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**ST. LOUIS SCIENCE CENTER  
SUBDISTRICT OF THE  
METROPOLITAN ZOOLOGICAL  
PARK AND MUSEUM DISTRICT**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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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 (St. Louis Science Center), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the St. Louis Science Center's basic financial statements as listed in the table of contents.

### *Management's Responsibility For The Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of St. Louis Science Center as of December 31, 2017 and 2016, 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.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of return on investments on pages 49 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

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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 27, 2018

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**Management's Discussion And Analysis**

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

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the St. Louis Science Center's (the Science Center) financial performance provides an overview of the Science Center's financial activities for the years ended December 31, 2017 and 2016. The discussion and analysis should be read in conjunction with the Science Center's financial statements that begin on page 13.

**2017 Financial Highlights**

The net position of the Science Center totaled \$55,752,724 at the close of 2017; this was an increase of \$852,880 or 1.6% from 2016.

Unrestricted net position increased \$1,283,139 or 20.9%, primarily the result of an increase in revenues from property tax revenues, special exhibits, sponsorships and the biennial Gala, offset by a decrease in major gifts and in-kind revenue and as more fully described following Table 1 - Net Position.

Total 2017 revenues increased \$649,452 (2.9%) from 2016, primarily as a result of higher special exhibits revenue, sponsorships, the biennial Gala and investment income. These increases were offset by a decrease in major gifts and in-kind revenue of approximately \$2,458,000.

Total expenses for 2017 increased \$1,299,909 or 6.3% from 2016, comprised mostly of increases in program services and depreciation. The largest increase in program services was \$881,326 in special exhibits. Depreciation increased by \$459,729 due to the new roof on our Macklind property, an in-kind software donation and upgrades to our Planetarium.

Total liabilities decreased \$2,118,091 or 10.9% from 2016, which was principally accounted for by a decrease in note payables of \$845,839 (6.5%) and a decrease in notes payable - line of credit of \$900,000 or 39.13%.

Capital asset additions totaled approximately \$1,616,000 for the year, representing mostly the new Macklind roof and Planetarium upgrades.



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

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

### 2016 Financial Highlights

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

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

Unrestricted net position decreased \$289,235 or 4.5%, due to a decrease in capital contributions and fundraising event revenue, offset by an increase in major gifts and in-kind revenue as more fully described following Table 1 - Net Position.

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

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

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

Capital asset additions totaled approximately \$8,516,000 for the year, representing mostly the new GROW exhibit and our new security system.

### Using this Annual Report

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

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

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

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

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

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

### **Combining Financial Statements**

The combining financial statements beginning on page 52 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 20 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 2017, 2016 and 2015.

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

Management's Discussion And Analysis (*Continued*)

**Table 1 - Net Position**

	2017	2016	2015
<b>Assets</b>			
Current assets and other assets	\$ 19,821,980	\$ 17,774,945	\$ 18,813,339
Capital assets	53,093,392	55,373,586	50,292,614
<i>Total assets</i>	<u>72,915,372</u>	<u>73,148,531</u>	<u>69,105,953</u>
<i>Deferred outflows</i>	<u>454,377</u>	<u>1,192,823</u>	<u>942,189</u>
<b>Liabilities</b>			
Current liabilities	5,180,011	5,544,030	5,228,438
Noncurrent liabilities	12,096,317	13,850,389	11,398,278
<i>Total liabilities</i>	<u>17,276,328</u>	<u>19,394,419</u>	<u>16,626,716</u>
<i>Deferred inflows</i>	<u>340,697</u>	<u>47,091</u>	<u>24,919</u>
<b>Net position</b>			
Invested in capital assets, net of related debt	41,152,759	42,613,491	39,234,483
Restricted	7,177,374	6,146,901	7,733,337
Unrestricted	7,422,591	6,139,452	6,428,687
<i>Total net position</i>	<u>\$ 55,752,724</u>	<u>\$ 54,899,844</u>	<u>\$ 53,396,507</u>

**2017 and 2016**

The net position invested in capital assets decreased by \$1,460,732, due to capital asset additions of \$1,616,134 and a decrease in debt of approximately \$845,000. This was offset by depreciation of \$3,896,327.

The restricted net position, which represents resources that are subject to external restrictions on how those assets may be used, increased in 2017 due to pledges receivable which are restricted for the capital campaign and to the increase in endowment earnings.

The unrestricted net position increased as a result of higher revenues for special exhibits, sponsorships and the biennial Gala which were offset by a decrease in major gifts and in-kind revenue.

Current liabilities decreased by approximately \$364,000 from 2016, comprised of a decrease in notes payable-line of credit of \$900,000, offset by an increase in accounts payable.

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

Management's Discussion And Analysis (*Continued*)

**2016 and 2015**

The net position invested in capital assets increased by \$3,379,008, due to capital asset additions of \$8,516,436 and an increase in debt of \$1,700,830. This was offset by depreciation of \$3,436,598.

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

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

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

**Table 2 - Change in Net Position**

	2017	2016	2015
<b>Revenues</b>			
Contributions and grants	\$ 3,530,881	\$ 5,351,492	\$ 6,143,454
Tax revenue from Zoo - Museum			
District	11,372,086	10,855,047	10,782,827
Theaters and other operating sources	7,336,309	5,674,667	5,667,828
Investment income (loss)	448,212	156,830	(60,090)
<i>Total revenues, including endowment</i>	<u>22,687,488</u>	<u>22,038,036</u>	<u>22,534,019</u>
<b>Expenses</b>			
Salaries and benefits	10,018,202	10,013,064	9,313,901
Depreciation and amortization	3,896,327	3,436,598	3,100,544
Other program services	2,823,541	1,883,074	2,060,139
Other supporting services	4,568,340	4,629,199	4,966,834
Interest and debt related expenses	385,113	385,204	308,415
Other	143,085	187,560	272,626
<i>Total expenses</i>	<u>21,834,608</u>	<u>20,534,699</u>	<u>20,022,459</u>
<i>Change in net position</i>	<u>\$ 852,880</u>	<u>\$ 1,503,337</u>	<u>\$ 2,511,560</u>

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

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Management's Discussion And Analysis (*Continued*)

**2017 and 2016**

Contributions result principally from the Science Center's ongoing fundraising efforts (annual fund, major gifts, in-kind, operating grants, etc.) and special fundraising efforts. These revenues decreased \$1,820,611 from 2017 to 2016 principally as a result of a decrease in major gifts and in-kind donations. Operating grant revenues include \$505,724 and \$291,749 received under several different Federal and Non-Federal grants during 2017 and 2016, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 50% of total revenues in 2017 and 49% of total revenues in 2016. 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 \$1,662,000 from 2016, reflecting higher special exhibit, membership and sponsorship revenue.

Investment income for 2017 increased from 2016 by approximately \$291,000. Investment income includes unrealized gains and losses in the Science Center's endowment funds.

Salaries and benefits are the Science Center's largest expense totaling \$10,018,202 and \$10,013,064 respectively, or 46% and 49% of total expenses in 2017 and 2016.

