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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL  
PARK AND MUSEUM DISTRICT**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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## Independent Auditors' Report

Board of Commissioners  
St. Louis Science Center Subdistrict of the Metropolitan  
Zoological Park and Museum District  
St. Louis, Missouri

### Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the St. Louis Science Center Subdistrict of the Metropolitan Zoological Park and Museum District (the St. Louis Science Center), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the St. Louis Science Center's basic financial statements as listed in the table of contents.

### *Management's Responsibility 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; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the St. Louis Science Center as of December 31, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change In Accounting Principle***

As discussed in Note 9 to the financial statements in 2014, the St. Louis Science Center adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and the schedules of funding progress, changes in net pension liability and related ratios, and the schedule of contributions and investment returns on pages 46 through 49 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Louis Science Center's basic financial statements. The accompanying supplementary information, as listed on the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*RubinBrown LLP*

April 8, 2015

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## **Management's Discussion And Analysis**

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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the St. Louis Science Center's (the Science Center) financial performance provides an overview of the Science Center's financial activities for the years ended December 31, 2014 and 2013. The discussion and analysis should be read in conjunction with the Science Center's financial statements that begin on page 14.

**2014 Financial Highlights**

During the fiscal year 2014, the St. Louis Science Center implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. The required statements under the standard for the Pension Trust Fund include Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

The net position of the Science Center totaled \$51,995,694 at the close of 2014; this was an increase of \$2,572,796, or 5.2% from 2013.

Unrestricted net position decreased \$585,199 or 6.3%, primarily the result of lower operating grant revenue and fundraising event revenue as well as an increase in debt related costs as more fully described following Table 1 - Net Position.

Total 2014 revenues increased \$1,573,649 or 7.6% from 2013, primarily as a result of an increase in capital grants & contributions revenues of approximately \$1,300,000 and an increase in visitor activities operating revenue of approximately \$725,000, offset by decreases in non-operating revenues of approximately \$450,000. The increase in capital grants and contributions revenues was primarily due to capital campaign contributions. The increase in visitor activities revenues was primarily due to special exhibits revenue of approximately \$405,000 and Omnimax Theater revenue of approximately \$166,000. The decrease in non-operating revenues was due primarily to a decrease in Gala revenue as 2014 was not a year in which the bi-annual Gala was held.

Total expenses for 2014 increased approximately \$543,000 or 2.8% from 2013, comprised mostly of increases in program and supporting services. The largest increases in program services expenses were \$661,000 in special exhibits due to higher lease costs in 2014 compared to 2013 and \$366,000 in marketing & communications expense due to our targeted marketing campaign in 2014.

Total liabilities decreased \$4,221,312, or 21.6% from 2013, which was principally accounted for by a decrease in note payables of \$3,485,503 and a \$850,000 decrease in notes payable-line of credit.

Capital asset additions totaled approximately \$1,862,000 for the year, representing mostly the ongoing costs of normal replacement of equipment and exhibits.

# ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT

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Management's Discussion And Analysis (*Continued*)

## **2013 Financial Highlights**

The St. Louis Science Center elected to adopt GASB No. 65 in 2013 resulting in certain reclassifications and presentation changes to the statement of net position. The effect of these changes has been applied retroactively; as a result the beginning of the year net position has been changed to reflect the expensing of bond issuance costs.

The net position of the Science Center totaled \$49,422,898 at the close of 2013; this was an increase of \$1,542,379, or 3.2% from 2012.

Unrestricted net position increased \$1,976,190, or 27.2%; this increase improved from a \$828,629 decrease in 2012, primarily the result of expense reductions discussed below and as more fully described following Table 1 - Net Position.

Total 2013 revenues decreased \$494,051 (2.3%) from 2012, primarily as a result of an increase in visitor activities operating revenues of approximately \$226,000, offset by decreases in non-operating revenues of approximately \$605,000 and a decrease in capital grants and endowment of approximately \$364,500. The increase in visitor activities revenues was primarily due to increased theater revenue due to higher attendance and realizing simulator revenue for 12 months in 2013 (only one month in 2012). The decrease in non-operating revenues was due primarily to a decrease in federal and capital grants.

Total expenses for 2013 decreased approximately \$1,732,000 (8.3%) from 2012, comprised mostly of decreases in program services. Interest expense also decreased by \$178,000 but was offset by a \$454,000 accounting loss on disposal of capital assets. The largest decreases in program services expenses were \$868,000 in special exhibits due to lower lease costs in 2013 compared to 2012 and \$872,000 in grant funded programs due to decreased grant revenue for the year.

Total liabilities decreased \$6,570,303, or 25.2% from 2012, which was principally accounted for by a decrease in note payable-line of credit of \$1,900,000 and a \$3,800,000 decrease in other notes payable.

Capital asset additions totaled approximately \$1,700,000 for the year, representing mostly the ongoing costs of normal replacement of equipment and exhibits.

## **Using this Annual Report**

This annual report includes financial statements, notes to those statements, and supplementary information. These statements are prepared and organized so the reader can understand the Science Center as a single entity.

## **ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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### Management's Discussion And Analysis (*Continued*)

The Science Center, because it is a special-purpose government engaged in a single governmental program, presents only government-wide, combined financial statements as its basic financial statements. The Science Center reports its financial results as a single enterprise fund for financial reporting purposes. This means that it uses the full accrual method of accounting and considers its operations to be similar to those of a business-type activity. The Science Center's defined benefit retirement plan is included as a pension trust fund.

#### **Government-Wide Financial Statements**

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the entire Science Center. These two statements report the Science Center's total net position and the changes in net position. The change in net position is important because it is an important indicator in determining whether the overall financial position of the Science Center has improved or deteriorated during the year. However, other factors, such as changes in attendance and improvements in capital assets, also effect the overall financial position of the Science Center.

#### **Combining Financial Statements**

The combining financial statements beginning on page 50 separately report the activities of the St. Louis Science Center Subdistrict and the St. Louis Science Center Foundation. These two entities are discussed further in Note 2 beginning on page 19 of the financial statements. Both of these entities carry out various activities conducted by the Science Center and, as discussed in Note 2, the Foundation is treated as a blended enterprise fund for financial reporting purposes.

The notes to the financial statements provide additional information that is essential to a full understanding of the data included in the basic financial statements.

#### **St. Louis Science Center as a Whole**

Table 1 provides a summary of the Science Center's net position for 2014, 2013 and 2012. The 2012 balances have been restated due to GASB 65.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
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Management's Discussion And Analysis (*Continued*)

**Table 1 - Net Position**

	2014	2013	2012
<b>Assets</b>			
Current assets and other assets	\$ 16,773,906	\$ 17,168,819	\$ 18,476,728
Capital assets	<b>50,234,908</b>	51,525,596	55,193,243
<i>Total assets</i>	<b>67,008,814</b>	68,694,415	73,669,971
<i>Deferred outflows</i>	<b>290,138</b>	253,053	305,421
<b>Liabilities</b>			
Current liabilities	<b>6,467,991</b>	8,555,316	11,451,957
Noncurrent liabilities	<b>8,835,267</b>	10,969,254	14,642,916
<i>Total liabilities</i>	<b>15,303,258</b>	19,524,570	26,094,873
<b>Net position</b>			
Invested in capital assets, net of related debt	<b>38,337,035</b>	35,255,135	33,230,733
Restricted	<b>5,001,341</b>	4,925,246	7,383,459
Unrestricted	<b>8,657,318</b>	9,242,517	7,266,327
<i>Total net position</i>	<b>\$ 51,995,694</b>	\$ 49,422,898	\$ 47,880,519

**2014 and 2013**

The net position of investment in capital assets increased by \$3,081,900, due to capital asset additions of \$1,861,769 and a decrease in debt of \$4,372,588. This was offset by depreciation of \$2,981,867 and writing off \$170,589 in fixed assets.

The restricted net position, which represents resources that are subject to external restrictions on how those assets may be used, increased in 2014 principally due to the continued collection of pledges receivable which were restricted for the capital campaign to finance the 2011 construction of the new exhibition hall. The total increase was partially offset by the decrease in our debt service fund for the 2005 bonds that was no longer needed at year-end.

The unrestricted net position decreased primarily as a result of lower grant revenue and fundraising event revenue as well as an increase in interest and debt related expenses due to the cost of issuance from the 2014 bonds.

Current liabilities decreased by \$2,087,325 from 2013, primarily because of a decrease in note payable of \$1,364,610.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
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Management's Discussion And Analysis (*Continued*)

**2013 and 2012**

The net position of investment in capital assets increased by \$2,024,402, due to capital asset additions of \$1,696,279 and a decrease in debt of \$5,744,417. This was offset by the sale of property of \$2,162,000 and depreciation of \$3,227,500.

The restricted net position, which represents resources that are subject to external restrictions on how those assets may be used, decreased in 2013 principally due to the continued collection of pledges receivable which were restricted for the capital campaign to finance the 2011 construction of the new exhibition hall.

The unrestricted net position increased primarily as a result of a reduction in operating expenses and positive operating revenues (principally theater and simulators). Total operating expenses were reduced by approximately \$1,800,000 from 2012, representing a nearly 9% decrease in these costs for the year.

Current liabilities decreased by \$2,896,641 from 2012, primarily because of a decrease in note payable-line of credit of \$1,900,000.

Table 2 shows the changes in net position for 2014, 2013 and 2012. The 2012 balances have been restated due to GASB 65.

**Table 2 - Change in Net Position**

	2014	2013	2012
<b>Revenues</b>			
Contributions and grants	\$ 5,280,583	\$ 4,590,208	\$ 5,454,820
Tax revenue from Zoo - Museum			
District	10,510,361	10,502,351	10,447,481
Theaters and other operating sources	6,429,394	5,424,487	5,193,624
Investment income (loss)	146,495	276,138	191,290
<i>Total revenues, including endowment</i>	<b>22,366,833</b>	20,793,184	21,287,215
<b>Expenses</b>			
Salaries and benefits	8,607,434	8,425,308	9,909,386
Depreciation and amortization	2,981,867	3,227,532	3,294,727
Other program services	3,137,028	2,671,543	2,850,355
Other supporting services	3,968,821	3,570,381	3,816,758
Interest and debt related expenses	878,380	675,695	854,021
Other	220,507	680,346	257,629
<i>Total expenses</i>	<b>19,794,037</b>	19,250,805	20,982,876
<i>Change in net position</i>	<b>\$ 2,572,796</b>	\$ 1,542,379	\$ 304,339

## ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT

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Management's Discussion And Analysis (*Continued*)

### **2014 and 2013**

Contributions result principally from the Science Center's ongoing fundraising efforts (annual fund, major gifts, operating grants, etc.) and special fundraising efforts. These revenues increased from 2013 to 2014 principally as a result of increased capital grants and contributions. Operating grant revenues include \$80,013 and \$460,566 received under several different Federal grants during 2014 and 2013, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 47% of total revenues in 2014 and 51% of total revenues in 2013. Theater and other revenues include revenue from the Science Center's operations for which fees are charged (Omnimax Theater, planetarium, special exhibits, parking, restaurants, etc.). These revenues increased approximately \$1,005,000 from 2013, reflecting higher special exhibit revenues as well as increased sponsorship revenue.

