

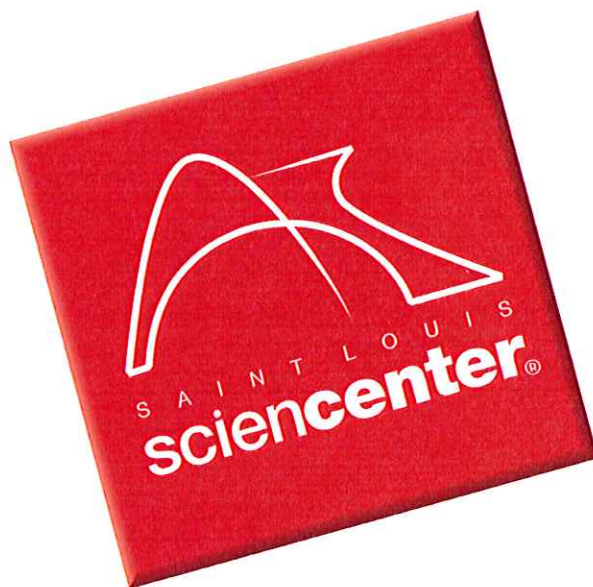
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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL  
PARK AND MUSEUM DISTRICT**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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## Independent Auditors' Report

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

### Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the St. Louis Science Center Subdistrict of the Metropolitan Zoological Park and Museum District (the St. Louis Science Center), as of and for the years ended December 31, 2013 and 2012, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the St. Louis Science Center as of December 31, 2013 and 2012, 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 in 2013, the St. Louis Science Center adopted the provisions of GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the schedule of funding progress on page 44 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.

#### **Other Reporting Required By Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014 on our consideration of the St. Louis Science Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Louis Science Center's internal control over financial reporting and compliance.

*RubinBrown LLP*

March 25, 2014

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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, 2013 and 2012. The discussion and analysis should be read in conjunction with the Science Center's financial statements that begin on page 14.

**2013 Financial Highlights**

- The St. Louis Science Center elected to adopt GASB No. 65 in 2013 resulting in certain reclassifications and presentation changes to the statement of net position. The effect of these changes has been applied retroactively; as a result the beginning of the year net position has been changed to reflect the expensing of bond issuance costs. In addition, certain 2012 amounts have been reclassified, where appropriate, to conform to the 2013 financial statement presentation.
- The net position of the Science Center totaled \$49,422,898 at the close of 2013; this was an increase of \$1,542,379, or 3.2% from 2012.
- Unrestricted net position increased \$1,976,190, or 27.2%; this increase improved from a \$828,629 decrease in 2012, primarily the result of expense reductions discussed below and as more fully described following Table 1 - Net Position.
- Total 2013 revenues decreased \$494,051 (2.3%) from 2012, primarily as a result of an increase in visitor activities operating revenues of approximately \$226,000, offset by decreases in non-operating revenues of approximately \$605,000 and a decrease in capital grants and endowment of approximately \$364,500. The increase in visitor activities revenues was primarily due to increased theater revenue due to higher attendance and realizing simulator revenue for 12 months in 2013 (only one month in 2012). The decrease in non-operating revenues was due primarily to a decrease in federal and capital grants.
- Total expenses for 2013 decreased approximately \$1,732,000 (8.3%) from 2012, comprised mostly of decreases in program services. Interest expense also decreased by \$178,000 but was offset by a \$454,000 accounting loss on disposal of capital assets. The largest decreases in program services expenses were \$868,000 in special exhibits due to lower lease costs in 2013 compared to 2012 and \$872,000 in grant funded programs due to decreased grant revenue for the year.
- Total liabilities decreased \$6,570,303, or 25.2% from 2012, which was principally accounted for by a decrease in note payable-line of credit of \$1,900,000 and a \$3,800,000 decrease in other notes payable.
- Capital asset additions totaled approximately \$1,700,000 for the year, representing mostly the ongoing costs of normal replacement of equipment and exhibits.

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

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

### 2012 Financial Highlights

- The restated net position of the Science Center totaled \$47,880,519 at the close of 2012; this was a decrease of \$357,736, or (0.7)% from 2011. The restatement was due to the implementation of GASB No. 65.
- Restated unrestricted net position decreased \$828,629, or 10.2%; this decrease improved from a \$1,790,293 decrease in 2011, primarily the result of the expense reductions discussed below and as more fully described following Table 1 - Net Position.
- Total 2012 revenues increased less than \$100,000 from 2011, primarily as a result of a decrease in visitor activities operating revenues of approximately \$940,000, offset by increases in nonoperating revenues of approximately \$480,000 and capital grants and endowment additions of approximately \$560,000. The decrease in visitor activities revenues was primarily due to decreased theater and special exhibit revenues resulting from lower attendance than in 2011. The increase in nonoperating revenues was due primarily to a net increase in investment income of approximately \$300,000. Capital grants and contributions revenues increased due to two large capital grants received during the year. Total expenses for 2012 decreased approximately \$3,800,000 from 2011, comprised of decreases in program services of approximately \$2,300,000 and supporting services of approximately \$1,300,000. Capital fundraising expenses also decreased just under \$200,000. These reductions resulted from cost controls and monitoring procedures implemented during 2011 and 2012.
- Total liabilities decreased \$3,014,051, or 10.4% from 2011, which was principally accounted for by a decrease in notes payable of approximately \$3,400,000 offset by an increase in accounts payable, accrued expenses and other liabilities of approximately \$300,000.
- Capital asset additions totaled approximately \$1,600,000 for the year, representing mostly the ongoing costs of normal replacement of equipment and exhibits.

### Using this Annual Report

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

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

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

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Management's Discussion And Analysis (*Continued*)

**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 45 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 on pages 21 and 22 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 SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

Management's Discussion And Analysis (*Continued*)

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

Table 1 provides a summary of the Science Center's net position for 2013, 2012 and 2011. The 2012 and 2011 balances have been restated due to GASB 65.

**Table 1 - Net Position**

|                               | 2013                 | 2012                 | 2011                 |
|-------------------------------|----------------------|----------------------|----------------------|
| <b>Assets</b>                 |                      |                      |                      |
| Current and other assets      | \$ 17,168,819        | \$ 18,476,728        | \$ 19,842,263        |
| Capital assets, net           | 51,525,596           | 55,193,243           | 56,842,841           |
| <i>Total Assets</i>           | <u>68,694,415</u>    | <u>73,669,971</u>    | <u>76,685,104</u>    |
| <b>Deferred Outflows</b>      | <u>253,053</u>       | 305,421              | —                    |
| <b>Liabilities</b>            |                      |                      |                      |
| Current liabilities           | 8,555,316            | 11,451,957           | 12,352,179           |
| Noncurrent liabilities        | 10,969,254           | 14,642,916           | 16,756,745           |
| <i>Total liabilities</i>      | <u>19,524,570</u>    | <u>26,094,873</u>    | <u>29,108,924</u>    |
| <b>Net Position</b>           |                      |                      |                      |
| Investments in capital assets | 35,255,135           | 33,230,733           | 31,220,105           |
| Restricted                    | 4,925,246            | 7,383,459            | 8,923,194            |
| Unrestricted                  | 9,242,517            | 7,266,327            | 7,432,881            |
| <i>Total net position</i>     | <u>\$ 49,422,898</u> | <u>\$ 47,880,519</u> | <u>\$ 47,576,180</u> |

**2013 and 2012**

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

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

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

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

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

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Management's Discussion And Analysis (*Continued*)

**2012 and 2011**

The net position of investment in capital assets increased by \$2,010,628, due to capital asset additions of \$1,645,129 and a decrease in debt of \$3,660,226; offset by depreciation of \$3,294,727.

The restricted net position, which represents resources that are subject to external restrictions on how those assets may be used, decreased in 2012 principally due to the continued collection of pledges receivable which were restricted for the capital campaign to finance the 2011 construction of the new exhibition hall.

The restated unrestricted net position decreased \$166,554 primarily as a result of the implementation of GASB No. 65 as well as negative combined operating and nonoperating results, offset by favorable changes in working capital and other assets. A decrease in operating revenues (principally theaters and special exhibits) due to lower attendance was offset by decreases in operating expenses; nonoperating revenues increased as a result of an increase in contributions and grants from 2011. Total operating and capital fundraising expenses, excluding depreciation, were reduced by slightly over \$3,300,000 from 2011, representing a nearly 16% decrease in these costs for the year.

Current liabilities decreased by \$900,222 from 2011, primarily because of a decrease in current notes payable of approximately \$1,300,000 offset by an increase in other current liabilities of approximately \$400,000.

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

Management's Discussion And Analysis (*Continued*)

Table 2 shows the changes in net position for 2013, 2012 and 2011. The 2012 and 2011 balances have been restated due to GASB 65.