Depreciation of the Science Center's capital assets totaled \$3,896,327 and \$3,436,598, or 18% and 17%, respectively, of total expenses in 2017 and 2016. Depreciation increased as a result of new assets being placed in service during 2017, our largest being the Macklind roof and an in-kind software donation.

Other program services include expenses incurred specifically to carry out the various programs and activities of the Science Center. Total program services expenses increased by \$940,467, or 50% in 2017. Major expenses include film and exhibit costs and supplies for the various education and scientific programs and events held at the Science Center. Our largest cost during 2017 was in special exhibits.

Other supporting services include expenses incurred to support the overall operations of the Science Center. Total supporting services expense decreased by \$60,859 or 1% in 2017. Major expenses include marketing and communications, utilities, supplies, printing, insurance and maintenance. Our largest expense reduction during 2017 was in marketing and communications.

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

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Management's Discussion And Analysis (*Continued*)

**2016 and 2015**

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

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

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

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

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

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

**Budget**

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

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

Management's Discussion And Analysis (*Continued*)

**Table 3 - Capital Assets**

	2017	2016	2015
Land and land improvements	\$ 15,354,343	\$ 15,319,805	\$ 15,270,885
Building and building improvements	67,522,254	66,486,785	61,465,378
Equipment, exhibits and collections	45,304,432	44,834,072	39,173,943
Construction in progress	124,022	48,256	2,262,276
	<u>128,305,051</u>	<u>126,688,918</u>	<u>118,172,482</u>
Less accumulated depreciation	<u>(75,211,659)</u>	<u>(71,315,332)</u>	<u>(67,879,868)</u>
Net capital assets	<u>\$ 53,093,392</u>	<u>\$ 55,373,586</u>	<u>\$ 50,292,614</u>

At December 31, 2017 the Science Center's net investment in capital assets totaled \$41,152,759 (net of outstanding notes payable of \$12,151,642 used to finance the construction of certain capital assets and the related deferred amount on bond refunding of \$211,009). There were capital asset additions of \$1,616,133 during the year. These additions included the Macklind roof as well as ongoing replacements and normal additions of equipment and exhibits.

Additional information on the Science Center's capital assets can be found in Note 6 on pages 36 through 37 of this annual report.

**Debt**

The Science Center has notes payable outstanding totaling \$12,151,642. These notes were issued in tax-exempt financings 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 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.

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 Series 2014A Bonds outstanding as of December 31, 2017 total \$7,095,000. The total amount drawn on the Series 2014B Bonds as of December 31, 2017 is \$5,000,000.

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

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Management's Discussion And Analysis (*Continued*)

In 2018, the Science Center financed the purchase of a new VOIP phone system through US Bank. The amount of the note at December 31, 2017 is \$56,642. The note bears interest at LIBOR plus 2% and matures in 2019.

The Science Center also has a short-term note payable totaling \$1,400,000 outstanding at December 31, 2017. This borrowing was used primarily to finance the acquisition and construction of various fixed assets and the remainder was used for working capital purposes.

Additional information on the Science Center's notes payable can be found in Note 7 and Note 8 on pages 38 through 40 of this annual report.

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

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



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**Basic Financial Statements**

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

**STATEMENT OF NET POSITION**

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Assets	December 31,	
	2017	2016
Current assets:		
Cash and short-term investments	\$ 3,689,003	\$ 3,312,851
Pledges receivable	1,639,197	1,496,853
Taxes receivable from Metropolitan Zoological Park and Museum District, net of allowance for uncollectible taxes of \$313,699 in 2017 and \$301,815 in 2016	6,838,708	6,175,749
Other receivables, net of allowance for uncollectible receivables of \$3,649 in 2017 and \$4,798 in 2016	767,693	571,231
Prepaid expenses	425,699	630,992
Total current assets	13,360,300	12,187,676
Noncurrent assets:		
Unrestricted investments	295,852	254,048
Restricted cash and investments	2,802,515	2,410,297
Pledges receivable, net	3,058,188	2,598,851
Other assets	305,125	324,073
Total noncurrent assets	6,461,680	5,587,269
Capital assets:		
Land and land improvements	15,354,343	15,319,805
Building and building improvements	67,522,254	66,486,785
Furniture, fixtures and equipment	16,258,059	15,901,099
Exhibits	27,961,909	27,848,509
Collections	1,084,464	1,084,464
Construction in progress	124,022	48,256
Less: Accumulated depreciation	(75,211,659)	(71,315,332)
Total capital assets (net of accumulated depreciation)	53,093,392	55,373,586
Total noncurrent assets	59,555,072	60,960,855
Total Assets	72,915,372	73,148,531
Deferred Outflows Of Resources		
Pension contributions	86,828	86,828
Difference between expected and actual earnings on pension investments	—	511,378
Change in assumptions - pension	156,540	357,231
Deferred amount on bond refunding	211,009	237,386
Total Deferred Outflows Of Resources	454,377	1,192,823

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

**STATEMENT OF NET POSITION**

Page 2 Of 2

	December 31,	
	2017	2016
<b>Liabilities</b>		
Current liabilities:		
Notes payable - current	\$ 867,306	\$ 845,838
Note payable - line of credit	1,400,000	2,300,000
Accounts payable and accrued expenses	2,545,493	2,093,979
Unearned revenue	367,212	304,213
<b>Total current liabilities</b>	<b>5,180,011</b>	<b>5,544,030</b>
Noncurrent liabilities:		
Notes payable	11,284,336	12,151,643
Other liabilities	39,447	115,997
Net pension liability	772,534	1,582,749
<b>Total noncurrent liabilities</b>	<b>12,096,317</b>	<b>13,850,389</b>
<b>Total Liabilities</b>	<b>17,276,328</b>	<b>19,394,419</b>
<b>Deferred Inflows Of Resources</b>		
Difference between expected and actual earnings on pension investments	39,879	—
Change in assumptions - pension	97,589	—
Difference between expected and actual experience - pension	203,229	47,091
<b>Total Deferred Inflows Of Resources</b>	<b>340,697</b>	<b>47,091</b>
<b>Net Position</b>		
Net investment in capital assets	41,152,759	42,613,491
Restricted for:		
Expendable:		
Debt service and capital projects	69	69
Capital campaign	4,374,859	3,736,604
Endowment earnings	1,177,247	785,029
Nonexpendable:		
Endowment principal	1,625,199	1,625,199
Unrestricted	7,422,591	6,139,452
<b>Total Net Position</b>	<b>\$ 55,752,724</b>	<b>\$ 54,899,844</b>