Investment income for 2014 decreased from 2013 when the Science Center experienced unusually strong investment results. Investment income for 2014 includes unrealized gains in the Science Center's endowment funds.

Salaries and benefits are the Science Center's largest expense totaling \$8,607,434 and \$8,425,308, respectively, or 43% and 44% of total expenses in 2014 and 2013.

Depreciation of the Science Center's capital assets totaled \$2,981,867 and \$3,227,532, or 15% and 17%, respectively, of total expenses in 2014 and 2013. Depreciation decreased as a result of certain older assets becoming fully depreciated during 2014.

Other program services include expenses incurred specifically to carry out the various programs and activities of the Science Center. Major expenses include film and exhibit costs and supplies for the various education and scientific programs and events held at the Science Center.

Other supporting services include expenses incurred to support the overall operations of the Science Center. Major expenses include marketing and communications, utilities, supplies, printing, insurance and maintenance.

### **2013 and 2012**

Contributions result principally from the Science Center's ongoing fundraising efforts (annual fund, major gifts, operating grants, etc.) and special fundraising efforts. These revenues decreased from 2012 to 2013 principally as a result of lower federal and capital grants. Operating grant revenues include \$460,566 and \$1,194,910 received under several different Federal grants during 2013 and 2012, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 51% of total revenues in 2013 and 49% of total revenues in 2012. Theater and other revenues include revenue from the Science Center's operations for which fees are charged (Omnimax Theater, planetarium, special exhibits, parking, restaurants, etc.). These revenues increased approximately \$226,000 from 2012, reflecting higher attendance in the theater and utilization of the simulators for 12 months in 2013 (only one month in 2012).

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
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Management's Discussion And Analysis (*Continued*)

Investment income for 2013 increased from 2012 due to continued market recovery. Investment income for 2013 includes unrealized gains in the Science Center's endowment funds.

Salaries and benefits are the Science Center's largest expense totaling \$8,425,308 and \$9,909,386, respectively, or 44% and 47% of total expenses in 2013 and 2012. The Science Center has implemented a variety of cost control measures to reduce its overall level of salaries and benefits costs.

Depreciation of the Science Center's capital assets totaled \$3,227,532 and \$3,294,727, or 17% and 16%, respectively, of total expenses in 2013 and 2012. Depreciation decreased as a result of certain older assets becoming fully depreciated during 2013.

Other program services include expenses incurred specifically to carry out the various programs and activities of the Science Center. Major expenses include film and exhibit costs and supplies for the various education and scientific programs and events held at the Science Center.

Other supporting services include expenses incurred to support the overall operations of the Science Center. Major expenses include marketing and communications, utilities, supplies, printing, insurance and maintenance.

**Budget**

As noted, the Science Center is treated as a single enterprise fund for financial reporting purposes and, accordingly, no budgetary analysis is presented here. (The Science Center submits a budget to the St. Louis Metropolitan Zoological Park and Museum District to assist the District with establishing the amount of property taxes to be collected by the District on behalf of the Science Center.)

**Table 3 - Capital Assets**

	<b>2014</b>	2013	2012
Land and land improvements	\$ 15,107,896	\$ 14,859,539	\$ 16,635,172
Buildings	60,900,393	60,840,271	60,747,543
Equipment, exhibits and collections	37,395,951	36,886,424	35,277,423
Construction in Progress	1,609,992	859,583	1,251,563
	<u>115,014,232</u>	<u>113,445,817</u>	<u>113,911,701</u>
Less accumulated depreciation	(64,779,324)	(61,920,221)	(58,718,458)
Net capital assets	<u>\$ 50,234,908</u>	<u>\$ 51,525,596</u>	<u>\$ 55,193,243</u>

## **ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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### Management's Discussion And Analysis (*Continued*)

At December 31, 2014 the Science Center's net investment in capital assets totaled \$38,337,035 (net of outstanding notes payable of \$10,438,011 used to finance the construction of certain capital assets and the related deferred amount on bond refunding of \$290,138). There were capital asset additions of \$1,861,759 during the year. These additions included ongoing replacements and normal additions of equipment and exhibits.

Additional information on the Science Center's capital assets can be found in Note 5 on pages 32 through 33 of this annual report.

### **Debt**

The Science Center has notes payable outstanding totaling \$10,438,011. These notes were issued in tax-exempt financings in 2005 and 2010 and in 2014. The Series 2014A Bonds were issued for a total amount of \$9,440,000 in connection with the refunding of the Science Center's 2005 bonds. The 2010 note is collateralized by campaign pledges received by the Science Center.

The Series 2014 Bonds bear interest at 2.37% and will be repaid at approximately level annual debt service until final maturity in November, 2025. The remaining Series 2005 Bonds bore interest at rates ranging between 4% and 4.5%. The Series 2014A bond proceeds were used to provide for all future debt service payments on the Series 2005 Bonds and to pay for related bond issuance costs. As a result, the Series 2005 bonds are considered defeased in substance and the notes payable to the IDA for those bonds have been removed from the accompanying financial statements as of December 31, 2014. No funds have been drawn on the \$5,000,000 Series 2014B Bonds as of December 31, 2014.

In 2013, the Science Center financed the purchase of a new VOIP phone system through US Bank. The amount of the note at December 31, 2014 is \$204,918. The note bears interest at LIBOR plus 2% and matures in 2019.

The Science Center also has a short-term note payable totaling \$1,750,000 outstanding at December 31, 2014. This borrowing was used primarily to finance the acquisition and construction of various fixed assets and the remainder was used for working capital purposes.

Additional information on the Science Center's notes payable can be found in Note 6 and Note 7 on pages 35 through 38 of this annual report.

### **Contacting the Science Center's Financial Management**

This financial report is designed to provide a general overview of the Science Center's finances and to help demonstrate the Science Center's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Managing Director of Finance, St. Louis Science Center, 5050 Oakland Avenue, St. Louis, Missouri 63110.

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## **Basic Financial Statements**

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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**STATEMENT OF NET POSITION**

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<b>Assets</b>	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
Current assets:		
Cash and short-term investments	\$ 2,400,566	\$ 2,418,157
Pledges receivable, net	882,957	1,941,116
Taxes receivable from Metropolitan Zoological Park and Museum District, net of allowance for uncollectible taxes of \$392,124 in 2014 and \$423,359 in 2013	5,807,484	6,193,501
Other receivables, net of allowance for uncollectible receivables of \$14,609 in 2014 and \$13,200 in 2013	453,509	510,559
Prepaid expenses	486,652	468,681
<b>Total current assets</b>	<b>10,031,168</b>	<b>11,532,014</b>
Noncurrent assets:		
Unrestricted investments	245,124	8,949
Restricted cash and investments	2,459,166	3,505,833
Pledges receivable, net	2,210,042	355,229
Other assets	1,828,406	1,766,794
<b>Total noncurrent assets</b>	<b>6,742,738</b>	<b>5,636,805</b>
Capital assets:		
Land and land improvements	15,107,896	14,859,539
Building	60,900,393	60,840,271
Furniture, fixtures and equipment	12,906,407	12,573,371
Exhibits	23,405,080	23,228,589
Collections	1,084,464	1,084,464
Construction in progress	1,609,992	859,583
Less: Accumulated depreciation	(64,779,324)	(61,920,221)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>50,234,908</b>	<b>51,525,596</b>
<b>Total noncurrent assets</b>	<b>56,977,646</b>	<b>57,162,401</b>
<b>Total Assets</b>	<b>67,008,814</b>	<b>68,694,415</b>
<b>Deferred Outflows Of Resources</b>		
Deferred amount on bond refunding	290,138	253,053
<b>Total Deferred Outflows Of Resources</b>	<b>290,138</b>	<b>253,053</b>

**ST. LOUIS SCIENCE CENTER  
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**STATEMENT OF NET POSITION**

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	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Liabilities</b>		
Current liabilities:		
Notes payable - current	\$ 1,616,105	\$ 2,980,715
Note payable - line of credit	1,750,000	2,600,000
Accounts payable and accrued expenses	2,800,786	2,668,739
Unearned revenue	301,100	305,862
<b>Total current liabilities</b>	<b>6,467,991</b>	<b>8,555,316</b>
Noncurrent liabilities:		
Notes payable	8,821,906	10,942,799
Other liabilities	13,361	26,455
<b>Total noncurrent liabilities</b>	<b>8,835,267</b>	<b>10,969,254</b>
<b>Total Liabilities</b>	<b>15,303,258</b>	<b>19,524,570</b>
<b>Net Position</b>		
Net investment in capital assets	38,337,035	35,255,135
Restricted for:		
Expendable:		
Debt service	135,787	1,265,992
Capital campaign	2,542,175	1,438,838
Endowment earnings	698,180	595,222
Nonexpendable:		
Endowment principal	1,625,199	1,625,194
Unrestricted	8,657,318	9,242,517
<b>Total Net Position</b>	<b>\$ 51,995,694</b>	<b>\$ 49,422,898</b>

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
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**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

Page 1 Of 2

	For The Years Ended December 31,	
	2014	2013
<b>Operating Revenues</b>		
Visitor activities:		
Omnimax theater	\$ 1,244,902	\$ 1,078,828
Special exhibits	955,947	550,725
Parking	926,738	796,798
Planetarium	252,835	268,235
Discovery room	64,448	67,533
Restaurants	182,904	176,722
Gift shops	170,459	184,424
Simulators	348,724	298,805
Education programs:		
School programs	95,253	92,374
Public programs	80,837	104,776
Camps	261,540	253,412
Robotics competition	163,800	239,248
Membership	878,853	905,896
Other:		
Sponsorships	500,482	170,200
Rental and events income	205,500	157,356
Guest services	32,494	18,825
Sale of exhibits	32,477	4,325
Miscellaneous	31,201	56,005
<b>Total operating revenues</b>	<b>6,429,394</b>	<b>5,424,487</b>
<b>Operating Expenses</b>		
Program services:		
Gallery operations and support	659,444	600,040
Design services and exhibit technology	1,290,050	1,248,663
Special exhibits	1,400,473	739,516
Theaters	965,579	864,311
Simulators	238,400	221,873
Community science education	785,413	754,581
Other educational programs	583,904	754,060
Grant funded programs	438,868	619,624
Other	193,689	141,679
<b>Total program services</b>	<b>6,555,820</b>	<b>5,944,347</b>
Supporting Services:		
Marketing and communications	1,411,028	1,044,628
Building services	1,216,428	1,162,826
Operations	1,266,139	1,407,964
Security and parking	496,143	469,808
Guest services	432,818	404,439
Finance and information systems	2,203,976	2,064,481
Human resources	504,143	495,835
Membership benefits and fundraising	1,167,268	1,238,503
Administration	459,520	434,401
Depreciation and amortization	2,981,867	3,227,532
<b>Total supporting services</b>	<b>12,139,330</b>	<b>11,950,417</b>
<b>Total Operating Expenses</b>	<b>18,695,150</b>	<b>17,894,764</b>
<b>Operating Loss</b>	<b>(12,265,756)</b>	<b>(12,470,277)</b>

See the accompanying notes to financial statements.

