceptable collateral.
- iv. Repurchase agreements with any bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider organized under the laws of the United States or any state, which are adequately secured.
- v. Investment agreements constituting an obligation of a bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider whose outstanding unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service.
- vi. Short-term discount obligations of the Federal National Mortgage Association and Government National Mortgage Association.
- vii. Time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. The Authority may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
- viii. Local government investment pools established under the authority of Article VI, Section 16 of the Constitution of Missouri and Section 70.210 to 70.320 of the Revised Statutes of Missouri, as amended and rated at the highest rating category of at least one nationally recognized rating service.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
**(SEE ACCOUNTANTS' COMPILATION REPORT)**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The Authority's policy does not apply to the investment of proceeds of any revenue funds issued by the Authority, which proceeds are held by a trustee or escrow agent under a trust indenture, escrow agreement or similar agreement in a construction fund, acquisition fund, project fund or other similar such fund.

GASB Statement No. 72, *Fair Value Measurement and Application*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value.

- Money market mutual funds: Valued using quoted market prices (Level 1 inputs).
- Debt Securities and Negotiable Certificates of Deposit: Valued using a matrix pricing model where similar securities are given a price based on the credit rating and maturity (Level 2 inputs).
- MOSIP External investment pool: Missouri State Law, RSMo Section 70.210 to 70.320, authorizes the authority to invest qualified investment pools. The Authority has invested in the Missouri Securities Investment Program ("MOSIP"), which is a qualified investment pool in the state of Missouri. The Authority's MOSIP investments are reported at fair value as determined by quoted market prices. The securities of the Authority are valued at fair value, which is the Authority's share price.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The deposits and investments held at December 31 are as follows:

| <b>Type</b>  | <b>Carrying Value</b>      |                           |
|--|----------------------------|---------------------------|
|  | <b>2023<br/>(Compiled)</b> | <b>2022<br/>(Audited)</b> |
| <b>Deposits:</b>   |                            |                           |
| Demand deposits  | \$ 37,294                  | \$ 96,341                 |
| <b>Total Deposits</b>                                    | <b>\$ 37,294</b>           | <b>\$ 96,341</b>          |
| <b>Investments:</b>                                      |                            |                           |
| Money Market Mutual Funds                                | \$ 10,942,316              | \$ 2,097,609              |
| MOSIP External Investment Pool                           | 10,639,278                 | -                         |
| Negotiable Certificates of Deposit                       | 4,179,115                  | 7,059,312                 |
| United States Treasury Notes                             | 59,735,875                 | 6,362,355                 |
| Bonds  | 1,530,680                  | -                         |
| <b>Total Investments</b>                                 | <b>87,027,264</b>          | <b>15,519,276</b>         |
| <b>Total Deposits And Investments</b>                    | <b>\$ 87,064,558</b>       | <b>\$ 15,615,617</b>      |
| <b>Reconciliation to the Statements of Net Position:</b> |                            |                           |
| <b>Current:</b>  |                            |                           |
| Cash and cash equivalents                                | \$ 37,294                  | \$ 96,341                 |
| Short-term investments                                   | 80,135,816                 | 74,866                    |
| <b>Restricted Assets:</b>                                |                            |                           |
| Trustee-held investments                                 | 6,891,448                  | 15,444,410                |
| <b>Total</b>   | <b>\$ 87,064,558</b>       | <b>\$ 15,615,617</b>      |

*Custodial Credit Risk – Deposits* – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has adopted the depository policy of the Treasurer of the State of Missouri. Missouri statute requires all deposits with the state, including linked deposits, be collateralized at a level of at least 100% over the FDIC insurance limit. Statutes further define the types of bonds and other collateral the state may accept. At December 31, 2023 and 2022, the Authority was in compliance with its policy.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

*Custodial Credit Risk – Investments* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has adopted the investment policy of the Treasurer of the State of Missouri. As such, the Authority's investments are required to be fully collateralized and to be committed to the principles of safety, liquidity and yield, in that order, when managing its funds. The policy must restrict investments from speculative or risky investment vehicles. The Authority must review the value, the rating and investment return on a regular basis. At December 31, 2023 and 2022, the Authority was in compliance with its policy.

