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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL  
PARK AND MUSEUM DISTRICT**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

One North Brentwood  
Saint Louis, MO 63105

T 314.290.3300  
F 314.290.3400

W rubinbrown.com  
E info@rubinbrown.com

## 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 (St. Louis Science Center), as of and for the years ended December 31, 2016 and 2015, 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 St. Louis Science Center as of December 31, 2016 and 2015, 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 2 to the financial statements, St. Louis Science Center adopted the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* in fiscal year 2016. Our opinions are 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 12 and the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of return on investments on pages 49 through 51 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 3, 2017

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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, 2016 and 2015. The discussion and analysis should be read in conjunction with the Science Center's financial statements that begin on page 12.

**2016 Financial Highlights**

During the fiscal year 2016, the St. Louis Science Center implemented GASB Statement No. 72: Fair Value Measurement and Application. GASB 72 leverages the input hierarchy established by ASC 820 (formerly FAS 157). This hierarchy ensures that fair value measurements are market based or based upon assumptions that market participants would actually use when pricing an asset or liability.

The net position of the Science Center totaled \$54,899,844 at the close of 2016; this was an increase of \$1,503,337 or 2.8% from 2015.

Unrestricted net position increased \$807,813 or 12.6%, primarily the result of an increase in major gifts and in-kind revenue, offset by a decrease in fundraising event revenue and as more fully described following Table 1 - Net Position.

Total 2016 revenues decreased \$495,983 (2.2%) from 2015, primarily as a result of lower capital contributions as 2015 was the last year for some large gifts related to our 2010 capital campaign and lower fundraising event revenue as we did not host the bi-annual Gala in 2016. These decreases were offset by an increase in major gifts and in-kind revenue of approximately \$1,200,000.

Total expenses for 2016 increased \$512,240 or 2.6% from 2015, comprised mostly of increases in program and supporting services. The largest increase in program services was \$339,345 in gallery operations and support and the largest increase in supporting services expenses was \$336,054 in depreciation. Both of these increases related to the opening of our new GROW exhibit.

Total liabilities increased \$2,767,703 or 16.6% from 2015, which was principally accounted for by an increase in note payables of \$1,675,588 (14.8%) and an increase in notes payable - line of credit of \$805,000 or 53.8%. These increases were planned and used for our new GROW exhibit.

Capital asset additions totaled approximately \$7,419,388 for the year, representing mostly the new GROW exhibit and our new security system.

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

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Management's Discussion And Analysis (*Continued*)

## **2015 Financial Highlights**

During the fiscal year 2015, the St. Louis Science Center implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This requires employers to report the net pension liability associated with defined benefit plans on the government-wide financial statements, and requires various additional disclosures about the plan liabilities.

The net position of the Science Center totaled \$53,396,507 at the close of 2015; this was an increase of \$2,511,560, or 4.7% from net position at the beginning of the year, as restated.

Unrestricted net position decreased \$2,228,631 or 26%, primarily the result of the new net pension liability and certain reclassifications in net position and as more fully described following Table 1 - Net Position.

Total 2015 revenues increased \$167,186 (0.7%) from 2014, primarily as a result of a net decrease in visitor activities operating revenue of approximately \$296,700 (7.2%), a decrease in sponsorship revenue of approximately \$440,000 (88%), a decrease in investment income of \$206,585 (141%). The visitor activities revenue was down mostly due to lower special exhibits revenue of approximately \$530,000 offset by increased Omnimax Theater revenue of approximately \$108,000. These decreases were offset by an increase in contributions and grants of approximately \$900,000 and an increase in property tax revenue.

Total expenses for 2015 increased approximately \$228,422 (1.2%) from 2014, comprised mostly of increases in supporting services. The largest increases in supporting services expenses were \$317,000 in finance and information systems due to an asset write-off and software implementation costs in 2015, and \$188,000 in membership and fundraising expense due primarily to costs of the biennial gala.

Total liabilities increased \$1,323,458 or 8.6% from 2014, which was principally accounted for by an increase in note payables of \$884,000 (8.5%), a decrease in notes payable - line of credit of \$255,000 (14.6%) and the new net pension liability of \$799,095.

Capital asset additions totaled approximately \$1,890,000 for the year, representing mostly the ongoing costs of exhibit upgrades and replacements and normal replacement of equipment.

## **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 program, presents only combined business-type activity 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 51 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 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 2016, 2015 and 2014.

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

**Table 1 - Net Position**

	<b>2016</b>	2015	2014
<b>Assets</b>			
Current assets and other assets	\$ 18,871,993	\$ 18,813,339	\$ 16,773,906
Capital assets	<b>54,276,538</b>	50,292,614	50,234,908
<i>Total assets</i>	<b>73,148,531</b>	69,105,953	67,008,814
<i>Deferred outflows</i>	<b>1,192,823</b>	942,189	290,138
<b>Liabilities</b>			
Current liabilities	<b>5,544,030</b>	5,228,438	6,467,991
Noncurrent liabilities	<b>13,850,389</b>	11,398,278	8,835,267
<i>Total liabilities</i>	<b>19,394,419</b>	16,626,716	15,303,258
<i>Deferred inflows</i>	<b>47,091</b>	24,919	—
<b>Net position</b>			
Invested in capital assets, net of related debt	<b>41,516,443</b>	39,234,483	38,337,035
Restricted	<b>6,146,901</b>	7,733,337	5,001,341
Unrestricted	<b>7,236,500</b>	6,428,687	8,657,318
<i>Total net position</i>	<b>\$ 54,899,844</b>	\$ 53,396,507	\$ 51,995,694

**2016 and 2015**

The net position invested in capital assets increased by \$2,281,960, due to capital asset additions of \$7,419,388 and an increase in debt of \$1,700,830. This was offset by depreciation of \$3,436,598.

The restricted net position, which represents resources that are subject to external restrictions on how those assets may be used, decreased in 2016 principally due to the continued collection of pledges receivable which were restricted for the capital campaign.

The unrestricted net position increased primarily as a result of higher major gifts and in-kind revenues but this was offset by lower fundraising event revenue as we did not host the bi-annual Gala in 2016.

Current liabilities increased by approximately \$315,592 from 2015, comprised of an increase in notes payable-line of credit of \$805,000, offset by a reduction in accounts payable. The line of credit was primarily used to fund our GROW exhibit as most of our pledges are being collected over several years.

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

**2015 and 2014**

The net position of investment in capital assets increased by \$897,448, due to capital asset additions of \$1,890,208, construction-in-progress of \$1,268,040 and an increase in debt of \$839,742. This was offset by depreciation of \$3,100,544.

The restricted net position, which represents resources that are subject to external restrictions on how those assets may be used, increased in 2015 principally due to the draw down on bond proceeds from the Series 2014B Bonds.

The unrestricted net position decreased primarily as a result of the new net pension liability.

Current liabilities decreased by approximately \$1,240,000 from 2014, primarily because of a decrease in notes payable of \$1,047,000.

**Table 2 - Change in Net Position**

	<b>2016</b>	2015	2014
<b>Revenues</b>			
Contributions and grants	\$ 5,351,492	\$ 6,143,454	\$ 5,280,583
Tax revenue from Zoo - Museum District	10,855,047	10,782,827	10,510,361
Theaters and other operating sources	5,674,667	5,667,828	6,429,394
Investment income (loss)	156,830	(60,090)	146,495
<i>Total revenues, including endowment</i>	<b>22,038,036</b>	22,534,019	22,366,833
<b>Expenses</b>			
Salaries and benefits	10,013,064	9,313,901	8,608,093
Depreciation and amortization	3,436,598	3,100,544	2,981,867
Other program services	1,883,074	2,060,139	2,685,828
Other supporting services	4,629,199	4,966,834	4,419,362
Interest and debt related expenses	385,204	308,415	878,380
Other	187,560	272,626	220,507
<i>Total expenses</i>	<b>20,534,699</b>	20,022,459	19,794,037
<i>Change in net position</i>	<b>\$ 1,503,337</b>	\$ 2,511,560	\$ 2,572,796

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

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

#### **2016 and 2015**

Contributions result principally from the Science Center's ongoing fundraising efforts (annual fund, major gifts, in-kind, operating grants, etc.) and special fundraising efforts. These revenues decreased \$791,462 from 2016 to 2015 principally as a result of lower capital contributions as 2015 was the last year for some large gifts related to our 2010 capital campaign. Operating grant revenues include \$107,522 and \$74,802 received under several different Federal grants during 2016 and 2015, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 49% of total revenues in 2016 and 48% of total revenues in 2015. 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 \$7,000 from 2015, reflecting higher rental and events and gift shop revenue offset by lower special exhibit revenue.

Investment income for 2016 increased from 2015 by approximately \$217,000. Investment income includes unrealized gains and losses in the Science Center's endowment funds.