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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

Page 2 Of 2

	For The Years Ended December 31,	
	2014	2013
<b>Nonoperating Revenues (Expenses)</b>		
Property taxes and license fees from the Metropolitan Zoological Park and Museum District	\$ 10,510,361	\$ 10,502,351
Endowment contributions		
Contributions and grants:		
Annual fund	259,339	277,735
Events and other	250,099	127,704
Major gifts	493,954	587,028
Gala	—	437,599
Operating grants:		
Federal	80,013	460,566
Other	412,523	201,844
Capital fundraising expenses	(220,507)	(226,001)
Loss on disposal of capital assets	—	(454,345)
Investment income	146,495	276,138
Interest expense	(558,647)	(675,695)
Debt issuance costs	(319,733)	—
<b>Total Nonoperating Revenues</b>	<b>11,053,897</b>	<b>11,514,924</b>
<b>Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment</b>	<b>(1,211,859)</b>	<b>(955,353)</b>
<b>Capital Grants And Contributions Additions To Permanent Endowment</b>	<b>3,784,055</b>	<b>2,483,815</b>
	<b>600</b>	<b>13,917</b>
<b>Change In Net Position Before Additions To Permanent Endowment</b>	<b>(1,211,259)</b>	<b>(941,436)</b>
Additions to permanent endowment	—	103,000
<b>Change In Net Position</b>	<b>2,572,796</b>	<b>1,542,379</b>
<b>Net Position - Beginning Of Year</b>	<b>49,422,898</b>	<b>47,880,519</b>
<b>Net Position - End Of Year</b>	<b>\$ 51,995,694</b>	<b>\$ 49,422,898</b>

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**STATEMENT OF CASH FLOWS**

	For The Years Ended December 31,	
	2014	2013
<b>Cash Flows From Operating Activities</b>		
Received from visitors	\$ 5,366,346	\$ 4,456,302
Membership contributions	878,853	905,896
Paid to employees for services	(8,482,685)	(9,116,531)
Paid to suppliers for goods and services	(7,175,328)	(6,161,937)
<b>Net Cash Used In Operating Activities</b>	<b>(9,412,814)</b>	<b>(9,916,270)</b>
<b>Cash Flows From Noncapital And Related Financing Activities</b>		
Received from Metropolitan Zoological Park and Museum District	10,896,378	9,845,411
Received from donors	1,977,482	1,825,533
<b>Net Cash Provided By Noncapital And Related Financing Activities</b>	<b>12,873,860</b>	<b>11,670,944</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Received from donors	2,681,318	4,861,324
Principal paid on revenue bonds	(12,925,503)	(4,105,436)
Proceeds from Series 2014 Refunding Revenue Bonds	9,440,000	—
Net borrowings (repayments) of line of credit	(850,000)	(1,900,000)
Interest paid	(776,365)	(659,114)
Debt issuance costs paid	(319,733)	—
Purchases of capital assets	(1,626,075)	(1,548,481)
Proceeds from sale of capital assets	170,589	1,682,049
Paid to employees and suppliers for goods and services	(220,507)	(226,001)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(4,426,276)</b>	<b>(1,895,659)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(4,080,575)	(2,244,335)
Proceeds from sale of investments	4,936,489	2,599,978
Interest and dividends on investments	91,725	15,115
<b>Net Cash Provided By Investing Activities</b>	<b>947,639</b>	<b>370,758</b>
<b>Net (Decrease) Increase In Cash And Short-Term Investments</b>	<b>(17,591)</b>	<b>229,773</b>
<b>Cash And Short-Term Investments - Beginning Of Year</b>	<b>2,418,157</b>	<b>2,188,384</b>
<b>Cash And Short-Term Investments - End Of Year</b>	<b>\$ 2,400,566</b>	<b>\$ 2,418,157</b>
<b>Reconciliation Of Operating Loss To Net Cash Used In Operating Activities</b>		
Operating loss	\$ (12,265,756)	\$ (12,470,277)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	2,981,867	3,227,532
Changes in assets and liabilities:		
Other receivables and prepaid expenses	(122,635)	(102,385)
Other noncurrent assets	(61,612)	(77,401)
Accounts payable and accrued expenses	86,335	(485,310)
Unearned revenue and other liabilities	(31,013)	(8,429)
<b>Net Cash Used In Operating Activities</b>	<b>\$ (9,412,814)</b>	<b>\$ (9,916,270)</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Unrealized gains on investments	\$ 54,306	\$ 260,827
Capital asset additions included in accounts payable and notes payable	309,253	334,579

See the accompanying notes to financial statements.

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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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**STATEMENT OF FIDUCIARY NET POSITION  
Pension Trust Fund**

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Cash and short-term investments	\$ 178,374	\$ 170,693
Investment in marketable securities	7,511,660	7,550,714
Contribution receivable	667,358	604,777
<b>Total Assets</b>	<b>8,357,392</b>	<b>8,326,184</b>
<b>Net Position Restricted For Pensions</b>	<b>\$ 8,357,392</b>	<b>\$ 8,326,184</b>

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
Pension Trust Fund**

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Additions</b>		
Contributions:		
Employer contributions	\$ 72,871	\$ 126,188
<b>Investment Income (Loss):</b>		
Net appreciation in fair value of investments and interest and dividends	487,825	956,579
Investment expenses	(41,894)	(37,138)
<b>Total Investment Income</b>	<b>445,931</b>	<b>919,441</b>
<b>Total Additions</b>	<b>518,802</b>	<b>1,045,629</b>
<b>Deductions</b>		
Benefits paid	487,594	440,293
<b>Increase In Net Position</b>	<b>31,208</b>	<b>605,336</b>
<b>Net Position Restricted For Pensions - Beginning Of Year</b>	<b>8,326,184</b>	<b>7,720,848</b>
<b>Net Position Restricted For Pensions - End Of Year</b>	<b>\$ 8,357,392</b>	<b>\$ 8,326,184</b>

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014 And 2013**

**1. Description Of Organization**

**History**

The Academy of Science of St. Louis was founded in 1856, as the first scientific organization west of the Mississippi River. The Academy founded the Museum of Science and Natural History in 1959.

In 1971 a public vote made the Museum of Science and Natural History a subdistrict of the Metropolitan Zoological Park and Museum District (the District). This created funding for the museum from a continuous appropriation of an allocation of property tax revenues generated in the City of St. Louis and St. Louis County, which are levied on behalf of the St. Louis Science Center Subdistrict of the District (the St. Louis Science Center or the Subdistrict), by the District. The St. Louis Science Center has no authority to levy taxes on its own.

In 1984, the museum acquired the McDonnell Planetarium from the City of St. Louis. After a \$3.2 million renovation, the building reopened July 20, 1985 as the St. Louis Science Center.

Following a \$34 million expansion to construct the current main building, the expanded St. Louis Science Center opened November 2, 1991.

The St. Louis Science Center's mission is to ignite and sustain lifelong science and technology learning.

**2. Summary Of Significant Accounting Policies**

The significant accounting policies followed by the St. Louis Science Center are described below.

**Reporting Entity**

The St. Louis Science Center defines its reporting entity to include all component units for which the St. Louis Science Center's governing body is financially accountable. A primary government is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the relationship has the potential for creating specific financial benefits to, or imposing specific financial burdens on, the primary government. The St. Louis Science Center's financial reporting entity consists of the Subdistrict and its component unit. The component unit discussed below is included in the St. Louis Science Center's financial reporting entity because it is governed by members of the Subdistrict's Board and its activities are for the sole benefit of the Subdistrict.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

Notes To Financial Statements (*Continued*)

As such, the balances and transactions of this component unit are blended into the basic financial statements and combined with the business type activities of the Subdistrict.

The St. Louis Science Center Foundation (the Foundation) was incorporated in 1988 as a not-for-profit organization whose purpose is to support the Subdistrict and promote the study of science through educational programs and fundraising activities. The Foundation is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). Separate audited financial statements are not prepared for the Foundation.

The condensed combining financial information for the Subdistrict and Foundation as of December 31, 2014 is as follows:

**Condensed Combining Statement Of Net Position**

	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total 2014
<b>Current Assets</b>				
Due from foundation	\$ 204,674	\$ —	\$ (204,674)	\$ —
Other	8,364,450	1,666,718	—	10,031,168
<b>Noncurrent Assets</b>				
Capital assets, net of depreciation	9,003,960	41,230,948	—	50,234,908
Other	1,443,478	5,299,260	—	6,742,738
<b>Total Assets</b>	<b>19,016,562</b>	<b>48,196,926</b>	<b>(204,674)</b>	<b>67,008,814</b>
<b>Deferred Outflows Of Resources</b>	<b>—</b>	<b>290,138</b>	<b>—</b>	<b>290,138</b>
<b>Current Liabilities</b>				
Due to subdistrict	—	204,674	(204,674)	—
Other	3,568,249	2,899,742	—	6,467,991
<b>Noncurrent Liabilities</b>	<b>—</b>	<b>8,835,267</b>	<b>—</b>	<b>8,835,267</b>
<b>Total Liabilities</b>	<b>3,568,249</b>	<b>11,939,683</b>	<b>(204,674)</b>	<b>15,303,258</b>
<b>Net Position</b>				
Net investment in capital assets	7,253,960	31,083,075	—	38,337,035
Restricted	248,875	4,752,466	—	5,001,341
Unrestricted	7,945,478	711,840	—	8,657,318
<b>Total Net Position</b>	<b>\$ 15,448,313</b>	<b>\$ 36,547,381</b>	<b>\$ —</b>	<b>\$ 51,995,694</b>

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

Notes To Financial Statements (*Continued*)