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

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

Page 1 Of 2

	For The Years	
	Ended December 31,	
	2017	2016
<b>Operating Revenues</b>		
Visitor activities:		
Omnimax theater	\$ 1,107,419	\$ 1,306,731
Special exhibits	1,263,442	136,653
Parking	1,033,868	952,249
Planetarium	345,518	309,919
Discovery room	76,254	82,156
Restaurants	212,586	200,653
Gift shops	214,476	270,504
Simulators	385,928	410,010
Education programs:		
School programs	202,841	172,455
Public programs	73,248	75,432
Camps	257,108	234,784
Robotics competition	114,438	162,000
Membership	1,154,787	891,364
Other:		
Sponsorships	485,148	49,575
Rental and events income	232,770	268,396
Guest services	34,789	33,968
Sale of exhibits	4,890	35,894
Miscellaneous	136,799	81,924
<b>Total operating revenues</b>	<b>7,336,309</b>	<b>5,674,667</b>
<b>Operating Expenses</b>		
Program services:		
Gallery operations and support	1,373,531	1,189,554
Design services and exhibit technology	1,393,474	1,457,052
Special exhibits	1,380,567	499,241
Theaters	1,136,883	1,111,606
Simulators	293,485	314,505
Community science education	678,974	716,399
Other educational programs	618,913	562,392
Grant funded programs	443,766	298,568
Other	306,268	230,380
<b>Total program services</b>	<b>7,625,861</b>	<b>6,379,697</b>
Supporting services:		
Marketing and communications	1,370,125	1,628,733
Building services	1,295,481	1,269,999
Operations	1,299,314	1,351,861
Security and parking	578,955	574,453
Guest services	421,838	447,114
Finance and information systems	2,469,168	2,633,979
Human resources	567,444	581,477
Membership benefits and fundraising	1,164,679	1,086,712
Administration	617,218	571,312
Depreciation and amortization	3,896,327	3,436,598
<b>Total supporting services</b>	<b>13,680,549</b>	<b>13,582,238</b>
<b>Total Operating Expenses</b>	<b>21,306,410</b>	<b>19,961,935</b>
<b>Operating Loss</b>	<b>(13,970,101)</b>	<b>(14,287,268)</b>

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

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

Page 2 Of 2

	For The Years Ended December 31,	
	2017	2016
<b>Nonoperating Revenues (Expenses)</b>		
Property taxes and license fees from the Metropolitan Zoological Park and Museum District	\$ 11,372,086	\$ 10,855,047
Contributions and grants:		
Annual fund	241,117	225,679
Events and other	91,165	47,630
Major gifts	509,661	1,889,921
In-kind revenue	114,431	1,191,740
Gala	407,400	—
Operating grants:		
Federal	122,811	107,523
Other	382,913	184,226
Capital fundraising expenses	(143,085)	(183,861)
Gain (loss) on disposal of capital assets	—	(3,699)
Investment income	448,212	156,830
Interest expense	(385,113)	(385,204)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>13,161,598</b>	<b>14,085,832</b>
<b>Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment</b>	<b>(808,503)</b>	<b>(201,436)</b>
<b>Capital Grants And Contributions Additions To Permanent Endowment</b>	<b>1,660,383</b>	<b>1,704,773</b>
	<b>1,000</b>	<b>—</b>
<b>Change In Net Position</b>	<b>852,880</b>	<b>1,503,337</b>
<b>Net Position - Beginning Of Year</b>	<b>54,899,844</b>	<b>53,396,507</b>
<b>Net Position - End Of Year</b>	<b>\$ 55,752,724</b>	<b>\$ 54,899,844</b>

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

**STATEMENT OF CASH FLOWS**

	For The Years Ended December 31,	
	2017	2016
<b>Cash Flows From Operating Activities</b>		
Received from visitors	\$ 5,999,732	\$ 4,739,947
Membership contributions	1,154,787	891,364
Paid to employees for services	(9,779,027)	(9,580,551)
Paid to suppliers for goods and services	(7,044,863)	(6,902,227)
<b>Net Cash Used In Operating Activities</b>	<b>(9,669,371)</b>	<b>(10,851,467)</b>
<b>Cash Flows From Noncapital And Related Financing Activities</b>		
Received from Metropolitan Zoological Park and Museum District	10,709,127	10,868,095
Received from donors	1,335,092	2,984,219
<b>Net Cash Provided By Noncapital And Related Financing Activities</b>	<b>12,044,219</b>	<b>13,852,314</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Received from donors	1,661,383	1,704,773
Principal paid on revenue bonds	(845,839)	(824,412)
Proceeds from Series 2014 Refunding Revenue Bonds	—	2,500,000
Borrowings on line of credit	3,700,000	5,250,000
Repayments of line of credit	(4,600,000)	(4,445,000)
Interest paid	(361,873)	(350,425)
Purchases of capital assets	(1,423,472)	(7,421,436)
Proceeds from sale of capital assets	—	2,325
Paid to employees and suppliers for goods and services	(143,085)	(183,861)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(2,012,886)</b>	<b>(3,768,036)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(941,367)	(3,121,335)
Proceeds from sale of investments	791,302	4,291,974
Interest, dividends, and realized gain/(losses) on investments	164,255	343,297
<b>Net Cash Provided By Investing Activities</b>	<b>14,190</b>	<b>1,513,936</b>
<b>Net (Decrease) Increase In Cash And Short-Term Investments</b>	<b>376,152</b>	<b>746,747</b>
<b>Cash And Short-Term Investments - Beginning Of Year</b>	<b>3,312,851</b>	<b>2,566,104</b>
<b>Cash And Short-Term Investments - End Of Year</b>	<b>\$ 3,689,003</b>	<b>\$ 3,312,851</b>
<b>Reconciliation Of Operating Loss To Net Cash Used In Operating Activities</b>		
Operating loss	\$ (13,970,101)	\$ (14,287,268)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	3,896,327	3,436,598
Changes in assets and liabilities:		
Other receivables and prepaid expenses	2,810	76,613
Other noncurrent assets	18,948	47,669
Accounts payable and accrued expenses	261,990	(578,213)
Pension liability and related inflows & outflows	195,460	528,816
Unearned revenue and other liabilities	(74,805)	(75,682)
<b>Net Cash Used In Operating Activities</b>	<b>\$ (9,669,371)</b>	<b>\$ (10,851,467)</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Unrealized gains on investments	\$ 283,710	\$ 73,043
In kind pledge contributions	(115,582)	1,038,036
Capital asset additions included in accounts payable	192,661	—

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

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

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and short-term investments	\$ 539,503	\$ 467,592
Investment in marketable securities	7,282,651	6,734,624
Contribution receivable	473,146	545,951
<b>Total Assets</b>	<u>8,295,300</u>	<u>7,748,167</u>
<b>Net Position Restricted For Pensions</b>	<u>\$ 8,295,300</u>	<u>\$ 7,748,167</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,	
	2017	2016
<b>Additions</b>		
<b>Contributions</b>		
Employer contributions	\$ 86,828	\$ 86,828
<b>Investment Income, Net</b>		
Net appreciation (depreciation) in fair value of investments and interest and dividends	1,042,141	479,822
Investment expenses	(31,662)	(31,504)
<b>Total Investment Income, Net</b>	1,010,479	448,318
<b>Total Additions</b>	1,097,307	535,146
<b>Deductions</b>		
Benefits paid	550,174	578,768
<b>Change In Net Position</b>	547,133	(43,622)
<b>Net Position Restricted For Pensions - Beginning Of Year</b>	7,748,167	7,791,789
<b>Net Position Restricted For Pensions - End Of Year</b>	\$ 8,295,300	\$ 7,748,167