Salaries and benefits are the Science Center's largest expense totaling \$10,013,064 and \$9,313,901 respectively, or 49% and 47% of total expenses in 2016 and 2015.

Depreciation of the Science Center's capital assets totaled \$3,436,598 and \$3,100,544, or 17% and 15%, respectively, of total expenses in 2016 and 2015. Depreciation increased as a result of new assets being placed in service during 2016, our largest being the GROW exhibit.

Other program services include expenses incurred specifically to carry out the various programs and activities of the Science Center. Total program services expenses decreased by \$177,065, or 9% in 2016. Major expenses include film and exhibit costs and supplies for the various education and scientific programs and events held at the Science Center. Our largest cost savings was in special exhibits.

Other supporting services include expenses incurred to support the overall operations of the Science Center. Total supporting services expense decreased by \$337,635, or 7% in 2016. Major expenses include marketing and communications, utilities, supplies, printing, insurance and maintenance. Our largest cost savings were in fundraising events and company insurance.

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

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Management's Discussion And Analysis (*Continued*)

### **2015 and 2014**

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 \$862,971 from 2014 to 2015 principally as a result of the biennial gala fundraiser and in-kind contributions. Operating grant revenues include \$74,802 and \$80,013 received under several different Federal grants during 2015 and 2014, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 48% of total revenues in 2015 and 47% of total revenues in 2014. 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 decreased approximately \$761,000 from 2014, reflecting lower special exhibit revenues as well as lower sponsorship revenue.

Investment income for 2015 decreased from 2014 by approximately \$206,000. Investment income includes unrealized gains and losses in the Science Center's endowment funds.

Salaries and benefits are the Science Center's largest expense totaling \$9,313,901 and \$8,608,093, respectively, or 47% and 43% of total expenses in 2015 and 2014.

Depreciation of the Science Center's capital assets totaled \$3,100,544 and \$2,981,867, or 15% of total expenses in both 2015 and 2014. Depreciation increased as a result of new assets being placed in service during 2015.

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).

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

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Management's Discussion And Analysis (*Continued*)

**Table 3 - Capital Assets**

	<b>2016</b>		2015		2014
Land and land improvements	\$ 15,319,805	\$	15,270,885	\$	15,107,896
Building and building improvements	<b>66,486,785</b>		61,465,378		60,900,393
Equipment, exhibits and collections	<b>43,737,024</b>		39,173,943		37,395,951
Construction in progress	<b>48,256</b>		2,262,276		1,609,992
	<b>125,591,870</b>		118,172,482		115,014,232
Less accumulated depreciation	<b>(71,315,332)</b>		(67,879,868)		(64,779,324)
Net capital assets	<b>\$ 54,276,538</b>	\$	50,292,614	\$	50,234,908

At December 31, 2016 the Science Center's net investment in capital assets totaled \$41,516,443 (net of outstanding notes payable of \$12,997,481 used to finance the construction of certain capital assets and the related deferred amount on bond refunding of \$237,386). There were capital asset additions of \$7,419,388 during the year. These additions included the GROW exhibit as well as ongoing replacements and normal additions of equipment and exhibits.

Additional information on the Science Center's capital assets can be found in Note 6 on pages 35 through 36 of this report.

**Debt**

The Science Center has notes payable outstanding totaling \$12,997,481. 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 total amount drawn on the Series 2014B Bonds as of December 31, 2016 is \$5,000,000. The 2010 note was collateralized by campaign pledges received by the Science Center.

The Series 2014A 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.

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

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

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, 2016 is \$107,481. The note bears interest at LIBOR plus 2% and matures in 2019.

The Science Center also has a short-term note payable totaling \$2,300,000 outstanding at December 31, 2016. 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 7 and Note 8 on pages 37 through 40 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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Assets	December 31,	
	2016	2015
Current assets:		
Cash and short-term investments	\$ 3,312,851	\$ 2,566,104
Pledges receivable	1,771,115	1,590,993
Taxes receivable from Metropolitan Zoological Park and Museum District, net of allowance for uncollectible taxes of \$333,538 in 2016 and \$333,538 in 2015	6,175,749	6,188,797
Other receivables, net of allowance for uncollectible receivables of \$4,798 in 2016 and 2015	571,231	533,290
Prepaid expenses	630,992	708,652
Total current assets	12,461,938	11,587,836
Noncurrent assets:		
Unrestricted investments	254,048	238,428
Restricted cash and investments	2,410,297	3,783,023
Pledges receivable, net	3,421,637	2,832,310
Other assets	324,073	371,742
Total noncurrent assets	6,410,055	7,225,503
Capital assets:		
Land and land improvements	15,319,805	15,270,885
Building and building improvements	66,486,785	61,465,378
Furniture, fixtures and equipment	14,804,051	13,798,595
Exhibits	27,848,509	24,290,884
Collections	1,084,464	1,084,464
Construction in progress	48,256	2,262,276
Less: Accumulated depreciation	(71,315,332)	(67,879,868)
Total capital assets (net of accumulated depreciation)	54,276,538	50,292,614
Total noncurrent assets	60,686,593	57,518,117
<b>Total Assets</b>	<b>73,148,531</b>	<b>69,105,953</b>
<b>Deferred Outflows Of Resources</b>		
Pension contributions	86,828	86,828
Difference between expected and actual earnings on pension investments	511,378	591,599
Change in assumptions - pension	357,231	—
Deferred amount on bond refunding	237,386	263,762
<b>Total Deferred Outflows Of Resources</b>	<b>1,192,823</b>	<b>942,189</b>

**ST. LOUIS SCIENCE CENTER  
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ZOOLOGICAL PARK AND MUSEUM DISTRICT**

**STATEMENT OF NET POSITION**

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	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Liabilities</b>		
Current liabilities:		
Notes payable - current	\$ 845,838	\$ 824,411
Note payable - line of credit	2,300,000	1,495,000
Accounts payable and accrued expenses	2,093,979	2,658,679
Unearned revenue	304,213	250,348
<b>Total current liabilities</b>	<b>5,544,030</b>	<b>5,228,438</b>
Noncurrent liabilities:		
Notes payable	12,151,643	10,497,482
Other liabilities	115,997	101,701
Net pension liability	1,582,749	799,095
<b>Total noncurrent liabilities</b>	<b>13,850,389</b>	<b>11,398,278</b>
<b>Total Liabilities</b>	<b>19,394,419</b>	<b>16,626,716</b>
<b>Deferred Inflows Of Resources</b>		
Difference between expected and actual experience - pension	47,091	24,919
<b>Net Position</b>		
Net investment in capital assets	41,516,443	39,234,483
Restricted for:		
Expendable:		
Debt service and capital projects	69	1,512,684
Capital campaign	3,736,604	3,950,314
Endowment earnings	785,029	645,140
Nonexpendable:		
Endowment principal	1,625,199	1,625,199
Unrestricted	7,236,500	6,428,687
<b>Total Net Position</b>	<b>\$ 54,899,844</b>	<b>\$ 53,396,507</b>

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

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

Page 1 Of 2

	For The Years Ended December 31,	
	2016	2015
<b>Operating Revenues</b>		
Visitor activities:		
Omnimax theater	\$ 1,306,731	\$ 1,352,574
Special exhibits	136,653	426,073
Parking	952,249	894,590
Planetarium	309,919	295,764
Discovery room	82,156	90,330
Restaurants	200,653	206,991
Gift shops	270,504	198,279
Simulators	410,010	385,607
Education programs:		
School programs	172,455	137,763
Public programs	75,432	65,501
Camps	234,784	259,144
Robotics competition	162,000	148,793
Membership	891,364	864,213
Other:		
Sponsorships	49,575	64,474
Rental and events income	268,396	144,103
Guest services	33,968	46,299
Sale of exhibits	35,894	31,423
Miscellaneous	81,924	55,907
<b>Total operating revenues</b>	<b>5,674,667</b>	<b>5,667,828</b>
<b>Operating Expenses</b>		
Program services:		
Gallery operations and support	1,189,554	850,209
Design services and exhibit technology	1,457,052	1,232,437
Special exhibits	499,241	954,707
Theaters	1,111,606	1,025,935
Simulators	314,505	268,422
Community science education	716,399	752,593
Other educational programs	562,392	638,385
Grant funded programs	298,568	241,022
Other	230,380	197,329
<b>Total program services</b>	<b>6,379,697</b>	<b>6,161,039</b>
Supporting services:		
Marketing and communications	1,628,733	1,595,146
Building services	1,269,999	1,305,602
Operations	1,351,861	1,273,217
Security and parking	574,453	572,898
Guest services	447,114	478,887
Finance and information systems	2,633,979	2,521,018
Human resources	581,477	564,960
Membership benefits and fundraising	1,086,712	1,355,333
Administration	571,312	512,774
Depreciation and amortization	3,436,598	3,100,544
<b>Total supporting services</b>	<b>13,582,238</b>	<b>13,280,379</b>
<b>Total Operating Expenses</b>	<b>19,961,935</b>	<b>19,441,418</b>
<b>Operating Loss</b>	<b>(14,287,268)</b>	<b>(13,773,590)</b>