**Condensed Combining Statement Of Revenue, Expenses And Changes In Net Position**

	<b>Subdistrict</b>	<b>St. Louis Science Center Foundation</b>	<b>Eliminating Entries</b>	<b>Combined Total 2014</b>
<b>Operating Revenue</b>				
Visitor activities	\$ 278,782	\$ 3,868,175	\$ —	\$ 4,146,957
Education programs	601,430	—	—	601,430
Membership	—	878,853	—	878,853
Other operating revenues	2,295,984	5,336,460	(6,830,290)	802,154
<b>Total Operating Revenue</b>	<b>3,176,196</b>	<b>10,083,488</b>	<b>(6,830,290)</b>	<b>6,429,394</b>
<b>Operating Expenses</b>				
Program Services	3,724,702	2,831,118	—	6,555,820
Supporting Services	13,583,997	2,403,756	(6,830,290)	9,157,463
Depreciation	795,184	2,186,683	—	2,981,867
<b>Total Operating Expenses</b>	<b>18,103,883</b>	<b>7,421,557</b>	<b>(6,830,290)</b>	<b>18,695,150</b>
<b>Operating Loss</b>	<b>(14,927,687)</b>	<b>2,661,931</b>	<b>—</b>	<b>(12,265,756)</b>
<b>Nonoperating Revenue (Expenses)</b>				
Property taxes and license fees	10,510,361	—	—	10,510,361
Contributions and grants	183,832	1,312,096	—	1,495,928
Capital fundraising expenses	—	(220,507)	—	(220,507)
Investment income (expense)	800	145,695	—	146,495
Interest and debt related expenses	(24,887)	(853,493)	—	(878,380)
<b>Net Nonoperating Revenues</b>	<b>10,670,106</b>	<b>383,791</b>	<b>—</b>	<b>11,053,897</b>
<b>Capital Grants And Contributions</b>	<b>6,395</b>	<b>3,777,660</b>	<b>—</b>	<b>3,784,055</b>
<b>Additions To Permanent Endowment</b>	<b>—</b>	<b>600</b>	<b>—</b>	<b>600</b>
<b>Transfers</b>	<b>5,000,000</b>	<b>(5,000,000)</b>	<b>—</b>	<b>—</b>
<b>Change In Net Position</b>	<b>748,814</b>	<b>1,823,982</b>	<b>—</b>	<b>2,572,796</b>
<b>Net Position Beginning Of Year</b>	<b>14,699,499</b>	<b>34,723,399</b>	<b>—</b>	<b>49,422,898</b>
<b>Net Position End Of Year</b>	<b>\$ 15,448,313</b>	<b>\$ 36,547,381</b>	<b>\$ —</b>	<b>\$ 51,995,694</b>

**Condensed Combining Statement Of Cash Flows**

Net cash (used in) provided by operating activities	\$ (14,413,288)	\$ 5,000,474	\$ —	\$ (9,412,814)
Net cash provided by noncapital and related financing activities	11,192,161	1,681,699	—	12,873,860
Net cash used in capital and related financing activities	(1,427,229)	(2,999,047)	—	(4,426,276)
Net cash (used in) provided by investing activities	(8,724)	956,363	—	947,639
Net increase (decrease) in cash and cash equivalents	(4,657,080)	4,639,489	—	(17,591)
Cash and cash equivalents - beginning of year	1,780,991	637,166	—	2,418,157
Cash and cash equivalents - end of year	\$ (2,876,089)	\$ 5,276,655	\$ —	\$ 2,400,566

The St. Louis Science Center operates the St. Louis Science Center Employees' Retirement Plan (which represents the Pension Trust Fund), which is a single employer, defined benefit plan. The assets of the Pension Trust Fund are held in the Retirement Trust.

## **ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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### Notes To Financial Statements (*Continued*)

#### **Basis Of Presentation**

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America for business-type activities, as prescribed by the Governmental Accounting Standards Board (GASB).

#### **Measurement Focus And Basis Of Accounting**

The basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. For financial reporting purposes, operations of the business-type activities are reported as a single enterprise fund and accordingly, all interfund transactions and balances are eliminated. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the related liability is incurred. The measurement focus is on the flow of economic resources. All assets and liabilities associated with the operation of the St. Louis Science Center are included on the statement of net position.

Revenues and expenses of business-type activities are divided into operating and nonoperating items. Operating revenues generally result from providing services and producing and delivering goods in connection with principal ongoing operations. Revenues from admissions, merchandise and other sales, parking and member contributions are reported as operating revenues. Operating expenses include primarily the costs of providing program services, administrative expenses, and depreciation on capital assets. All revenues and expenses which are capital, financing, or investing related are reported as nonoperating revenues and expenses or in its own category in the Statement of Revenues, Expenses and Changes in Net position.

Although support from the District through property taxes, as described below, is in lieu of admission charges in accordance with state statute, these revenues are not generated from operations and are therefore reported as nonoperating revenues.

The financial statements of the Pension Trust Fund have been prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable. Investments are reported at fair value.

#### **Support From The District Through Property Tax Revenue**

Tax revenue from the District represents a continuous appropriation to the St. Louis Science Center from the District. The St. Louis Science Center recognizes such tax revenues and the related receivable based on an allocation of property taxes which are levied by the District. The St. Louis Science Center recognizes the support in the period in which the taxes have been levied by the District, net of District management fee and an allowance for uncollectible accounts.

## **ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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### Notes To Financial Statements (*Continued*)

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and payable by December 31. All unpaid taxes become delinquent on January 1 of the following year. Taxes are collected by the City and County and remitted to the District on a monthly basis. Amounts collected by the District are then transferred to the Subdistrict as expenses become payable.

Because some taxes ultimately may not be collected, an allowance for uncollectible taxes is recorded. Increases in the allowance are recorded by a provision for uncollectible taxes charged to expense. Estimating the amount of uncollectible taxes is necessarily subjective. Accordingly, the allowance is maintained by the Subdistrict at a level considered adequate to cover uncollectible taxes currently anticipated, based on past experience and other general, economic and political factors.

#### **Revenue Recognition**

The St. Louis Science Center recognizes marketing and communication, education, exhibits and program revenues at the point of sale or when the program is provided. Parking and members' contributions are recognized as revenue when received.

The St. Louis Science Center recognizes operating and capital grants and contributions, including unconditional promises to give due in future periods, when all eligibility requirements, including time requirements, are met.

#### **Cash And Investments**

The St. Louis Science Center reports investments at fair value. Fair value is determined to be the amount at which financial instruments could be exchanged in a current transaction between willing parties, usually based on quotations obtained from national securities exchanges. Certain money market investments or debt securities having a remaining maturity of one year or less at time of purchase and nonnegotiable certificates of deposit with redemption terms that do not consider market rates are carried at amortized cost.

Cash and short-term investments include bank checking accounts, certificates of deposit and U.S. treasury and agency obligations. Restricted cash and investments, held primarily by the Foundation, consist of investments in U.S. treasury and agency obligations held in trust, with maturities less than one year, money market mutual funds, and equity and fixed income mutual funds.

Investment income includes interest and dividends earned and the change in the fair value of investments.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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Notes To Financial Statements (*Continued*)

**Capital Assets**

Capital assets are recorded at historical cost plus interest on funds borrowed to finance the acquisition or construction of major capital additions. Donated items are stated at independent appraisal or estimated value, at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	20 to 60 years
Furniture, fixtures and equipment	5 to 20 years
Exhibits	3 to 20 years

Capital amounts are defined as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year.

Expenses for maintenance, repairs and minor renewals are charged to operations as incurred. Expenses for betterments and major renewals are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss, if any, is included in operations.

**Deferred Outflows Of Resources**

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The St. Louis Science Center has a deferred loss on refunding reported in the statement of net position. A deferred loss on refunding is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This item has been reported as deferred outflows on the statement of net position.

**Deferred Inflows Of Resources**

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then.

## ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Net Position**

Net Position is classified as follows:

*Net Investment in Capital Assets* - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted Expendable* - the component of net position that reports the difference between assets and liabilities of certain programs whose use is subject to externally imposed stipulations that can be fulfilled by actions of the St. Louis Science Center.

*Restricted Nonexpendable* - the component of net position that also reports the difference between assets and liabilities of certain programs subject to externally imposed stipulations that the assets be maintained permanently.

*Unrestricted* - the difference between the assets and liabilities that do not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the St. Louis Science Center's policy to use applicable restricted resources first, then unrestricted resources as they are needed.

#### **Use Of Estimates**

The preparation of the St. Louis Science Center's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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Notes To Financial Statements (*Continued*)

**3. Cash And Investments**

Cash and investments consist of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
<b>Business-Type Activity</b>		
Cash and short-term investments:		
Cash	\$ 2,400,566	\$ 2,418,157
Noncurrent cash and investments:		
Federal National Mortgage Association Securities	—	1,056,515
Equity securities	92,290	302,226
Equity based mutual funds	1,658,912	1,479,607
Fixed income mutual funds	809,028	441,894
Money market mutual funds	144,060	215,115
Certificates of deposit	—	19,425
	<u>\$ 5,104,856</u>	<u>\$ 5,932,939</u>
<b>Pension Trust Fund</b>		
Money market mutual funds	\$ 178,374	\$ 170,693
Equity based index and open-end mutual funds	5,712,211	6,885,012
Fixed income mutual funds	1,799,449	665,702
	<u>\$ 7,690,034</u>	<u>\$ 7,721,407</u>

**Cash**

Unrestricted cash includes \$939,424 and \$11,545 of funds held on behalf of the St. Louis Science Center by the Metropolitan Zoological Park and Museum District at December 31, 2014 and 2013, respectively.

## **ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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Notes To Financial Statements (*Continued*)

### **Investment Policy**

#### **Investments - Subdistrict**

The St. Louis Science Center's investment policies require the Subdistrict to invest in instruments that are defined as being approved by the statutes of the State of Missouri and collateralized by approved instruments. The policy has safety as its primary objective. Investments are made to insure the availability of funds on a timely and adequate basis for payment of general expenditures and capital outlay projects, both short-term and long-term, in an expeditious manner. Approved investments include U.S. Treasury bills, notes, and bonds; U.S. Government Agency and Instrumentality obligations; repurchase agreements; collateralized deposits; and bonds or other obligations issued by the State of Missouri and subdivisions thereof as long as any of these are rated "A" or better by Moody's or Standard and Poor's. Purchases of one issuer are limited to \$500,000 except for federal government securities which have no limitations. Maturities for operational purposes are restricted to 90 days or less.

#### **Investments - Foundation**

The Foundation is incorporated as a Missouri not-for profit organization, and as such, is not subject to the restrictions on investments of governmental subdivisions. Specifically, not-for-profit corporations are not restricted under Missouri law from investing in corporate stock and similar investments.

#### **Investments - Foundation Endowment Investments**

The long-term objective of the endowment held by the Foundation is to achieve a total return equivalent to or greater than the St. Louis Science Center's financial requirements set by the Finance Committee of the Board of Commissioners. The financial requirement is the sum of the spending rate, the expected long-term inflation rate, and any appropriate growth rate, reduced by the cost of portfolio management. The Finance Committee has adopted an asset allocation policy of investing 70% of the endowment in equity mutual funds and 30% of the endowment in fixed income mutual funds. This policy may be modified from time to time by the Finance Committee.