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

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2017 And 2016

**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, 2017 is as follows:

**Condensed Combining Statement Of Net Position**

	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total 2017
<b>Current Assets</b>				
Due from Subdistrict	\$ —	\$ 597,395	\$ (597,395)	\$ —
Other	9,094,149	4,266,151	—	13,360,300
<b>Noncurrent Assets</b>				
Capital assets, net of depreciation	8,971,509	44,121,883	—	53,093,392
Other	296,792	6,164,888	—	6,461,680
<b>Total Assets</b>	<b>18,362,450</b>	<b>55,150,317</b>	<b>(597,395)</b>	<b>72,915,372</b>
<b>Deferred Outflows Of Resources</b>	<b>243,368</b>	<b>211,009</b>	<b>—</b>	<b>454,377</b>
<b>Current Liabilities</b>				
Due to Foundation	597,395	—	(597,395)	—
Other	3,413,504	1,766,507	—	5,180,011
<b>Noncurrent Liabilities</b>	<b>772,534</b>	<b>11,323,783</b>	<b>—</b>	<b>12,096,317</b>
<b>Total Liabilities</b>	<b>4,783,433</b>	<b>13,090,290</b>	<b>(597,395)</b>	<b>17,276,328</b>
<b>Deferred Inflows Of Resources</b>	<b>340,697</b>	<b>—</b>	<b>—</b>	<b>340,697</b>
<b>Net Position</b>				
Net investment in capital assets	8,971,509	32,181,250	—	41,152,759
Restricted	296,792	6,880,582	—	7,177,374
Unrestricted	4,213,387	3,209,204	—	7,422,591
<b>Total Net Position</b>	<b>\$ 13,481,688</b>	<b>\$ 42,271,036</b>	<b>\$ —</b>	<b>\$ 55,752,724</b>

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

Notes To Financial Statements (Continued)

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

	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total 2017
<b>Operating Revenue</b>				
Visitor activities	\$ 359,706	\$ 4,279,785	\$ —	\$ 4,639,491
Education programs	647,635	—	—	647,635
Membership	—	1,154,787	—	1,154,787
Other operating revenues	2,352,969	5,367,304	(6,825,877)	894,396
<b>Total Operating Revenue</b>	<b>3,360,310</b>	<b>10,801,876</b>	<b>(6,825,877)</b>	<b>7,336,309</b>
<b>Operating Expenses</b>				
Program Services	4,672,993	2,952,868	—	7,625,861
Supporting Services	14,229,942	2,380,157	(6,825,877)	9,784,222
Depreciation	946,483	2,949,844	—	3,896,327
<b>Total Operating Expenses</b>	<b>19,849,418</b>	<b>8,282,869</b>	<b>(6,825,877)</b>	<b>21,306,410</b>
<b>Operating Loss</b>	<b>(16,489,108)</b>	<b>2,519,007</b>	<b>—</b>	<b>(13,970,101)</b>
<b>Nonoperating Revenue (Expenses)</b>				
Property taxes and license fees	11,372,086	—	—	11,372,086
Contributions and grants	61,660	1,807,838	—	1,869,498
Capital fundraising expenses	—	(143,085)	—	(143,085)
Investment income (expense)	51,708	396,504	—	448,212
Interest and debt related expenses	(25,142)	(359,971)	—	(385,113)
<b>Net Nonoperating Revenues</b>	<b>11,460,312</b>	<b>1,701,286</b>	<b>—</b>	<b>13,161,598</b>
<b>Capital Grants And Contributions</b>	<b>—</b>	<b>1,660,383</b>	<b>—</b>	<b>1,660,383</b>
<b>Additions To Permanent Endowment</b>	<b>—</b>	<b>1,000</b>	<b>—</b>	<b>1,000</b>
<b>Transfers</b>	<b>5,825,000</b>	<b>(5,825,000)</b>	<b>—</b>	<b>—</b>
<b>Change In Net Position</b>	<b>796,204</b>	<b>56,676</b>	<b>—</b>	<b>852,880</b>
<b>Net Position Beginning Of Year</b>	<b>12,685,484</b>	<b>42,214,360</b>	<b>—</b>	<b>54,899,844</b>
<b>Net Position End Of Year</b>	<b>\$ 13,481,688</b>	<b>\$ 42,271,036</b>	<b>\$ —</b>	<b>\$ 55,752,724</b>

Condensed Combining Statement Of Cash Flows

Net cash (used in) provided by operating activities	\$ (14,656,311)	\$ 4,986,940	\$ —	\$ (9,669,371)
Net cash provided by noncapital and related financing activities	10,788,787	1,255,432	—	12,044,219
Net cash used in capital and related financing activities	(1,295,073)	(717,813)	—	(2,012,886)
Net cash (used in) provided by investing activities	14,048	142	—	14,190
Transfers	5,825,000	(5,825,000)	—	—
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>676,451</b>	<b>(300,299)</b>	<b>—</b>	<b>376,152</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,117,893</b>	<b>2,194,958</b>	<b>—</b>	<b>3,312,851</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 1,794,344</b>	<b>\$ 1,894,659</b>	<b>\$ —</b>	<b>\$ 3,689,003</b>

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

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Notes To Financial Statements (*Continued*)

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

**Basis Of Presentation**

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

**Measurement Focus And Basis Of Accounting**

The basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. For financial reporting purposes, operations 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 their own category in the Statement of Revenues, Expenses and Changes in Net position.

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

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

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

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Notes To Financial Statements (*Continued*)

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

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

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

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

**Revenue Recognition**

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

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

**Cash And Investments**

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

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

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

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Notes To Financial Statements (*Continued*)

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

**Capital Assets**

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

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

Capital amounts are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

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

**Deferred Outflows Of Resources**

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

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

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Notes To Financial Statements (*Continued*)

**Pensions**

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

**Net Position**

Net Position is classified as follows:

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

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

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

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

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

**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.

**Reclassifications**

Certain reclassifications have been made to amounts from the 2016 financial statements, where appropriate, to conform to the presentation used in the 2017 financial statements.