*Investment Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy limits investment maturities for certain investments as noted below as a means of managing its exposure to fair value losses arising from increasing interest rates.

| <b>Investment Type</b>                   | <b>Maximum Maturity</b> |
|--|-------------------------|
| United States Agency Discount Notes      | One (1) year            |
| United States Agency Callable Securities | Five (5) years          |
| United States Agency Step-Up Securities  | Five (5) years          |
| United States Mortgage Backed Securities | Five (5) years          |
| Repurchase Agreements                    | 90 days                 |
| Bankers' Acceptance                      | 180 days                |
| Commercial Paper                         | 180 days                |

Maturities of investments held at December 31, 2023 and 2022 are as follows:

| <b>Investment Type</b>             | <b>2023 (Compiled)</b>                  |                      |                      |                      |
|------------------------------------|---|----------------------|----------------------|----------------------|
|                                    | <b>Investment Maturities (In Years)</b> |                      |                      |                      |
|                                    | <b>Amount</b>                           | <b>Less Than 1</b>   | <b>1 - 5</b>         | <b>6 - 10</b>        |
| Money Market Mutual Funds          | \$ 10,942,316                           | \$ 10,942,316        | \$ -                 | \$ -                 |
| MOSIP External Investment Pool     | 10,639,278                              | -                    | 10,639,278           | -                    |
| Negotiable Certificates of Deposit | 4,179,115                               | 2,720,123            | 1,458,993            | -                    |
| United States Treasury Notes       | 59,735,875                              | 1,485,055            | 24,945,954           | 33,304,865           |
| Bonds                              | 1,530,680                               | -                    | -                    | 1,530,680            |
|                                    | <b>\$ 87,027,264</b>                    | <b>\$ 15,147,494</b> | <b>\$ 37,044,225</b> | <b>\$ 34,835,545</b> |

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

| <b>Investment Type</b>             | <b>Amount</b>        | <b>2022 (Audited)</b>                   |                     |               |
|------------------------------------|----------------------|---|---------------------|---------------|
|                                    |                      | <b>Investment Maturities (In Years)</b> |                     |               |
|                                    |                      | <b>Less Than 1</b>                      | <b>1 - 5</b>        | <b>6 - 10</b> |
| Money Market Mutual Funds          | \$ 2,097,609         | \$ 2,097,609                            | \$ -                | \$ -          |
| Negotiable Certificates of Deposit | 7,059,312            | 4,368,270                               | 2,691,042           | -             |
| United States Treasury Notes       | 6,362,355            | 1,922,855                               | 4,439,500           | -             |
|                                    | <u>\$ 15,519,276</u> | <u>\$ 8,388,734</u>                     | <u>\$ 7,130,542</u> | <u>\$ -</u>   |

*Investment Credit Risk* – Credit risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy and state law limit its investment choices, as documented above. At December 31, 2023 and 2022, the Authority's investments subject to credit risk were rated as follows:

| <b>Description</b>                 | <b>2023 (Compiled)</b> |               | <b>2022 (Audited)</b> |               |
|------------------------------------|------------------------|---------------|-----------------------|---------------|
|                                    | <b>Amount</b>          | <b>Rating</b> | <b>Amount</b>         | <b>Rating</b> |
| Money Market Mutual Funds          | \$ 10,942,316          | AAA           | \$ 2,097,609          | AAA           |
| MOSIP External Investment Pool     | 10,639,278             | AAAm          | -                     |               |
| Negotiable Certificates of Deposit | 4,179,115              | Not rated     | 7,059,312             | Not rated     |
| US Treasury Notes                  | 59,735,875             | AAA           | 6,362,355             | AAA           |
| Bonds                              | 1,530,680              | AAA           | -                     |               |

*Concentration of Investment Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. Concentration of credit risk is required to be disclosed by the Authority for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

The Authority places the following limits on the amount it may invest in any one issuer.

| <b>Description</b>    | <b>Concentration Maximum</b> |
|-----------------------|------------------------------|
| Repurchase Agreements | No more than 15%             |
| Bankers' Acceptances  | No more than 5%              |
| Commercial Paper      | No more than 5%              |

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Cash and Cash Equivalents**

Following is a summary of the Authority's cash and cash equivalents at December 31, 2023 and 2022:

|                 | <b>2023<br/>(Compiled)</b> | <b>2022<br/>(Audited)</b> |
|-----------------|----------------------------|---------------------------|
| Demand Deposits | \$ 37,294                  | \$ 96,341                 |
|                 | \$ 37,294                  | \$ 96,341                 |

