
**ST. LOUIS SCIENCE CENTER
SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT**
FINANCIAL STATEMENTS
DECEMBER 31, 2015



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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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the St. Louis Science Center's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the St. Louis Science Center as of December 31, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change In Accounting Principle

As discussed in Note 9 to the financial statements, in 2015 the St. Louis Science Center adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of return on investments on pages 45 through 47 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.

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

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

RubinBrown LLP

March 25, 2016

Management's Discussion And Analysis

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

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, 2015 and 2014. The discussion and analysis should be read in conjunction with the Science Center's financial statements that begin on page 12.

2015 Financial Highlights

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

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

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

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

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

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

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

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

Management's Discussion And Analysis (*Continued*)

2014 Financial Highlights

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

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

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

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

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

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

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

Using this Annual Report

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

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

Management's Discussion And Analysis (*Continued*)

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

Government-Wide Financial Statements

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

Combining Financial Statements

The combining financial statements beginning on page 48 separately report the activities of the St. Louis Science Center Subdistrict and the St. Louis Science Center Foundation. These two entities are discussed further in Note 2 beginning on page 19 of the financial statements. Both of these entities carry out various activities conducted by the Science Center and, as discussed in Note 2, the Foundation is treated as a blended enterprise fund for financial reporting purposes.

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

St. Louis Science Center as a Whole

Table 1 provides a summary of the Science Center's net position for 2015, 2014 and 2013.

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

Management's Discussion And Analysis (*Continued*)

Table 1 - Net Position

| | 2015 | 2014 | 2013 |
|--|----------------------|----------------------|----------------------|
| Assets | | | |
| Current assets and other assets | \$ 18,813,339 | \$ 16,773,906 | \$ 17,168,819 |
| Capital assets | 50,292,614 | 50,234,908 | 51,525,596 |
| <i>Total assets</i> | <u>69,105,953</u> | <u>67,008,814</u> | <u>68,694,415</u> |
| <i>Deferred outflows</i> | <u>942,189</u> | <u>290,138</u> | <u>253,053</u> |
| Liabilities | | | |
| Current liabilities | 5,228,438 | 6,467,991 | 11,451,957 |
| Noncurrent liabilities | 11,398,278 | 8,835,267 | 14,642,916 |
| <i>Total liabilities</i> | <u>16,626,716</u> | <u>15,303,258</u> | <u>26,094,873</u> |
| <i>Deferred inflows</i> | <u>24,919</u> | — | — |
| Net position | | | |
| Invested in capital assets, net of related debt | 39,234,483 | 38,337,035 | 33,230,733 |
| Restricted | 7,733,337 | 5,001,341 | 7,383,459 |
| Unrestricted | 6,428,687 | 8,657,318 | 7,266,327 |
| <i>Total net position</i> | <u>\$ 53,396,507</u> | <u>\$ 51,995,694</u> | <u>\$ 47,880,519</u> |

2015 and 2014

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

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

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

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

2014 and 2013

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

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

Management's Discussion And Analysis (*Continued*)

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

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

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

Table 2 provides a summary of the Science Center's changes in net position for 2015, 2014 and 2013.

Table 2 - Change in Net Position

| | 2015 | 2014 | 2013 |
|--|---------------------|---------------------|---------------------|
| Revenues | | | |
| Contributions and grants | \$ 6,143,454 | \$ 5,280,583 | \$ 4,590,208 |
| Tax revenue from Zoo - Museum | | | |
| District | 10,782,827 | 10,510,361 | 10,502,351 |
| Theaters and other operating sources | 5,667,828 | 6,429,394 | 5,424,487 |
| Investment income (loss) | (60,090) | 146,495 | 276,138 |
| <i>Total revenues, including endowment</i> | <u>22,534,019</u> | <u>22,366,833</u> | <u>20,793,184</u> |
| Expenses | | | |
| Salaries and benefits | 9,313,901 | 8,607,434 | 8,425,308 |
| Depreciation and amortization | 3,100,544 | 2,981,867 | 3,227,532 |
| Other program services | 3,059,422 | 3,137,028 | 2,671,543 |
| Other supporting services | 3,967,551 | 3,968,821 | 3,570,381 |
| Interest and debt related expenses | 308,415 | 878,380 | 675,695 |
| Other | 272,626 | 220,507 | 680,346 |
| <i>Total expenses</i> | <u>20,022,459</u> | <u>19,794,037</u> | <u>19,250,805</u> |
| <i>Change in net position</i> | <u>\$ 2,511,560</u> | <u>\$ 2,572,796</u> | <u>\$ 1,542,379</u> |

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

Management's Discussion And Analysis (*Continued*)

2015 and 2014

Contributions result principally from the Science Center's ongoing fundraising efforts (annual fund, major gifts, operating grants, etc.) and special fundraising efforts. These revenues increased \$862,971 from 2014 to 2015 principally as a result of the biennial gala fundraiser and in-kind contributions. Operating grant revenues include \$64,248 and \$80,013 received under several different Federal grants during 2015 and 2014, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 48% of total revenues in 2015 and 47% of total revenues in 2014. Theater and other revenues include revenue from the Science Center's operations for which fees are charged (Omnimax Theater, planetarium, special exhibits, parking, restaurants, etc.). These revenues decreased approximately \$761,000 from 2014, reflecting lower special exhibit revenues as well as lower sponsorship revenue.

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

Salaries and benefits are the Science Center's largest expense totaling \$9,277,550 and \$8,607,434 respectively, or 46% and 43% of total expenses in 2015 and 2014.

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

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

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

2014 and 2013

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

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

Management's Discussion And Analysis (*Continued*)

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

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

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

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

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

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

| | 2015 | 2014 | 2013 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Land and land improvements | \$ 15,270,885 | \$ 15,107,896 | \$ 14,859,539 |
| Buildings | 61,465,378 | 60,900,393 | 60,840,271 |
| Equipment, exhibits and collections | 39,173,943 | 37,395,951 | 36,886,424 |
| Construction in progress | 2,262,276 | 1,609,992 | 859,583 |
| | <u>118,172,482</u> | <u>115,014,232</u> | <u>113,445,817</u> |
| Less accumulated depreciation | <u>(67,879,868)</u> | <u>(64,779,324)</u> | <u>(61,920,221)</u> |
| Net capital assets | <u>\$ 50,292,614</u> | <u>\$ 50,234,908</u> | <u>\$ 51,525,596</u> |

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

Management's Discussion And Analysis (*Continued*)

At December 31, 2015 the Science Center's net investment in capital assets totaled \$39,234,483 (net of outstanding notes payable of \$11,321,893 used to finance the construction of certain capital assets and the related deferred amount on bond refunding of \$263,762). There were capital asset additions of \$1,890,208 during the year. These additions included ongoing replacements and normal additions of equipment and exhibits.

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

Debt

The Science Center has notes payable outstanding totaling \$11,321,893. These notes were issued in tax-exempt financings in 2005 and 2010 and in 2014. The Series 2014A Bonds were issued for a total amount of \$9,440,000 in connection with the refunding of the Science Center's 2005 bonds. The total amount to be drawn on the Series 2014B Bonds is \$5,000,000. The 2010 note is collateralized by campaign pledges received by the Science Center.