#### **Investments - Pension Trust Fund**

The St. Louis Science Center Employees' Pension Plan's (the Pension Plan) investment policies require the Pension Plan to invest in instruments that emphasize diversification across asset classes and are designed to give balance to the overall structure of the Pension Plan's investment program over the time horizon. The policy's primary objective is to provide a rate of return sufficient to meet in perpetuity the obligations of the Pension Plan. This policy may be modified from time to time by the Finance Committee of the Subdistrict.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
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Notes To Financial Statements (*Continued*)

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As noted under the investment policies, the St. Louis Science Center minimizes the risk that the value of its investments will fall due to changes in general interest rates by investing unrestricted funds primarily in short-term U.S. government obligations and overnight repurchase agreements. At December 31, 2014 and 2013, the St. Louis Science Center held the following investments and maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>December 31, 2014</b>		
		<b>Investment Maturities (In Years)</b>		
		<b>Less Than One</b>	<b>1 - 5</b>	<b>6 - 10</b>
Fixed income mutual funds*	\$ 809,028	\$ —	\$ 273,256	\$ 535,772
Money market mutual funds	144,060	144,060	—	—
	<b>\$ 953,088</b>	<b>\$ 144,060</b>	<b>\$ 273,256</b>	<b>\$ 535,772</b>

<b>Investment Type</b>	<b>Fair Value</b>	<b>December 31, 2013</b>		
		<b>Investment Maturities (In Years)</b>		
		<b>Less Than One</b>	<b>1 - 5</b>	<b>6 - 10</b>
Federal National Mortgage Association Fixed income mutual funds*	\$ 1,056,515	\$ —	\$ 1,056,515	\$ —
Money market mutual funds	441,894	—	441,894	—
Certificates of deposit	215,115	215,115	—	—
	19,425	19,425	—	—
	<b>\$ 1,732,949</b>	<b>\$ 234,540</b>	<b>\$ 1,498,409</b>	<b>\$ —</b>

\* Average duration of securities within the funds

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Notes To Financial Statements (*Continued*)

The Pension Plan's investment policy does not address interest rate risk. The portfolio had the following investments and maturities at December 31, 2014 and 2013:

Investment Type	Fair Value	December 31, 2014			
		Investment Maturities (In Years)			
		Less Than One	1 - 5	6 - 10	No Maturity
Money market mutual funds	\$ 178,374	\$ 178,374	\$ —	\$ —	\$ —
Fixed income mutual funds*	1,799,449	—	720,198	707,994	371,257
	\$ 1,977,823	\$ 178,374	\$ 720,198	\$ 707,994	\$ 371,257

Investment Type	Fair Value	December 31, 2013			
		Investment Maturities (In Years)			
		Less Than One	1 - 5	6 - 10	No Maturity
Money market mutual funds	\$ 170,693	\$ 170,693	\$ —	\$ —	\$ —
Fixed income mutual funds*	665,702	—	—	—	665,702
	\$ 836,395	\$ 170,693	\$ —	\$ —	\$ 665,702

\* Average duration of securities within the funds

**Credit Risk**

In accordance with the Science Center's investment policies, investments are only permitted in the investments noted above. As a result, the risk of loss on investments, excluding the endowment, is controlled by having safety as the primary objective of the St. Louis Science Center. The risk of loss on investments in the endowment is controlled by having the Finance Committee oversee the investments and by engaging an outside investment manager to invest the funds of the endowment in accordance with the guidelines and restrictions dictated by the endowment investment policy.

The Pension Plan's investment policy does not address credit risk.

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Notes To Financial Statements (*Continued*)

The following tables provide information on the credit ratings associated with the St. Louis Science Center's investments in debt securities, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government at December 31, 2014 and 2013.

	<b>December 31, 2014</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Fidelity Daily Money Fund	Aaa	\$ 8,273
US Bank Money Market Fund	P-1	135,787
Doubline Total Return Bond Fund	Unrated	273,256
Loomis Sayles Core Plus Bond Fund	Unrated	287,152
Vanguard Intermed Term Investor	Unrated	248,620

	<b>December 31, 2013</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Fidelity Daily Money Fund	Aaa	\$ 5,639
Federal National Mortgage Association Securities	Aaa	1,056,515
Templeton Global Bond Fund	Unrated	194,049
Vanguard Short-Term Treasury Fund	Unrated	247,844
Government Obligation Money Fund #703	Unrated	209,477

The following tables provide information on the credit ratings associated with the Pension Plan's investments in debt securities, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government at December 31, 2014 and 2013.

	<b>December 31, 2014</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Barclays Capital Aggregate Bond Fund	A	\$ 371,257
Loomis Sayles Core Plus Bond Fund	BB	720,198
Doubleline Total Return Bond Fund	BBB	707,994
Prime Fund Daily Money Class	Unrated	64,472
BlackRock Money Market	Unrated	113,902

	<b>December 31, 2013</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Barclays Capital Aggregate Bond Fund	A	\$ 343,402
Templeton Global Bond Fund	Unrated	322,300
Prime Fund Daily Money Class	Unrated	50,399
BlackRock Money Market	Unrated	120,294

## ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Concentration Of Credit Risk**

As noted under the investment policies, there is a limit on the amount of funds the St. Louis Science Center and the Pension Plan may invest in any one issuer, except with respect to federal government securities. For the Pension Plan, the policy dictates that an asset allocation plan be developed and rebalanced on a periodic basis. At December 31, 2014 and 2013, the concentrations of the St. Louis Science Center's investments were below 5%.

#### **Custodial Credit Risk**

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the St. Louis Science Center will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investments in securities are exposed to custodial credit risk if the securities are uninsured, not registered in the St. Louis Science Center's name and held by the counterparty. The St. Louis Science Center did not have any investments exposed to custodial credit risk at December 31, 2014 or 2013.

For deposits, custodial credit risk is the risk that in the event of bank failure, the St. Louis Science Center's deposits may not be returned to it. Protection of the St. Louis Science Center's deposits is provided by the Federal Deposit Insurance Corporation and by eligible securities pledged by the financial institution.

The Pension Plan's investment policy does not address custodial credit risk.

#### **4. Pledges Receivable**

Outstanding pledges at December 31, 2014 and 2013 are receivable from individuals, corporations and other organizations principally located in the St. Louis metropolitan area. Pledges that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. In 2010, the St. Louis Science Center began its Bridge to the Future Campaign and received approximately \$2,730,000 and \$796,500 in pledges during 2014 and 2013, respectively. Amortization of the discounts is included in contribution revenue.

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Notes To Financial Statements (*Continued*)

Pledges are scheduled to be collected as follows:

<b>Year</b>	<b>Amount</b>
2015	\$ 882,957
2016	725,500
2017	701,500
2018	546,000
2019	500,000
	<u>3,355,957</u>
Less: Noncurrent unamortized discount	202,996
	<u>3,152,961</u>
Less: Allowance for uncollectible pledges	59,962
	<u><u>\$ 3,092,999</u></u>

**5. Capital Assets**

Capital asset activity for the year ended December 31, 2014 is as follows:

	<b>Balance - January 1, 2014</b>	<b>Additions &amp; Transfers</b>	<b>Deletions &amp; Transfers</b>	<b>Balance - December 31, 2014</b>
Capital assets, nondepreciable:				
Land	\$ 11,314,691	\$ 286,905	\$ —	\$ 11,601,596
Construction in progress	859,583	912,199	(161,790)	1,609,992
Collections	1,084,464	—	—	1,084,464
<b>Total capital assets, nondepreciable</b>	<u>13,258,738</u>	<u>1,199,104</u>	<u>(161,790)</u>	<u>14,296,052</u>
Capital assets, depreciable:				
Land improvements	3,544,848	111,452	(150,000)	3,506,300
Building	60,840,271	60,122	—	60,900,393
Furniture, fixtures and equipment	12,573,371	465,691	(132,655)	12,906,407
Exhibits	23,228,589	176,491	—	23,405,080
<b>Total capital assets, depreciable</b>	<u>100,187,079</u>	<u>813,756</u>	<u>(282,655)</u>	<u>100,718,180</u>
<b>Total accumulated depreciation</b>	<u>(61,920,221)</u>	<u>(2,981,867)</u>	<u>122,764</u>	<u>(64,779,324)</u>
<b>Total capital assets, depreciable, net</b>	<u>38,266,858</u>	<u>(2,168,111)</u>	<u>(159,891)</u>	<u>35,938,856</u>
<b>Total capital assets, net</b>	<u><u>\$ 51,525,596</u></u>	<u><u>\$ (969,007)</u></u>	<u><u>\$ (321,681)</u></u>	<u><u>\$ 50,234,908</u></u>

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Notes To Financial Statements (*Continued*)

Capital asset activity for the year ended December 31, 2013 was as follows:

	<b>Balance - January 1, 2013</b>	<b>Additions &amp; Transfers</b>	<b>Deletions &amp; Transfers</b>	<b>Balance - December 31, 2013</b>
Capital assets, nondepreciable:				
Land	\$ 13,090,324	\$ —	\$ (1,775,633)	\$ 11,314,691
Construction in progress	1,251,563	675,338	(1,067,318)	859,583
Collections	1,084,464	—	—	1,084,464
<b>Total capital assets, nondepreciable</b>	<b>15,426,351</b>	<b>675,338</b>	<b>(2,842,951)</b>	<b>13,258,738</b>
Capital assets, depreciable:				
Land improvements	3,544,848	—	—	3,544,848
Building	60,747,543	479,258	(386,530)	60,840,271
Furniture, fixtures and equipment	11,705,513	867,858	—	12,573,371
Exhibits	22,487,446	741,143	—	23,228,589
<b>Total capital assets, depreciable</b>	<b>98,485,350</b>	<b>2,088,259</b>	<b>(386,530)</b>	<b>100,187,079</b>
<b>Total accumulated depreciation</b>	<b>(58,718,458)</b>	<b>(3,227,532)</b>	<b>25,769</b>	<b>(61,920,221)</b>
<b>Total capital assets, depreciable, net</b>	<b>39,766,892</b>	<b>(1,139,273)</b>	<b>(360,761)</b>	<b>38,266,858</b>
<b>Total capital assets, net</b>	<b>\$ 55,193,243</b>	<b>\$ (463,935)</b>	<b>\$ (3,203,712)</b>	<b>\$ 51,525,596</b>

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
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Notes To Financial Statements (*Continued*)

**6. Notes Payable**

A summary of changes in long-term debt for the years ended December 31, 2014 and 2013 is as follows:

	<b>Balance - December 31, 2013</b>			<b>Balance - December 31, 2014</b>		<b>Due Within One Year</b>
	<b>Additions</b>	<b>Reductions</b>				
Series 2005 Refunding						
Revenue Bonds	\$ 10,635,000	\$ —	\$ 10,635,000	\$ —		\$ —
Series 2010 Subordinate						
Revenue Bonds	3,027,495	—	2,234,402	793,093		793,093
2013 Note Payable	261,019	—	56,101	204,918		48,012
Series 2014 Refunding						
Revenue Bonds	—	9,440,000	—	9,440,000		775,000
<b>Long-Term Liabilities</b>	<b>\$ 13,923,514</b>	<b>\$ 9,440,000</b>	<b>\$ 12,925,503</b>	<b>\$ 10,438,011</b>		<b>\$ 1,616,105</b>

	<b>Balance - December 31, 2012</b>			<b>Balance - December 31, 2013</b>		<b>Due Within One Year</b>
	<b>Additions</b>	<b>Reductions</b>				
Series 2005 Refunding						
Revenue Bonds	\$ 11,230,000	\$ —	\$ 595,000	\$ 10,635,000		\$ 625,000
Series 2010 Subordinate						
Revenue Bonds	6,537,931	—	3,510,436	3,027,495		2,305,780
2013 Note Payable	—	261,019	—	261,019		49,935
<b>Long-Term Liabilities</b>	<b>\$ 17,767,931</b>	<b>\$ 261,019</b>	<b>\$ 4,105,436</b>	<b>\$ 13,923,514</b>		<b>\$ 2,980,715</b>

**Public Facilities Refunding And Improvement Revenue Bonds Series 2014**

On December 4, 2014, in connection with financing a portion of improvements to the Science Center and to advance refund the Series 2005 Bonds, the Industrial Development Authority of the City of St. Louis (the IDA) issued \$9,440,000 in Public Facilities Refunding Revenue Bonds, Series 2014A and \$5,000,000 in Public Facilities Improvement Revenue Bonds, Series 2014B (together, the Series 2014 Bonds). The Series 2014 Bonds bear interest at 2.37% and will be repaid at approximately level annual debt service until final maturity in November, 2025. The remaining Series 2005 Bonds bore interest at rates ranging between 4% and 4.5%. The Series 2014A bond proceeds were used to purchase securities that were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2005 Bonds and to pay for related bond issuance costs. As a result, the Series 2005 bonds are considered defeased in substance and the notes payable to the IDA for those bonds have been removed from the accompanying financial statements as of December 31, 2014. No funds have been drawn on the Series 2014B Bonds as of December 31, 2014.