**Short-Term Investments**

Short-term investments represent investments of the Expense Fund; balances as of December 31, 2023 and 2022 as follows:

|                                | <b>2023<br/>(Compiled)</b> | <b>2022<br/>(Audited)</b> |
|--------------------------------|----------------------------|---------------------------|
| Money Market Mutual Funds      | \$ 69,496,538              | \$ 74,866                 |
| MOSIP External Investment Pool | 10,639,278                 | -                         |
|                                | \$ 80,135,816              | \$ 74,866                 |

**Trustee-Held Investments**

Investments in trustee-held investments are summarized; balances as of December 31, 2023 and 2022 as follows:

|                                    | <b>2023<br/>(Compiled)</b> | <b>2022<br/>(Audited)</b> |
|------------------------------------|----------------------------|---------------------------|
| Money Market Mutual Funds          | \$ 744,758                 | \$ 2,022,743              |
| Negotiable Certificates of Deposit | 4,179,115                  | 7,059,312                 |
| US Treasury Notes                  | 1,967,575                  | 6,362,355                 |
|                                    | \$ 6,891,448               | \$ 15,444,410             |

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 3 TRUSTEE-HELD ACCOUNTS**

A summary of restricted cash and investments in trustee-held accounts; balances; as of December 31, 2023 and 2022 follows:

|                   | <b>2023</b>       | <b>2022</b>      |
|-------------------|-------------------|------------------|
|                   | <b>(Compiled)</b> | <b>(Audited)</b> |
| Preservation Fund | 6,891,448         | 15,444,410       |
| <b>Total</b>      | \$ 6,891,448      | \$ 15,444,410    |

The Authority is required to establish certain accounts as follows:

**Preservation Funds**

Beginning August 1, 1994, and semiannually thereafter, during each Sponsor's fiscal year, the Sponsors are required to make preservation payments in accordance with the Financing Agreement, as follows: State Sponsor – \$1,000,000 (\$2,000,000 annually) and the County and City Sponsors – \$500,000, each (\$1,000,000 annually, each). These proceeds will be used for preservation costs to maintain and improve the Facility. During 2023 and 2022, the Authority expended approximately \$2.56 million and \$1.63 million, respectively, for the preservation of the Facility. The preservation payments from the Sponsors will end with the last payment of \$2,000,000 in February 2024.

**Expense Fund**

The Expense Fund is the operational account of the Authority and is partially funded from the investment earnings from the Bond and Reserve Funds, if there are any earnings remaining after the bond requirements are paid. The earnings from the Expense Fund are invested at UMB Bank, generally in short-term investments. The expenditures paid from the Expense Fund are used to pay for operating expenses of the Authority and provide supplemental funding for capital expenditures on the Facility, as needed. The Authority does not consider the fund to be restricted and this is the fund the Authority used in 2023 and 2022 for the expenses of the training facility (Note 6).

**NOTE 4 LITIGATION SETTLEMENT RECEIVABLE**

As a result of a lawsuit settlement with the National Football League and Rams owner Stan Kroenke in 2022, the Authority reached an agreement with St. Louis City and St. Louis County to allocate the settlement funds. The Authority's allocation was \$70,000,000 and is recorded with interest on the statement of revenues, expenses, and changes in net position for the year ending December 31, 2022. The settlement proceeds with interest was received in February 2023.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 5 CAPITAL ASSETS**

A summary of changes in capital assets for the years ended December 31, 2023 and 2022 were as follows:

|  | 2023 (Compiled)      |                |            | Ending<br>Balance |
|--|----------------------|----------------|------------|-------------------|
|  | Beginning<br>Balance | Additions      | Deductions |                   |
| <b>Capital Assets,<br/>Not Being Depreciated</b>       |                      |                |            |                   |
| Land   | \$ 46,395,862        | \$ -           | \$ -       | 46,395,862        |
| Construction in process                                | -                    | 38,290         | -          | 38,290            |
| <b>Total Capital Assets,<br/>Not Being Depreciated</b> | 46,395,862           | 38,290         | -          | 46,434,152        |
| <b>Capital Assets, Being Depreciated</b>               |                      |                |            |                   |
| Multi-purpose convention and stadium facility          | 302,194,536          | 995,059        | -          | 303,189,595       |
| Furniture and equipment                                | 5,357,200            | 369,580        | -          | 5,726,780         |
| <b>Total Capital Assets,<br/>Being Depreciated</b>     | 307,551,736          | 1,364,639      | -          | 308,916,375       |
| <b>Accumulated Depreciation</b>                        |                      |                |            |                   |
| Multi-purpose convention and stadium facility          | (229,291,302)        | (9,850,481)    | -          | (239,141,783)     |
| Furniture and equipment                                | (4,573,674)          | (198,277)      | -          | (4,771,951)       |
| <b>Total Accumulated<br/>Depreciation</b>              | (233,864,976)        | (10,048,758)   | -          | (243,913,734)     |
| <b>Total Capital Assets Being<br/>Depreciated, Net</b> | 73,686,760           | (8,684,119)    | -          | 65,002,641        |
| <b>Capital Assets, Net</b>                             | \$ 120,082,622       | \$ (8,645,829) | \$ -       | \$ 111,436,793    |