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

Notes To Financial Statements (Continued)

**3. Cash And Investments**

Cash and investments consist of the following at December 31, 2017 and 2016:

	2017	2016
<b>Business-Type Activity</b>		
Cash and short-term investments:		
Cash	\$ 3,689,003	\$ 3,312,851
Noncurrent cash and investments:		
Equity securities	486,406	255,173
Equity based mutual funds	1,737,740	1,596,843
Fixed income mutual funds	539,573	454,752
Money market mutual funds	83,951	143,487
Hedge funds	115,773	112,245
Infrastructure funds	65,791	54,211
REIT funds	69,133	47,634
	<b>\$ 6,787,370</b>	<b>\$ 5,977,196</b>
<b>Pension Trust Fund</b>		
Money market mutual funds	\$ 539,753	\$ 467,624
Equity based index and open-end mutual funds	4,807,274	4,301,210
Fixed income mutual funds	2,074,642	1,975,367
Hedge funds	282,108	270,852
Infrastructure funds	73,620	144,774
REIT funds	44,757	42,389
	<b>\$ 7,822,154</b>	<b>\$ 7,202,216</b>

**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.



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

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Notes To Financial Statements (*Continued*)

**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.

**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.

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As noted under the investment policies, the St. Louis Science Center minimizes the risk that the value of its investments will fall due to changes in general interest rates by investing unrestricted funds primarily in short-term U.S. government obligations and overnight repurchase agreements. At December 31, 2017 and 2016, the St. Louis Science Center held the following investments and maturities:

Investment Type	Fair Value	December 31, 2017		
		Investment Maturities (In Years)		
		Less Than One	1 - 5	6 - 10
Fixed income mutual funds*	\$ 539,573	\$ 37,499	\$ —	\$ 502,074
Money market mutual funds	83,951	83,951	—	—
	\$ 623,524	\$ 121,450	\$ —	\$ 502,074

\* Average duration of securities within the funds

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

\* Average duration of securities within the funds

The Pension Plan's investment policy does not address interest rate risk. The portfolio had the following investments and maturities at December 31, 2017 and 2016:

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Notes To Financial Statements (Continued)

Investment Type	Fair Value	December 31, 2017		
		Investment Maturities (In Years)		
		Less Than One	1 - 5	6 - 10
Money market mutual funds	\$ 539,753	\$ 539,753	\$ —	\$ —
Fixed income mutual funds*	2,074,642	436,769	—	1,637,873
	\$ 2,614,395	\$ 976,522	\$ —	\$ 1,637,873

Investment Type	Fair Value	December 31, 2016		
		Investment Maturities (In Years)		
		Less Than One	1 - 5	6 - 10
Money market mutual funds	\$ 467,624	\$ 467,624	\$ —	\$ —
Fixed income mutual funds*	1,975,367	406,883	1,568,484	—
	\$ 2,442,991	\$ 874,507	\$ 1,568,484	\$ —

\* 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, 2017 and 2016.

	December 31, 2017	
	Moody's	Fair Value
Goldman Sachs Financial Sq Funds Gov't Fund 466	Aaa-mf	\$ 83,882
US Bank Money Market Fund	P-1	69
Commerce Bond Fund	Unrated	460,225
iShares US Preferred Stock ETF	Unrated	37,499
Vanguard Intermediate Term Investment	Unrated	41,849

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

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, 2017 and 2016.

	December 31, 2017	
	Moody's	Fair Value
Barclays Capital Aggregate Bond Fund	Unrated	\$ 370,337
Commerce Bond Fund	Unrated	1,637,873
iShares US Preferred Stock ETF	Unrated	66,432
Financial Square Tf Government Fd	Unrated	489,431
BlackRock Money Market	Unrated	50,322

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

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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, 2017 and 2016, 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, 2017 or 2016.

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 Subdistrict deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and by eligible securities pledged by the financial institution. The Foundation does not have a formal policy related to custodial credit risk of deposits. At December 31, 2017 the Foundation's deposits in excess of the FDIC limits were \$1,488,909.

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

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Notes To Financial Statements (Continued)

4. Fair Value Measurement And Application

The St. Louis Science Center has the following recurring fair value measurements as of December 31, 2017 and 2016:

Investments By Fair Value Level	2017		
	Quoted Prices	Significant	Significant
	In Active	Other	Unobservable
	Markets For	Observable	Inputs
Identical	Inputs	Inputs	
Assets	Level 2	Level 3	
Level 1	Level 2	Level 3	
Money market mutual funds	\$ 83,951	\$ —	\$ —
Equity Securities	486,406	—	—
Equity based mutual funds	1,737,740	—	—
Fixed income mutual funds	539,573	—	—
Hedge funds	115,773	—	—
Infrastructure funds	65,791	—	—
REIT funds	69,133	—	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 3,098,367</b>	<b>\$ —</b>	<b>\$ —</b>

Investments By Fair Value Level	2016		
	Quoted Prices	Significant	Significant
	In Active	Other	Unobservable
	Markets For	Observable	Inputs
Identical	Inputs	Inputs	
Assets	Level 2	Level 3	
Level 1	Level 2	Level 3	
Money market mutual funds	\$ 143,487	\$ —	\$ —
Equity Securities	255,173	—	—
Equity based mutual funds	1,596,843	—	—
Fixed income mutual funds	454,752	—	—
Hedge funds	112,245	—	—
Infrastructure funds	54,211	—	—
REIT funds	47,634	—	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 2,664,345</b>	<b>\$ —</b>	<b>\$ —</b>

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The Pension Plan has the following recurring fair value measurements as of December 31, 2017 and 2016:

Investments By Fair Value Level	2017		
	Quoted Prices	Significant	Significant
	In Active	Other	Unobservable
	Markets For	Observable	Inputs
Identical	Inputs	Inputs	
Assets	Level 2	Level 3	
Level 1	Level 2	Level 3	
Money Market Funds	\$ 539,753	\$ —	\$ —
Equity Based Index and Open-end Mutual Funds	4,807,274	—	—
Fixed Income Mutual Funds	2,074,642	—	—
Hedge funds	282,108	—	—
Infrastructure funds	73,620	—	—
REIT funds	44,757	—	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 7,822,154</b>	<b>\$ —</b>	<b>\$ —</b>

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

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Notes To Financial Statements (Continued)

**5. Pledges Receivable**

Outstanding pledges at December 31, 2017 and 2016 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 \$1,500,000 and \$900,000 in pledges during 2017 and 2016, respectively. Amortization of the discounts is included in contribution revenue.