**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,	
	2016	2015
<b>Nonoperating Revenues (Expenses)</b>		
Property taxes and license fees from the Metropolitan Zoological Park and Museum District	\$ 10,855,047	\$ 10,782,827
Contributions and grants:		
Annual fund	225,679	283,192
Events and other	47,630	58,220
Major gifts	1,889,921	1,110,718
In-kind revenue	1,191,740	801,303
Gala	—	360,455
Operating grants:		
Federal	107,523	74,802
Other	184,226	190,397
Capital fundraising expenses	(183,861)	(255,673)
Loss on disposal of capital assets	(3,699)	(16,953)
Investment income	156,830	(60,090)
Interest expense	(385,204)	(308,415)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>14,085,832</b>	<b>13,020,783</b>
<b>Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment</b>	<b>(201,436)</b>	<b>(752,807)</b>
<b>Capital Grants And Contributions Additions To Permanent Endowment</b>	<b>1,704,773</b>	<b>3,263,867</b>
	<b>—</b>	<b>500</b>
<b>Change In Net Position</b>	<b>1,503,337</b>	<b>2,511,560</b>
<b>Net Position - Beginning Of Year - As Previously Stated</b>	<b>53,396,507</b>	<b>51,995,694</b>
<b>Prior Period Adjustment - Effect Of Adoption Of GASB 68</b>	<b>—</b>	<b>(1,110,747)</b>
<b>Net Position - Beginning Of Year - As Restated</b>	<b>53,396,507</b>	<b>50,884,947</b>
<b>Net Position - End Of Year</b>	<b>\$ 54,899,844</b>	<b>\$ 53,396,507</b>

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

**STATEMENT OF CASH FLOWS**

	For The Years	
	Ended December 31,	
	2016	2015
<b>Cash Flows From Operating Activities</b>		
Received from visitors	\$ 4,739,947	\$ 4,743,094
Membership contributions	891,364	864,213
Paid to employees for services	(9,580,551)	(9,067,702)
Paid to suppliers for goods and services	(6,902,227)	(7,146,004)
<b>Net Cash Used In Operating Activities</b>	<b>(10,851,467)</b>	<b>(10,606,399)</b>
<b>Cash Flows From Noncapital And Related Financing Activities</b>		
Received from Metropolitan Zoological Park and Museum District	10,868,095	10,401,514
Received from donors	2,984,219	1,304,274
<b>Net Cash Provided By Noncapital And Related Financing Activities</b>	<b>13,852,314</b>	<b>11,705,788</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Received from donors	1,704,773	3,523,883
Principal paid on revenue bonds	(824,412)	(1,616,118)
Proceeds from Series 2014 Refunding Revenue Bonds	2,500,000	2,500,000
Net borrowings (repayments) of line of credit	805,000	(255,000)
Interest paid	(350,425)	(278,489)
Purchases of capital assets	(7,421,436)	(3,158,250)
Proceeds from sale of capital assets	2,325	(16,953)
Paid to employees and suppliers for goods and services	(183,861)	(255,673)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(3,768,036)</b>	<b>443,400</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(3,121,335)	(6,334,330)
Proceeds from sale of investments	4,291,974	5,077,259
Interest, dividends, and realized gain/(losses) on investments	343,297	(120,180)
<b>Net Cash Provided By Investing Activities</b>	<b>1,513,936</b>	<b>(1,377,251)</b>
<b>Net (Decrease) Increase In Cash And Short-Term Investments</b>	<b>746,747</b>	<b>165,538</b>
<b>Cash And Short-Term Investments - Beginning Of Year</b>	<b>2,566,104</b>	<b>2,400,566</b>
<b>Cash And Short-Term Investments - End Of Year</b>	<b>\$ 3,312,851</b>	<b>\$ 2,566,104</b>
<b>Reconciliation Of Operating Loss To Net Cash Used In Operating Activities</b>		
Operating loss	\$ (14,287,268)	\$ (13,773,590)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	3,436,598	3,100,544
Changes in assets and liabilities:		
Other receivables and prepaid expenses	76,613	(316,788)
Other noncurrent assets	47,669	260,620
Accounts payable and accrued expenses	(578,213)	(145,657)
Pension liability and related inflows & outflows	528,816	230,884
Unearned revenue and other liabilities	(75,682)	37,588
<b>Net Cash Used In Operating Activities</b>	<b>\$ (10,851,467)</b>	<b>\$ (10,606,399)</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Unrealized gains on investments	\$ 73,043	\$ 65,591
Write off of other assets	—	175,601
In kind contributions	1,038,036	509,000

**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>2016</b>	<b>2015</b>
<b>Assets</b>		
Cash and short-term investments	\$ 467,592	\$ 970,839
Investment in marketable securities	6,734,624	6,207,827
Contribution receivable	545,951	613,123
<b>Total Assets</b>	<b>7,748,167</b>	<b>7,791,789</b>
<b>Net Position Restricted For Pensions</b>	<b>\$ 7,748,167</b>	<b>\$ 7,791,789</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>2016</b>	<b>2015</b>
<b>Additions</b>		
<b>Contributions</b>		
Employer contributions	\$ 86,828	\$ 86,828
<b>Investment Income (Loss)</b>		
Net appreciation (depreciation) in fair value of investments and interest and dividends	479,822	(122,710)
Investment expenses	(31,504)	(38,773)
<b>Total Investment Income (Loss)</b>	448,318	(161,483)
<b>Total Additions</b>	535,146	(74,655)
<b>Deductions</b>		
Benefits paid	578,768	490,948
<b>Change In Net Position</b>	(43,622)	(565,603)
<b>Net Position Restricted For Pensions - Beginning Of Year</b>	7,791,789	8,357,392
<b>Net Position Restricted For Pensions - End Of Year</b>	\$ 7,748,167	\$ 7,791,789

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

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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016 And 2015**

**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, 2016 is as follows:

**Condensed Combining Statement Of Net Position**

	<b>Subdistrict</b>	<b>St. Louis Science Center Foundation</b>	<b>Eliminating Entries</b>	<b>Combined Total 2016</b>
<b>Current Assets</b>				
Due from foundation	\$ —	\$ 12,146	\$ (12,146)	\$ —
Other	7,749,145	4,712,793	—	12,461,938
<b>Noncurrent Assets</b>				
Capital assets, net of depreciation	9,469,803	44,806,735	—	54,276,538
Other	259,132	6,150,923	—	6,410,055
<b>Total Assets</b>	<b>17,478,080</b>	<b>55,682,597</b>	<b>(12,146)</b>	<b>73,148,531</b>
<b>Deferred Outflows Of Resources</b>	<b>955,437</b>	<b>237,386</b>	<b>—</b>	<b>1,192,823</b>
<b>Current Liabilities</b>				
Due to subdistrict	12,146	—	(12,146)	—
Other	4,106,047	1,437,983	—	5,544,030
<b>Noncurrent Liabilities</b>	<b>1,582,749</b>	<b>12,267,640</b>	<b>—</b>	<b>13,850,389</b>
<b>Total Liabilities</b>	<b>5,700,942</b>	<b>13,705,623</b>	<b>(12,146)</b>	<b>19,394,419</b>
<b>Deferred Inflows Of Resources</b>	<b>47,091</b>	<b>—</b>	<b>—</b>	<b>47,091</b>
<b>Net Position</b>				
Net investment in capital assets	9,469,803	32,046,640	—	41,516,443
Restricted	259,132	5,887,769	—	6,146,901
Unrestricted	2,956,549	4,279,951	—	7,236,500
<b>Total Net Position</b>	<b>\$ 12,685,484</b>	<b>\$ 42,214,360</b>	<b>\$ —</b>	<b>\$ 54,899,844</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**