**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

|  | 2022 (Audited)       |                |              |                   |
|--|----------------------|----------------|--------------|-------------------|
|  | Beginning<br>Balance | Additions      | Deductions   | Ending<br>Balance |
| <b>Capital Assets,<br/>Not Being Depreciated</b>       |                      |                |              |                   |
| Land   | \$ 46,395,862        | \$ -           | \$ -         | \$ 46,395,862     |
| Construction in process                                | 450,567              | -              | (450,567)    | 0                 |
| <b>Total Capital Assets,<br/>Not Being Depreciated</b> | 46,846,429           | -              | (450,567)    | 46,395,862        |
| <b>Capital Assets, Being Depreciated</b>               |                      |                |              |                   |
| Multi-purpose convention and<br>stadium facility       | 301,058,674          | 1,135,862      | -            | 302,194,536       |
| Furniture and equipment                                | 5,511,212            | -              | (154,012)    | 5,357,200         |
| <b>Total Capital Assets,<br/>Being Depreciated</b>     | 306,569,886          | 1,135,862      | (154,012)    | 307,551,736       |
| <b>Accumulated Depreciation</b>                        |                      |                |              |                   |
| Multi-purpose convention and<br>stadium facility       | (219,471,118)        | (9,820,185)    | -            | (229,291,303)     |
| Furniture and equipment                                | (4,533,346)          | (194,340)      | 154,012      | (4,573,674)       |
| <b>Total Accumulated<br/>Depreciation</b>              | (224,004,464)        | (10,014,525)   | 154,012      | (233,864,977)     |
| <b>Total Capital Assets Being<br/>Depreciated, Net</b> | 82,565,422           | (8,878,663)    | -            | 73,686,759        |
| <b>Capital Assets, Net</b>                             | \$ 129,411,851       | \$ (8,878,663) | \$ (450,567) | \$ 120,082,621    |

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
(SEE ACCOUNTANTS' COMPILATION REPORT)

**NOTE 6 LONG-TERM LIABILITIES**

A summary of changes in notes payable for the years ended December 31, 2023 and 2022 were as follows:

|              | 2023 (Compiled)      |           |                |                   | Amounts<br>Due Within<br>One Year |
|--------------|----------------------|-----------|----------------|-------------------|-----------------------------------|
|              | Beginning<br>Balance | Additions | Reductions     | Ending<br>Balance |                                   |
| Note payable | 1,499,366            | -         | (1,499,366)    | -                 | -                                 |
|              | \$ 1,499,366         | \$ -      | \$ (1,499,366) | \$ -              | -                                 |

|                      | 2022 (Audited)       |           |            |                   | Amounts<br>Due Within<br>One Year |
|----------------------|----------------------|-----------|------------|-------------------|-----------------------------------|
|                      | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance |                                   |
| <b>Bonds Payable</b> |                      |           |            |                   |                                   |
| Note payable         | 1,499,366            | -         | -          | 1,499,366         | -                                 |
|                      | \$ 1,499,366         | \$ -      | \$ -       | \$ 1,499,366      | -                                 |

**Note Payable**

On February 1, 2016, the Authority entered into a promissory note and loan agreement (note payable) with the Missouri Development Finance Board for a maximum amount of \$3 million. The note bears interest at 4% per annum and matures January 14, 2021, subject to extension. The note was extended in October 2020 through January 14, 2026.

The note is interest only and no scheduled principal payments are required until maturity. The first interest due date was January 14, 2019, and interest is payable annually until the maturity date.