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Notes To Financial Statements (*Continued*)

As a result of the advance refunding, the Science Center decreased its debt service requirements related to the Series 2005 Bonds by \$1,118,000, which approximates the economic gain.

The maturity dates, principal amounts and interest expense amounts for the Series 2014 bonds are as follows:

<b>Maturity</b>	<b>Principal Amount</b>	<b>Interest</b>
2015	\$ 775,000	\$ 205,077
2016	775,000	198,606
2017	795,000	180,061
2018	815,000	160,953
2019	835,000	141,548
2020-2024	4,480,000	398,486
2025	965,000	14,250
	<b>\$ 9,440,000</b>	<b>\$ 1,298,981</b>

**Public Facilities Improvement Subordinate Revenue Bonds Series 2010**

During 2010, in connection with financing the acquisition and construction of certain facilities of the St. Louis Science Center, the Industrial Development Authority of the City of St. Louis (the IDA) sold \$15,000,000 Series 2010 St. Louis Science Center Public Facilities Improvement Subordinate Revenue Bonds (the 2010 Bonds). The 2010 Bonds bear interest at a Floating Rate based on the LIBOR rate, adjusted for several factors (the current rate on the 2010 Bonds was 1.97% at December 31, 2014). The Foundation entered into a loan agreement with the IDA whereby the IDA agreed to loan the bond proceeds to the Foundation. In return, the Foundation agreed to pay the principal and interest on the bonds as such payment becomes due. The loan is subordinate to the Series 2014 Bonds discussed above, as well as the 2005 Bonds discussed below.

The 2010 Bonds were issued as draw-down bonds and were being disbursed for the repayment of a portion of the St. Louis Science Center's line-of-credit and payment of the costs of construction of a new exhibition hall. In total, approximately \$13.7 million was disbursed, including \$4 million used to repay the line-of-credit. There were no disbursements during 2014 and 2013. As of December 31, 2014 and 2013, approximately \$12.9 million and \$10.7 million, respectively, had been retired using the collection of Accepted Restricted Pledges as discussed below.

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### Notes To Financial Statements (*Continued*)

The Series 2010 Loan Agreement between the St. Louis Science Center Foundation and the IDA limits the amount of the 2010 bonds to the amount of Accepted Restricted Pledges received by the Foundation. As of December 31, 2014, the amount of pledges outstanding totaled approximately \$4.0 million, including \$700,000 of conditional pledges. As of December 31, 2013, the amount of pledges outstanding totaled approximately \$3.8 million, including \$1.4 million of conditional pledges.

The Loan Agreement requires that cash receipts from the Accepted Restricted Pledges be deposited in a restricted account and used to redeem the Series 2010 Bonds within 30 days of receipt. Based on the amount of Accepted Restricted Pledges received, the Foundation expects to repay the remaining balance of approximately \$800,000 of the loan in 2015.

The Loan Agreement subjects the Foundation to certain restrictions and covenants similar to the Series 2005 Loan Agreement and also gives the purchaser of the Series 2010 Bonds a mortgage lien and security interest in certain property of the Science Center. The Loan Agreement also requires the St. Louis Science Center to maintain a minimum fixed charge coverage ratio during the period the bonds are outstanding and to repay the bonds in total no later than February 15, 2017. The St. Louis Science Center was in compliance with all covenants at December 31, 2014 and 2013.

### **Public Facilities Improvement And Refunding Revenue Bonds Series 2005**

During 2005, in connection with financing a portion of improvements to the Science Center and to advance refund the Series 1999 Public Facility Revenue Bonds, the Industrial Development Authority of the City of St. Louis (the IDA) sold \$14,320,000 Series 2005 St. Louis Science Center Public Facilities Improvement and Refunding Revenue Bonds (the Bonds) with interest rates ranging from 3.2% to 5%. The Foundation entered into a Loan Agreement with the IDA whereby the IDA loaned the \$14,320,000 Bond proceeds to the Foundation. In return, the Foundation issued a \$14,320,000 promissory note to the IDA which requires that payment be made at the time and in the amounts to be paid as principal or redemption price or interest on the bonds as such payment becomes due. The bonds were advance refunded as discussed above.

### **Deferred Amount On Refunding**

For the financial statements, as a result of the issuance of the Series 2005 Bonds, a deferred amount on refunding of \$680,719 was calculated related to the Series 1999 refunding as the difference between the book value of the Series 1999 bonds and the reacquisition price of the Series 2005 bonds. This amount was capitalized and reported as a deferred outflow of resources and was being amortized over 13 years, which was the remaining life of the Series 1999 Bonds. The unamortized balance at December 31, 2014 and 2013 was \$0 and \$253,053, respectively.

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Notes To Financial Statements (*Continued*)

As a result of the issuance of the Series 2014 Bonds, a deferred amount on refunding of \$290,138 was calculated related to the refunding of the Series 2005 Bonds. This amount was capitalized and reported as a deferred outflow of resources and is being amortized over 11 years, which is the remaining life of the new Series 2014 Bonds. The unamortized balance at December 31, 2014 is \$290,138.

**Restricted Covenants**

The Series 2005 bonds Loan Agreement subjects the Foundation to certain restrictions and covenants including refraining from taking any action which causes the interest on the Bonds to be includable in gross income from federal income tax purposes. The Foundation further covenants that it will maintain its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Certain resources are classified as restricted on the balance sheet because their use is limited for specific purposes, including repayment of principal and interest on the Series 2014 Bonds and the Series 2005 Bonds. Restricted cash and investments related to the outstanding debt total approximately \$136,000 and \$1,266,000 at December 31, 2014 and 2013, respectively.

**2013 Note Payable**

In 2013, the St. Louis Science Center financed the purchase of a new VOIP phone system through US Bank. The amount of the note is \$261,019, of which \$48,012 is considered a current liability. The note bears interest at LIBOR plus 2% and matures in 2019. Principal and interest of \$4,437 is due each month. The VOIP phone system has been pledged as collateral.

**7. Note Payable - Line-Of-Credit**

On December 1, 2012, the St. Louis Science Center renewed its working capital line-of-credit agreement with US Bank, to allow borrowing up to \$5,000,000 from February 1, 2013 through June 30, 2013 and up to \$7,000,000 from July 1, 2013 through December 31, 2013. The unpaid balance bore interest at an annual rate equal to 0.5% below the prime rate.

On December 13, 2013, the St. Louis Science Center signed an agreement with US Bank to extend the maturity date from December 31, 2013 to December 30, 2014.

On December 30, 2014, the St. Louis Science Center signed an agreement with US Bank to extend the maturity date to December 29, 2015. The unpaid balance with respect to the period from and after December 31, 2014 will bear interest at an annual rate equal to 1.25% above the LIBOR rate.

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### Notes To Financial Statements (*Continued*)

The highest amount outstanding at certain times during 2014 was \$3,525,000 and during 2013 was \$4,500,000. The unpaid balance bore an interest rate of 1.44% at December 31, 2014 and 2.75% at December 31, 2013. The balance outstanding at December 31, 2014 and 2013 was \$1,750,000 and \$2,600,000, respectively.

Under terms of the line of credit agreement, the St. Louis Science Center is required to meet certain financial ratios including minimum fixed charge coverage ratio. The St. Louis Science Center was in compliance with all covenants as of and for the years ended December 31, 2014 and 2013.

### **8. Deferred Compensation Plans**

The St. Louis Science Center offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The St. Louis Science Center also established a governmental retirement plan within the meaning of Internal Revenue Code Section 401(a), effective January 1, 2013, for the purpose of providing matching retirement benefits to employees. The plans, available to all St. Louis Science Center employees, permit them to defer a portion of their salary until future years. Participation in the plans is voluntary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Subdistrict contributed \$570,771 and \$319,467 to the 401(a) plan in 2014 and 2013, respectively and made no contributions to the other plans in 2014 or 2013.

Because the St. Louis Science Center does not hold the plan assets in a trustee capacity at December 31, 2014 and 2013, the investments for the deferred compensation plans are not presented in the St. Louis Science Center's financial statements.

### **9. Pension Plan**

#### **Plan Description**

The St. Louis Science Center Employees' Retirement Plan (the Plan) is a single-employer defined benefit pension plan administered by the St. Louis Science Center. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The St. Louis Science Center has the discretion to establish and amend benefit provisions. The Plan does not issue a publicly available financial report that includes financial statements and the required supplementary information.

All full-time St. Louis Science Center employees commencing service prior to December 31, 2012 were eligible to participate after attainment of age 21 and one year of service. As of January 1, 2013 the Plan was frozen to new employees.

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Notes To Financial Statements (*Continued*)

Benefits are fully vested after five years of service. A St. Louis Science Center employee who retires at the age of 65 with five years of credited service is entitled to a normal retirement benefit of 1% of average compensation plus 0.65% of average compensation exceeding the employee's social security covered compensation, multiplied by service up to 30 years. Early retirement benefits are available at the actuarial equivalent of the normal retirement benefit. At December 31, 2014 and 2013, membership in the Plan consisted of the following:

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
Active employees	<b>115</b>	132
Retirees and beneficiaries currently receiving benefits	<b>59</b>	45
Terminated employees entitled to benefits but not yet receiving them	<b>157</b>	157
<b>Total</b>	<b>331</b>	334

**Contributions**

The contribution requirements of plan members and the St. Louis Science Center are established, and may be amended, by the St. Louis Science Center Commissioners. The Plan's funding policy provides for actuarially determined annual required contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The contribution amount calculated in accordance with GASB No. 27 was \$72,871 for 2014 and \$126,188 for 2013.