**Table 2 - Change in Net Position**

|  | 2013                | 2012              | 2011                  |
|--|---------------------|-------------------|-----------------------|
| <b>Revenues</b>                            |                     |                   |                       |
| Contributions and grants                   | \$ 4,590,208        | \$ 5,454,820      | \$ 4,811,043          |
| Tax revenue from Zoo - Museum District     | 10,502,351          | 10,447,481        | 10,356,563            |
| Theater and other operating sources        | 5,424,487           | 5,193,624         | 6,133,483             |
| Investment income (loss)                   | 276,138             | 191,290           | (108,602)             |
| <i>Total revenues, including endowment</i> | <u>20,793,184</u>   | <u>21,287,215</u> | <u>21,192,487</u>     |
| <b>Expenses</b>                            |                     |                   |                       |
| Salaries and benefits                      | 8,425,308           | 9,909,386         | 11,868,178            |
| Depreciation and amortization              | 3,227,532           | 3,294,727         | 3,666,632             |
| Other program services                     | 2,671,543           | 2,850,355         | 3,453,200             |
| Other supporting services                  | 3,570,381           | 3,816,758         | 4,421,483             |
| Interest                                   | 675,695             | 854,021           | 898,970               |
| Other                                      | 680,346             | 257,629           | 440,692               |
| <i>Total expenses</i>                      | <u>19,250,805</u>   | <u>20,982,876</u> | <u>24,749,155</u>     |
| <i>Change in net position</i>              | <u>\$ 1,542,379</u> | <u>\$ 304,339</u> | <u>\$ (3,556,668)</u> |

**2013 and 2012**

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

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

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

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

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

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

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

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

### **2012 and 2011**

Contributions result principally from the Science Center's ongoing fundraising efforts (annual fund, major gifts, operating grants, etc.) and special fundraising efforts. These revenues increased from 2011 to 2012 principally as a result of a major capital contribution and a major capital grant that were received in 2012. There were slight overall increases in total other contributions and grants. Operating grant revenues include \$1,194,910 and \$1,098,411 received under several different Federal grants during 2012 and 2011, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 49% of total revenues in 2012 and 2011. 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 restated revenues decreased approximately \$940,000 from 2011, reflecting decreases in theater, special exhibits, and related revenues (such as parking and retail revenues) resulting from lower attendance than in 2011.

Investment income for 2012 increased from 2011 when the Science Center experienced weak investment results, including the results of our endowment funds recorded as restricted assets. Investment income for 2012 includes unrealized losses in the Science Center's endowment funds.

Salaries and benefits are the Science Center's largest expense totaling \$9,909,386 and \$11,868,178, respectively, or 47% and 48% of total expenses in 2012 and 2011. The Science Center has implemented a variety of cost control measures to reduce its overall level of salaries and benefits costs.

Depreciation of the Science Center's capital assets totaled \$3,294,727 and \$3,666,632, or 16% and 15%, respectively, of total expenses in 2012 and 2011. Depreciation decreased as a result of certain older assets becoming fully depreciated during 2012.



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

Management's Discussion And Analysis (*Continued*)

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

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

**Budget**

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

**Table 3 - Capital Assets**

|                                     | 2013                 | 2012                 | 2011                 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Land and land improvements          | \$ 14,859,539        | \$ 16,635,172        | \$ 12,049,321        |
| Buildings                           | 60,840,271           | 60,747,543           | 59,887,385           |
| Equipment, exhibits and collections | 36,886,424           | 35,277,423           | 33,691,187           |
| Construction in progress            | 859,583              | 1,251,563            | 6,638,679            |
|                                     | <u>113,445,817</u>   | <u>113,911,701</u>   | <u>112,266,572</u>   |
| Less accumulated depreciation       | <u>(61,920,221)</u>  | <u>(58,718,458)</u>  | <u>(55,423,731)</u>  |
| Net capital assets                  | <u>\$ 51,525,596</u> | <u>\$ 55,193,243</u> | <u>\$ 56,842,841</u> |

At December 31, 2013 the Science Center's net investment in capital assets totaled \$35,255,135 (net of outstanding notes payable of \$16,523,514 used to finance the construction of certain capital assets and the related deferred amount on bond refunding of \$253,053). There were capital asset additions of \$1,696,279 during the year. These additions included ongoing replacements and normal additions of equipment and exhibits.

Additional information on the Science Center's capital assets can be found in Note 5 on pages 33 through 34 of this annual report.

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

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Management's Discussion And Analysis (*Continued*)

### **Debt**

The Science Center has notes payable outstanding totaling \$13,923,514. These notes were issued in 2005 for a total amount of \$14,320,000 in connection with the refinancing of the Science Center's existing long-term debt, and in 2010/2011 for \$13,700,000 in connection with refinancing the Science Center's line-of-credit and financing the construction of the new exhibition hall and 2013 for telephone equipment. The 2010 note is collateralized by campaign pledges received by the Science Center.

The 2005 note comes due in various maturities through 2026 and the 2010 note is expected to be repaid by 2017. Proceeds of the notes were used to retire an existing note payable and to fund certain improvements at the Science Center. The 2005 note bears interest at rates ranging from 3.2% to 5.0% and the 2010 note bears interest at a floating rate, which was 1.97% at the end of 2013. More detailed information about these notes is included in Note 6 on pages 33 through 36 of this annual report.

In 2013, the Science Center financed the purchase of a new VOIP phone system through US Bank. The amount of the note is \$261,019 and bears interest at LIBOR plus 2% and matures in 5 years.

The Science Center also has a short-term note payable totaling \$2,600,000 outstanding at December 31, 2013. This borrowing was used primarily to finance the acquisition and construction of various fixed assets and the remainder was used for working capital purposes.

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

### **Economic Factors**

During 2013 the Science Center continued to work under a plan developed to control and reduce operating expenses and to build capital reserves and a meaningful endowment. The CEO has led the effort, along with the management team and the Board of Commissioners, to put an increased emphasis on meeting operational and financial goals and improving the overall financial position of the Science Center.

Throughout the year the Science Center continued its emphasis on cost control and reduction. As previously noted, total expenses were reduced by over \$1,700,000 from 2012, including just under \$1,500,000 of salaries and related benefits. As in prior years, management is continuing to monitor the Science Center's 2014 results to ensure that controllable expenses are kept as low as possible.

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

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Management's Discussion And Analysis (*Continued*)

**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**

Page 1 Of 2

|  | December 31,      |                                  |
|--|-------------------|----------------------------------|
|  | 2013              | 2012<br>(As Restated,<br>Note 2) |
| <b>Assets</b>  |                   |                                  |
| Current assets:  |                   |                                  |
| Cash and short-term investments  | \$ 2,418,157      | \$ 2,188,384                     |
| Pledges receivable, net  | 1,941,116         | 2,369,863                        |
| Taxes receivable from Metropolitan<br>Zoological Park and Museum District, net of<br>allowance for uncollectible taxes of \$423,359 in 2013<br>and \$482,398 in 2012 | 6,193,501         | 5,536,561                        |
| Other receivables, net of allowance for uncollectible<br>receivables of \$13,200 in 2013 and \$25,000 in 2012  | 510,559           | 1,102,683                        |
| Prepaid expenses   | 468,681           | 356,489                          |
| <b>Total current assets</b>  | <b>11,532,014</b> | <b>11,553,980</b>                |
| Noncurrent assets:   |                   |                                  |
| Unrestricted investments   | 8,949             | 8,949                            |
| Restricted cash and investments  | 3,505,833         | 3,600,454                        |
| Pledges receivable, net  | 355,229           | 1,799,013                        |
| Other assets   | 1,766,794         | 1,514,332                        |
|  | <b>5,636,805</b>  | <b>6,922,748</b>                 |
| Capital assets:  |                   |                                  |
| Land and land improvements   | 14,859,539        | 16,635,172                       |
| Building   | 60,840,271        | 60,747,543                       |
| Furniture, fixtures and equipment  | 12,573,371        | 11,705,513                       |
| Exhibits   | 23,228,589        | 22,487,446                       |
| Collections  | 1,084,464         | 1,084,464                        |
| Construction in progress   | 859,583           | 1,251,563                        |
| Less: Accumulated depreciation   | (61,920,221)      | (58,718,458)                     |
| <b>Total capital assets (net of accumulated depreciation)</b>  | <b>51,525,596</b> | <b>55,193,243</b>                |
| <b>Total noncurrent assets</b>   | <b>57,162,401</b> | <b>62,115,991</b>                |
| <b>Total Assets</b>  | <b>68,694,415</b> | <b>73,669,971</b>                |
| <b>Deferred Outflows Of Resources</b>  |                   |                                  |
| Deferred amount on bond refunding  | 253,053           | 305,421                          |