The Series 2014A Bonds bear interest at 2.37% and will be repaid at approximately level annual debt service until final maturity in November, 2025. The remaining Series 2005 Bonds bore interest at rates ranging between 4% and 4.5%. The Series 2014A bond proceeds were used to provide for all future debt service payments on the Series 2005 Bonds and to pay for related bond issuance costs. As a result, the Series 2005 bonds are considered defeased in substance and the notes payable to the IDA for those bonds have been removed from the accompanying financial statements as of December 31, 2014. No funds were drawn on the Series 2014B Bonds as of December 31, 2014. The Series 2014B Bonds outstanding as of December 31, 2015 total \$2,500,000.

In 2013, the Science Center financed the purchase of a new VOIP phone system through US Bank. The amount of the note at December 31, 2015 is \$156,893. The note bears interest at LIBOR plus 2% and matures in 2019.

The Science Center also has a short-term note payable totaling \$1,495,000 outstanding at December 31, 2015. This borrowing was used primarily to finance the acquisition and construction of various fixed assets and the remainder was used for working capital purposes.

Additional information on the Science Center's notes payable can be found in Note 6 and Note 7 on pages 34 through 37 of this annual report.

Contacting the Science Center's Financial Management

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

Basic Financial Statements

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

STATEMENT OF NET POSITION

Page 1 Of 2

| Assets | December 31, | |
|--|-------------------|-------------------|
| | 2015 | 2014 |
| Current assets: | | |
| Cash and short-term investments | \$ 2,566,104 | \$ 2,400,566 |
| Pledges receivable, net | 1,590,993 | 882,957 |
| Taxes receivable from Metropolitan Zoological Park and Museum District, net of allowance for uncollectible taxes of \$333,538 in 2015 and \$392,124 in 2014 | 6,188,797 | 5,807,484 |
| Other receivables, net of allowance for uncollectible receivables of \$4,798 in 2015 and \$14,609 in 2014 | 533,290 | 453,509 |
| Prepaid expenses | 708,652 | 486,652 |
| Total current assets | 11,587,836 | 10,031,168 |
| Noncurrent assets: | | |
| Unrestricted investments | 238,428 | 245,124 |
| Restricted cash and investments | 3,783,023 | 2,459,166 |
| Pledges receivable, net | 2,832,310 | 2,210,042 |
| Other assets | 371,742 | 1,828,406 |
| Total noncurrent assets | 7,225,503 | 6,742,738 |
| Capital assets: | | |
| Land and land improvements | 15,270,885 | 15,107,896 |
| Building | 61,465,378 | 60,900,393 |
| Furniture, fixtures and equipment | 13,798,595 | 12,906,407 |
| Exhibits | 24,290,884 | 23,405,080 |
| Collections | 1,084,464 | 1,084,464 |
| Construction in progress | 2,262,276 | 1,609,992 |
| Less: Accumulated depreciation | (67,879,868) | (64,779,324) |
| Total capital assets (net of accumulated depreciation) | 50,292,614 | 50,234,908 |
| Total noncurrent assets | 57,518,117 | 56,977,646 |
| Total Assets | 69,105,953 | 67,008,814 |
| Deferred Outflows Of Resources | | |
| Pension contributions | 86,828 | — |
| Difference between expected and actual earnings on pension investments | 591,599 | — |
| Deferred amount on bond refunding | 263,762 | 290,138 |
| Total Deferred Outflows Of Resources | 942,189 | 290,138 |

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

STATEMENT OF NET POSITION

Page 2 Of 2

| | December 31, | |
|---|----------------------|----------------------|
| | 2015 | 2014 |
| Liabilities | | |
| Current liabilities: | | |
| Notes payable - current | \$ 824,411 | \$ 1,616,105 |
| Note payable - line of credit | 1,495,000 | 1,750,000 |
| Accounts payable and accrued expenses | 2,658,679 | 2,800,786 |
| Unearned revenue | 250,348 | 301,100 |
| Total current liabilities | 5,228,438 | 6,467,991 |
| Noncurrent liabilities: | | |
| Notes payable | 10,497,482 | 8,821,906 |
| Other liabilities | 101,701 | 13,361 |
| Net pension liability | 799,095 | — |
| Total noncurrent liabilities | 11,398,278 | 8,835,267 |
| Total Liabilities | 16,626,716 | 15,303,258 |
| Deferred Inflows Of Resources | | |
| Difference between expected and actual experience - pension | 24,919 | — |
| Net Position | | |
| Net investment in capital assets | 39,234,483 | 38,337,035 |
| Restricted for: | | |
| Expendable: | | |
| Debt service | 1,512,684 | 135,787 |
| Capital campaign | 3,950,314 | 2,542,175 |
| Endowment earnings | 645,140 | 698,180 |
| Nonexpendable: | | |
| Endowment principal | 1,625,199 | 1,625,199 |
| Unrestricted | 6,428,687 | 8,657,318 |
| Total Net Position | \$ 53,396,507 | \$ 51,995,694 |

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

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

Page 1 Of 2

| | For The Years | |
|--|---------------------|---------------------|
| | Ended December 31, | |
| | 2015 | 2014 |
| Operating Revenues | | |
| Visitor activities: | | |
| Omnimax theater | \$ 1,352,574 | \$ 1,244,902 |
| Special exhibits | 426,073 | 955,947 |
| Parking | 894,590 | 926,738 |
| Planetarium | 295,764 | 252,835 |
| Discovery room | 90,330 | 64,448 |
| Restaurants | 206,991 | 182,904 |
| Gift shops | 198,279 | 170,459 |
| Simulators | 385,607 | 348,724 |
| Education programs: | | |
| School programs | 137,763 | 95,253 |
| Public programs | 65,501 | 80,837 |
| Camps | 259,144 | 261,540 |
| Robotics competition | 148,793 | 163,800 |
| Membership | 864,213 | 878,853 |
| Other: | | |
| Sponsorships | 64,474 | 500,482 |
| Rental and events income | 144,103 | 205,500 |
| Guest services | 46,299 | 32,494 |
| Sale of exhibits | 31,423 | 32,477 |
| Miscellaneous | 55,907 | 31,201 |
| Total operating revenues | 5,667,828 | 6,429,394 |
| Operating Expenses | | |
| Program services: | | |
| Gallery operations and support | 850,209 | 659,444 |
| Design services and exhibit technology | 1,232,437 | 1,290,050 |
| Special exhibits | 954,707 | 1,400,473 |
| Theaters | 1,025,935 | 965,579 |
| Simulators | 268,422 | 238,400 |
| Community science education | 752,593 | 785,413 |
| Other educational programs | 638,385 | 583,904 |
| Grant funded programs | 241,022 | 438,868 |
| Other | 197,329 | 193,689 |
| Total program services | 6,161,039 | 6,555,820 |
| Supporting services: | | |
| Marketing and communications | 1,595,146 | 1,411,028 |
| Building services | 1,305,602 | 1,216,428 |
| Operations | 1,273,217 | 1,266,139 |
| Security and parking | 572,898 | 496,143 |
| Guest services | 478,887 | 432,818 |
| Finance and information systems | 2,521,018 | 2,203,976 |
| Human resources | 564,960 | 504,143 |
| Membership benefits and fundraising | 1,355,333 | 1,167,268 |
| Administration | 512,774 | 459,520 |
| Depreciation and amortization | 3,100,544 | 2,981,867 |
| Total supporting services | 13,280,379 | 12,139,330 |
| Total Operating Expenses | 19,441,418 | 18,695,150 |
| Operating Loss | (13,773,590) | (12,265,756) |