**Annual Pension Cost And Net Pension Obligation**

The Science Center's annual pension cost and net pension obligation (asset) for 2014 is as follows:

Annual required contribution (January 1, 2014)	\$ 67,661
Interest on net pension asset	(91,984)
Adjustments to annual required contribution	95,752
Annual pension costs	<u>71,429</u>
Contribution accrued in 2014 (unpaid at December 31, 2014)	<u>72,871</u>
Change in net pension obligation (asset)	(1,442)
Net pension obligation (asset) - beginning of year	<u>(1,194,602)</u>
Net pension obligation (asset) - end of year	<u><u>\$ (1,196,044)</u></u>

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Notes To Financial Statements (*Continued*)

The Science Center's annual pension cost and net pension obligation (asset) for 2013 is as follows:

Annual required contribution (January 1, 2013)	\$ 117,166
Interest on net pension asset	(91,578)
Adjustments to annual required contribution	95,329
Annual pension costs	<u>120,917</u>
Contribution accrued in 2013 (unpaid at December 31, 2013)	<u>126,188</u>
Change in net pension obligation (asset)	(5,271)
Net pension obligation (asset) - beginning of year	<u>(1,189,331)</u>
Net pension obligation (asset) - end of year	<u><u>\$ (1,194,602)</u></u>

At December 31, 2014 and 2013, the Science Center's net pension asset is included in other noncurrent assets on the Statement of Net Position. The contributions accrued during 2014 and 2013 remain unpaid and are included in accrued expenses as of December 31, 2014. The balances as of December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Net pension obligation (asset) - accrual basis	<b>\$ (1,196,044)</b>	\$ (1,194,602)
Unpaid contributions included in accrued expenses	<b>667,358</b>	604,777
Net pension obligation (asset) - cash basis	<b><u>\$ (528,686)</u></b>	<b><u>\$ (589,825)</u></b>

**Three-Year Trend Information:**

<u>Year Ended December 31,</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2012	\$ 531,756	100.00%	\$ (1,189,331)
2013	120,917	104.36%	(1,194,602)
2014	71,429	102.02%	(1,196,044)

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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Notes To Financial Statements (*Continued*)

**Funding Status And Funding Progress**

As of December 31, 2014, the most recent actuarial valuation date, the Plan was 94.17% funded. The actuarial accrued liability (AAL) for benefits was \$8,874,440 and the actuarial value of assets was \$8,357,392, resulting in an unfunded AAL (UAAL) of \$517,048. The covered payroll was \$5,376,188, and the ratio of the UAAL to the covered payroll was 9.62%.

The scheduled funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Assumptions And Methods Pursuant To GASB Statement No. 27**

The actuarial accrued liability was determined as part of an actuarial valuation at December 31, 2014, the most recently filed actuarial valuation report. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2014
Actuarial cost method	Projected unit credit cost method
Amortization method	Level dollar, open
Amortization period	30-year period
Asset Valuation Method:	Market value of assets
Actuarial assumptions:	
Investment rate of return	7.7%
Projected salary increases	N/A

**Net Pension Liability**

During fiscal year 2014, the St. Louis Science Center implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. The schedule of net pension liability performed pursuant to the provisions of GASB Statement No. 67 is as follows:

	<b><u>December 31, 2014</u></b>
Total pension liability	\$ 8,344,965
Plan fiduciary net position	<u>8,357,392</u>
Science Center's net pension liability (asset)	<u><u>\$ (12,427)</u></u>
Plan fiduciary net position as a percentage of total pension liability	100.15%

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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Notes To Financial Statements (*Continued*)

The total pension liability was determined by an actuarial valuation utilizing the following actuarial assumptions:

Valuation date	December 31, 2014
Actuarial assumptions:	
Investment rate of return	7.7%
Projected salary increases	4.5%
Inflation rate	N/A

Mortality rates were based on the IRS 2014 Combined Mortality Table.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Rate Of Return</u>	<u>Weighted Average Long Term Expected Rate Of Return</u>
Equity securities	9.0%	6.8%
Cash	2.0%	0.1%
Fixed income	4.0%	0.9%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that Plan contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be sufficient to make projected benefit payments and pension plan assets are expected to be invested using strategy to achieve that return.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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Notes To Financial Statements (*Continued*)

**Sensitivity Of The Net Pension Liability To Changes In The Discount Rate**

The following presents the net pension liability of the St. Louis Science Center, calculated using the discount rate of 7.70%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount Rate	6.70%	7.70%	8.70%
Net Pension Liability (Asset)	\$ 829,000	\$ (12,427)	\$ (737,000)

**Investments**

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the St. Louis Science Center Commissioners. It is the policy of the Plan to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Plan's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity securities	74%
Cash	1%
Fixed income	25%

**Rate Of Return**

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.52 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts annually invested.

**10. Leases**

The Foundation and Subdistrict are parties in a lease for the St. Louis Science Center facility. The term of the lease is for one year, and as of December 31, 2014 the Subdistrict has the option to renew the lease annually for up to 25 additional one-year terms. The lease calls for annual rentals of \$2,000,000, payable in equal monthly installments of \$166,667 each. During 2014 and 2013, the Subdistrict paid, and the Foundation received, rentals totaling \$2,000,000.

## **ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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### Notes To Financial Statements (*Continued*)

The Foundation and Subdistrict are parties in a lease for the property directly adjacent to the Science Center which had been improved with the installation of the Exploradome. The term of the lease is for one year, and as of December 31, 2014, the Subdistrict has the option to renew the lease annually for up to 32 additional one-year terms. The lease calls for annual rentals of \$350,000, payable in equal monthly installments of \$29,167 each. During 2013 the Exploradome was decommissioned and removed from use. During 2014 and 2013, the Subdistrict paid, and the Foundation received, rentals totaling \$350,000.

The Foundation and Subdistrict are parties in a lease of the Planetarium and the area surrounding the St. Louis Science Center. The term of the lease is for one year, and as of December 31, 2014, the Subdistrict has the option to renew the lease annually for up to 6 additional one-year terms. The lease calls for annual rentals of \$1,920,000 payable in monthly installments of \$160,000 each. During 2014 and 2013, the Subdistrict paid, and the Foundation received, rentals totaling \$1,920,000.

Effective August 1, 2010, the Foundation and Subdistrict became parties in a lease for the property commonly known as 1100 Macklind Avenue. The term of the lease is for one year, and as of December 31, 2014, the Subdistrict has the option to renew the lease annually for up to 45 additional one-year terms. The lease calls for annual rentals of \$390,000 payable in monthly installments of \$32,500 each. During 2013, a portion of the property was sold to a third party. Consequently, the new annual lease rate has been lowered to \$234,000 per year. During 2014 and 2013, the Subdistrict paid, and the Foundation received, rentals totaling \$234,000 and \$286,000, respectively.

The Foundation's interest in the Subdistrict facility lease, the Exploradome lease and the Planetarium lease were pledged to collateralize the Foundation's obligation to UMB Bank under the Loan Agreement with the IDA and are pledged to collateralize the Foundation's obligations under the Series 2014 bonds (Note 6).

The Foundation and Subdistrict are also parties in two leases primarily for office and warehouse space under annual renewable lease contracts. Annual rentals under these contracts totaled \$322,594 in 2014 and \$390,495 in 2013, which the Subdistrict paid, and the Foundation received.

### **11. Management Agreement**

Under the Foundation's Management Agreement with the Subdistrict dated July 1, 1990, the Subdistrict manages the St. Louis Science Center facility and revenue-producing activities and the Foundation pays the Subdistrict a fee for its services. The annual fee in the amount of \$2,000,000 is intended to cover the operating costs associated with producing revenues for the Foundation.

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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Notes To Financial Statements (*Continued*)

**12. Commitments And Contingencies**

**Federal Financial Assistance**

Most grants and cost-reimbursable contracts specify the types of expenses for which the grant or contract funds may be used. To date, the St. Louis Science Center has not been notified of any significant unallowable costs relating to its grants or contracts. In the opinion of management, adjustments for unallowable costs, if any, resulting from such audits would not be significant.

**Litigation**

From time to time the St. Louis Science Center is party to lawsuits arising in the normal course of operations. While the results of litigation cannot be predicted with certainty, management believes that there is no such litigation that will have a material adverse effect on the financial statements of the St. Louis Science Center as of December 31, 2014.

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**Required Supplementary Information**

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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
UNDER GASB STATEMENT NO. 27**

**Schedule Of Funding Progress (Unaudited)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value Of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL As Percentage Of Covered Payroll [(b-a)/c]</b>
January 1, 2010	5,732,449	7,186,646	1,454,197	79.77%	7,426,951	19.58%
January 1, 2011	6,756,120	8,053,943	1,297,823	83.89%	6,714,302	19.33%
January 1, 2012	6,912,122	8,819,107	1,906,985	78.38%	7,273,439	26.22%
January 1, 2013	7,720,848	8,750,354	1,029,506	88.23%	6,185,403	16.64%
January 1, 2014	8,326,185	8,707,002	380,817	95.63%	6,185,403	6.16%
December 31, 2014	8,357,392	8,874,440	517,048	94.17%	5,376,188	9.62%

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
UNDER GASB STATEMENT NO. 67**

Net Pension Liability	<u>12/31/2014</u>
<b>Total Pension Liability</b>	
Service cost	\$ 39,997
Interest	650,216
Differences between expected and actual experience	(35,181)
Changes of assumptions	(529,475)
Benefit payments	(487,594)
<b>Net Change In Total Pension Liability</b>	<u>(362,037)</u>
<b>Total Pension Liability - Beginning</b>	<u>8,707,002</u>
 <b>Total Pension Liability - Ending (a)</b>	 <u><u>\$ 8,344,965</u></u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 72,871
Net investment income	445,931
Benefit payments	(487,594)
<b>Net Change In Plan Fiduciary Net Position</b>	<u>31,208</u>
 <b>Plan Fiduciary Net Position - Beginning</b>	 <u>8,326,184</u>
 <b>Plan Fiduciary Net Position - Ending (b)</b>	 <u><u>\$ 8,357,392</u></u>
 <b>St. Louis Science Center's Net Pension Liability (Asset) - Ending (a) - (b)</b>	 <u><u>\$ (12,427)</u></u>
 <b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability</b>	 100.15%
 <b>Covered-Employee Payroll</b>	 \$ 5,641,424
 <b>St. Louis Science Center's Net Pension Liability (Asset) As A Percentage Of Covered-Employee Payroll</b>	 -0.22%

NOTE: The St. Louis Science Center implemented GASB Statement No. 67 in fiscal year 2014. Information for years prior to fiscal year 2014 is therefore unavailable.

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
UNDER GASB STATEMENT NO. 67**

**Schedule Of Employer Contributions**

	<b>2014</b>
Actuarially determined contribution	\$ 67,662
Contributions in relation to the actuarially determined contribution	72,871
Contribution deficiency (excess)	\$ (5,209)
Covered-employee payroll	\$ 5,641,424
Contributions as a percentage of covered-employee payroll	1.29%

**Notes To Schedule**

Actuarial cost method	Entry age normal as a level percentage of payroll
Amortization method	Level - dollar, open
Amortization period	30 years
Asset valuation method	Market value of assets
Inflation	N/A
Salary increases	4.50%
Investment rate of return	7.70%
Retirement age (percent retiring)	65 (100%)
Mortality: IRS 2014 Combined Mortality Table	

Actuarially determined contribution rates are calculated as of December 31, 2014 for the current fiscal year.