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

**STATEMENT OF NET POSITION**

Page 2 Of 2

|                                       | December 31,         |                                  |
|---------------------------------------|----------------------|----------------------------------|
|                                       | 2013                 | 2012<br>(As Restated,<br>Note 2) |
| <b>Liabilities</b>                    |                      |                                  |
| Current liabilities:                  |                      |                                  |
| Notes payable - current               | \$ 2,980,715         | \$ 3,165,205                     |
| Note payable - line of credit         | 2,600,000            | 4,500,000                        |
| Accounts payable and accrued expenses | 2,668,739            | 3,127,996                        |
| Unearned revenue                      | 305,862              | 658,756                          |
| <b>Total current liabilities</b>      | <b>8,555,316</b>     | <b>11,451,957</b>                |
| Noncurrent liabilities:               |                      |                                  |
| Notes payable                         | 10,942,799           | 14,602,726                       |
| Other liabilities                     | 26,455               | 40,190                           |
| <b>Total noncurrent liabilities</b>   | <b>10,969,254</b>    | <b>14,642,916</b>                |
| <b>Total Liabilities</b>              | <b>19,524,570</b>    | <b>26,094,873</b>                |
| <b>Net Position</b>                   |                      |                                  |
| Net investment in capital assets      | 35,255,135           | 33,230,733                       |
| Restricted for:                       |                      |                                  |
| Expendable:                           |                      |                                  |
| Debt service                          | 1,265,992            | 1,666,691                        |
| Capital campaign                      | 1,438,838            | 3,802,430                        |
| Endowment earnings                    | 595,222              | 302,633                          |
| Nonexpendable:                        |                      |                                  |
| Endowment principal                   | 1,625,194            | 1,611,705                        |
| Unrestricted                          | 9,242,517            | 7,266,327                        |
| <b>Total Net Position</b>             | <b>\$ 49,422,898</b> | <b>\$ 47,880,519</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<br>Ended December 31, |                                  |
|--|-------------------------------------|----------------------------------|
|  | 2013                                | 2012<br>(As Restated,<br>Note 2) |
| <b>Operating Revenues</b>              |                                     |                                  |
| Visitor activities:                    |                                     |                                  |
| Omnimax theater                        | \$ 1,078,828                        | \$ 883,915                       |
| Special exhibits                       | 550,725                             | 628,618                          |
| Parking                                | 796,798                             | 657,066                          |
| Planetarium                            | 268,235                             | 196,910                          |
| Discovery Room                         | 67,533                              | 74,047                           |
| Restaurants                            | 176,722                             | 141,431                          |
| Gift shops                             | 184,424                             | 176,345                          |
| Simulators                             | 298,805                             | 21,117                           |
| Education programs:                    |                                     |                                  |
| School programs                        | 92,374                              | 95,617                           |
| Public programs                        | 104,776                             | 232,560                          |
| Camps                                  | 253,412                             | 253,239                          |
| Robotics competition                   | 239,248                             | 226,880                          |
| Membership                             | 905,896                             | 786,573                          |
| Other:                                 |                                     |                                  |
| Sponsorships                           | 170,200                             | 86,232                           |
| Rental and events income               | 157,356                             | 193,251                          |
| Guest services                         | 18,825                              | 13,263                           |
| Sale of exhibits                       | 4,325                               | 92,880                           |
| Miscellaneous                          | 56,005                              | 433,680                          |
| <b>Total operating revenues</b>        | <b>5,424,487</b>                    | <b>5,193,624</b>                 |
| <b>Operating Expenses</b>              |                                     |                                  |
| Program services:                      |                                     |                                  |
| Gallery operations and support         | 600,040                             | 1,015,380                        |
| Design services and exhibit technology | 1,248,663                           | 1,048,120                        |
| Special exhibits                       | 739,516                             | 1,607,448                        |
| Theaters                               | 864,311                             | 969,499                          |
| Simulators                             | 221,873                             | 8,465                            |
| Community science education            | 754,581                             | 512,796                          |
| Other educational programs             | 754,060                             | 1,018,688                        |
| Grant funded programs                  | 619,624                             | 1,490,903                        |
| Other                                  | 141,679                             | 163,448                          |
| <b>Total program services</b>          | <b>5,944,347</b>                    | <b>7,834,747</b>                 |
| Supporting Services:                   |                                     |                                  |
| Marketing and communications           | 1,044,628                           | 1,103,533                        |
| Building services                      | 1,162,826                           | 1,044,910                        |
| Operations                             | 1,407,964                           | 1,434,680                        |
| Security and parking                   | 469,808                             | 454,776                          |
| Guest services                         | 404,439                             | 616,954                          |
| Finance and information systems        | 2,064,481                           | 2,097,002                        |
| Human resources                        | 495,835                             | 530,588                          |
| Membership benefits and fundraising    | 1,238,503                           | 1,000,843                        |
| Administration                         | 434,401                             | 458,466                          |
| Depreciation and amortization          | 3,227,532                           | 3,294,727                        |
| <b>Total supporting services</b>       | <b>11,950,417</b>                   | <b>12,036,479</b>                |
| <b>Total Operating Expenses</b>        | <b>17,894,764</b>                   | <b>19,871,226</b>                |
| <b>Operating Loss</b>                  | <b>(12,470,277)</b>                 | <b>(14,677,602)</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<br>Ended December 31, |                                  |
|--|-------------------------------------|----------------------------------|
|  |                                     | 2012<br>(As Restated,<br>Note 2) |
|  | 2013                                | 2012                             |
| <b>Nonoperating Revenues (Expenses)</b>  |                                     |                                  |
| Property taxes and license fees from the<br>Metropolitan Zoological Park and<br>Museum District                | \$ 10,502,351                       | \$ 10,447,481                    |
| Contributions and grants:  |                                     |                                  |
| Annual fund  | 277,735                             | 241,442                          |
| Events and other   | 127,704                             | 105,598                          |
| Major gifts  | 587,028                             | 449,281                          |
| Gala   | 437,599                             | 2,500                            |
| Operating grants:  |                                     |                                  |
| Federal  | 460,566                             | 1,194,910                        |
| Other  | 201,844                             | 599,329                          |
| Capital fundraising expenses   | (226,001)                           | (257,629)                        |
| Loss on disposal of capital assets   | (454,345)                           | —                                |
| Investment income  | 276,138                             | 191,290                          |
| Interest expense   | (675,695)                           | (854,021)                        |
| <b>Total Nonoperating Revenues</b>   | <b>11,514,924</b>                   | <b>12,120,181</b>                |
| <b>Change In Net Position Before Capital Grants And<br/>Contributions And Additions To Permanent Endowment</b> | <b>(955,353)</b>                    | <b>(2,557,421)</b>               |
| <b>Capital Grants And Contributions</b>  | <b>2,483,815</b>                    | <b>2,782,760</b>                 |
| <b>Additions To Permanent Endowment</b>  | <b>13,917</b>                       | <b>79,000</b>                    |
| <b>Change In Net Position</b>  | <b>1,542,379</b>                    | <b>304,339</b>                   |
| <b>Net Position - Beginning Of Year, As Previously Stated</b>  | <b>47,880,519</b>                   | <b>48,238,255</b>                |
| <b>Effect Of Adoption Of GASB 65</b>   | <b>—</b>                            | <b>(662,075)</b>                 |
| <b>Net Position - Beginning Of Year, As Restated</b>   | <b>47,880,519</b>                   | <b>47,576,180</b>                |
| <b>Net Position - End Of Year</b>  | <b>\$ 49,422,898</b>                | <b>\$ 47,880,519</b>             |

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

**STATEMENT OF CASH FLOWS**

|   | For The Years<br>Ended December 31, |                        |
|---|-------------------------------------|------------------------|
|   | 2013                                | 2012                   |
| <b>Cash Flows From Operating Activities</b>                                       |                                     |                        |
| Received from visitors  | \$ 4,456,302                        | \$ 4,257,501           |
| Membership contributions  | 905,896                             | 786,573                |
| Paid to employees for services  | (9,116,531)                         | (9,783,428)            |
| Paid to suppliers for goods and services  | (6,161,937)                         | (6,815,168)            |
| <b>Net Cash Used In Operating Activities</b>                                      | <b>(9,916,270)</b>                  | <b>(11,554,522)</b>    |
| <b>Cash Flows From Noncapital And Related Financing Activities</b>                |                                     |                        |
| Received from Metropolitan Zoological Park and Museum District                    | 9,845,411                           | 10,425,763             |
| Received from donors  | 1,825,533                           | 2,952,851              |
| <b>Net Cash Provided By Noncapital And Related Financing Activities</b>           | <b>11,670,944</b>                   | <b>13,378,614</b>      |
| <b>Cash Flows From Capital And Related Financing Activities</b>                   |                                     |                        |
| Received from donors  | 4,861,324                           | 5,034,628              |
| Principal paid on revenue bonds   | (4,105,436)                         | (3,352,594)            |
| Net borrowings (repayments) of line of credit                                     | (1,900,000)                         | (360,000)              |
| Interest paid   | (659,114)                           | (839,820)              |
| Purchases of capital assets   | (1,548,481)                         | (1,922,096)            |
| Proceeds from sale of capital assets  | 1,682,049                           | —                      |
| Paid to employees and suppliers for goods and services                            | (226,001)                           | (257,628)              |
| <b>Net Cash Used In Capital And Related Financing Activities</b>                  | <b>(1,895,659)</b>                  | <b>(1,697,510)</b>     |
| <b>Cash Flows From Investing Activities</b>                                       |                                     |                        |
| Purchase of investments   | (2,244,335)                         | (2,921,000)            |
| Proceeds from sale of investments   | 2,599,978                           | 2,869,016              |
| Interest and dividends on investments   | 15,115                              | 60,435                 |
| <b>Net Cash Provided By Investing Activities</b>                                  | <b>370,758</b>                      | <b>8,451</b>           |
| <b>Net Increase In Cash And Short-Term Investments</b>                            | <b>229,773</b>                      | <b>135,033</b>         |
| <b>Cash And Short-Term Investments - Beginning Of Year</b>                        | <b>2,188,384</b>                    | <b>2,053,351</b>       |
| <b>Cash And Short-Term Investments - End Of Year</b>                              | <b>\$ 2,418,157</b>                 | <b>\$ 2,188,384</b>    |
| <b>Reconciliation Of Operating Loss To Net Cash Used In Operating Activities</b>  |                                     |                        |
| Operating loss  | \$ (12,470,277)                     | \$ (14,677,602)        |
| Adjustments to reconcile operating loss to net cash used in operating activities: |                                     |                        |
| Depreciation and amortization   | 3,227,532                           | 3,294,727              |
| Changes in assets and liabilities:  |                                     |                        |
| Other receivables and prepaid expenses  | (102,385)                           | (124,921)              |
| Other noncurrent assets   | (77,401)                            | (100,000)              |
| Accounts payable and accrued expenses   | (485,310)                           | 99,448                 |
| Unearned revenue and other liabilities  | (8,429)                             | (46,174)               |
| <b>Net Cash Used In Operating Activities</b>                                      | <b>\$ (9,916,270)</b>               | <b>\$ (11,554,522)</b> |
| <b>Supplemental Disclosure Of Cash Flow Information</b>                           |                                     |                        |
| Unrealized gains on investments   | \$ 260,827                          | \$ 127,689             |
| Capital asset additions included in accounts payable and notes payable            | 334,579                             | 11,720                 |