	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total 2016
<b>Operating Revenue</b>				
Visitor activities	\$ 335,845	\$ 3,333,030	\$ —	\$ 3,668,875
Education programs	644,671	—	—	644,671
Membership	—	891,364	—	891,364
Other operating revenues	2,390,069	4,918,265	(6,838,577)	469,757
<b>Total Operating Revenue</b>	<b>3,370,585</b>	<b>9,142,659</b>	<b>(6,838,577)</b>	<b>5,674,667</b>
<b>Operating Expenses</b>				
Program Services	4,437,604	1,942,093	—	6,379,697
Supporting Services	14,600,376	2,383,841	(6,838,577)	10,145,640
Depreciation	834,254	2,602,344	—	3,436,598
<b>Total Operating Expenses</b>	<b>19,872,234</b>	<b>6,928,278</b>	<b>(6,838,577)</b>	<b>19,961,935</b>
<b>Operating Loss</b>	<b>(16,501,649)</b>	<b>2,214,381</b>	<b>—</b>	<b>(14,287,268)</b>
<b>Nonoperating Revenue (Expenses)</b>				
Property taxes and license fees	10,855,047	—	—	10,855,047
Contributions and grants	6,825	3,639,894	—	3,646,719
Capital fundraising expenses	—	(183,861)	—	(183,861)
Loss on disposal of capital assets	2,325	(6,024)	—	(3,699)
Investment income (expense)	7,709	149,121	—	156,830
Interest and debt related expenses	(34,529)	(350,675)	—	(385,204)
<b>Net Nonoperating Revenues</b>	<b>10,837,377</b>	<b>3,248,455</b>	<b>—</b>	<b>14,085,832</b>
<b>Capital Grants And Contributions</b>	<b>21,536</b>	<b>1,683,237</b>	<b>—</b>	<b>1,704,773</b>
<b>Additions To Permanent Endowment</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Transfers</b>	<b>4,095,000</b>	<b>(4,095,000)</b>	<b>—</b>	<b>—</b>
<b>Change In Net Position</b>	<b>(1,547,736)</b>	<b>3,051,073</b>	<b>—</b>	<b>1,503,337</b>
<b>Net Position Beginning Of Year - As Restated</b>	<b>14,233,220</b>	<b>39,163,287</b>	<b>—</b>	<b>53,396,507</b>
<b>Net Position End Of Year</b>	<b>\$ 12,685,484</b>	<b>\$ 42,214,360</b>	<b>\$ —</b>	<b>\$ 54,899,844</b>

**Condensed Combining Statement Of Cash Flows**

Net cash (used in) provided by operating activities	\$ (15,335,699)	\$ 4,481,635	\$ —	\$ (10,854,064)
Net cash provided by noncapital and related financing activities	10,913,517	2,941,394	—	13,854,911
Net cash used in capital and related financing activities	(122,071)	(3,645,965)	—	(3,768,036)
Net cash (used in) provided by investing activities	78	1,513,858	—	1,513,936
Net increase (decrease) in cash and cash equivalents	(4,544,175)	5,290,922	—	746,747
Cash and cash equivalents - beginning of year	(8,432,935)	10,999,039	—	2,566,104
Cash and cash equivalents - end of year	\$ (12,977,110)	\$ 16,289,961	\$ —	\$ 3,312,851

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.

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

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

#### **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.

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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles pursuant to GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

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

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## Notes To Financial Statements (*Continued*)

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

### **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 \$5,000 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. The pension related items represent contributions made to the plan between the measurement date of the pension obligations and the end of the fiscal year, differences between expected and actual earnings on pension investments, and changes in assumptions, that are amortized over future periods.

### **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. The pension related items relate to certain actuarial differences and changes that are amortized over future periods.

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

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

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the St. Louis Science Center Employees' Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **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.

#### **New Accounting Standards Adopted**

During fiscal year 2016, the St. Louis Science Center implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement supersedes selected paragraphs and footnotes and amends selected paragraphs in various Statements of the Governmental Accounting Standards Board. The primary objective of this Statement is to improve financial reporting by state and local governments by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The disclosures required by this Statement are presented in Footnote 4.

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

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Notes To Financial Statements (*Continued*)

During 2015, the St. Louis Science Center adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense associated with defined benefit pension plans. As a result of the implementation, net position as of January 1, 2015 was restated as follows:

Net position, as previously reported	<u>\$ 51,995,694</u>
Prior period adjustment:	
Write off of net pension asset under GASB Statement No. 27	\$ (1,196,044)
Beginning net pension asset as of measurement date of December 31, 2014	12,427
Contributions made subsequent to the beginning net pension liability at January 1, 2014 are reported as deferred outflows of resources	<u>72,870</u>
Total prior period adjustment	<u>(1,110,747)</u>
Net position, as restated	<u><u>\$ 50,884,947</u></u>

**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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
<b>Business-Type Activity</b>		
Cash and short-term investments:		
Cash	\$ 3,312,851	\$ 2,566,104
Noncurrent cash and investments:		
Equity securities	255,173	507,551
Equity based mutual funds	1,596,843	1,391,112
Fixed income mutual funds	454,752	431,540
Money market mutual funds	143,487	1,524,130
Hedge funds	112,245	78,923
Infrastructure funds	54,211	44,614
REIT funds	47,634	43,581
	<u>\$ 5,977,196</u>	<u>\$ 6,587,555</u>
<b>Pension Trust Fund</b>		
Money market mutual funds	\$ 467,624	\$ 970,839
Equity based index and open-end mutual funds	4,301,210	4,925,893
Fixed income mutual funds	1,975,367	903,262
Hedge funds	270,852	202,304
Infrastructure funds	144,774	132,683
REIT funds	42,389	43,685
	<u>\$ 7,202,216</u>	<u>\$ 7,178,666</u>

**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.



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

**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 Investment 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 Investment Committee has adopted an asset allocation policy target of investing 68% of the endowment in equity mutual funds, 17% of the endowment in fixed income mutual funds, and 15% of the endowment in alternatives. This policy may be modified from time to time by the Investment 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 Investment Committee of the Subdistrict.

**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, 2016 and 2015, the St. Louis Science Center held the following investments and maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>December 31, 2016</b>		
		<b>Investment Maturities (In Years)</b>		
		<b>Less Than One</b>	<b>1 - 5</b>	<b>6 - 10</b>
Fixed income mutual funds*	\$ 454,752	\$ 21,768	\$ —	\$ 432,984
Money market mutual funds	143,487	143,487	—	—
	<b>\$ 598,239</b>	<b>\$ 165,255</b>	<b>\$ —</b>	<b>\$ 432,984</b>

\* Average duration of securities within the funds

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Notes To Financial Statements (*Continued*)

Investment Type	Fair Value	December 31, 2015		
		Investment Maturities (In Years)		
		Less Than One	1 - 5	6 - 10
Fixed income mutual funds*	\$ 431,540	\$ 22,727	\$ —	\$ 408,813
Money market mutual funds	1,524,130	1,524,130		
	\$ 1,955,670	\$ 1,546,857	\$ —	\$ 408,813

\* Average duration of securities within the funds

The Pension Plan's investment policy does not address interest rate risk. The portfolio had the following investments and maturities at December 31, 2016 and 2015:

Investment Type	Fair Value	December 31, 2016			
		Investment Maturities (In Years)			
		Less Than One	1 - 5	6 - 10	No Maturity
Money market mutual funds	\$ 467,624	\$ 467,624	\$ —	\$ —	\$ —
Fixed income mutual funds*	1,975,367	—	1,568,484	—	406,883
	\$ 2,442,991	\$ 467,624	\$ 1,568,484	\$ —	\$ 406,883

Investment Type	Fair Value	December 31, 2015			
		Investment Maturities (In Years)			
		Less Than One	1 - 5	6 - 10	No Maturity
Money market mutual funds	\$ 970,839	\$ 970,839	\$ —	\$ —	\$ —
Fixed income mutual funds*	903,262	—	469,227	—	434,035
	\$ 1,874,101	\$ 970,839	\$ 469,227	\$ —	\$ 434,035

\* Average duration of securities within the funds

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

**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 Investment 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.

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, 2016 and 2015.

	<b>December 31, 2016</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Goldman Sachs Financial Sq Funds Gov't Fund 466	Aaa	\$ 143,418
US Bank Money Market Fund	P-1	69
Commerce Bond Fund	Unrated	367,661
iShares US Preferred Stock ETF	Unrated	21,768
Vanguard Intermediate Term Treasury	Unrated	52,399
Vanguard Intermediate Term Investment	Unrated	12,924

	<b>December 31, 2015</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Financial Square Tr Government Fund	Aaa	\$ 11,446
US Bank Money Market Fund	P-1	1,512,684
Vanguard Intermediate Term Treasury	Unrated	248,576
Commerce Bond Fund	Unrated	160,237
Vanguard Intermed Term Investor	Unrated	22,727

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Notes To Financial Statements (*Continued*)

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, 2016 and 2015.

	<b>December 31, 2016</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Barclays Capital Aggregate Bond Fund	A	\$ 341,952
Commerce Bond Fund	Unrated	1,568,484
iShares US Preferred Stock ETF	Unrated	64,931
Financial Square Tf Government Fd	Unrated	404,841
BlackRock Money Market	Unrated	62,783

	<b>December 31, 2015</b>	
	<b>Moody's</b>	<b>Fair Value</b>
Barclays Capital Aggregate Bond Fund	A	\$ 366,242
Commerce Bond Fund	Unrated	469,227
iShares US Preferred Stock ETF	Unrated	67,793
Financial Square Tf Government Fd	Unrated	863,271
BlackRock Money Market	Unrated	107,568

**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, 2016 and 2015, 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, 2016 or 2015.

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.