Pledges are scheduled to be collected as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 1,639,197
2019	1,531,082
2020	975,182
2021	452,354
2022	400,000
	<u>4,997,815</u>
Less: Noncurrent unamortized discount	226,795
	<u>4,771,020</u>
Less: Allowance for uncollectible pledges	73,635
	<u>\$ 4,697,385</u>



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Notes To Financial Statements (Continued)

**6. Capital Assets**

Capital asset activity for the year ended December 31, 2017 is as follows:

	Balance - January 1, 2017	Additions & Transfers	Deletions & Transfers	Balance - December 31, 2017
Capital assets, nondepreciable:				
Land	\$ 11,601,596	\$ —	\$ —	\$ 11,601,596
Construction in progress	48,256	104,411	(28,645)	124,022
Collections	1,084,464	—	—	1,084,464
Total capital assets, nondepreciable	12,734,316	104,411	(28,645)	12,810,082
Capital assets, depreciable:				
Land improvements	3,718,209	34,538	—	3,752,747
Building and building improvements	66,486,785	1,035,469	—	67,522,254
Furniture, fixtures and equipment	15,901,099	356,960	—	16,258,059
Exhibits	27,848,509	113,400	—	27,961,909
Total capital assets, depreciable	113,954,602	1,540,367	—	115,494,969
Total accumulated depreciation	(71,315,332)	(3,896,327)	—	(75,211,659)
Total capital assets, depreciable, net	42,639,270	(2,355,960)	—	40,283,310
Total capital assets, net	\$ 55,373,586	\$ (2,251,549)	\$ (28,645)	\$ 53,093,392

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Notes To Financial Statements *(Continued)*

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

	Balance - January 1, 2016	Additions & Transfers	Deletions & Transfers	Balance - December 31, 2016
Capital assets, nondepreciable:				
Land	\$ 11,601,596	\$ —	\$ —	\$ 11,601,596
Construction in progress	2,262,276	9,811	(2,223,831)	48,256
Collections	1,084,464	—	—	1,084,464
<b>Total capital assets, nondepreciable</b>	<b>14,948,336</b>	<b>9,811</b>	<b>(2,223,831)</b>	<b>12,734,316</b>
Capital assets, depreciable:				
Land improvements	3,669,289	48,920	—	3,718,209
Building and building improvements	61,465,378	5,028,565	(7,158)	66,486,785
Furniture, fixtures and equipment	13,798,595	2,102,504	—	15,901,099
Exhibits	24,290,884	3,557,625	—	27,848,509
<b>Total capital assets, depreciable</b>	<b>103,224,146</b>	<b>10,737,614</b>	<b>(7,158)</b>	<b>113,954,602</b>
<b>Total accumulated depreciation</b>	<b>(67,879,868)</b>	<b>(3,436,598)</b>	<b>1,134</b>	<b>(71,315,332)</b>
<b>Total capital assets, depreciable, net</b>	<b>35,344,278</b>	<b>7,301,016</b>	<b>(6,024)</b>	<b>42,639,270</b>
<b>Total capital assets, net</b>	<b>\$ 50,292,614</b>	<b>\$ 7,310,827</b>	<b>\$ (2,229,855)</b>	<b>\$ 55,373,586</b>

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Notes To Financial Statements *(Continued)*

**7. Notes Payable**

A summary of changes in long-term debt for the years ended December 31, 2017 and 2016 is as follows:

	Balance - December 31, 2016	Additions	Reductions	Balance - December 31, 2017	Due Within One Year
2013 Note Payable	\$ 107,481	\$ —	\$ 50,839	\$ 56,642	\$ 52,306
Series 2014A Refunding Revenue Bonds	7,890,000	—	795,000	7,095,000	815,000
Series 2014B Refunding Revenue Bonds	5,000,000	—	—	5,000,000	—
<b>Long-Term Liabilities</b>	<b>\$ 12,997,481</b>	<b>\$ —</b>	<b>\$ 845,839</b>	<b>\$ 12,151,642</b>	<b>\$ 867,306</b>

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

**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), and entered into a promissory note with the Foundation. 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 the Series 2005 Bonds to be called and refunded on February 15, 2015. As a result, the Series 2005 Bonds are considered defeased in substance and the notes payable to the IDA for those bonds were removed from the accompanying financial statements.

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Notes To Financial Statements *(Continued)*

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

Maturity	Principal Amount	Interest
2018	\$ 815,000	\$ 160,953
2019	835,000	141,548
2020	855,000	121,581
2021	875,000	101,051
2022	895,000	80,225
2023-2025	2,820,000	109,879
	<b>\$ 7,095,000</b>	<b>\$ 715,237</b>

The Series B Bonds bear interest at an adjustable rate, set initially at 3.05%, with interest payments due every 90 days. The interest rate is scheduled to reset on November 15, 2025 to 2.46%. Annual interest expense on the Series B Bonds is \$152,500 per year through 2025. The bonds may be redeemed without premium at any time before their maturity date, November 15, 2044. As of December 31, 2017 and 2016, \$5,000,000 was outstanding on the Series B Bonds. The entire principal outstanding on the Series B Bonds matures in 2044.

**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 was the remaining life of the new Series 2014 Bonds at issuance. The unamortized balance at December 31, 2017 and 2016 is \$211,009 and \$237,386, respectively.

**2013 Note Payable**

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

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

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

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Notes To Financial Statements (*Continued*)

On December 4, 2017, the St. Louis Science Center signed a renewal agreement with US Bank to extend the maturity date to December 21, 2018. The unpaid balance bears interest at an annual rate equal to 1.25% above the LIBOR rate.

The highest amount outstanding at certain times during 2017 was \$3,050,000 and during 2016 was \$4,950,000. The unpaid balance bore an interest rate of 2.81% at December 31, 2017 and 2.06% at December 31, 2016. The balance outstanding at December 31, 2017 and 2016 was \$1,400,000 and \$2,300,000, 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, 2017 and 2016.

**9. Deferred Compensation Plans**

The St. Louis Science Center offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The St. Louis Science Center also established a governmental retirement plan within the meaning of Internal Revenue Code Section 401(a), effective January 1, 2013, for the purpose of providing matching retirement benefits to employees. The plans, available to all St. Louis Science Center employees, 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 \$287,183 and \$235,909 to the 401(a) plan in 2017 and 2016, respectively, and made no contributions to the other plan in 2017 or 2016.

Because the St. Louis Science Center did not hold the plan assets in a trustee capacity at December 31, 2017 and 2016, the investments for the deferred compensation plans are not presented in the St. Louis Science Center's financial statements.

**10. Pension Plan**

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

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Notes To Financial Statements (*Continued*)

*Benefits provided.* All full-time St. Louis Science Center employees commencing service prior to December 31, 2012 were eligible to participate after attainment of age 21 and one year of service. As of January 1, 2013, the Plan was frozen to new employees, as well as the accrued benefit at December 31, 2012, and shall not increase after that date due to additional benefit service, increased compensation, changes in covered compensation, or any other reason.

Benefits are fully vested after five years of service. A St. Louis Science Center employee who retires at the age of 65 with five years of credited service is entitled to a normal retirement benefit of 1% of average compensation plus 0.65% of average compensation exceeding the employee's social security covered compensation, multiplied by service up to 30 years for compensation earned through December 31, 2012. Early retirement benefits are available at the actuarial equivalent of the normal retirement benefit. At December 31, 2017 and 2016, membership in the Plan consisted of the following:

	<u>2017</u>	<u>2016</u>
Active employees	84	101
Retirees and beneficiaries currently receiving benefits	60	57
Terminated employees entitled to benefits but not yet receiving them	<u>162</u>	<u>166</u>
<b>Total</b>	<u><u>306</u></u>	<u><u>324</u></u>

Contributions of \$86,828 were accrued by St. Louis Science Center in both 2017 and 2016, and are included in accrued expenses at December 31, 2017 and 2016, respectively. These contributions were accrued in accordance with actuarially determined contribution requirements.