**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**

|                                     | <u>December 31,</u> |                  |
|-------------------------------------|---------------------|------------------|
|                                     | <u>2013</u>         | <u>2012</u>      |
| <b>Assets</b>                       |                     |                  |
| Cash and short-term investments     | \$ 170,693          | \$ 93,443        |
| Investment in marketable securities | 7,550,714           | 6,317,127        |
| Contribution receivable             | 604,777             | 1,310,278        |
| <b>Total Assets</b>                 | <b>8,326,184</b>    | <b>7,720,848</b> |
| <b>Net Position</b>                 |                     |                  |
| Restricted for pension benefits     | \$ 8,326,184        | \$ 7,720,848     |

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

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

|   | December 31,        |                     |
|---|---------------------|---------------------|
|   | 2013                | 2012                |
| <b>Additions</b>  |                     |                     |
| Contributions:  |                     |                     |
| Employer contributions  | \$ 126,188          | \$ 531,756          |
| <b>Investment Income (Loss):</b>  |                     |                     |
| Net appreciation in fair value of<br>investments and interest and dividends | 956,579             | 682,608             |
| Investment expenses   | (37,138)            | (34,812)            |
| <b>Total Investment Income</b>  | <b>919,441</b>      | <b>647,796</b>      |
| <b>Total Additions</b>  | <b>1,045,629</b>    | <b>1,179,552</b>    |
| <b>Deductions</b>   |                     |                     |
| Benefits paid   | 440,293             | 370,827             |
| <b>Change In Net Position</b>   | <b>605,336</b>      | <b>808,725</b>      |
| <b>Net Position Restricted For Pension Benefits -<br/>Beginning Of Year</b> | <b>7,720,848</b>    | <b>6,912,123</b>    |
| <b>Net Position Restricted For Pension Benefits -<br/>End Of Year</b>       | <b>\$ 8,326,184</b> | <b>\$ 7,720,848</b> |

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

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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2013 And 2012**

**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 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**

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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 financial statements are not prepared for the Foundation.

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.

**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 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 non-operating 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.

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

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Notes To Financial Statements (*Continued*)

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

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

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

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

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

**Revenue Recognition**

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

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

**Cash And Investments**

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

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

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Notes To Financial Statements *(Continued)*

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, and equity and fixed income mutual funds.

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 \$1,000 or more and an estimated useful life in excess of one year.

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

**Deferred Outflows Of Resources**

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

**Deferred Inflows Of Resources**

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



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

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Notes To Financial Statements (*Continued*)

**Net Position**

Net Position is classified as follows:

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

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

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

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

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

**New Accounting Standards Adopted**

During the year, the St. Louis Science Center adopted GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities* (GASB No. 65). The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources. As a result of implementing this statement, the following assets and liabilities have been reclassified:

| <u>Item</u>   | <u>New Classification</u>      | <u>Amount</u> |
|---|--------------------------------|---------------|
| Deferred loss on refunding (previously included in bonds payable, net)            | Deferred outflows of resources | \$ 305,421    |
| Bond issuance costs (the unamortized portion was previously reported as an asset) | Outflow of resources           | 662,075       |

**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 adoption of GASB No. 65 in 2013 resulted in certain reclassifications and presentation changes to the statement of net position. The effect of these changes has been applied retroactively; as a result the beginning of year net position has been changed to reflect the expensing of bond issuance costs. The impact of these changes on the St. Louis Science Center's financial statements is as follows:

|  | <u>January 1,<br/>2012</u> |
|--|----------------------------|
| Net position, as previously reported                             | \$ 48,238,655              |
| Effect of change in accounting related<br>to bond issuance costs | <u>(662,075)</u>           |
| Net position, as restated  | <u>\$ 47,576,580</u>       |

**Reclassifications**

Certain 2012 amounts have been reclassified, where appropriate, to conform to the 2013 financial statement presentation.

**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**

Notes To Financial Statements (*Continued*)

**3. Cash And Investments**

Cash and investments consist of the following at December 31, 2013 and 2012:

|   | <u>2013</u>         | <u>2012</u>         |
|---|---------------------|---------------------|
| <b>Business-Type Activity</b>                       |                     |                     |
| Cash and short-term investments:                    |                     |                     |
| Cash  | \$ 2,418,157        | \$ 2,188,384        |
| Noncurrent cash and investments:                    |                     |                     |
| Cash  | —                   | 378,828             |
| Federal National Mortgage<br>Association Securities | 1,056,515           | —                   |
| Equity securities                                   | 302,226             | 140,845             |
| Equity based mutual funds                           | 1,479,607           | 1,253,622           |
| Fixed income mutual funds                           | 441,894             | 520,315             |
| Money market mutual funds                           | 215,115             | 1,296,368           |
| Certificates of deposit                             | 19,425              | 19,425              |
|   | <u>\$ 5,932,939</u> | <u>\$ 5,797,787</u> |
| <b>Pension Trust Fund</b>                           |                     |                     |
| Money market mutual funds                           | \$ 170,693          | \$ 93,443           |
| Equity based index and open-end mutual funds        | 6,885,012           | 4,443,068           |
| Fixed income mutual funds                           | 665,702             | 1,874,059           |
|   | <u>\$ 7,721,407</u> | <u>\$ 6,410,570</u> |

**Cash**

Unrestricted cash includes \$11,545 and \$195,986 of funds held on behalf of the St. Louis Science Center by the Metropolitan Zoological Park and Museum District at December 31, 2013 and 2012, respectively.

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

**Investment Policy**

**Investments - Subdistrict**

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

**Investments - Foundation**

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

**Investments - Foundation Endowment Investments**

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

**Investments - Pension Trust Fund**

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

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Notes To Financial Statements (Continued)

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As noted under the investment policies, the St. Louis Science Center minimizes the risk that the value of its investments will fall due to changes in general interest rates by investing unrestricted funds primarily in short-term U.S. government obligations and overnight repurchase agreements. At December 31, 2013 and 2012, the St. Louis Science Center held the following investments and maturities:

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

| Investment Type            | Fair Value          | December 31, 2012                |                   |                   |
|----------------------------|---------------------|----------------------------------|-------------------|-------------------|
|                            |                     | Investment Maturities (In Years) |                   |                   |
|                            |                     | Less Than One                    | 1 - 5             | 6 - 10            |
| Fixed income mutual funds* | \$ 520,315          | \$ —                             | \$ 376,696        | \$ 143,619        |
| Money market mutual funds* | 1,296,368           | 1,296,368                        | —                 | —                 |
| Certificates of deposit    | 19,425              | 19,425                           | —                 | —                 |
|                            | <u>\$ 1,836,108</u> | <u>\$ 1,315,793</u>              | <u>\$ 376,696</u> | <u>\$ 143,619</u> |

\* Average duration of securities within the funds

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

The Pension Plan's investment policy does not address interest rate risk. The portfolio had the following investments and maturities at December 31, 2013 and 2012:

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

| Investment Type            | Fair Value          | December 31, 2012                |                   |                   |                   |
|----------------------------|---------------------|----------------------------------|-------------------|-------------------|-------------------|
|                            |                     | Investment Maturities (In Years) |                   |                   |                   |
|                            |                     | Less Than One                    | 1 - 5             | 6 - 10            | No Maturity       |
| Money market mutual funds  | \$ 93,443           | \$ 93,443                        | \$ —              | \$ —              | \$ —              |
| Fixed income mutual funds* | 1,874,059           | —                                | 364,245           | 868,430           | 641,384           |
|                            | <u>\$ 1,967,502</u> | <u>\$ 93,443</u>                 | <u>\$ 364,245</u> | <u>\$ 868,430</u> | <u>\$ 641,384</u> |

\* Average duration of securities within the funds

**Credit Risk**

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

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

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Notes To Financial Statements (*Continued*)

The following tables provide information on the credit ratings associated with the St. Louis Science Center's investments in debt securities, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government at December 31, 2013 and 2012.