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

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

Page 2 Of 2

| | For The Years Ended December 31, | |
|--|-------------------------------------|----------------------|
| | 2015 | 2014 |
| Nonoperating Revenues (Expenses) | | |
| Property taxes and license fees from the Metropolitan Zoological Park and Museum District | \$ 10,782,827 | \$ 10,510,361 |
| Contributions and grants: | | |
| Annual fund | 283,192 | 259,339 |
| Events and other | 58,220 | 250,099 |
| Major gifts | 1,110,718 | 493,954 |
| In-kind revenue | 801,303 | — |
| Gala | 360,455 | — |
| Operating grants: | | |
| Federal | 74,802 | 80,013 |
| Other | 190,397 | 412,523 |
| Capital fundraising expenses | (255,673) | (220,507) |
| Loss on disposal of capital assets | (16,953) | — |
| Investment income | (60,090) | 146,495 |
| Interest expense | (308,415) | (558,647) |
| Debt issuance costs | — | (319,733) |
| Total Nonoperating Revenues | 13,020,783 | 11,053,897 |
| Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment | (752,807) | (1,211,859) |
| Capital Grants And Contributions | 3,263,867 | 3,784,055 |
| Additions To Permanent Endowment | 500 | 600 |
| Change In Net Position | 2,511,560 | 2,572,796 |
| Net Position - Beginning Of Year - As Previously Stated | 51,995,694 | 49,422,898 |
| Prior Period Adjustment - Effect Of Adoption Of GASB 68 | (1,110,747) | — |
| Net Position - Beginning Of Year - As Restated | 50,884,947 | 49,422,898 |
| Net Position - End Of Year | \$ 53,396,507 | \$ 51,995,694 |

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

STATEMENT OF CASH FLOWS

| | For The Years Ended December 31, | |
|---|-------------------------------------|-----------------------|
| | 2015 | 2014 |
| Cash Flows From Operating Activities | | |
| Received from visitors | \$ 4,743,094 | \$ 5,366,346 |
| Membership contributions | 864,213 | 878,853 |
| Paid to employees for services | (9,067,702) | (8,482,685) |
| Paid to suppliers for goods and services | (7,146,004) | (7,175,328) |
| Net Cash Used In Operating Activities | (10,606,399) | (9,412,814) |
| Cash Flows From Noncapital And Related Financing Activities | | |
| Received from Metropolitan Zoological Park and Museum District | 10,401,514 | 10,896,378 |
| Received from donors | 1,304,274 | 1,977,482 |
| Net Cash Provided By Noncapital And Related Financing Activities | 11,705,788 | 12,873,860 |
| Cash Flows From Capital And Related Financing Activities | | |
| Received from donors | 3,523,883 | 2,681,318 |
| Principal paid on revenue bonds | (1,616,118) | (12,925,503) |
| Proceeds from Series 2014 Refunding Revenue Bonds | 2,500,000 | 9,440,000 |
| Net borrowings (repayments) of line of credit | (255,000) | (850,000) |
| Interest paid | (278,489) | (776,365) |
| Debt issuance costs paid | — | (319,733) |
| Purchases of capital assets | (3,158,250) | (1,626,075) |
| Proceeds from sale of capital assets | (16,953) | 170,589 |
| Paid to employees and suppliers for goods and services | (255,673) | (220,507) |
| Net Cash Used In Capital And Related Financing Activities | 443,400 | (4,426,276) |
| Cash Flows From Investing Activities | | |
| Purchase of investments | (6,334,330) | (4,080,575) |
| Proceeds from sale of investments | 5,077,259 | 4,936,489 |
| Interest, dividends, and realized gain/(losses) on investments | (120,180) | 91,725 |
| Net Cash Provided By Investing Activities | (1,377,251) | 947,639 |
| Net (Decrease) Increase In Cash And Short-Term Investments | 165,538 | (17,591) |
| Cash And Short-Term Investments - Beginning Of Year | 2,400,566 | 2,418,157 |
| Cash And Short-Term Investments - End Of Year | \$ 2,566,104 | \$ 2,400,566 |
| Reconciliation Of Operating Loss To Net Cash Used In Operating Activities | | |
| Operating loss | \$ (13,773,590) | \$ (12,265,756) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation and amortization | 3,100,544 | 2,981,867 |
| Changes in assets and liabilities: | | |
| Other receivables and prepaid expenses | (316,788) | (122,635) |
| Other noncurrent assets | 260,620 | (61,612) |
| Accounts payable and accrued expenses | (145,657) | 86,335 |
| Pension liability and related inflows & outflows | 230,884 | — |
| Unearned revenue and other liabilities | 37,588 | (31,013) |
| Net Cash Used In Operating Activities | \$ (10,606,399) | \$ (9,412,814) |
| Supplemental Disclosure Of Cash Flow Information | | |
| Unrealized gains on investments | \$ 65,591 | \$ 54,306 |
| Write off of other assets | 175,601 | — |
| In kind contributions | 509,000 | — |
| Capital asset additions included in accounts payable and notes payable | — | 309,253 |

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

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

| | <u>December 31,</u> | |
|---|---------------------|---------------------|
| | <u>2015</u> | <u>2014</u> |
| Assets | | |
| Cash and short-term investments | \$ 970,839 | \$ 178,374 |
| Investment in marketable securities | 6,207,827 | 7,511,660 |
| Contribution receivable | 613,123 | 667,358 |
| Total Assets | <u>7,791,789</u> | <u>8,357,392</u> |
| Net Position Restricted For Pensions | <u>\$ 7,791,789</u> | <u>\$ 8,357,392</u> |

**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, | |
|--|--------------|--------------|
| | 2015 | 2014 |
| Additions | | |
| Contributions | | |
| Employer contributions | \$ 86,828 | \$ 72,871 |
| Investment Income (Loss) | | |
| Net appreciation (depreciation) in fair value of investments and interest and dividends | (122,710) | 487,825 |
| Investment expenses | (38,773) | (41,894) |
| Total Investment Income (Loss) | (161,483) | 445,931 |
| Total Additions | (74,655) | 518,802 |
| Deductions | | |
| Benefits paid | 490,948 | 487,594 |
| Change In Net Position | (565,603) | 31,208 |
| Net Position Restricted For Pensions - Beginning Of Year | 8,357,392 | 8,326,184 |
| Net Position Restricted For Pensions - End Of Year | \$ 7,791,789 | \$ 8,357,392 |

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 2015 And 2014**

1. Description Of Organization

History

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

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

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

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

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

2. Summary Of Significant Accounting Policies

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

Reporting Entity

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

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

Notes To Financial Statements (*Continued*)

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

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

The condensed combining financial information for the Subdistrict and Foundation as of December 31, 2015 is as follows:

Condensed Combining Statement Of Net Position

| | Subdistrict | St. Louis Science Center Foundation | Eliminating Entries | Combined Total 2015 |
|---------------------------------------|----------------------|--|------------------------|---------------------------|
| Current Assets | | | | |
| Due from foundation | \$ 4,703 | \$ — | \$ (4,703) | \$ — |
| Other | 8,305,305 | 3,282,531 | — | 11,587,836 |
| Noncurrent Assets | | | | |
| Capital assets, net of depreciation | 9,379,251 | 40,913,363 | — | 50,292,614 |
| Other | 305,500 | 6,920,003 | — | 7,225,503 |
| Total Assets | 17,994,759 | 51,115,897 | (4,703) | 69,105,953 |
| Deferred Outflows Of Resources | 678,427 | 263,762 | — | 942,189 |
| Current Liabilities | | | | |
| Due to subdistrict | — | 4,703 | (4,703) | — |
| Other | 3,615,952 | 1,612,486 | — | 5,228,438 |
| Noncurrent Liabilities | 799,095 | 10,599,183 | — | 11,398,278 |
| Total Liabilities | 4,415,047 | 12,216,372 | (4,703) | 16,626,716 |
| Deferred Inflows Of Resources | 24,919 | — | — | 24,919 |
| Net Position | | | | |
| Net investment in capital assets | 9,379,251 | 29,855,232 | — | 39,234,483 |
| Restricted | 251,500 | 7,481,837 | — | 7,733,337 |
| Unrestricted | 4,602,469 | 1,826,218 | — | 6,428,687 |
| Total Net Position | \$ 14,233,220 | \$ 39,163,287 | \$ — | \$ 53,396,507 |

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

Notes To Financial Statements (Continued)

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

| | Subdistrict | St. Louis Science Center Foundation | Eliminating Entries | Combined Total 2015 |
|---|----------------------|--|------------------------|---------------------------|
| Operating Revenue | | | | |
| Visitor activities | \$ 324,279 | \$ 3,525,929 | \$ — | \$ 3,850,208 |
| Education programs | 611,201 | — | — | 611,201 |
| Membership | — | 864,213 | — | 864,213 |
| Other operating revenues | 2,272,797 | 4,901,130 | (6,831,721) | 342,206 |
| Total Operating Revenue | 3,208,277 | 9,291,272 | (6,831,721) | 5,667,828 |
| Operating Expenses | | | | |
| Program Services | 3,905,236 | 2,255,803 | — | 6,161,039 |
| Supporting Services | 14,432,936 | 2,578,620 | (6,831,721) | 10,179,835 |
| Depreciation | 797,251 | 2,303,293 | — | 3,100,544 |
| Total Operating Expenses | 19,135,423 | 7,137,716 | (6,831,721) | 19,441,418 |
| Operating Loss | (15,927,146) | 2,153,556 | — | (13,773,590) |
| Nonoperating Revenue (Expenses) | | | | |
| Property taxes and license fees | 10,782,827 | — | — | 10,782,827 |
| Contributions and grants | 57,410 | 2,821,677 | — | 2,879,087 |
| Capital fundraising expenses | — | (255,673) | — | (255,673) |
| Loss on disposal of capital assets | — | (16,953) | — | (16,953) |
| Investment income (expense) | 3,131 | (63,221) | — | (60,090) |
| Interest and debt related expenses | (20,565) | (287,850) | — | (308,415) |
| Net Nonoperating Revenues | 10,822,803 | 2,197,980 | — | 13,020,783 |
| Capital Grants And Contributions | — | 3,263,867 | — | 3,263,867 |
| Additions To Permanent Endowment | — | 500 | — | 500 |
| Transfers | 5,000,000 | (5,000,000) | — | — |
| Change In Net Position | (104,343) | 2,615,903 | — | 2,511,560 |
| Net Position Beginning Of Year - As Restated | 14,337,563 | 36,547,384 | — | 50,884,947 |
| Net Position End Of Year | \$ 14,233,220 | \$ 39,163,287 | \$ — | \$ 53,396,507 |

Condensed Combining Statement Of Cash Flows

| | | | | |
|--|-----------------|---------------|------|-----------------|
| Net cash (used in) provided by operating activities | \$ (14,517,668) | \$ 3,911,269 | \$ — | \$ (10,606,399) |
| Net cash provided by noncapital and related financing activities | 10,355,844 | 1,349,944 | — | 11,705,788 |
| Net cash used in capital and related financing activities | (1,448,117) | 1,891,517 | — | 443,400 |
| Net cash (used in) provided by investing activities | 53,095 | (1,430,346) | — | (1,377,251) |
| Net increase (decrease) in cash and cash equivalents | (5,556,846) | 5,722,384 | — | 165,538 |
| Cash and cash equivalents - beginning of year | (2,876,089) | 5,276,655 | — | 2,400,566 |
| Cash and cash equivalents - end of year | \$ (8,432,935) | \$ 10,999,039 | \$ — | \$ 2,566,104 |

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

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

Notes To Financial Statements (*Continued*)

Basis Of Presentation

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

Measurement Focus And Basis Of Accounting

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

Revenues and expenses of business-type activities are divided into operating and 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.

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

Support From The District Through Property Tax Revenue

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

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

Notes To Financial Statements (*Continued*)

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

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

Revenue Recognition

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

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

Cash And Investments

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

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

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

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

Notes To Financial Statements (*Continued*)

Capital Assets

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

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

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

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

Deferred Outflows Of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The St. Louis Science Center has a deferred loss on refunding reported in the statement of net position. A deferred loss on refunding is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This item has been reported as deferred outflows on the statement of net position. The pension related items represent contributions made to the plan between the measurement date of the pension obligations and the end of the fiscal year as well as differences between expected and actual earnings on pension investments that are amortized over future periods.

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. The pension related items relate to certain actuarial differences and changes that are amortized over future periods.

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

Notes To Financial Statements (*Continued*)

Pensions

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

Net Position

Net Position is classified as follows:

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

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

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

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

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

New Accounting Standards Adopted

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

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

Notes To Financial Statements (*Continued*)

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

Use Of Estimates

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

3. Cash And Investments

Cash and investments consist of the following at December 31, 2015 and 2014:

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Business-Type Activity | | |
| Cash and short-term investments: | | |
| Cash | \$ 2,566,104 | \$ 2,400,566 |
| Noncurrent cash and investments: | | |
| Equity securities | 507,551 | 92,290 |
| Equity based mutual funds | 1,391,112 | 1,658,912 |
| Fixed income mutual funds | 431,540 | 809,028 |
| Money market mutual funds | 1,524,130 | 144,060 |
| Alternative investments | 167,118 | — |
| | <u>\$ 6,587,555</u> | <u>\$ 5,104,856</u> |
| Pension Trust Fund | | |
| Money market mutual funds | \$ 970,839 | \$ 178,374 |
| Equity based index and open-end mutual funds | 4,925,893 | 5,712,211 |
| Fixed income mutual funds | 903,262 | 1,799,449 |
| Alternative investments | 378,672 | — |
| | <u>\$ 7,178,666</u> | <u>\$ 7,690,034</u> |

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

Notes To Financial Statements (*Continued*)

Cash

Unrestricted cash includes \$1,326,867 and \$939,424 of funds held on behalf of the St. Louis Science Center by the Metropolitan Zoological Park and Museum District at December 31, 2015 and 2014, respectively.

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 Investment Committee of the Board of Commissioners. The financial requirement is the sum of the spending rate, the expected long-term inflation rate, and any appropriate growth rate, reduced by the cost of portfolio management. The Investment Committee has adopted an asset allocation policy target of investing 68% of the endowment in equity mutual funds, 17% of the endowment in fixed income mutual funds, and 15% of the endowment in alternatives. This policy may be modified from time to time by the Investment Committee.