**Net Pension Liability**

The St. Louis Science Center's net pension liability was measured as of January 1, 2017 and rolled forward to December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date:

Total pension liability	\$ 9,067,834
Plan fiduciary net position	<u>8,295,300</u>
Science Center's net pension liability	<u><u>\$ 772,534</u></u>
Plan fiduciary net position as a percentage of total pension liability	91.48%

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Notes To Financial Statements (*Continued*)

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

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

The total pension liability in the December 31, 2017 and 2016 actuarial rollforward, respectively, were determined using the following actuarial assumptions:

Valuation date	January 1, 2017	January 1, 2016
Actuarial cost method	Entry age normal as a level percentage of pay	Entry age normal as a level percentage of pay
Asset Valuation Method:	Market value of assets	Market value of assets
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	4.5%	4.5%
Mortality	SOA RP-2014 Total Dataset Mortality; Scale MP-2017 Fully Generational	SOA RP-2014 Total Dataset Mortality; Scale MP-2015 Fully Generational

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Notes To Financial Statements (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation at December 31, 2017 and 2016 are summarized in the following tables:

Asset Class	December 31, 2017			
	Target Allocation	Actual Allocation	Expected Rate Of Return	Arithmetic Mean
Equity securities	66%	62%	9.0%	6.0%
Fixed income	29%	26%	5.0%	1.4%
Alternative investments	5%	5%	2.0%	0.1%
Cash	0%	7%	1.0%	0.0%
	100%	100%		7.5%

Asset Class	December 31, 2016			
	Target Allocation	Actual Allocation	Expected Rate Of Return	Arithmetic Mean
Equity securities	66%	62%	9.0%	6.0%
Fixed income	29%	26%	5.0%	1.4%
Alternative investments	5%	5%	2.0%	0.1%
Cash	0%	7%	1.0%	0.0%
	100%	100%		7.5%

**Discount Rate**

The discount rate used to measure the total pension liability at December 31, 2017 and 2016 was 7.50%. 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 For The Year Ended December 31, 2017**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
<b>Balances at 12/31/16</b>	\$ 9,330,916	\$ 7,748,167	\$ 1,582,749
<b>Changes For The Year:</b>			
Service cost	118,437	—	118,437
Interest	646,334	—	646,334
Differences between expected and actual experiences	(313,249)	—	(313,249)
Employer contributions	—	86,828	(86,828)
Net investment income	—	1,042,141	(1,042,141)
Benefit payments	(550,174)	(550,174)	—
Administration expenses	—	(31,662)	31,662
Other changes - assumption changes	(164,430)	—	(164,430)
<b>Net Changes</b>	<b>(263,082)</b>	<b>547,133</b>	<b>(810,215)</b>
<b>Balances at 12/31/17</b>	<b>\$ 9,067,834</b>	<b>\$ 8,295,300</b>	<b>\$ 772,534</b>

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
<b>Balances at 12/31/15</b>	\$ 8,590,884	\$ 7,791,789	\$ 799,095
<b>Changes For The Year:</b>			
Service cost	159,245	—	159,245
Interest	663,374	—	663,374
Differences between expected and actual experiences	(61,741)	—	(61,741)
Employer contributions	—	86,828	(86,828)
Net investment income	—	479,822	(479,822)
Benefit payments	(578,768)	(578,768)	—
Administration expenses	—	(31,504)	31,504
Other changes - assumption changes	557,922	—	557,922
<b>Net Changes</b>	<b>740,032</b>	<b>(43,622)</b>	<b>783,654</b>
<b>Balances at 12/31/16</b>	<b>\$ 9,330,916</b>	<b>\$ 7,748,167</b>	<b>\$ 1,582,749</b>

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

Notes To Financial Statements (Continued)

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

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

	December 31, 2017		
	1% Decrease	Current	1% Increase
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 1,664,000	\$ 772,534	\$ 6,000

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

**Rate Of Return**

For the year ended December 31, 2017 and 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.91 and 6.39 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts annually invested.

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

For the years ended December 31, 2017 and 2016, the St. Louis Science Center recognized pension expense of \$281,666 and \$616,067, respectively, after all deferred inflows and outflows of resources were accounted for. At December 31, 2017 and 2016, respectively, the St. Louis Science Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017		2016	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ —	\$ 203,229	\$ —	\$ 47,091
Net difference between projected and actual earnings on pension plan investments	—	39,879	511,378	—
Science Center contributions subsequent to the measurement date	86,828	—	86,828	—
Other changes - assumption changes	156,540	97,589	357,231	—
<b>Total</b>	<b>\$ 243,368</b>	<b>\$ 340,697</b>	<b>\$ 955,437</b>	<b>\$ 47,091</b>

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

Notes To Financial Statements (*Continued*)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2017 will be recognized in pension expense as follows:

Year	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 156,540	\$ 143,294
2019	—	21,112
2020	—	79,690
2021	—	96,601
	\$ 156,540	\$ 340,697

Other amounts currently reported as deferred outflows of resources of \$86,828 relate to the St. Louis Science Center's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

**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, 2017 and 2016 are \$473,146 and \$545,951, respectively.

**11. Leases**

The Foundation and Subdistrict are parties in a lease for the St. Louis Science Center facility. The term of the lease is for one year, and as of December 31, 2017 the Subdistrict has the option to renew the lease annually for up to 22 additional one-year terms. The lease calls for annual rentals of \$2,000,000, payable in equal monthly installments of \$166,667 each. During 2017 and 2016, 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, 2017, the Subdistrict has the option to renew the lease annually for up to 29 additional one-year terms. The lease calls for annual rentals of \$350,000, payable in equal monthly installments of \$29,167 each. During 2017 and 2016, the Subdistrict paid, and the Foundation received, rentals totaling \$350,000.

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

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Notes To Financial Statements *(Continued)*

The Foundation and Subdistrict are parties in a lease of the Planetarium and the area surrounding the St. Louis Science Center. The term of the lease is for one year, and as of December 31, 2017, the Subdistrict has the option to renew the lease annually for up to 3 additional one-year terms. The lease calls for annual rentals of \$1,920,000 payable in monthly installments of \$160,000 each. During 2017 and 2016, 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, 2017, the Subdistrict has the option to renew the lease annually for up to 42 additional one-year terms. The lease calls for annual rentals of \$234,000 payable in monthly installments of \$19,500 each. During 2017 and 2016, 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 are pledged to collateralize the Foundation's obligations to US Bank under the Series 2014 bonds (Note 7).

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 \$317,877 in 2017 and \$330,577 in 2016, which the Subdistrict paid, and the Foundation received.