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Notes To Financial Statements (*Continued*)

**4. Fair Value Measurement And Application**

The St. Louis Science Center has the following recurring fair value measurements as of December 31, 2016 and 2015:

Investments By Fair Value Level	2016		
	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Level 1	Level 2	Level 3
Money market mutual funds	\$ 143,487	\$ —	\$ —
Equity Securities	255,173	—	—
Equity based mutual funds	1,596,843	—	—
Fixed income mutual funds	454,752	—	—
Hedge funds	112,245	—	—
Infrastructure funds	54,211	—	—
REIT funds	47,633	—	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 2,664,345</b>	<b>\$ —</b>	<b>\$ —</b>

Investments By Fair Value Level	2015		
	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Level 1	Level 2	Level 3
Money market mutual funds	\$ 1,524,130	\$ —	\$ —
Equity Securities	507,551	—	—
Equity based mutual funds	1,391,112	—	—
Fixed income mutual funds	431,540	—	—
Hedge funds	78,923	—	—
Infrastructure funds	44,614	—	—
REIT funds	43,581	—	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 4,021,451</b>	<b>\$ —</b>	<b>\$ —</b>

The Pension Plan has the following recurring fair value measurements as of December 31, 2016 and 2015:

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Notes To Financial Statements (*Continued*)

Investments By Fair Value Level	2016		
	Quoted Prices	Significant	Significant
	In Active	Other	Unobservable
	Markets For	Observable	Unobservable
	Identical	Inputs	Inputs
Assets	Level 2	Level 3	
Level 1	Level 2	Level 3	
Money Market Funds	\$ 467,624	\$ —	\$ —
Equity Based Index and Open-end Mutual Funds	4,301,210	—	—
Fixed Income Mutual Funds	1,975,367	—	—
Hedge funds	270,852	—	—
Infrastructure funds	144,774	—	—
REIT funds	42,389	—	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 7,202,216</b>	<b>\$ —</b>	<b>\$ —</b>

Investments By Fair Value Level	2015		
	Quoted Prices	Significant	Significant
	In Active	Other	Unobservable
	Markets For	Observable	Unobservable
	Identical	Inputs	Inputs
Assets	Level 2	Level 3	
Level 1	Level 2	Level 3	
Money Market Funds	\$ 970,839	\$ —	\$ —
Equity Based Index and Open-end Mutual Funds	4,925,893	—	—
Fixed Income Mutual Funds	903,262	—	—
Hedge funds	202,304	—	—
Infrastructure funds	132,683	—	—
REIT funds	43,685	—	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 7,178,666</b>	<b>\$ —</b>	<b>\$ —</b>

## 5. Pledges Receivable

Outstanding pledges at December 31, 2016 and 2015 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 \$900,000 and \$1,000,000 in pledges during 2016 and 2015, 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>
2017	\$ 1,771,199
2018	1,415,594
2019	1,405,344
2020	891,714
2021	10,000
	<u>5,493,851</u>
Less: Noncurrent unamortized discount	209,600
	<u>5,284,251</u>
Less: Allowance for uncollectible pledges	91,499
	<u>\$ 5,192,752</u>

## 6. Capital Assets

Capital asset activity for the year ended December 31, 2016 is as follows:

	<b>Balance - January 1, 2016</b>	<b>Additions &amp; Transfers</b>	<b>Deletions &amp; Transfers</b>	<b>Balance - December 31, 2016</b>
Capital assets, nondepreciable:				
Land	\$ 11,601,596	\$ —	\$ —	\$ 11,601,596
Construction in progress	2,262,276	9,811	(2,223,831)	48,256
Collections	1,084,464	—	—	1,084,464
<b>Total capital assets, nondepreciable</b>	<u>14,948,336</u>	<u>9,811</u>	<u>(2,223,831)</u>	<u>12,734,316</u>
Capital assets, depreciable:				
Land improvements	3,669,289	48,920	—	3,718,209
Building and building improvements	61,465,378	5,028,565	(7,158)	66,486,785
Furniture, fixtures and equipment	13,798,595	1,005,456	—	14,804,051
Exhibits	24,290,884	3,557,625	—	27,848,509
<b>Total capital assets, depreciable</b>	<u>103,224,146</u>	<u>9,640,566</u>	<u>(7,158)</u>	<u>112,857,554</u>
<b>Total accumulated depreciation</b>	<u>(67,879,868)</u>	<u>(3,436,598)</u>	<u>1,134</u>	<u>(71,315,332)</u>
<b>Total capital assets, depreciable, net</b>	<u>35,344,278</u>	<u>6,203,968</u>	<u>(6,024)</u>	<u>41,542,222</u>
<b>Total capital assets, net</b>	<u>\$ 50,292,614</u>	<u>\$ 6,213,779</u>	<u>\$ (2,229,855)</u>	<u>\$ 54,276,538</u>

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Notes To Financial Statements (*Continued*)

Capital asset activity for the year ended December 31, 2015 was as follows:

	<b>Balance - January 1, 2015</b>	<b>Additions &amp; Transfers</b>	<b>Deletions &amp; Transfers</b>	<b>Balance - December 31, 2015</b>
Capital assets, nondepreciable:				
Land	\$ 11,601,596	\$ —	\$ —	\$ 11,601,596
Construction in progress	1,609,992	1,268,040	(615,756)	2,262,276
Collections	1,084,464	—	—	1,084,464
<b>Total capital assets, nondepreciable</b>	<b>14,296,052</b>	<b>1,268,040</b>	<b>(615,756)</b>	<b>14,948,336</b>
Capital assets, depreciable:				
Land improvements	3,506,300	162,989	—	3,669,289
Building and building improvements	60,900,393	564,985	—	61,465,378
Furniture, fixtures and equipment	12,906,407	892,188	—	13,798,595
Exhibits	23,405,080	885,804	—	24,290,884
<b>Total capital assets, depreciable</b>	<b>100,718,180</b>	<b>2,505,966</b>	<b>—</b>	<b>103,224,146</b>
<b>Total accumulated depreciation</b>	<b>(64,779,324)</b>	<b>(3,100,544)</b>	<b>—</b>	<b>(67,879,868)</b>
<b>Total capital assets, depreciable, net</b>	<b>35,938,856</b>	<b>(594,578)</b>	<b>—</b>	<b>35,344,278</b>
<b>Total capital assets, net</b>	<b>\$ 50,234,908</b>	<b>\$ 673,462</b>	<b>\$ (615,756)</b>	<b>\$ 50,292,614</b>



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Notes To Financial Statements (*Continued*)

**7. Notes Payable**

A summary of changes in long-term debt for the years ended December 31, 2016 and 2015 is as follows:

	<b>Balance - December 31, 2015</b>			<b>Balance - December 31, 2016</b>		<b>Due Within One Year</b>
		<b>Additions</b>	<b>Reductions</b>			
2013 Note Payable	\$ 156,893	\$ —	\$ 49,412	\$ 107,481	\$ 50,838	
Series 2014A Refunding Revenue Bonds	8,665,000	—	775,000	7,890,000	795,000	
Series 2014B Refunding Revenue Bonds	2,500,000	2,500,000	—	5,000,000	—	
<b>Long-Term Liabilities</b>	<b>\$ 11,321,893</b>	<b>\$ 2,500,000</b>	<b>\$ 824,412</b>	<b>\$ 12,997,481</b>	<b>\$ 845,838</b>	

	<b>Balance - December 31, 2014</b>			<b>Balance - December 31, 2015</b>		<b>Due Within One Year</b>
		<b>Additions</b>	<b>Reductions</b>			
Series 2010 Subordinate Revenue Bonds	\$ 793,093	\$ —	\$ 793,093	\$ —	\$ —	
2013 Note Payable	204,918	—	48,025	156,893	49,411	
Series 2014A Refunding Revenue Bonds	9,440,000	—	775,000	8,665,000	775,000	
Series 2014B Refunding Revenue Bonds	—	2,500,000	—	2,500,000	—	
<b>Long-Term Liabilities</b>	<b>\$ 10,438,011</b>	<b>\$ 2,500,000</b>	<b>\$ 1,616,118</b>	<b>\$ 11,321,893</b>	<b>\$ 824,411</b>	

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

On December 4, 2014, in connection with financing a portion of improvements to the St. Louis 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 (Series A) and \$5,000,000 in Public Facilities Improvement Revenue Bonds, Series 2014B (Series B). The Series A Bonds bear interest at 2.37% and will be repaid at approximately level annual debt service until final maturity in November, 2025. The Series A Bonds 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.