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Notes To Financial Statements (*Continued*)

Investments - Pension Trust Fund

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As noted under the investment policies, the St. Louis Science Center minimizes the risk that the value of its investments will fall due to changes in general interest rates by investing unrestricted funds primarily in short-term U.S. government obligations and overnight repurchase agreements. At December 31, 2015 and 2014, the St. Louis Science Center held the following investments and maturities:

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

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

* Average duration of securities within the funds

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Notes To Financial Statements (Continued)

The Pension Plan's investment policy does not address interest rate risk. The portfolio had the following investments and maturities at December 31, 2015 and 2014:

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

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

* 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 Investment Committee oversee the investments and by engaging an outside investment manager to invest the funds of the endowment in accordance with the guidelines and restrictions dictated by the endowment investment policy.

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

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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, 2015 and 2014.

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

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

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, 2015 and 2014.

| | December 31, 2015 | |
|--------------------------------------|-------------------|------------|
| | Moody's | Fair Value |
| Barclays Capital Aggregate Bond Fund | A | \$ 366,240 |
| Commerce Bond Fund | Unrated | 469,227 |
| iShares US Preferred Stock ETF | Unrated | 67,793 |
| Financial Square Tf Government Fd | Unrated | 863,273 |
| BlackRock Money Market | Unrated | 107,568 |

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

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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, 2015 and 2014, 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, 2015 or 2014.

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

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

4. Pledges Receivable

Outstanding pledges at December 31, 2015 and 2014 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 \$1,000,000 and \$2,730,000 in pledges during 2015 and 2014, 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:

| Year | Amount |
|---|--------------|
| 2016 | \$ 1,590,993 |
| 2017 | 950,772 |
| 2018 | 897,272 |
| 2018 | 897,022 |
| 2019 | 341,206 |
| | 4,677,265 |
| Less: Noncurrent unamortized discount | 227,877 |
| | 4,449,388 |
| Less: Allowance for uncollectible pledges | 26,085 |
| | \$ 4,423,303 |

5. Capital Assets

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

| | Balance - January 1, 2015 | Additions & Transfers | Deletions & Transfers | Balance - December 31, 2015 |
|---|---------------------------------|--------------------------|--------------------------|-----------------------------------|
| Capital assets, nondepreciable: | | | | |
| Land | \$ 11,601,596 | \$ — | \$ — | \$ 11,601,596 |
| Construction in progress | 1,609,992 | 1,268,040 | (615,756) | 2,262,276 |
| Collections | 1,084,464 | — | — | 1,084,464 |
| Total capital assets, nondepreciable | 14,296,052 | 1,268,040 | (615,756) | 14,948,336 |
| Capital assets, depreciable: | | | | |
| Land improvements | 3,506,300 | 162,989 | — | 3,669,289 |
| Building | 60,900,393 | 205,642 | — | 61,106,035 |
| Furniture, fixtures and equipment | 12,906,407 | 892,188 | — | 13,798,595 |
| Exhibits | 23,405,080 | 885,804 | — | 24,290,884 |
| Leasehold Improvements | — | 359,343 | — | 359,343 |
| Total capital assets, depreciable | 100,718,180 | 2,505,966 | — | 103,224,146 |
| Total accumulated depreciation | (64,779,324) | (3,100,544) | — | (67,879,868) |
| Total capital assets, depreciable, net | 35,938,856 | (594,578) | — | 35,344,278 |
| Total capital assets, net | \$ 50,234,908 | \$ 673,462 | \$ (615,756) | \$ 50,292,614 |

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Notes To Financial Statements (*Continued*)

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

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

**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, 2015 and 2014 is as follows:

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

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

Public Facilities Refunding And Improvement Revenue Bonds Series 2014

On December 4, 2014, in connection with financing a portion of improvements to the St. Louis Science Center and to advance refund the Series 2005 Bonds, the Industrial Development Authority of the City of St. Louis (the IDA) issued \$9,440,000 in Public Facilities Refunding Revenue Bonds, Series 2014A (Series A) and \$5,000,000 in Public Facilities Improvement Revenue Bonds, Series 2014B (Series B). The Series A Bonds bear interest at 2.37% and will be repaid at approximately level annual debt service until final maturity in November, 2025. The Series A Bonds proceeds were used to purchase securities that were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2005 Bonds and to pay for related bond issuance costs. As a result, the Series 2005 Bonds are considered defeased in substance and the notes payable to the IDA for those bonds have been removed from the accompanying financial statements as of December 31, 2014.

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Notes To Financial Statements (*Continued*)

As a result of the 2014 advance refunding, the Science Center decreased its debt service requirements related to the Series 2005 Bonds by \$1,118,000, which approximates the economic gain.

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

| <u>Maturity</u> | <u>Principal Amount</u> | <u>Interest</u> |
|-----------------|-----------------------------|---------------------|
| 2016 | \$ 775,000 | \$ 198,606 |
| 2017 | 795,000 | 180,061 |
| 2018 | 815,000 | 160,953 |
| 2019 | 835,000 | 141,548 |
| 2020 | 855,000 | 121,581 |
| 2021-2024 | 3,625,000 | 276,905 |
| 2025 | 965,000 | 14,250 |
| | <u>\$ 8,665,000</u> | <u>\$ 1,093,904</u> |

The Series B Bonds bear interest at an adjustable rate, set initially at 3.05%, with interest payments due every 90 days. The interest rate was reset on November 15, 2015 to 2.46%. The bonds may be redeemed without premium at any time before their maturity date, November 15, 2044. As of December 31, 2015, \$2,500,000 was outstanding on the Series B Bonds. The remaining principal of the Series B Bonds of \$2,500,000 will be drawn down during 2016.

Public Facilities Improvement Subordinate Revenue Bonds Series 2010

During 2010, in connection with financing the acquisition and construction of certain facilities of the St. Louis Science Center, the Industrial Development Authority of the City of St. Louis (the IDA) sold \$15,000,000 Series 2010 St. Louis Science Center Public Facilities Improvement Subordinate Revenue Bonds (the 2010 Bonds). The 2010 Bonds bore interest at a Floating Rate based on the LIBOR rate, adjusted for several factors (the current rate on the 2010 Bonds was 1.77% at December 31, 2015). The Foundation entered into a loan agreement with the IDA whereby the IDA agreed to loan the bond proceeds to the Foundation. In return, the Foundation agreed to pay the principal and interest on the bonds as such payment becomes due. The loan is subordinate to the Series 2014 Bonds discussed above.

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Notes To Financial Statements (*Continued*)

The 2010 Bonds were issued as draw-down bonds and were being disbursed for the repayment of a portion of the St. Louis Science Center's line-of-credit and payment of the costs of construction of a new exhibition hall. In total, approximately \$13.7 million was disbursed, including \$4 million used to repay the line-of-credit. There were no disbursements during 2015 or 2014. As of December 31, 2015 and 2014, the entire \$13.7 million and approximately \$12.9 million, respectively, had been retired using the collection of Accepted Restricted Pledges as discussed below.

The Series 2010 Loan Agreement between the St. Louis Science Center Foundation and the IDA limited the amount of the 2010 bonds to the amount of Accepted Restricted Pledges received by the Foundation. As of December 31, 2015, there were no outstanding pledges and the Series 2010 were paid in full. As of December 31, 2014, the amount of pledges outstanding totaled approximately \$3.8 million, including \$1.4 million of conditional pledges.