Note: The St. Louis Science Center implemented GASB Statement No. 67 in fiscal year 2014. Information for prior years is therefore unavailable.

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule Of Annual-Weighted Rate Of Return On Investments**

	<u><b>2014</b></u>
Annual money weighted rate of return, net of investment expense:	6.52%

**NOTE:** The St. Louis Science Center implemented GASB Statement No. 67 in fiscal year 2014. Information for years prior to fiscal year 2014 is therefore unavailable.

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**Supplementary Information**  
**Combining Financial Statements**

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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**COMBINING STATEMENT OF NET POSITION**

**Page 1 Of 2  
December 31, 2014**

	St. Louis Science Center				
	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total	
				2014	2013
<b>Assets</b>					
Current assets:					
Cash and short-term investments	\$ 2,123,911	\$ 276,655	\$ —	\$ 2,400,566	\$ 2,418,157
Pledges receivable, net	—	882,957	—	882,957	1,941,116
Taxes receivable from Metropolitan Zoological Park and Museum District, net	5,807,484	—	—	5,807,484	6,193,501
Due from foundation	204,674	—	(204,674)	—	—
Other receivables, net	162,720	290,789	—	453,509	510,559
Prepaid expenses	270,335	216,317	—	486,652	468,681
<b>Total current assets</b>	<b>8,569,124</b>	<b>1,666,718</b>	<b>(204,674)</b>	<b>10,031,168</b>	<b>11,532,014</b>
Noncurrent assets:					
Unrestricted investments	—	245,124	—	245,124	8,949
Restricted cash and investments	248,875	2,210,291	—	2,459,166	3,505,833
Pledges receivable, net	—	2,210,042	—	2,210,042	355,229
Other assets	1,194,603	633,803	—	1,828,406	1,766,794
	1,443,478	5,299,260	—	6,742,738	5,636,805
Capital assets:					
Land and land improvements	696,132	14,411,764	—	15,107,896	14,859,539
Building	12,090,228	48,810,165	—	60,900,393	60,840,271
Furniture, fixtures and equipment	3,251,440	9,654,967	—	12,906,407	12,573,371
Exhibits	17,046,527	6,358,553	—	23,405,080	23,228,589
Collections	841,804	242,660	—	1,084,464	1,084,464
Construction in progress	249,518	1,360,474	—	1,609,992	859,583
Less accumulated depreciation	(25,171,689)	(39,607,635)	—	(64,779,324)	(61,920,221)
Total capital assets (net of accumulated depreciation)	9,003,960	41,230,948	—	50,234,908	51,525,596
<b>Total noncurrent assets</b>	<b>10,447,438</b>	<b>46,530,208</b>	<b>—</b>	<b>56,977,646</b>	<b>57,162,401</b>
<b>Total Assets</b>	<b>19,016,562</b>	<b>48,196,926</b>	<b>(204,674)</b>	<b>67,008,814</b>	<b>68,694,415</b>
<b>Deferred Outflows Of Resources</b>					
Deferred amount on bond refunding	—	290,138	—	290,138	253,053

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**COMBINING STATEMENT OF NET POSITION**

**Page 2 Of 2  
December 31, 2014**

	St. Louis Science Center				
	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total	
				2014	2013
<b>Liabilities</b>					
Current liabilities:					
Notes payable - current	\$ —	\$ 1,616,105	\$ —	\$ 1,616,105	\$ 2,980,715
Note payable - line-of-credit agreement	1,750,000	—	—	1,750,000	2,600,000
Accounts payable and accrued expenses	1,794,113	1,006,673	—	2,800,786	2,668,739
Due to subdistrict	—	204,674	(204,674)	—	—
Unearned revenue	24,136	276,964	—	301,100	305,862
<b>Total current liabilities</b>	<b>3,568,249</b>	<b>3,104,416</b>	<b>(204,674)</b>	<b>6,467,991</b>	<b>8,555,316</b>
Noncurrent liabilities:					
Notes payable	—	8,821,906	—	8,821,906	10,942,799
Other liabilities	—	13,361	—	13,361	26,455
<b>Total noncurrent liabilities</b>	<b>—</b>	<b>8,835,267</b>	<b>—</b>	<b>8,835,267</b>	<b>10,969,254</b>
<b>Total Liabilities</b>	<b>3,568,249</b>	<b>11,939,683</b>	<b>(204,674)</b>	<b>15,303,258</b>	<b>19,524,570</b>
<b>Net Position</b>					
Net investment in capital assets	7,253,960	31,083,075	—	38,337,035	35,255,135
Restricted for:					
Debt service	—	135,787	—	135,787	1,265,992
Capital campaign	—	2,542,175	—	2,542,175	1,438,838
Endowment - expendable	48,875	649,305	—	698,180	595,222
Endowment - nonexpendable	200,000	1,425,199	—	1,625,199	1,625,194
Unrestricted	7,945,478	711,840	—	8,657,318	9,242,517
<b>Total Net Position</b>	<b>\$ 15,448,313</b>	<b>\$ 36,547,381</b>	<b>\$ —</b>	<b>\$ 51,995,694</b>	<b>\$ 49,422,898</b>

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

Page 1 Of 2

For The Year Ended December 31, 2014

	St. Louis Science Center			Combined Total	
	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	2014	2013
<b>Operating Revenues</b>					
Visitor Activities:					
Omnimax theater	\$ —	\$ 1,244,902	\$ —	\$ 1,244,902	\$ 1,078,828
Special exhibits	470	955,477	—	955,947	550,725
Parking	—	926,738	—	926,738	796,798
Planetarium	252,835	—	—	252,835	268,235
Discovery Room	—	64,448	—	64,448	67,533
Restaurants	—	182,904	—	182,904	176,722
Gift Shops	—	170,459	—	170,459	184,424
Simulators	25,477	323,247	—	348,724	298,805
Education programs:					
School programs	95,253	—	—	95,253	92,374
Public programs	80,837	—	—	80,837	104,776
Camps	261,540	—	—	261,540	253,412
Robotics competition	163,800	—	—	163,800	239,248
Membership	—	878,853	—	878,853	905,896
Other:					
Sponsorships	—	500,482	—	500,482	170,200
Rental and events income	205,500	4,826,290	(4,826,290)	205,500	157,356
Guest services	32,494	—	—	32,494	18,825
Sale and lease of exhibits	32,477	—	—	32,477	4,325
Miscellaneous	2,025,513	9,688	(2,004,000)	31,201	56,005
<b>Total operating revenues</b>	<b>3,176,196</b>	<b>10,083,488</b>	<b>(6,830,290)</b>	<b>6,429,394</b>	<b>5,424,487</b>
<b>Operating Expenses</b>					
Program services:					
Gallery operations and support	650,277	9,167	—	659,444	600,040
Design services and exhibit technology	1,290,050	—	—	1,290,050	1,248,663
Special exhibits	50,044	1,350,429	—	1,400,473	739,516
Theaters	207,023	758,556	—	965,579	864,311
Simulators	—	238,400	—	238,400	221,873
Community science education	785,413	—	—	785,413	754,581
Other educational programs	583,904	—	—	583,904	754,060
Grant funded programs	—	438,868	—	438,868	619,624
Other	157,991	35,698	—	193,689	141,679
<b>Total program services</b>	<b>3,724,702</b>	<b>2,831,118</b>	<b>—</b>	<b>6,555,820</b>	<b>5,944,347</b>
Supporting services:					
Marketing and communications	1,411,028	—	—	1,411,028	1,044,628
Building services	1,216,428	—	—	1,216,428	1,162,826
Operations	1,266,139	—	—	1,266,139	1,407,964
Security and parking	458,532	37,611	—	496,143	469,808
Guest services	432,818	—	—	432,818	404,439
Finance and information systems	6,673,754	356,512	(4,826,290)	2,203,976	2,064,481
Human resources	504,143	—	—	504,143	495,835
Membership benefits and fundraising	1,167,268	—	—	1,167,268	1,238,503
Administration	453,887	2,009,633	(2,004,000)	459,520	434,401
Depreciation and amortization	795,184	2,186,683	—	2,981,867	3,227,532
<b>Total supporting services</b>	<b>14,379,181</b>	<b>4,590,439</b>	<b>(6,830,290)</b>	<b>12,139,330</b>	<b>11,950,417</b>
<b>Total Operating Expenses</b>	<b>18,103,883</b>	<b>7,421,557</b>	<b>(6,830,290)</b>	<b>18,695,150</b>	<b>17,894,764</b>
<b>Operating Income (Loss)</b>	<b>(14,927,687)</b>	<b>2,661,931</b>	<b>—</b>	<b>(12,265,756)</b>	<b>(12,470,277)</b>

**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE METROPOLITAN  
ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

Page 2 Of 2

For The Year Ended December 31, 2014

	St. Louis Science Center			Combined Total	
	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	2014	2013
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes and license fees from the Metropolitan Zoological Park and Museum District, net	\$ 10,510,361	\$ —	\$ —	\$ 10,510,361	\$ 10,502,351
Contributions and grants:					
Annual fund	—	259,339	—	259,339	277,735
Events and other	183,832	66,267	—	250,099	127,704
Major gifts	—	493,954	—	493,954	587,028
Gala	—	—	—	—	437,599
Grants:					
Federal	—	80,013	—	80,013	460,566
Other	—	412,523	—	412,523	201,844
Capital fundraising expenses	—	(220,507)	—	(220,507)	(226,001)
Loss on disposal of capital assets	—	—	—	—	(454,345)
Investment income (expense)	800	145,695	—	146,495	276,138
Interest expense	(24,887)	(533,760)	—	(558,647)	(675,695)
Debt issuance costs	—	(319,733)	—	(319,733)	—
<b>Total Nonoperating Revenues</b>	<b>10,670,106</b>	<b>383,791</b>	<b>—</b>	<b>11,053,897</b>	<b>11,514,924</b>
<b>Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment</b>					
	(4,257,581)	3,045,722	—	(1,211,859)	(955,353)
<b>Capital Grants And Contributions Additions To Permanent Endowment</b>	<b>6,395</b>	<b>3,777,660</b>	<b>—</b>	<b>3,784,055</b>	<b>2,483,815</b>
	—	600	—	600	13,917
<b>Change In Net Position</b>	<b>(4,251,186)</b>	<b>6,823,982</b>	<b>—</b>	<b>2,572,796</b>	<b>1,542,379</b>
<b>Net Position - Beginning Of Year</b>	<b>14,699,499</b>	<b>34,723,399</b>	<b>—</b>	<b>49,422,898</b>	<b>47,880,519</b>
<b>Transfers</b>	<b>5,000,000</b>	<b>(5,000,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Position - End Of Year</b>	<b>\$ 15,448,313</b>	<b>\$ 36,547,381</b>	<b>\$ —</b>	<b>\$ 51,995,694</b>	<b>\$ 49,422,898</b>