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Notes To Financial Statements (*Continued*)

As a result of the 2014 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 A Bonds are as follows:

<b>Maturity</b>	<b>Principal Amount</b>	<b>Interest</b>
2017	\$ 795,000	\$ 180,061
2018	815,000	160,953
2019	835,000	141,548
2020	855,000	121,581
2021	875,000	101,051
2022-2024	2,750,000	175,854
2025	965,000	14,250
	\$ 7,890,000	\$ 895,298

The Series B Bonds bear interest at an adjustable rate, set initially at 3.05%, with interest payments due every 90 days. The interest rate is scheduled to reset on November 15, 2025 to 2.46%. Annual interest expense on the Series B Bonds is \$152,500 per year through 2025. The bonds may be redeemed without premium at any time before their maturity date, November 15, 2044. As of December 31, 2016 and 2015, \$5,000,000 and \$2,500,000, respectively was outstanding on the Series B Bonds. The entire principal outstanding on the Series B Bonds matures in 2044.

Certain resources are classified as restricted on the balance sheet because their use is limited to projects for the Series 2014 Bonds. Restricted cash and investments related to the bonds total approximately \$1,513,000 at December 31, 2015.

**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 bore interest at a Floating Rate based on the LIBOR rate, adjusted for several factors (the rate on the 2010 Bonds was 1.77% at December 31, 2015). 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 was subordinate to the Series 2014 Bonds discussed above.

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

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. As of December 31, 2015, the entire \$13.7 million had been retired using the collection of Accepted Restricted Pledges as discussed below.

The Series 2010 Loan Agreement between the St. Louis Science Center Foundation and the IDA limited the amount of the 2010 bonds to the amount of Accepted Restricted Pledges received by the Foundation. As of December 31, 2015, there were no outstanding pledges and the Series 2010 were paid in full.

The Loan Agreement subjected the Foundation to certain restrictions and covenants and also gave the purchaser of the Series 2010 Bonds a mortgage lien and security interest in certain property of the Science Center. The Loan Agreement also required the St. Louis Science Center to maintain a minimum fixed charge coverage ratio during the period the bonds were 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, 2015.

#### **Deferred Amount On Refunding**

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, 2016 and 2015 is \$237,386 and \$263,762, respectively.

#### **2013 Note Payable**

In 2013, the St. Louis Science Center financed the purchase of a new VOIP phone system through US Bank. The original amount of the note was \$261,019. 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.

#### **8. Note Payable - Line-Of-Credit**

The St. Louis Science Center has a working capital line-of-credit agreement with US Bank, to allow borrowing up to \$5,000,000 from February 1 of any year through June 30 of such year and up to \$7,000,000 with respect to any other period.

On December 23, 2016, the St. Louis Science Center signed a renewal agreement with US Bank to extend the maturity date to December 22, 2017. The unpaid balance bears 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 2016 was \$4,950,000 and during 2015 was \$3,945,000. The unpaid balance bore an interest rate of 2.06% at December 31, 2016 and 1.69% at December 31, 2015. The balance outstanding at December 31, 2016 and 2015 was \$2,300,000 and \$1,495,000, 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, 2016 and 2015.

### **9. 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, permits 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 \$235,909 and \$242,808 to the 401(a) plan in 2016 and 2015, respectively, and made no contributions to the other plans in 2016 or 2015.

Because the St. Louis Science Center does not hold the plan assets in a trustee capacity at December 31, 2016 and 2015, the investments for the deferred compensation plans are not presented in the St. Louis Science Center's financial statements.

### **10. Pension Plan**

During 2015, the St. Louis Science Center implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires employers to report the net pension liability associated with defined benefit pension plans on their government-wide financial statements, and requires various additional disclosures about the plans and the liabilities.

#### ***General Information About The Pension Plan***

*Pension 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.

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Notes To Financial Statements (*Continued*)

*Benefits provided.* 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, as well as the accrued benefit at December 31, 2012 and shall not increase after that date due to additional benefit service, increased compensation, changes in covered compensation, or any other reason.

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 for compensation earned up to December 31, 2012. Early retirement benefits are available at the actuarial equivalent of the normal retirement benefit. At December 31, 2016 and 2015, membership in the Plan consisted of the following:

	<u>2016</u>	2015
Active employees	101	115
Retirees and beneficiaries currently receiving benefits	57	59
Terminated employees entitled to benefits but not yet receiving them	166	157
<u>Total</u>	<u>324</u>	<u>331</u>

Contributions of \$86,828 were accrued by St. Louis Science Center in both 2016 and 2015 and are included in accrued expenses at December 31, 2016 and 2015, respectively. These contributions were accrued in accordance with actuarially determined contribution requirements.

**Net Pension Liability**

The St. Louis Science Center's net pension liability was measured as of January 1, 2016 and rolled forward to December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date:

Total pension liability	\$ 9,330,916
Plan fiduciary net position	<u>7,748,167</u>
Science Center's net pension liability	<u>\$ 1,582,749</u>
Plan fiduciary net position as a percentage of total pension liability	83.04%

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

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Notes To Financial Statements (*Continued*)

The St. Louis Science Center's net pension liability was measured as of January 1, 2015 and rolled forward to December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date:

Total pension liability	\$ 8,590,884
Plan fiduciary net position	<u>7,791,789</u>
Science Center's net pension liability	<u><u>\$ 799,095</u></u>
Plan fiduciary net position as a percentage of total pension liability	90.70%

The total pension liability in the December 31, 2016 and 2015 actuarial rollforward, respectively, were determined using the following actuarial assumptions:

Valuation date	January 1, 2016	January 1, 2015
Actuarial cost method	Entry age normal as a level percentage of pay	Entry age normal as a level percentage of pay
Asset Valuation Method:	Market value of assets	Market value of assets
Actuarial assumptions:		
Investment rate of return	7.5%	7.7%
Projected salary increases	4.5%	4.5%
Mortality	SOA RP-2014 Total Dataset Mortality; Scale MP-2015 Fully Generational	IRS 2014 Combined Mortality Table

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

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Notes To Financial Statements (*Continued*)

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 at December 31, 2016 and 2015 are summarized in the following tables:

<u>Asset Class</u>	<u>December 31, 2016</u>			
	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Expected Rate Of Return</u>	<u>Arithmetic Mean</u>
Equity securities	72%	67%	11.0%	6.1%
Fixed income	29%	27%	5.0%	1.4%
Cash	0%	6%	1.0%	0.0%

<u>Asset Class</u>	<u>December 31, 2015</u>			
	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Expected Rate Of Return</u>	<u>Arithmetic Mean</u>
Equity securities	78%	74%	9.0%	7.0%
Fixed income	20%	25%	4.0%	0.8%
Cash	2%	1%	1.0%	0.0%

**Discount Rate**

The discount rate used to measure the total pension liability at December 31, 2016 and 2015 was 7.50% and 7.70%, respectively. 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 a strategy to achieve that return.

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

Notes To Financial Statements (*Continued*)

**Change In The Net Pension Liability For The Year End December 31, 2016**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Balances at 12/31/2015</b>	\$ 8,590,884	\$ 7,791,789	\$ 799,095
<b>Changes For The Year:</b>			
Service cost	159,245	—	159,245
Interest	663,374	—	663,374
Differences between expected and actual experiences	(61,741)	—	(61,741)
Employer contributions	—	86,828	(86,828)
Net investment income	—	479,822	(479,822)
Benefit payments	(578,768)	(578,768)	—
Administration expenses	—	(31,504)	31,504
Other changes - assumption changes	557,922	—	557,922
<b>Net Changes</b>	<b>740,032</b>	<b>(43,622)</b>	<b>783,654</b>
<b>Balances at 12/31/16</b>	<b>\$ 9,330,916</b>	<b>\$ 7,748,167</b>	<b>\$ 1,582,749</b>

**Change In The Net Pension Liability For The Year End December 31, 2015**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Balances at 12/31/2014</b>	\$ 8,344,965	\$ 8,357,392	\$ (12,427)
<b>Changes For The Year:</b>			
Service cost	158,326	—	158,326
Interest	620,824	—	620,824
Differences between expected and actual experiences	(42,284)	—	(42,284)
Employer contributions	—	86,828	(86,828)
Net investment income	—	(122,710)	122,710
Benefit payments	(490,947)	(490,947)	—
Administration expenses	—	(38,774)	38,774
<b>Net Changes</b>	<b>245,919</b>	<b>(565,603)</b>	<b>811,522</b>
<b>Balances at 12/31/15</b>	<b>\$ 8,590,884</b>	<b>\$ 7,791,789</b>	<b>\$ 799,095</b>



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

Notes To Financial Statements (*Continued*)

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

The following presents the net pension liability (asset) of the St. Louis Science Center, calculated using the discount rate, 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:

	<b>December 31, 2016</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 2,536,000	\$ 1,582,749	\$ 765,000

	<b>December 31, 2015</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Discount Rate	6.70%	7.70%	8.70%
Net Pension Liability	\$ 1,645,000	\$ 799,095	\$ 70,000

**Rate Of Return**

For the year ended December 31, 2016 and 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.39 and (1.39) percent, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts annually invested.

**Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions**

For the years ended December 31, 2016 and 2015, the St. Louis Science Center recognized pension expense of \$528,816 and \$230,885, respectively, after all deferred inflows and outflows of resources were accounted for. At December 31, 2016 and 2015, respectively, the St. Louis Science Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2016</b>		<b>2015</b>	
	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$ —	\$ 47,091	\$ —	\$ 24,919
Net difference between projected and actual earnings on pension plan investments	511,378	—	591,599	—
Science Center contributions subsequent to the measurement date of January 1, 2016	86,828	—	86,828	—
Other changes - assumption changes	357,231	—	—	—
<b>Total</b>	<b>\$ 955,437</b>	<b>\$ 47,091</b>	<b>\$ 678,427</b>	<b>\$ 24,919</b>

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

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Notes To Financial Statements (*Continued*)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2016 will be recognized in pension expense as follows:

Year	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 365,511	\$ (29,768)
2018	321,359	(17,323)
2019	164,819	—
2020	16,920	—
	\$ 868,609	\$ (47,091)

Other amounts currently reported as deferred outflows of resources \$86,828 relate to the St. Louis Science Center's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

**Contributions Receivable and Payable**

The St. Louis Science Center, through resolution, has a legal duty to pay all actuarially required contributions. Payments of outstanding contributions will be paid over a five year period. Total contributions that remain unpaid as of December 31, 2016 and 2015 are \$545,951 and \$613,123, respectively.

**11. 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, 2016 the Subdistrict has the option to renew the lease annually for up to 23 additional one-year terms. The lease calls for annual rentals of \$2,000,000, payable in equal monthly installments of \$166,667 each. During 2016 and 2015, the Subdistrict paid, and the Foundation received, rentals totaling \$2,000,000.

The Foundation and Subdistrict are parties in a lease for the property directly adjacent to the Science Center. The term of the lease is for one year, and as of December 31, 2016, the Subdistrict has the option to renew the lease annually for up to 30 additional one-year terms. The lease calls for annual rentals of \$350,000, payable in equal monthly installments of \$29,167 each. During 2016 and 2015, the Subdistrict paid, and the Foundation received, rentals totaling \$350,000.

## **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 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, 2016, the Subdistrict has the option to renew the lease annually for up to 4 additional one-year terms. The lease calls for annual rentals of \$1,920,000 payable in monthly installments of \$160,000 each. During 2016 and 2015, 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, 2016, the Subdistrict has the option to renew the lease annually for up to 43 additional one-year terms. The lease calls for annual rentals of \$234,000 payable in monthly installments of \$19,500 each. During 2016 and 2015, the Subdistrict paid, and the Foundation received, rentals totaling \$234,000.

The Foundation's interest in the Subdistrict facility lease, the adjacent property lease and the Planetarium lease were pledged to collateralize the Foundation's obligation to UMB Bank under the 2005 Bonds 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 \$330,577 in 2016 and \$323,721 in 2015, which the Subdistrict paid, and the Foundation received.

## **12. 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*)

**13. Tax Abatements**

The St. Louis Science Center Subdistrict recognizes tax revenue based on an allocation of property taxes levied and collected by the District. The District levies and collects property taxes on behalf of the Subdistricts based on the assessed valuation of property in St. Louis City (City) and St. Louis County (County). Both the City and County have entered into property tax abatement agreements with local businesses under various state statutes. Under these state statutes the City and County may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The St. Louis Science Center Subdistrict allocated revenues were reduced under these agreements entered into by the City and County. City property tax allocated revenues were reduced by approximately \$98,000. Information regarding the County property tax allocated revenue reduction is unavailable.

**14. 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, 2016.

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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. 67 And 68**

**Schedule Of Changes In The Net Pension Liability And Related Notes**

	12/31/2016	12/31/2015	12/31/2014
<b>Total Pension Liability</b>			
Service cost	\$ 159,245	\$ 158,326	\$ 39,996
Interest	663,374	620,824	650,216
Differences between expected and actual experience	(61,741)	(42,284)	(35,181)
Changes of assumptions	557,922	—	(529,475)
Benefit payments	(578,768)	(490,947)	(487,594)
<b>Net Change In Total Pension Liability</b>	<b>740,032</b>	<b>245,919</b>	<b>(362,038)</b>
<b>Total Pension Liability - Beginning</b>	<b>8,590,884</b>	<b>8,344,965</b>	<b>8,707,003</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 9,330,916</b>	<b>\$ 8,590,884</b>	<b>\$ 8,344,965</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 86,828	\$ 86,828	\$ 72,871
Net investment income (loss)	479,822	(122,710)	445,931
Benefit payments	(578,768)	(490,947)	(487,594)
Administrative expenses	(31,504)	(38,774)	—
<b>Net Change In Plan Fiduciary Net Position</b>	<b>(43,622)</b>	<b>(565,603)</b>	<b>31,208</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>7,791,789</b>	<b>8,357,392</b>	<b>8,326,184</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 7,748,167</b>	<b>\$ 7,791,789</b>	<b>\$ 8,357,392</b>
<b>St. Louis Science Center's Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b>\$ 1,582,749</b>	<b>\$ 799,095</b>	<b>\$ (12,427)</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability</b>	<b>83.04%</b>	<b>90.70%</b>	<b>100.15%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 5,443,558</b>	<b>\$ 5,811,438</b>	<b>\$ 5,641,424</b>
<b>St. Louis Science Center's Net Pension Liability (Asset) As A Percentage Of Covered-Employee Payroll</b>	<b>29.08%</b>	<b>13.75%</b>	<b>-0.22%</b>

Notes:

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.

Changes in assumptions primarily relate to adjustments to the discount rate and actuarial method.

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

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

**Schedule Of Employer Contributions**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 86,828	\$ 86,828	\$ 67,662
Contributions in relation to the actuarially determined contribution	86,828	86,828	72,871
Contribution deficiency (excess)	\$ —	\$ —	\$ (5,209)
Covered-employee payroll	\$ 5,443,558	\$ 5,811,438	\$ 5,641,424
Contributions as a percentage of covered-employee payroll	1.60%	1.49%	1.29%

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>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expense:	6.39%	(1.39)%	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, 2016**

	St. Louis Science Center				
	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total	
				2016	2015
<b>Assets</b>					
Current assets:					
Cash and short-term investments	\$ 1,117,893	\$ 2,194,958	\$ —	\$ 3,312,851	2,566,104
Pledges receivable, net	18,000	1,753,115	—	1,771,115	1,590,993
Taxes receivable from Metropolitan Zoological Park and Museum District, net	6,175,749	—	—	6,175,749	6,188,797
Due from foundation	—	12,146	(12,146)	—	—
Other receivables, net	142,710	428,521	—	571,231	533,290
Prepaid expenses	294,793	336,199	—	630,992	708,652
<b>Total current assets</b>	<b>7,749,145</b>	<b>4,724,939</b>	<b>(12,146)</b>	<b>12,461,938</b>	<b>11,587,836</b>
Noncurrent assets:					
Unrestricted investments	—	254,048	—	254,048	238,428
Restricted cash and investments	259,132	2,151,165	—	2,410,297	3,783,023
Pledges receivable, net	—	3,421,637	—	3,421,637	2,832,310
Other assets	—	324,073	—	324,073	371,742
	259,132	6,150,923	—	6,410,055	7,225,503
Capital assets:					
Land and land improvements	859,121	14,460,684	—	15,319,805	15,270,885
Building and building improvements	12,205,219	54,281,566	—	66,486,785	61,465,378
Furniture, fixtures and equipment	4,903,575	9,900,476	—	14,804,051	13,798,595
Exhibits	17,452,854	10,395,655	—	27,848,509	24,290,884
Collections	841,804	242,660	—	1,084,464	1,084,464
Construction in progress	10,424	37,832	—	48,256	2,262,276
Less accumulated depreciation	(26,803,194)	(44,512,138)	—	(71,315,332)	(67,879,868)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>9,469,803</b>	<b>44,806,735</b>	<b>—</b>	<b>54,276,538</b>	<b>50,292,614</b>
<b>Total noncurrent assets</b>	<b>9,728,935</b>	<b>50,957,658</b>	<b>—</b>	<b>60,686,593</b>	<b>57,518,117</b>
<b>Total Assets</b>	<b>17,478,080</b>	<b>55,682,597</b>	<b>(12,146)</b>	<b>73,148,531</b>	<b>69,105,953</b>
<b>Deferred Outflows Of Resources</b>					
Pension contributions	86,828	—	—	86,828	86,828
Difference between expected and actual earnings on pension investments	511,378	—	—	511,378	591,599
Deferred amount on bond refunding	—	237,386	—	237,386	263,762
Change in assumptions - pension	357,231	—	—	357,231	—
<b>Total Deferred Outflows Of Resources</b>	<b>955,437</b>	<b>237,386</b>	<b>—</b>	<b>1,192,823</b>	<b>942,189</b>