The Loan Agreement subjected the Foundation to certain restrictions and covenants and also gave the purchaser of the Series 2010 Bonds a mortgage lien and security interest in certain property of the Science Center. The Loan Agreement also required the St. Louis Science Center to maintain a minimum fixed charge coverage ratio during the period the bonds were outstanding and to repay the bonds in total no later than February 15, 2017. The St. Louis Science Center was in compliance with all covenants at December 31, 2015 and 2014.

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. During 2014, the bonds were advance refunded by the Series 2014 bonds as discussed above.

Deferred Amount On Refunding

As a result of the issuance of the Series 2014 Bonds, a deferred amount on refunding of \$290,138 was calculated related to the refunding of the Series 2005 Bonds. This amount was capitalized and reported as a deferred outflow of resources and is being amortized over 11 years, which is the remaining life of the new Series 2014 Bonds. The unamortized balance at December 31, 2015 and 2014 is \$263,762 and \$290,138, respectively.

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Notes To Financial Statements (*Continued*)

Restricted Covenants

The Series 2005 bonds Loan Agreement subjected 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 and maintaining 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 to repayment of principal and interest on the Series 2014 Bonds. Restricted cash and investments related to the outstanding debt total approximately \$1,513,000 and \$136,000 at December 31, 2015 and 2014, respectively.

2013 Note Payable

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

7. Note Payable - Line-Of-Credit

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

On December 30, 2015, the St. Louis Science Center signed a renewal agreement with US Bank to extend the maturity date to December 27, 2016. The unpaid balance with respect to the period from and after December 31, 2014 bears interest at an annual rate equal to 1.25% above the LIBOR rate.

The highest amount outstanding at certain times during 2015 was \$3,945,000 and during 2014 was \$3,525,000. The unpaid balance bore an interest rate of 1.69% at December 31, 2015 and 1.44% at December 31, 2014. The balance outstanding at December 31, 2015 and 2014 was \$1,495,000 and \$1,750,000, respectively.

Under terms of the line of credit agreement, the St. Louis Science Center is required to meet certain financial ratios including minimum fixed charge coverage ratio. The St. Louis Science Center was in compliance with all covenants as of and for the years ended December 31, 2015 and 2014.

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8. Deferred Compensation Plans

The St. Louis Science Center offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The St. Louis Science Center also established a governmental retirement plan within the meaning of Internal Revenue Code Section 401(a), effective January 1, 2013, for the purpose of providing matching retirement benefits to employees. The plans, available to all St. Louis Science Center employees, permit them to defer a portion of their salary until future years. Participation in the plans is voluntary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Subdistrict contributed \$242,808 and \$238,460 to the 401(a) plan in 2015 and 2014, respectively and made no contributions to the other plans in 2015 or 2014.

Because the St. Louis Science Center does not hold the plan assets in a trustee capacity at December 31, 2015 and 2014, the investments for the deferred compensation plans are not presented in the St. Louis Science Center's financial statements.

9. Pension Plan

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

General Information About The Pension Plan

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

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

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Notes To Financial Statements (*Continued*)

Benefits are fully vested after five years of service. A St. Louis Science Center employee who retires at the age of 65 with five years of credited service is entitled to a normal retirement benefit of 1% of average compensation plus 0.65% of average compensation exceeding the employee's social security covered compensation, multiplied by service up to 30 years. Early retirement benefits are available at the actuarial equivalent of the normal retirement benefit. At December 31, 2015 and 2014, membership in the Plan consisted of the following:

| | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| Active employees | 115 | 132 |
| Retirees and beneficiaries currently receiving benefits | 59 | 45 |
| Terminated employees entitled to benefits but not yet receiving them | 157 | 157 |
| <u>Total</u> | <u>331</u> | <u>334</u> |

Contributions of \$86,828 and \$72,871 were accrued by St. Louis Science Center and are included in accrued expenses at December 31, 2015 and 2014, respectively. These contributions were accrued in accordance with actuarially determined contribution requirements based on actuarial valuations performed at December 31, 2014 and 2013, respectively. The Entry Age Normal actuarial funding method is used to determine contributions.

Net Pension Liability

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

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

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Notes To Financial Statements (*Continued*)

The total pension liability in the December 31, 2015 actuarial rollforward was determined using the following actuarial assumptions:

| | |
|----------------------------|---|
| Valuation date | January 1, 2015 |
| Actuarial cost method | Entry age normal as a level percentage of pay |
| Asset Valuation Method: | Market value of assets |
| Actuarial assumptions: | |
| Investment rate of return | 7.7% |
| Projected salary increases | 4.5% |

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

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

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

Discount Rate

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

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Notes To Financial Statements (Continued)

Change In The Net Pension Liability

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

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

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

| | 1% Decrease | Current | 1% Increase |
|-----------------------|--------------|------------|-------------|
| Discount Rate | 6.70% | 7.70% | 8.70% |
| Net Pension Liability | \$ 1,645,000 | \$ 799,095 | \$ 70,000 |

Rate Of Return

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

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

Notes To Financial Statements (*Continued*)

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

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

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ — | \$ 24,919 |
| Net difference between projected and actual earnings on pension plan investments | 591,599 | — |
| Science Center contributions subsequent to the measurement date of January 1, 2015 | 86,828 | — |
| Total | \$ 678,427 | \$ 24,919 |

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

| Year | Deferred Outflows Amount | Deferred Inflows Amount |
|------|--------------------------------|-------------------------------|
| 2016 | \$ 147,900 | \$ (17,365) |
| 2017 | 147,900 | (7,554) |
| 2018 | 147,900 | — |
| 2019 | 147,899 | — |
| 2020 | — | — |
| | \$ 591,599 | \$ (24,919) |

Other amounts currently reported as deferred outflows of resources (\$86,828) relate to the St. Louis Science Center's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016.

Contributions Receivable and Payable

The St. Louis Science Center, through resolution, has a legal duty to pay all actuarially required contributions. Payments of outstanding contributions will be paid over a five year period. Total contributions that remain unpaid as of December 31, 2015 and 2014 are \$613,123 and \$667,358, respectively.

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

Notes To Financial Statements (*Continued*)

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, 2015 the Subdistrict has the option to renew the lease annually for up to 24 additional one-year terms. The lease calls for annual rentals of \$2,000,000, payable in equal monthly installments of \$166,667 each. During 2015 and 2014, the Subdistrict paid, and the Foundation received, rentals totaling \$2,000,000.

The Foundation and Subdistrict are parties in a lease for the property directly adjacent to the Science Center. The term of the lease is for one year, and as of December 31, 2015, the Subdistrict has the option to renew the lease annually for up to 31 additional one-year terms. The lease calls for annual rentals of \$350,000, payable in equal monthly installments of \$29,167 each. During 2015 and 2014, 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, 2015, the Subdistrict has the option to renew the lease annually for up to 5 additional one-year terms. The lease calls for annual rentals of \$1,920,000 payable in monthly installments of \$160,000 each. During 2015 and 2014, the Subdistrict paid, and the Foundation received, rentals totaling \$1,920,000.