As of December 31, 2022, the balance on the note was \$1,499,366. Accrued interest totaled \$56,689 as of December 31, 2022. The note was paid off in 2023 with funds from the litigation settlement.

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 (COMPILED) AND 2022 (AUDITED)**  
**(SEE ACCOUNTANTS' COMPILATION REPORT)**

**NOTE 7 COOPERATIVE AGREEMENT**

On November 1, 1995, the Authority entered into a Cooperative Agreement (the Agreement) with the City and the CVC to provide a portion of the \$12,500,000 funding necessary for construction of a training facility for the St. Louis Rams. In conjunction with the Agreement, the Authority issued \$5,000,000 in Revenue Anticipation Notes, Series 1995 Rams Training Facility Project (the Notes). Funding for the repayment of principal and interest on the Notes came from the City's 5% tax on admission charges to Rams' games played within the City.

The tax proceeds represent the City's portion of the training facility's cost. The Authority's obligation to repay the Notes is limited to the funds appropriated by the City, and no funds or assets of the Authority are to be pledged for repayment. The Notes and interest do not constitute a debt or liability of the Authority, nor will the Authority be liable or obligated to levy any form of taxation to make appropriation for payment. In May 1996, the Authority received title to the training facility which it, in turn, leased to the St. Louis Rams. Such lease provides for the St. Louis Rams to operate and maintain the training facility at their sole, exclusive cost. The Authority has not recorded the assets or liabilities relating to these transactions in its financial statements for the years ended December 31, 2023 or 2022. The Revenue Anticipation Notes were paid in full on August 16, 2000.

On April 30, 2016, the training facility lease was terminated and since that time, the Authority has operated and maintained the property. The Authority has leased the facility to a tenant in 2020 and 2019. See Note 11.

The original lease between the St. Louis Rams and the Authority contains a provision giving the St. Louis Rams an option of purchasing the facility and the land in October 2024.

**NOTE 8 RISK MANAGEMENT**

The Authority is exposed to various risks of loss and the operating lease agreement requires the CVC to obtain insurance coverage for the Facility. The CVC purchases commercial insurance for risks it considers significant and includes the Authority as an additional insured interest on these policies. The amount of settlements did not exceed insurance coverage in any of the past three years.

**NOTE 9 EMPLOYEE BENEFIT PLAN**

The Authority has adopted a Simplified Employee Pension plan (SEP). A SEP plan allows employers to contribute to traditional IRAs set up for each employee. Employers are not required to contribute; however, when employers do contribute, they must contribute the same percentage for all eligible employees. The Authority contributes 10% of annual salary to an individual employee account. Employees are not eligible to contribute. Contributions to SEP accounts and earnings on those contributions are 100% vested by the employee. The Authority contributed \$15,761 during 2023 (compiled) and \$17,623 in 2022 (audited).

**ST. LOUIS REGIONAL CONVENTION AND SPORT COMPLEX AUTHORITY**  
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**NOTE 10 COMMITMENTS**

The Authority, in conjunction with America's Center, has approved a budget for Preservation expenditures based upon the America's Center's fiscal years ending June 30, 2023 and 2022 in the amount of approximately \$2.5 million and \$2.5 million, respectively. As of December 31, 2023, the amount encumbered relating to these budgets amounted to approximately \$.77 million and \$1.29 million for June 30, 2023 and 2022, respectively. At the end of an 18-month operating cycle any unencumbered funds are reprogrammed to a current fiscal year, if necessary.

**NOTE 11 LEASE AGREEMENT**

On April 30, 2016, the training facility lease with the St. Louis Rams was terminated and the Authority has operated and maintained the property. However, the original lease between the St. Louis Rams and the Authority contains a provision giving the St. Louis Rams an option of purchasing the facility and the land in October 2024.

The Authority entered into an original lease agreement with a tenant for a portion of the training facility described in Note 7. The original lease commencement date was February 1, 2017 through January 31, 2018 with seven (7) optional extension terms through October 21, 2024. On September 15, 2017, the first amendment to the lease expanded the lease to the entire property. On September 26, 2019, the second amendment to the lease allows the tenant to sublease a portion of the property. The third lease amendment was agreed to in January 2022 and extended the lease through October 15, 2024. During 2023 (compiled) and 2022 (audited), the Authority recognized approximately \$26,000 and \$37,500 of lease income.



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