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

|                                       | <u>December 31, 2012</u> |                   |
|---------------------------------------|--------------------------|-------------------|
|                                       | <u>Moody's</u>           | <u>Fair Value</u> |
| Fidelity Daily Money Fund             | Aaa                      | \$ 8,506          |
| Templeton Global Bond Fund            | Unrated                  | 127,336           |
| Vanguard Short-Term Treasury Fund     | Unrated                  | 249,360           |
| PIMCO Total Return Class A Fund       | Unrated                  | 143,619           |
| Government Obligation Money Fund #703 | Unrated                  | 1,287,862         |

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, 2013 and 2012.

|                                      | <u>December 31, 2013</u> |                   |
|--------------------------------------|--------------------------|-------------------|
|                                      | <u>Moody's</u>           | <u>Fair Value</u> |
| Barclays Capital Aggregate Bond Fund | A                        | \$ 343,402        |
| Templeton Global Bond Fund           | Unrated                  | 322,300           |

|                                      | <u>December 31, 2012</u> |                   |
|--------------------------------------|--------------------------|-------------------|
|                                      | <u>Moody's</u>           | <u>Fair Value</u> |
| Barclays Capital Aggregate Bond Fund | Unrated                  | \$ 492,768        |
| Fidelity Focused High Income         | Unrated                  | 148,616           |
| TWC Emerging Markets Income          | Unrated                  | 354,077           |
| Templeton Global Bond Fund           | Unrated                  | 364,245           |

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

**Concentration Of Credit Risk**

As noted under the investment policies, there is a limit on the amount of funds the St. Louis Science Center and the Pension Plan may invest in any one issuer, except with respect to federal government securities. For the Pension Plan, the policy dictates that an asset allocation plan be developed and rebalanced on a periodic basis. At December 31, 2013 and 2012, 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, 2013 or 2012.

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.

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

**4. Pledges Receivable**

Outstanding pledges at December 31, 2013 and 2012 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 \$796,500 and \$95,000 in pledges during 2013 and 2012, 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:

| <u>Year</u>                               | <u>Amount</u>       |
|---|---------------------|
| 2014                                      | \$ 1,941,116        |
| 2015                                      | 217,450             |
| 2016                                      | 179,500             |
| 2017                                      | 155,379             |
|   | <u>2,493,445</u>    |
| Less: Noncurrent unamortized discount     | 98,100              |
|   | <u>2,395,345</u>    |
| Less: Allowance for uncollectible pledges | 99,000              |
|   | <u>99,000</u>       |
|   | <u>\$ 2,296,345</u> |

**5. Capital Assets**

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

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

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

Capital asset activity for the year ended December 31, 2012 was as follows:

|   | Balance -<br>January 1,<br>2012 | Additions           | Deletions             | Balance -<br>December 31,<br>2012 |
|---|---------------------------------|---------------------|-----------------------|-----------------------------------|
| Capital assets, nondepreciable:                   |                                 |                     |                       |                                   |
| Land  | \$ 8,504,473                    | \$ 4,585,851        | \$ —                  | \$ 13,090,324                     |
| Construction in progress                          | 6,638,679                       | 10,265              | (5,397,381)           | 1,251,563                         |
| Collections                                       | 1,084,464                       | —                   | —                     | 1,084,464                         |
| <b>Total capital assets,<br/>nondepreciable</b>   | <b>16,227,616</b>               | <b>4,596,116</b>    | <b>(5,397,381)</b>    | <b>15,426,351</b>                 |
| Capital assets, depreciable:                      |                                 |                     |                       |                                   |
| Land improvements                                 | 3,544,848                       | —                   | —                     | 3,544,848                         |
| Building  | 59,887,385                      | 860,158             | —                     | 60,747,543                        |
| Furniture, fixtures and equipment                 | 10,938,932                      | 766,581             | —                     | 11,705,513                        |
| Exhibits  | 21,667,791                      | 819,655             | —                     | 22,487,446                        |
| <b>Total capital assets,<br/>depreciable</b>      | <b>96,038,956</b>               | <b>2,446,394</b>    | <b>—</b>              | <b>98,485,350</b>                 |
| <b>Total accumulated depreciation</b>             | <b>(55,423,731)</b>             | <b>(3,294,727)</b>  | <b>—</b>              | <b>(58,718,458)</b>               |
| <b>Total capital assets,<br/>depreciable, net</b> | <b>40,615,225</b>               | <b>(848,333)</b>    | <b>—</b>              | <b>39,766,892</b>                 |
| <b>Total capital assets, net</b>                  | <b>\$ 56,842,841</b>            | <b>\$ 3,747,783</b> | <b>\$ (5,397,381)</b> | <b>\$ 55,193,243</b>              |

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

**6. Notes Payable**

A summary of changes in long-term debt for the years ended December 31, 2013 and 2012 is as follows:

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

|                              | Balance -<br>December 31,<br>2011 |             |                     | Balance -<br>December 31,<br>2012 |                     | Due<br>Within<br>One Year |
|------------------------------|-----------------------------------|-------------|---------------------|-----------------------------------|---------------------|---------------------------|
|                              |                                   | Additions   | Reductions          |                                   |                     |                           |
| Series 2005 Refunding        |                                   |             |                     |                                   |                     |                           |
| Revenue Bonds                | \$ 11,795,000                     | \$ —        | \$ 565,000          | \$ 11,230,000                     | \$ 595,000          |                           |
| Series 2010 Subordinate      |                                   |             |                     |                                   |                     |                           |
| Revenue Bonds                | 9,325,525                         | —           | 2,787,594           | 6,537,931                         | 2,570,205           |                           |
| <b>Long-Term Liabilities</b> | <b>\$ 21,120,525</b>              | <b>\$ —</b> | <b>\$ 3,352,594</b> | <b>\$ 17,767,931</b>              | <b>\$ 3,165,205</b> |                           |

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

During 2010, in connection with financing the acquisition and construction of certain facilities of the St. Louis Science Center, the Industrial Development Authority of the City of St. Louis (the IDA) sold \$15,000,000 Series 2010 St. Louis Science Center Public Facilities Improvement Subordinate Revenue Bonds (the 2010 Bonds). The 2010 Bonds bear interest at a Floating Rate based on the LIBOR rate, adjusted for several factors (the current rate on the 2010 Bonds was 1.97% at December 31, 2013). The Foundation entered into a loan agreement with the IDA whereby the IDA agreed to loan the bond proceeds to the Foundation. In return, the Foundation agreed to pay the principal and interest on the bonds as such payment becomes due. The loan is subordinate to the Series 2005 Bonds discussed below.

The 2010 Bonds were issued as draw-down bonds and were being disbursed for the repayment of a portion of the St. Louis Science Center's line-of-credit and payment of the costs of construction of a new exhibition hall. In total, approximately \$13.7 million was disbursed, including \$4 million used to repay the line-of-credit. There were no disbursements during 2013 and 2012. As of December 31, 2013 and 2012, approximately \$10.7 million and \$7.2 million, respectively, had been retired using the collection of Accepted Restricted Pledges as discussed below.

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

The Series 2010 Loan Agreement between the St. Louis Science Center Foundation and the IDA limits the amount of the 2010 bonds to the amount of Accepted Restricted Pledges received by the Foundation. As of December 31, 2013, the amount of pledges outstanding totaled approximately \$3.8 million, including \$1.4 million of conditional pledges. As of December 31, 2012, the amount of pledges outstanding totaled approximately \$6.4 million, including \$2.1 million of conditional pledges.

The Loan Agreement requires that cash receipts from the Accepted Restricted Pledges be deposited in a restricted account and used to redeem the Series 2010 Bonds within 30 days of receipt. Based on the amount of Accepted Restricted Pledges received, the Foundation expects to repay approximately \$2.3 million of the loan in 2014 and the balance over the period 2015 through 2017.

The Loan Agreement subjects the Foundation to certain restrictions and covenants similar to the Series 2005 Loan Agreement and also gives the purchaser of the Series 2010 Bonds a mortgage lien and security interest in certain property of the Science Center. The Loan Agreement also requires the St. Louis Science Center to maintain a minimum fixed charge coverage ratio during the period the bonds are outstanding and to repay the bonds in total no later than February 15, 2017. The St. Louis Science Center was in compliance with all covenants at December 31, 2013 and 2012.

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

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

The Bonds were issued pursuant to a Trust Indenture dated October 1, 2005 between the IDA and UMB Bank as successor trustee (the Trustee). Under the terms of the Trust Indenture, the IDA assigned and pledged to the Trustee all of its interest in the Loan Agreement (except its rights to receive indemnification and reimbursement and certain other rights).

The net proceeds from the sale of the bonds 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 1999 Public Facility Revenue Bonds. As a result, the Series 1999 bonds are considered to be defeased in substance and the note payable to the IDA for those bonds has been removed from the accompanying financial statements. The outstanding balance of the defeased Series 1999 bonds was redeemed and paid in full at December 31, 2006.

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Notes To Financial Statements (*Continued*)

For the financial statements, a deferred amount on refunding of \$680,719 was calculated related to the refunding as the difference between the book value of the Series 1999 bonds and the reacquisition price of the Series 2005 bonds. This amount was capitalized and reported as a deferred outflow of resources and is being amortized over 13 years, which is the life of the old debt.

The maturity dates, principal amounts and interest expense amounts for the Series 2005 bonds are as follows:

| Maturity<br>February 15, | Principal<br>Amount  | Interest            |
|--------------------------|----------------------|---------------------|
| 2014                     | \$ 625,000           | \$ 455,418          |
| 2015                     | 650,000              | 429,430             |
| 2016                     | 675,000              | 401,768             |
| 2017                     | 705,000              | 372,611             |
| 2018                     | 735,000              | 341,828             |
| 2019-2023                | 4,215,000            | 1,172,813           |
| 2024-2026                | 3,030,000            | 208,575             |
|                          | <u>\$ 10,635,000</u> | <u>\$ 3,382,443</u> |

The Series 2005 bond coupon interest rates are 3.5%, 3.6%, 3.75% and 5%, respectively, for the four years ending 2012. For the years ending 2013 through 2026 the rates are between 4% and 5%. Interest is payable semiannually on February 15 and August 15 of each year.