Effective August 1, 2010, the Foundation and Subdistrict became parties in a lease for the property commonly known as 1100 Macklind Avenue. The term of the lease is for one year, and as of December 31, 2015, the Subdistrict has the option to renew the lease annually for up to 44 additional one-year terms. The lease calls for annual rentals of \$234,000 payable in monthly installments of \$19,500 each. During 2015 and 2014, the Subdistrict paid, and the Foundation received, rentals totaling \$234,000.

The Foundation's interest in the Subdistrict facility lease, the adjacent property lease and the Planetarium lease were pledged to collateralize the Foundation's obligation to UMB Bank under the 2005 Bonds Loan Agreement with the IDA and are pledged to collateralize the Foundation's obligations under the Series 2014 bonds (Note 6).

The Foundation and Subdistrict are also parties in two leases primarily for office and warehouse space under annual renewable lease contracts. Annual rentals under these contracts totaled \$323,721 in 2015 and \$322,594 in 2014, which the Subdistrict paid, and the Foundation received.

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

Notes To Financial Statements (*Continued*)

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, 2015.

Required Supplementary Information

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

**REQUIRED SUPPLEMENTARY INFORMATION
UNDER GASB STATEMENT NO. 67 and 68**

Schedule of Changes in the Net Pension Liability and Related Notes

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

Notes:

The St. Louis Science Center implemented GASB Statement No. 67 in fiscal year 2014.

Information for years prior to fiscal year 2014 is therefore unavailable.

Changes in assumptions reported as of December 31, 2014 primarily relate to adjustments to the discount rate and actuarial method.

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

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

Schedule Of Employer Contributions

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

Notes To Schedule

| | |
|--|---|
| Actuarial cost method | Entry age normal as a level percentage of payroll |
| Asset valuation method | Market value of assets |
| Salary increases | 4.5% |
| Investment rate of return | 7.70% |
| Retirement age (percent retiring) | 65 (100%) |
| Mortality: IRS 2014 Combined Mortality Table | |

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule Of Annual-Weighted Rate Of Return On Investments

| | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|
| Annual money weighted rate of return, net of investment expense: | (1.39)% | 6.52% |

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

Supplementary Information
Combining Financial Statements

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

COMBINING STATEMENT OF NET POSITION

Page 1 Of 2
December 31, 2015

| | St. Louis Science Center | | | | |
|--|--------------------------|--|------------------------|-------------------|-------------------|
| | Subdistrict | St. Louis Science Center Foundation | Eliminating Entries | Combined Total | |
| | | | | 2015 | 2014 |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and short-term investments | \$ 1,567,066 | \$ 999,038 | \$ — | \$ 2,566,104 | \$ 2,400,566 |
| Pledges receivable, net | — | 1,590,993 | — | 1,590,993 | 882,957 |
| Taxes receivable from Metropolitan Zoological Park and Museum District, net | 6,188,797 | — | — | 6,188,797 | 5,807,484 |
| Due from foundation | 4,703 | — | (4,703) | — | — |
| Other receivables, net | 195,803 | 337,487 | — | 533,290 | 453,509 |
| Prepaid expenses | 353,639 | 355,013 | — | 708,652 | 486,652 |
| Total current assets | 8,310,008 | 3,282,531 | (4,703) | 11,587,836 | 10,031,168 |
| Noncurrent assets: | | | | | |
| Unrestricted investments | — | 238,428 | — | 238,428 | 245,124 |
| Restricted cash and investments | 251,500 | 3,531,523 | — | 3,783,023 | 2,459,166 |
| Pledges receivable, net | 54,000 | 2,778,310 | — | 2,832,310 | 2,210,042 |
| Other assets | — | 371,742 | — | 371,742 | 1,828,406 |
| | 305,500 | 6,920,003 | — | 7,225,503 | 6,742,738 |
| Capital assets: | | | | | |
| Land and land improvements | 859,121 | 14,411,764 | — | 15,270,885 | 15,107,896 |
| Building | 12,179,278 | 49,286,100 | — | 61,465,378 | 60,900,393 |
| Furniture, fixtures and equipment | 4,009,820 | 9,788,775 | — | 13,798,595 | 12,906,407 |
| Exhibits | 17,452,854 | 6,838,030 | — | 24,290,884 | 23,405,080 |
| Collections | 841,804 | 242,660 | — | 1,084,464 | 1,084,464 |
| Construction in progress | 5,314 | 2,256,962 | — | 2,262,276 | 1,609,992 |
| Less accumulated depreciation | (25,968,940) | (41,910,928) | — | (67,879,868) | (64,779,324) |
| Total capital assets (net of accumulated depreciation) | 9,379,251 | 40,913,363 | — | 50,292,614 | 50,234,908 |
| Total noncurrent assets | 9,684,751 | 47,833,366 | — | 57,518,117 | 56,977,646 |
| Total Assets | 17,994,759 | 51,115,897 | (4,703) | 69,105,953 | 67,008,814 |
| Deferred Outflows Of Resources | | | | | |
| Pension contributions | 86,828 | — | — | 86,828 | — |
| Difference between expected and actual earnings on pension investments | 591,599 | — | — | 591,599 | — |
| Deferred amount on bond refunding | — | 263,762 | — | 263,762 | 290,138 |
| Total Deferred Outflows Of Resources | 678,427 | 263,762 | — | 942,189 | 290,138 |

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

COMBINING STATEMENT OF NET POSITION

Page 2 Of 2
December 31, 2015

| | St. Louis Science Center | | | | |
|---|--------------------------------|----------------------|------------------------|----------------------|----------------------|
| | St. Louis Science Center | | | Combined Total | |
| | Subdistrict | Foundation | Eliminating Entries | 2015 | 2014 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Notes payable - current | \$ — | \$ 824,411 | \$ — | \$ 824,411 | \$ 1,616,105 |
| Note payable - line-of-credit agreement | 1,495,000 | — | — | 1,495,000 | 1,750,000 |
| Accounts payable and accrued expenses | 2,095,397 | 563,282 | — | 2,658,679 | 2,800,786 |
| Due to subdistrict | — | 4,703 | (4,703) | — | — |
| Unearned revenue | 25,555 | 224,793 | — | 250,348 | 301,100 |
| Total current liabilities | 3,615,952 | 1,617,189 | (4,703) | 5,228,438 | 6,467,991 |
| Noncurrent liabilities: | | | | | |
| Notes payable | — | 10,497,482 | — | 10,497,482 | 8,821,906 |
| Other liabilities | — | 101,701 | — | 101,701 | 13,361 |
| Net pension liability | 799,095 | — | — | 799,095 | — |
| Total noncurrent liabilities | 799,095 | 10,599,183 | — | 11,398,278 | 8,835,267 |
| Total Liabilities | 4,415,047 | 12,216,372 | (4,703) | 16,626,716 | 15,303,258 |
| Deferred Inflows Of Resources | | | | | |
| Difference between expected and actual experience - pension | 24,919 | — | — | 24,919 | — |
| Net Position | | | | | |
| Net investment in capital assets | 9,379,251 | 29,855,232 | — | 39,234,483 | 38,337,035 |
| Restricted for: | | | | | |
| Debt service | — | 1,512,684 | — | 1,512,684 | 135,787 |
| Capital campaign | — | 3,950,314 | — | 3,950,314 | 2,542,175 |
| Endowment - expendable | 51,500 | 593,640 | — | 645,140 | 698,180 |
| Endowment - nonexpendable | 200,000 | 1,425,199 | — | 1,625,199 | 1,625,199 |
| Unrestricted | 4,602,469 | 1,826,218 | — | 6,428,687 | 8,657,318 |
| Total Net Position | \$ 14,233,220 | \$ 39,163,287 | \$ — | \$ 53,396,507 | \$ 51,995,694 |