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

**COMBINING STATEMENT OF NET POSITION**

**Page 2 Of 2  
December 31, 2016**

	St. Louis Science Center				
	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total	
				2016	2015
<b>Liabilities</b>					
Current liabilities:					
Notes payable - current	\$ —	\$ 845,838	\$ —	\$ 845,838	\$ 824,411
Note payable - line-of-credit agreement	2,300,000	—	—	2,300,000	1,495,000
Accounts payable and accrued expenses	1,804,153	289,826	—	2,093,979	2,658,679
Due to subdistrict	12,146	—	(12,146)	—	—
Unearned revenue	1,894	302,319	—	304,213	250,348
<b>Total current liabilities</b>	<b>4,118,193</b>	<b>1,437,983</b>	<b>(12,146)</b>	<b>5,544,030</b>	<b>5,228,438</b>
Noncurrent liabilities:					
Notes payable	—	12,151,643	—	12,151,643	10,497,482
Other liabilities	—	115,997	—	115,997	101,701
Net pension liability	1,582,749	—	—	1,582,749	799,095
<b>Total noncurrent liabilities</b>	<b>1,582,749</b>	<b>12,267,640</b>	<b>—</b>	<b>13,850,389</b>	<b>11,398,278</b>
<b>Total Liabilities</b>	<b>5,700,942</b>	<b>13,705,623</b>	<b>(12,146)</b>	<b>19,394,419</b>	<b>16,626,716</b>
<b>Deferred Inflows Of Resources</b>					
Difference between expected and actual experience - pension	47,091	—	—	47,091	24,919
<b>Total Deferred Outflows Of Resources</b>	<b>47,091</b>	<b>—</b>	<b>—</b>	<b>47,091</b>	<b>24,919</b>
<b>Net Position</b>					
Net investment in capital assets	9,469,803	32,046,640	—	41,516,443	39,234,483
Restricted for:					
Debt service	—	69	—	69	1,512,684
Capital campaign	—	3,736,604	—	3,736,604	3,950,314
Endowment - expendable	59,132	725,897	—	785,029	645,140
Endowment - nonexpendable	200,000	1,425,199	—	1,625,199	1,625,199
Unrestricted	2,956,549	4,279,951	—	7,236,500	6,428,687
<b>Total Net Position</b>	<b>\$ 12,685,484</b>	<b>\$ 42,214,360</b>	<b>\$ —</b>	<b>\$ 54,899,844</b>	<b>\$ 53,396,507</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, 2016

	St. Louis Science Center					
	Subdistrict	St. Louis Science Center Foundation		Eliminating Entries	Combined Total	
					2016	2015
<b>Operating Revenues</b>						
Visitor Activities:						
Omnimax theater	\$ —	\$ 1,306,731	\$ —	\$ 1,306,731	\$ 1,352,574	
Special exhibits	—	136,653	—	136,653	426,073	
Parking	—	952,249	—	952,249	894,590	
Planetarium	309,919	—	—	309,919	295,764	
Discovery Room	—	82,156	—	82,156	90,330	
Restaurants	—	200,653	—	200,653	206,991	
Gift Shops	—	270,504	—	270,504	198,279	
Simulators	25,926	384,084	—	410,010	385,607	
Education programs:						
School programs	172,455	—	—	172,455	137,763	
Public programs	75,432	—	—	75,432	65,501	
Camps	234,784	—	—	234,784	259,144	
Robotics competition	162,000	—	—	162,000	148,793	
Membership	—	891,364	—	891,364	864,213	
Other:						
Sponsorships	—	49,575	—	49,575	64,474	
Rental and events income	268,396	4,834,577	(4,834,577)	268,396	144,103	
Guest services	33,968	—	—	33,968	46,299	
Sale and lease of exhibits	35,894	—	—	35,894	31,423	
Miscellaneous	2,051,811	34,113	(2,004,000)	81,924	55,907	
<b>Total operating revenues</b>	<b>3,370,585</b>	<b>9,142,659</b>	<b>(6,838,577)</b>	<b>5,674,667</b>	<b>5,667,828</b>	
<b>Operating Expenses</b>						
Program services:						
Gallery operations and support	1,189,554	—	—	1,189,554	850,209	
Design services and exhibit technology	1,457,052	—	—	1,457,052	1,232,437	
Special exhibits	60,629	438,612	—	499,241	954,707	
Theaters	221,198	890,408	—	1,111,606	1,025,935	
Simulators	—	314,505	—	314,505	268,422	
Community science education	716,399	—	—	716,399	752,593	
Other educational programs	562,392	—	—	562,392	638,385	
Grant funded programs	—	298,568	—	298,568	241,022	
Other	230,380	—	—	230,380	197,329	
<b>Total program services</b>	<b>4,437,604</b>	<b>1,942,093</b>	<b>—</b>	<b>6,379,697</b>	<b>6,161,039</b>	
Supporting services:						
Marketing and communications	1,628,733	—	—	1,628,733	1,595,146	
Building services	1,269,999	—	—	1,269,999	1,305,602	
Operations	1,351,861	—	—	1,351,861	1,273,217	
Security and parking	539,461	34,992	—	574,453	572,898	
Guest services	447,114	—	—	447,114	478,887	
Finance and information systems	7,128,375	340,181	(4,834,577)	2,633,979	2,521,018	
Human resources	581,477	—	—	581,477	564,960	
Membership benefits and fundraising	1,086,712	—	—	1,086,712	1,355,333	
Administration	566,644	2,008,668	(2,004,000)	571,312	512,774	
Depreciation and amortization	834,254	2,602,344	—	3,436,598	3,100,544	
<b>Total supporting services</b>	<b>15,434,630</b>	<b>4,986,185</b>	<b>(6,838,577)</b>	<b>13,582,238</b>	<b>13,280,379</b>	
<b>Total Operating Expenses</b>	<b>19,872,234</b>	<b>6,928,278</b>	<b>(6,838,577)</b>	<b>19,961,935</b>	<b>19,441,418</b>	
<b>Operating Income (Loss)</b>	<b>(16,501,649)</b>	<b>2,214,381</b>	<b>—</b>	<b>(14,287,268)</b>	<b>(13,773,590)</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, 2016

	St. Louis Science Center				
	St. Louis Science Center			Combined Total	
	Subdistrict	Foundation	Eliminating Entries	2016	2015
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes and license fees from the Metropolitan Zoological Park and Museum District, net	\$ 10,855,047	\$ —	\$ —	\$ 10,855,047	\$ 10,782,827
Contributions and grants:					
Annual fund	—	225,679	—	225,679	283,192
Events and other	525	47,105	—	47,630	58,220
Major gifts	—	1,889,921	—	1,889,921	1,110,718
In-kind revenue	6,300	1,185,440	—	1,191,740	801,303
Gala	—	—	—	—	360,455
Grants:					
Federal	—	107,523	—	107,523	74,802
Other	—	184,226	—	184,226	190,397
Capital fundraising expenses	—	(183,861)	—	(183,861)	(255,673)
Loss on disposal of capital assets	2,325	(6,024)	—	(3,699)	(16,953)
Investment income (expense)	7,709	149,121	—	156,830	(60,090)
Interest expense	(34,529)	(350,675)	—	(385,204)	(308,415)
<b>Total Nonoperating Revenues</b>	<b>10,837,377</b>	<b>3,248,455</b>	<b>—</b>	<b>14,085,832</b>	<b>13,020,783</b>
<b>Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment</b>	<b>(5,664,272)</b>	<b>5,462,836</b>	<b>—</b>	<b>(201,436)</b>	<b>(752,807)</b>
<b>Capital Grants And Contributions Additions To Permanent Endowment</b>	<b>21,536</b>	<b>1,683,237</b>	<b>—</b>	<b>1,704,773</b>	<b>3,263,867</b>
	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>500</b>
<b>Change In Net Position</b>	<b>(5,642,736)</b>	<b>7,146,073</b>	<b>—</b>	<b>1,503,337</b>	<b>2,511,560</b>
<b>Net Position - Beginning Of Year - As Previously Stated</b>	<b>14,233,220</b>	<b>39,163,287</b>	<b>—</b>	<b>53,396,507</b>	<b>51,995,694</b>
<b>Prior Period Adjustment - Effect Of Adoption Of GASB 68</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,110,747)</b>
<b>Net Position - Beginning Of Year - As Restated</b>	<b>14,233,220</b>	<b>39,163,287</b>	<b>—</b>	<b>53,396,507</b>	<b>50,884,947</b>
<b>Transfers</b>	<b>4,095,000</b>	<b>(4,095,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Position - End Of Year</b>	<b>\$ 12,685,484</b>	<b>\$ 42,214,360</b>	<b>\$ —</b>	<b>\$ 54,899,844</b>	<b>\$ 53,396,507</b>