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

Certain resources are classified as restricted on the balance sheet because their use is limited for specific purposes, including repayment of principal and interest by the Trust Indenture and Loan Agreement. Restricted cash and investments related to the outstanding debt total approximately \$1,266,000 and \$1,666,000 at December 31, 2013 and 2012, respectively.

**2013 Note Payable**

In 2013, the St. Louis Science Center financed the purchase of a new VOIP phone system through US Bank. The amount of the note is \$261,019, of which \$49,935 is considered a current liability. The note bears interest at LIBOR plus 2% and mature in five years. Principal and interest of \$4,598 is due each month. The VOIP phone system has been pledged as collateral.

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Notes To Financial Statements (*Continued*)

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

As of January 1, 2012, the line of credit allowed the St. Louis Science Center to borrow up to a maximum of \$7,000,000, of which \$6,750,000 was outstanding at certain times during 2012. The unpaid balance bore interest at an annual rate equal to 0.5% below the prime rate (3.25% at December 31, 2012).

On December 1, 2012, the St. Louis Science Center renewed its working capital line-of-credit agreement with US Bank, to allow borrowing up to \$5,000,000 from February 1, 2013 through June 30, 2013 and up to \$7,000,000 from July 1, 2013 through December 31, 2013. Other terms under the renewed line of credit agreement remained unchanged.

The highest amount outstanding at certain times during 2013 was \$4,500,000. The unpaid balance bore an interest rate of 2.75% at December 31, 2013. The balance outstanding at December 31, 2013 and 2012 was \$2,600,000 and \$4,500,000, respectively.

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

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 year ended December 31, 2013.

The St. Louis Science Center was in compliance with all covenants as of and for the year ended December 31, 2012, with the exception of paying the principal down to zero during a period of 30 consecutive days during the calendar year. A waiver related to the St. Louis Science Center's noncompliance with the covenant was received from the bank.

**8. Deferred Compensation Plans**

The St. Louis Science Center offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. An additional plan was offered in 2012, whose assets are under an insurance contract that satisfies the requirement of Internal Revenue code Section 401(f). The St. Louis Science Center also established a governmental retirement plan within the meaning of Internal Revenue Code Section 401(a), effective January 1, 2013, for the purpose of providing matching retirement benefits to employees. The plans, available to all St. Louis Science Center employees, permit them to defer a portion of their salary until future years. Participation in the plans is voluntary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Subdistrict contributed \$319,467 to the 401(a) plan in 2013 and made no contributions to the other plans in 2013 and 2012.

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

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Notes To Financial Statements (*Continued*)

Because the St. Louis Science Center does not hold the plan assets in a trustee capacity at December 31, 2013 and 2012, the investments for the deferred compensation plans are not presented in the St. Louis Science Center's financial statements.

**9. Pension Plan**

**Plan Description And Provision**

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

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

Benefits are fully vested after five years of service. A St. Louis Science Center employee who retires at the age of 65 with five years of credited service is entitled to a normal retirement benefit of 1% of average compensation plus 0.65% of average compensation exceeding the employee's social security covered compensation, multiplied by service up to 30 years. Early retirement benefits are available at the actuarial equivalent of the normal retirement benefit. At January 1, 2013 and 2012, membership in the Plan consisted of the following:

|  | <u>2013</u>       | <u>2012</u>       |
|--|-------------------|-------------------|
| Active employees   | 153               | 187               |
| Retirees and beneficiaries currently receiving benefits              | 45                | 42                |
| Terminated employees entitled to benefits but not yet receiving them | 142               | 112               |
| <b>Total</b>   | <b><u>340</u></b> | <b><u>341</u></b> |

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

Notes To Financial Statements (Continued)

**Funding Policy**

The contribution requirements of plan members and the St. Louis Science Center are established, and may be amended, by the St. Louis Science Center Commissioners. The Plan's funding policy provides for actuarially determined annual required contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit cost funding method. The pension plan is noncontributory and is entirely funded by the St. Louis Science Center. Prior to January 1, 2012, the St. Louis Science Center contributed on the basis of the minimum level that would apply to a taxable corporation. This calculation was made as if the St. Louis Science Center was subject to IRS Section 430(b) and was calculated using a unit credit cost method. Effective January 1, 2012 the St. Louis Science Center approved a change in the funding policy to the projected unit credit cost method, in accordance with GASB statements No. 25 and 27. The contribution amount calculated in accordance with GASB was \$126,188 in 2013 and \$531,756 in 2012.

**Annual Pension Cost And Net Pension Obligation**

The Science Center's annual pension cost and net pension obligation (asset) for 2012 is as follows:

**Annual Pension Cost**

|  |                              |
|--|------------------------------|
| Annual required contribution (January 1, 2012 valuation)   | \$ 500,976                   |
| Interest on net pension asset                              | (91,578)                     |
| Adjustments to annual required contribution                | 122,358                      |
| Annual pension costs                                       | <u>531,756</u>               |
| Contribution accrued in 2012 (unpaid at December 31, 2012) | <u>531,756</u>               |
| Change in net pension obligation (asset)                   | —                            |
| Net pension obligation (asset) - beginning of year         | <u>(1,189,331)</u>           |
| Net pension obligation (asset) - end of year               | <u><u>\$ (1,189,331)</u></u> |

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

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



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

Notes To Financial Statements (*Continued*)

At December 31, 2013 and 2012, the Science Center's net pension asset is included in other noncurrent assets on the Statement of Net Position. The contributions accrued during 2013 and 2012 remain unpaid and are included in accrued expenses as of December 31, 2013. The balances as of December 31, 2013 and 2012 are as follows:

|  | <u>2013</u>         | <u>2012</u>       |
|--|---------------------|-------------------|
| Net pension obligation (asset) - accrual basis     | \$ (1,194,602)      | \$ (1,189,331)    |
| Unpaid contributions included in accrued expenses  | 604,777             | 1,310,278         |
| <u>Net pension obligation (asset) - cash basis</u> | <u>\$ (589,825)</u> | <u>\$ 120,947</u> |

**Three-Year Trend Information:**

| <u>Year Ended<br/>December 31,</u> | <u>Annual<br/>Pension<br/>Cost</u> | <u>Percentage<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation<br/>(Asset)</u> |
|------------------------------------|------------------------------------|-----------------------------------|---|
| 2011                               | \$ 430,185                         | 181.53%                           | \$ (1,189,331)                                    |
| 2012                               | 531,756                            | 100.00%                           | (1,189,331)                                       |
| 2013                               | 120,917                            | 104.36%                           | (1,194,602)                                       |

**Funding Status And Funding Progress**

As of January 1, 2013, the most recent actuarial valuation date, the Plan was 88.2% funded. The actuarial accrued liability (AAL) for benefits was \$8,750,354 and the actuarial value of assets was \$7,720,845, resulting in an unfunded AAL (UAAL) of \$1,029,506. The covered payroll was \$6,185,403, and the ratio of the UAAL to the covered payroll was 16.6%.

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

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

Notes To Financial Statements *(Continued)*

**Actuarial Assumptions And Methods**

The actuarial accrued liability was determined as part of an actuarial valuation at January 1, 2013, the most recently filed actuarial valuation report. Additional information as of the latest actuarial valuation follows:

|                            |                                   |
|----------------------------|-----------------------------------|
| Valuation date             | January 1, 2013                   |
| Actuarial cost method      | Projected unit credit cost method |
| Amortization method        | Level dollar, open                |
| Amortization period        | 30-year period                    |
| Asset Valuation Method:    | Market value of assets            |
| Actuarial assumptions:     |                                   |
| Investment rate of return  | 7.7%                              |
| Projected salary increases | N/A                               |

**10. Leases**

The Foundation and Subdistrict are parties in a lease for the St. Louis Science Center facility. The term of the lease is for one year, and as of December 31, 2013 the Subdistrict has the option to renew the lease annually for up to 26 additional one-year terms. The lease calls for annual rentals of \$2,000,000, payable in equal monthly installments of \$166,667 each. During 2013 and 2012, 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 which had been improved with the installation of the Exploradome. The term of the lease is for one year, and as of December 31, 2013, the Subdistrict has the option to renew the lease annually for up to 33 additional one-year terms. The lease calls for annual rentals of \$350,000, payable in equal monthly installments of \$29,167 each. During 2013 the Exploradome was decommissioned and removed from use. During 2013 and 2012, the Subdistrict paid, and the Foundation received, rentals totaling \$350,000.

The Foundation and Subdistrict are parties in a lease of the Planetarium and the area surrounding the St. Louis Science Center. The term of the lease is for one year, and as of December 31, 2013, the Subdistrict has the option to renew the lease annually for up to 7 additional one-year terms. The lease calls for annual rentals of \$1,920,000 payable in monthly installments of \$160,000 each. During 2013 and 2012, the Subdistrict paid, and the Foundation received, rentals totaling \$1,920,000.