**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, 2015

| | St. Louis Science Center | | | Combined Total | |
|--|--------------------------|--|------------------------|---------------------|---------------------|
| | Subdistrict | St. Louis Science Center Foundation | Eliminating Entries | 2015 | 2014 |
| | | | | | |
| Operating Revenues | | | | | |
| Visitor Activities: | | | | | |
| Omnimax theater | \$ — | \$ 1,352,574 | \$ — | \$ 1,352,574 | \$ 1,244,902 |
| Special exhibits | 20 | 426,053 | — | 426,073 | 955,947 |
| Parking | — | 894,590 | — | 894,590 | 926,738 |
| Planetarium | 295,764 | — | — | 295,764 | 252,835 |
| Discovery Room | — | 90,330 | — | 90,330 | 64,448 |
| Restaurants | — | 206,991 | — | 206,991 | 182,904 |
| Gift Shops | — | 198,279 | — | 198,279 | 170,459 |
| Simulators | 28,495 | 357,112 | — | 385,607 | 348,724 |
| Education programs: | | | | | |
| School programs | 137,763 | — | — | 137,763 | 95,253 |
| Public programs | 65,501 | — | — | 65,501 | 80,837 |
| Camps | 259,144 | — | — | 259,144 | 261,540 |
| Robotics competition | 148,793 | — | — | 148,793 | 163,800 |
| Membership | — | 864,213 | — | 864,213 | 878,853 |
| Other: | | | | | |
| Sponsorships | — | 64,474 | — | 64,474 | 500,482 |
| Rental and events income | 144,103 | 4,827,721 | (4,827,721) | 144,103 | 205,500 |
| Guest services | 46,299 | — | — | 46,299 | 32,494 |
| Sale and lease of exhibits | 31,423 | — | — | 31,423 | 32,477 |
| Miscellaneous | 2,050,972 | 8,935 | (2,004,000) | 55,907 | 31,201 |
| Total operating revenues | 3,208,277 | 9,291,272 | (6,831,721) | 5,667,828 | 6,429,394 |
| Operating Expenses | | | | | |
| Program services: | | | | | |
| Gallery operations and support | 850,200 | 9 | — | 850,209 | 659,444 |
| Design services and exhibit technology | 1,232,437 | — | — | 1,232,437 | 1,290,050 |
| Special exhibits | 49,418 | 905,289 | — | 954,707 | 1,400,473 |
| Theaters | 184,874 | 841,061 | — | 1,025,935 | 965,579 |
| Simulators | — | 268,422 | — | 268,422 | 238,400 |
| Community science education | 752,593 | — | — | 752,593 | 785,413 |
| Other educational programs | 638,385 | — | — | 638,385 | 583,904 |
| Grant funded programs | — | 241,022 | — | 241,022 | 438,868 |
| Other | 197,329 | — | — | 197,329 | 193,689 |
| Total program services | 3,905,236 | 2,255,803 | — | 6,161,039 | 6,555,820 |
| Supporting services: | | | | | |
| Marketing and communications | 1,595,146 | — | — | 1,595,146 | 1,411,028 |
| Building services | 1,305,602 | — | — | 1,305,602 | 1,216,428 |
| Operations | 1,273,217 | — | — | 1,273,217 | 1,266,139 |
| Security and parking | 531,918 | 40,980 | — | 572,898 | 496,143 |
| Guest services | 478,887 | — | — | 478,887 | 432,818 |
| Finance and information systems | 6,831,926 | 516,813 | (4,827,721) | 2,521,018 | 2,203,976 |
| Human resources | 564,960 | — | — | 564,960 | 504,143 |
| Membership benefits and fundraising | 1,355,333 | — | — | 1,355,333 | 1,167,268 |
| Administration | 495,947 | 2,020,827 | (2,004,000) | 512,774 | 459,520 |
| Depreciation and amortization | 797,251 | 2,303,293 | — | 3,100,544 | 2,981,867 |
| Total supporting services | 15,230,187 | 4,881,913 | (6,831,721) | 13,280,379 | 12,139,330 |
| Total Operating Expenses | 19,135,423 | 7,137,716 | (6,831,721) | 19,441,418 | 18,695,150 |
| Operating Income (Loss) | (15,927,146) | 2,153,556 | — | (13,773,590) | (12,265,756) |

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

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

Page 2 Of 2

For The Year Ended December 31, 2015

| | St. Louis Science Center | | | Combined Total | |
|--|--------------------------|--|------------------------|----------------------|----------------------|
| | Subdistrict | St. Louis Science Center Foundation | Eliminating Entries | 2015 | 2014 |
| Nonoperating Revenues (Expenses) | | | | | |
| Property taxes and license fees from the Metropolitan Zoological Park and Museum District, net | \$ 10,782,827 | \$ — | \$ — | \$ 10,782,827 | \$ 10,510,361 |
| Contributions and grants: | | | | | |
| Annual fund | — | 283,192 | — | 283,192 | 259,339 |
| Events and other | 4,830 | 53,390 | — | 58,220 | 250,099 |
| Major gifts | — | 1,110,718 | — | 1,110,718 | 493,954 |
| In-kind revenue | 52,580 | 748,723 | — | 801,303 | — |
| Gala | — | 360,455 | — | 360,455 | — |
| Grants: | | | | | |
| Federal | — | 74,802 | — | 74,802 | 80,013 |
| Other | — | 190,397 | — | 190,397 | 412,523 |
| Capital fundraising expenses | — | (255,673) | — | (255,673) | (220,507) |
| Loss on disposal of capital assets | — | (16,953) | — | (16,953) | — |
| Investment income (expense) | 3,131 | (63,221) | — | (60,090) | 146,495 |
| Interest expense | (20,565) | (287,850) | — | (308,415) | (558,647) |
| Debt issuance costs | — | — | — | — | (319,733) |
| Total Nonoperating Revenues | 10,822,803 | 2,197,980 | — | 13,020,783 | 11,053,897 |
| Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment | (5,104,343) | 4,351,536 | — | (752,807) | (1,211,859) |
| Capital Grants And Contributions Additions To Permanent Endowment | — | 3,263,867 | — | 3,263,867 | 3,784,055 |
| | — | 500 | — | 500 | 600 |
| Change In Net Position | (5,104,343) | 7,615,903 | — | 2,511,560 | 2,572,796 |
| Net Position - Beginning Of Year - As Previously Stated | 15,448,310 | 36,547,384 | — | 51,995,694 | 49,422,898 |
| Prior Period Adjustment - Effect Of Adoption Of GASB 68 | (1,110,747) | — | — | (1,110,747) | — |
| Net Position - Beginning Of Year - As Restated | 14,337,563 | 36,547,384 | — | 50,884,947 | — |
| Transfers | 5,000,000 | (5,000,000) | — | — | — |
| Net Position - End Of Year | \$ 14,233,220 | \$ 39,163,287 | \$ — | \$ 53,396,507 | \$ 51,995,694 |