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

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

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, 2013, the Subdistrict has the option to renew the lease annually for up to 46 additional one-year terms. The lease calls for annual rentals of \$390,000 payable in monthly installments of \$32,500 each. During 2013, a portion of the property was sold to a third party. Consequently, the new annual lease rate has been lowered to \$243,000 per year. During 2013 and 2012, the Subdistrict paid, and the Foundation received, rentals totaling \$286,000 and \$390,000, respectively.

The Foundation's interest in the Subdistrict facility lease, the Exploradome lease and the Planetarium lease have been pledged to collateralize the Foundation's obligation to UMB Bank under the Loan Agreement with the IDA (Note 5).

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 total \$397,500 which the Subdistrict paid, and the Foundation received.

#### **11. Management Agreement**

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

#### **12. Commitments And Contingencies**

##### **Federal Financial Assistance**

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

##### **Litigation**

From time to time the St. Louis Science Center is party to lawsuits arising in the normal course of operations. While the results of litigation cannot be predicted with certainty, management believes that there is no such litigation that will have a material adverse effect on the financial statements of the St. Louis Science Center as of December 31, 2013.

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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**

Schedule Of Funding Progress (Unaudited)

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value Of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL) (b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL As<br>Percentage<br>Of Covered<br>Payroll<br>[(b-a)/c] |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| January 1, 2008                | \$ 5,026,243                           | \$ 6,111,198                                   | \$ 1,084,955                       | 82.25%                   | \$ 6,888,886              | 15.75%  |
| January 1, 2009                | 4,200,793                              | 6,691,144                                      | 2,490,351                          | 62.78%                   | 7,402,475                 | 33.64%  |
| January 1, 2010                | 5,732,449                              | 7,186,646                                      | 1,454,197                          | 79.77%                   | 7,426,951                 | 19.58%  |
| January 1, 2011                | 6,756,120                              | 8,053,943                                      | 1,297,823                          | 83.89%                   | 6,714,302                 | 19.33%  |
| January 1, 2012                | 6,912,122                              | 8,819,107                                      | 1,906,985                          | 78.38%                   | 7,273,439                 | 26.22%  |
| January 1, 2013                | 7,720,848                              | 8,750,354                                      | 1,029,506                          | 88.23%                   | 6,185,403                 | 16.64%  |

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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, 2013

|  | St. Louis Science Center       |                   |                        |                   |                                  |
|--|--------------------------------|-------------------|------------------------|-------------------|----------------------------------|
|  | St. Louis<br>Science<br>Center |                   | Eliminating<br>Entries | Combined Total    |                                  |
|  | Subdistrict                    | Foundation        |                        | 2013              | 2012<br>(As Restated,<br>Note 2) |
| <b>Assets</b>  |                                |                   |                        |                   |                                  |
| <b>Current assets:</b>   |                                |                   |                        |                   |                                  |
| Cash and short-term investments  | \$ 1,780,991                   | \$ 637,166        | \$ —                   | \$ 2,418,157      | \$ 2,188,384                     |
| Pledges receivable, net  | —                              | 1,941,116         | —                      | 1,941,116         | 2,369,863                        |
| Taxes receivable from Metropolitan<br>Zoological Park and Museum District, net | 6,193,501                      | —                 | —                      | 6,193,501         | 5,536,561                        |
| Due from foundation  | 200,000                        | —                 | (200,000)              | —                 | —                                |
| Other receivables, net   | 252,132                        | 258,427           | —                      | 510,559           | 1,102,683                        |
| Prepaid expenses   | 215,987                        | 252,694           | —                      | 468,681           | 356,489                          |
| <b>Total current assets</b>  | <b>8,642,611</b>               | <b>3,089,403</b>  | <b>(200,000)</b>       | <b>11,532,014</b> | <b>11,553,980</b>                |
| <b>Noncurrent assets:</b>  |                                |                   |                        |                   |                                  |
| Unrestricted investments   | —                              | 8,949             | —                      | 8,949             | 8,949                            |
| Restricted cash and investments  | 248,702                        | 3,257,131         | —                      | 3,505,833         | 3,600,454                        |
| Pledges receivable, net  | —                              | 355,229           | —                      | 355,229           | 1,799,013                        |
| Other assets   | 1,194,603                      | 572,191           | —                      | 1,766,794         | 1,514,332                        |
|  | 1,443,305                      | 4,193,500         | —                      | 5,636,805         | 6,922,748                        |
| <b>Capital assets:</b>   |                                |                   |                        |                   |                                  |
| Land and land improvements   | 649,780                        | 14,209,759        | —                      | 14,859,539        | 16,635,172                       |
| Building   | 12,071,228                     | 48,769,043        | —                      | 60,840,271        | 60,747,543                       |
| Furniture, fixtures and equipment  | 3,063,455                      | 9,509,916         | —                      | 12,573,371        | 11,705,513                       |
| Exhibits   | 16,875,461                     | 6,353,128         | —                      | 23,228,589        | 22,487,446                       |
| Collections  | 841,804                        | 242,660           | —                      | 1,084,464         | 1,084,464                        |
| Construction in progress   | 178,043                        | 681,540           | —                      | 859,583           | 1,251,563                        |
| Less accumulated depreciation  | (24,376,505)                   | (37,543,716)      | —                      | (61,920,221)      | (58,718,458)                     |
| <b>Total capital assets (net of<br/>accumulated depreciation)</b>              | <b>9,303,266</b>               | <b>42,222,330</b> | <b>—</b>               | <b>51,525,596</b> | <b>55,193,243</b>                |
| <b>Total noncurrent assets</b>   | <b>10,746,571</b>              | <b>46,415,830</b> | <b>—</b>               | <b>57,162,401</b> | <b>62,115,991</b>                |
| <b>Total Assets</b>  | <b>19,389,182</b>              | <b>49,505,233</b> | <b>(200,000)</b>       | <b>68,694,415</b> | <b>73,669,971</b>                |
| <b>Deferred Outflows Of Resources</b>  |                                |                   |                        |                   |                                  |
| Deferred amount on bond refunding  | —                              | 253,053           | —                      | 253,053           | 305,421                          |



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

**COMBINING STATEMENT OF NET POSITION**

Page 2 Of 2  
December 31, 2013

|   | St. Louis Science Center       |                      |                        |                      |                                  |
|---|--------------------------------|----------------------|------------------------|----------------------|----------------------------------|
|   | St. Louis<br>Science<br>Center |                      |                        | Combined Total       |                                  |
|   | Subdistrict                    | Foundation           | Eliminating<br>Entries | 2013                 | 2012<br>(As Restated,<br>Note 2) |
| <b>Liabilities</b>                      |                                |                      |                        |                      |                                  |
| Current liabilities:                    |                                |                      |                        |                      |                                  |
| Notes payable - current                 | \$ —                           | \$ 2,980,715         | \$ —                   | \$ 2,980,715         | \$ 3,165,205                     |
| Note payable - line-of-credit agreement | 2,600,000                      | —                    | —                      | 2,600,000            | 4,500,000                        |
| Accounts payable and accrued expenses   | 2,061,593                      | 607,146              | —                      | 2,668,739            | 3,127,996                        |
| Due to subdistrict                      | —                              | 200,000              | (200,000)              | —                    | —                                |
| Unearned revenue                        | 28,090                         | 277,772              | —                      | 305,862              | 658,756                          |
| <b>Total current liabilities</b>        | <b>4,689,683</b>               | <b>4,065,633</b>     | <b>(200,000)</b>       | <b>8,555,316</b>     | <b>11,451,957</b>                |
| Noncurrent liabilities:                 |                                |                      |                        |                      |                                  |
| Notes payable                           | —                              | 10,942,799           | —                      | 10,942,799           | 14,602,726                       |
| Other liabilities                       | —                              | 26,455               | —                      | 26,455               | 40,190                           |
| <b>Total noncurrent liabilities</b>     | <b>—</b>                       | <b>10,969,254</b>    | <b>—</b>               | <b>10,969,254</b>    | <b>14,642,916</b>                |
| <b>Total Liabilities</b>                | <b>4,689,683</b>               | <b>15,034,887</b>    | <b>(200,000)</b>       | <b>19,524,570</b>    | <b>26,094,873</b>                |
| <b>Net Position</b>                     |                                |                      |                        |                      |                                  |
| Net investment in capital assets        | 6,703,266                      | 28,551,869           | —                      | 35,255,135           | 33,230,733                       |
| Restricted for:                         |                                |                      |                        |                      |                                  |
| Debt service                            | —                              | 1,265,992            | —                      | 1,265,992            | 1,666,691                        |
| Capital campaign                        | —                              | 1,438,838            | —                      | 1,438,838            | 3,802,430                        |
| Endowment - expendable                  | 48,702                         | 546,520              | —                      | 595,222              | 302,633                          |
| Endowment - nonexpendable               | 200,000                        | 1,425,194            | —                      | 1,625,194            | 1,611,705                        |
| Unrestricted                            | 7,747,531                      | 1,494,986            | —                      | 9,242,517            | 7,266,327                        |
| <b>Total Net Position</b>               | <b>\$ 14,699,499</b>           | <b>\$ 34,723,399</b> | <b>\$ —</b>            | <b>\$ 49,422,898</b> | <b>\$ 47,880,519</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, 2013

|  | St. Louis Science Center |  |                        |                     |                                  |
|--|--------------------------|--|------------------------|---------------------|----------------------------------|
|  | Subdistrict              | St. Louis<br>Science<br>Center<br>Foundation | Eliminating<br>Entries | Combined Total      |                                  |
|  |                          |  |                        | 2013                | 2012<br>(As Restated,<br>Note 2) |
| <b>Operating Revenues</b>              |                          |  |                        |                     |                                  |
| Visitor Activities:                    |                          |  |                        |                     |                                  |
| Omnimax theater                        | \$ —                     | \$ 1,078,828                                 | \$ —                   | \$ 1,078,828        | \$ 883,915                       |
| Special exhibits                       | 400                      | 550,325                                      | —                      | 550,725             | 628,618                          |
| Parking                                | —                        | 796,798                                      | —                      | 796,798             | 657,066                          |
| Planetarium                            | 268,235                  | —  | —                      | 268,235             | 196,910                          |
| Discovery Room                         | —                        | 67,533                                       | —                      | 67,533              | 74,047                           |
| Restaurants                            | —                        | 176,722                                      | —                      | 176,722             | 141,431                          |
| Gift Shops                             | —                        | 184,424                                      | —                      | 184,424             | 176,345                          |
| Simulators                             | 19,997                   | 278,808                                      | —                      | 298,805             | 21,117                           |
| Education programs:                    |                          |  |                        |                     |                                  |
| School programs                        | 92,374                   | —  | —                      | 92,374              | 95,617                           |
| Public programs                        | 104,776                  | —  | —                      | 104,776             | 232,560                          |
| Camps                                  | 253,412                  | —  | —                      | 253,412             | 253,239                          |
| Robotics competition                   | 239,248                  | —  | —                      | 239,248             | 226,880                          |
| Membership                             | —                        | 905,896                                      | —                      | 905,896             | 786,573                          |
| Other:                                 |                          |  |                        |                     |                                  |
| Sponsorships                           | —                        | 170,200                                      | —                      | 170,200             | 86,232                           |
| Rental and events income               | 157,356                  | 4,946,491                                    | (4,946,491)            | 157,356             | 193,251                          |
| Guest services                         | 18,825                   | —  | —                      | 18,825              | 13,263                           |
| Sale and lease of exhibits             | 4,325                    | —  | —                      | 4,325               | 92,880                           |
| Miscellaneous                          | 2,034,925                | 25,080                                       | (2,004,000)            | 56,005              | 433,680                          |
| <b>Total operating revenues</b>        | <b>3,193,873</b>         | <b>9,181,105</b>                             | <b>(6,950,491)</b>     | <b>5,424,487</b>    | <b>5,193,624</b>                 |
| <b>Operating Expenses</b>              |                          |  |                        |                     |                                  |
| Program services:                      |                          |  |                        |                     |                                  |
| Gallery operations and support         | 595,339                  | 4,701  | —                      | 600,040             | 1,015,380                        |
| Design services and exhibit technology | 1,248,663                | —  | —                      | 1,248,663           | 1,048,120                        |
| Special exhibits                       | 44,904                   | 694,612                                      | —                      | 739,516             | 1,607,448                        |
| Theaters                               | 207,110                  | 657,201                                      | —                      | 864,311             | 969,499                          |
| Simulators                             | —                        | 221,873                                      | —                      | 221,873             | 8,465                            |
| Community science education            | 754,581                  | —  | —                      | 754,581             | 512,796                          |
| Other educational programs             | 745,711                  | 8,349  | —                      | 754,060             | 1,018,688                        |
| Grant funded programs                  | —                        | 619,624                                      | —                      | 619,624             | 1,490,903                        |
| Other                                  | 141,679                  | —  | —                      | 141,679             | 163,448                          |
| <b>Total program services</b>          | <b>3,737,987</b>         | <b>2,206,360</b>                             | <b>—</b>               | <b>5,944,347</b>    | <b>7,834,747</b>                 |
| Supporting services:                   |                          |  |                        |                     |                                  |
| Marketing and communications           | 1,044,628                | —  | —                      | 1,044,628           | 1,103,533                        |
| Building services                      | 1,162,826                | —  | —                      | 1,162,826           | 1,044,910                        |
| Operations                             | 1,407,964                | —  | —                      | 1,407,964           | 1,434,680                        |
| Security and parking                   | 436,744                  | 33,064                                       | —                      | 469,808             | 454,776                          |
| Guest services                         | 394,968                  | 9,471  | —                      | 404,439             | 616,954                          |
| Finance and information systems        | 6,583,323                | 427,649                                      | (4,946,491)            | 2,064,481           | 2,097,002                        |
| Human resources                        | 495,835                  | —  | —                      | 495,835             | 530,588                          |
| Membership benefits and fundraising    | 1,238,503                | —  | —                      | 1,238,503           | 1,000,843                        |
| Administration                         | 430,776                  | 2,007,625                                    | (2,004,000)            | 434,401             | 458,466                          |
| Depreciation and amortization          | 772,578                  | 2,454,954                                    | —                      | 3,227,532           | 3,294,727                        |
| <b>Total supporting services</b>       | <b>13,968,145</b>        | <b>4,932,763</b>                             | <b>(6,950,491)</b>     | <b>11,950,417</b>   | <b>12,036,479</b>                |
| <b>Total Operating Expenses</b>        | <b>17,706,132</b>        | <b>7,139,123</b>                             | <b>(6,950,491)</b>     | <b>17,894,764</b>   | <b>19,871,226</b>                |
| <b>Operating Income (Loss)</b>         | <b>(14,512,259)</b>      | <b>2,041,982</b>                             | <b>—</b>               | <b>(12,470,277)</b> | <b>(14,677,602)</b>              |

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

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

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For The Year Ended December 31, 2013

|  | St. Louis Science Center |  |                        | Combined Total       |                                  |
|--|--------------------------|--|------------------------|----------------------|----------------------------------|
|  | Subdistrict              | St. Louis<br>Science<br>Center<br>Foundation | Eliminating<br>Entries | 2013                 | 2012<br>(As Restated,<br>Note 2) |
| <b>Nonoperating Revenues (Expenses)</b>  |                          |  |                        |                      |                                  |
| Property taxes and license fees from the Metropolitan Zoological Park and Museum District, net             | \$ 10,502,351            | \$ —   | \$ —                   | \$ 10,502,351        | \$ 10,447,481                    |
| Contributions and grants:  |                          |  |                        |                      |                                  |
| Annual fund  | —                        | 277,735                                      | —                      | 277,735              | 241,442                          |
| Events and other   | 94,970                   | 32,734                                       | —                      | 127,704              | 105,598                          |
| Major gifts  | 142,447                  | 444,581                                      | —                      | 587,028              | 449,281                          |
| Gala   | —                        | 437,599                                      | —                      | 437,599              | 2,500                            |
| Grants:  |                          |  |                        |                      |                                  |
| Federal  | —                        | 460,566                                      | —                      | 460,566              | 1,194,910                        |
| Other  | —                        | 201,844                                      | —                      | 201,844              | 599,329                          |
| Capital fundraising expenses   | —                        | (226,001)                                    | —                      | (226,001)            | (257,629)                        |
| Loss on disposal of capital assets   | —                        | (454,345)                                    | —                      | (454,345)            | 0                                |
| Investment income (expense)  | (1,220)                  | 277,358                                      | —                      | 276,138              | 191,290                          |
| Interest expense   | (29,608)                 | (646,087)                                    | —                      | (675,695)            | (854,021)                        |
| <b>Total Nonoperating Revenues</b>   | <b>10,708,940</b>        | <b>805,984</b>                               | <b>—</b>               | <b>11,514,924</b>    | <b>12,120,181</b>                |
| <b>Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment</b> |                          |  |                        |                      |                                  |
|  | (3,803,319)              | 2,847,966                                    | —                      | (955,353)            | (2,557,421)                      |
| <b>Capital Grants And Contributions Additions To Permanent Endowment</b>                                   | <b>—</b>                 | <b>2,483,815</b>                             | <b>—</b>               | <b>2,483,815</b>     | <b>2,782,760</b>                 |
|  | —                        | 13,917                                       | —                      | 13,917               | 79,000                           |
| <b>Change In Net Position</b>  | <b>(3,803,319)</b>       | <b>5,345,698</b>                             | <b>—</b>               | <b>1,542,379</b>     | <b>304,339</b>                   |
| <b>Net Position - Beginning Of Year, As Previously Stated</b>  | <b>9,344,552</b>         | <b>38,535,967</b>                            | <b>—</b>               | <b>47,880,519</b>    | <b>48,238,255</b>                |
| <b>Effect Of Adoption Of GASB 65</b>   | <b>—</b>                 | <b>—</b>                                     | <b>—</b>               | <b>—</b>             | <b>(662,075)</b>                 |
| <b>Net Position - Beginning Of Year, As Restated</b>   | <b>9,344,552</b>         | <b>38,535,967</b>                            | <b>—</b>               | <b>47,880,519</b>    | <b>47,576,180</b>                |
| <b>Transfers</b>   | <b>9,158,266</b>         | <b>(9,158,266)</b>                           | <b>—</b>               | <b>—</b>             | <b>—</b>                         |
| <b>Net Position - End Of Year</b>  | <b>\$ 14,699,499</b>     | <b>\$ 34,723,399</b>                         | <b>\$ —</b>            | <b>\$ 49,422,898</b> | <b>\$ 47,880,519</b>             |