**12. Management Agreement**

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

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

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Notes To Financial Statements (*Continued*)

**13. Tax Abatements**

The St. Louis Science Center Subdistrict recognizes tax revenue based on an allocation of property taxes levied and collected by the District. The District levies and collects property taxes on behalf of the Subdistricts based on the assessed valuation of property in St. Louis City (City) and St. Louis County (County). Both the City and County have entered into property tax abatement agreements with local businesses under various state statutes. Under these state statutes the City and County may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The St. Louis Science Center Subdistrict allocated revenues were reduced under these agreements entered into by the City and County. City property tax allocated revenues were reduced by approximately \$147,000 for 2016, for taxes assessed on January 1 and payable by December 31 of the same year. County property tax allocated revenues were reduced by approximately \$86,000 for 2016, for taxes assessed on January 1 and payable by December 31 of the same year. Information regarding the City and County property tax allocated revenue reduction for 2017 is unavailable.

**14. Commitments And Contingencies**

**Federal Financial Assistance**

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

**Litigation**

From time to time the St. Louis Science Center is party to lawsuits arising in the normal course of operations. While the results of litigation cannot be predicted with certainty, management believes that there is no such litigation that will have a material adverse effect on the financial statements of the St. Louis Science Center as of December 31, 2017.

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**Required Supplementary Information**

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

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

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

	12/31/2017	12/31/2016	12/31/2015	12/31/2014
<b>Total Pension Liability</b>				
Interest	\$ 118,437	\$ 159,245	\$ 158,336	\$ 39,996
Differences between expected and actual experience	646,334	663,374	620,824	650,216
Changes of assumptions	(313,249)	(61,741)	(42,284)	(35,181)
Benefit payments	(164,430)	557,922	—	(529,475)
<b>Net Change In Total Pension Liability</b>	<b>(550,174)</b>	<b>(578,768)</b>	<b>(490,947)</b>	<b>(487,594)</b>
	(263,082)	740,032	245,919	(362,038)
<b>Total Pension Liability - Beginning</b>	<b>9,330,916</b>	<b>8,590,884</b>	<b>8,344,965</b>	<b>8,707,003</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 9,067,834</b>	<b>\$ 9,330,916</b>	<b>\$ 8,590,884</b>	<b>\$ 8,344,965</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 86,828	\$ 86,828	\$ 86,828	\$ 72,871
Net investment income (loss)	1,042,141	479,822	(122,710)	445,931
Benefit payments	(650,174)	(578,768)	(490,947)	(487,594)
Administrative expenses	(31,662)	(31,504)	(38,774)	—
<b>Net Change In Plan Fiduciary Net Position</b>	<b>547,133</b>	<b>(43,622)</b>	<b>(565,603)</b>	<b>31,208</b>
	7,748,167	7,791,789	8,357,392	8,326,184
<b>Plan Fiduciary Net Position - Beginning</b>	<b>7,748,167</b>	<b>7,791,789</b>	<b>8,357,392</b>	<b>8,326,184</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 8,295,300</b>	<b>\$ 7,748,167</b>	<b>\$ 7,791,789</b>	<b>\$ 8,357,392</b>
<b>St. Louis Science Center's Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b>\$ 772,534</b>	<b>\$ 1,582,749</b>	<b>\$ 799,095</b>	<b>\$ (12,427)</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability</b>	91.48%	83.04%	90.70%	100.15%
<b>Covered Payroll</b>				
	\$ 5,001,700	\$ 5,443,558	\$ 5,811,438	\$ 5,641,424
<b>St. Louis Science Center's Net Pension Liability (Asset) As A Percentage Of Covered Payroll</b>	15.45%	29.08%	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 primarily relate to adjustments to the discount rate and actuarial method.

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

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

**Schedule Of Employer Contributions**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 86,828	\$ 86,828	\$ 86,828	\$ 67,662
Contributions in relation to the actuarially determined contribution	86,828	86,828	86,828	72,871
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ (5,209)
Covered payroll	\$ 5,001,700	\$ 5,443,558	\$ 5,811,438	\$ 5,641,424
Contributions as a percentage of covered payroll	1.74%	1.60%	1.49%	1.29%

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



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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expense:	13.91%	6.39%	(1.39)%	6.52%

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

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

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

**COMBINING STATEMENT OF NET POSITION**

Page 1 Of 2

December 31, 2017

	St. Louis Science Center				
	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total	
				2017	2016
<b>Assets</b>					
<b>Current assets:</b>					
Cash and short-term investments	\$ 1,794,344	\$ 1,894,659	\$ —	\$ 3,689,003	\$ 3,312,851
Pledges receivable, net	—	1,639,197	—	1,639,197	1,496,853
Taxes receivable from Metropolitan Zoological Park and Museum District, net	6,838,708	—	—	6,838,708	6,175,749
Due from Subdistrict	—	597,395	(597,395)	—	—
Other receivables, net	173,789	593,904	—	767,693	571,231
Prepaid expenses	287,308	138,391	—	425,699	630,992
<b>Total current assets</b>	<b>9,094,149</b>	<b>4,863,546</b>	<b>(597,395)</b>	<b>13,360,300</b>	<b>12,187,676</b>
<b>Noncurrent assets:</b>					
Unrestricted investments	—	295,852	—	295,852	254,048
Restricted cash and investments	296,792	2,505,723	—	2,802,515	2,410,297
Pledges receivable, net	—	3,058,188	—	3,058,188	2,598,851
Other assets	—	305,125	—	305,125	324,073
	<b>296,792</b>	<b>6,164,888</b>	<b>—</b>	<b>6,461,680</b>	<b>5,587,269</b>
<b>Capital assets:</b>					
Land and land improvements	859,121	14,495,222	—	15,354,343	15,319,805
Building and building improvements	12,214,275	55,307,979	—	67,522,254	66,486,785
Furniture, fixtures and equipment	5,232,050	11,026,009	—	16,258,059	15,901,099
Exhibits	17,541,832	10,420,077	—	27,961,909	27,848,509
Collections	841,804	242,660	—	1,084,464	1,084,464
Construction in progress	32,104	91,918	—	124,022	48,256
Less accumulated depreciation	(27,749,677)	(47,461,982)	—	(75,211,659)	(71,315,332)
<b>Total capital assets (net of   accumulated depreciation)</b>	<b>8,971,509</b>	<b>44,121,883</b>	<b>—</b>	<b>53,093,392</b>	<b>55,373,586</b>
<b>Total noncurrent assets</b>	<b>9,268,301</b>	<b>50,286,771</b>	<b>—</b>	<b>59,555,072</b>	<b>60,960,855</b>
<b>Total Assets</b>	<b>18,362,450</b>	<b>55,150,317</b>	<b>(597,395)</b>	<b>72,915,372</b>	<b>73,148,531</b>
<b>Deferred Outflows Of Resources</b>					
Pension contributions	86,828	—	—	86,828	86,828
Difference between expected and actual earnings on pension investments	—	—	—	—	511,378
Change in assumptions - pension	156,540	—	—	156,540	357,231
Deferred amount on bond refunding	—	211,009	—	211,009	237,386
<b>Total Deferred Outflows Of Resources</b>	<b>243,368</b>	<b>211,009</b>	<b>—</b>	<b>454,377</b>	<b>1,192,823</b>

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

**COMBINING STATEMENT OF NET POSITION**

Page 2 Of 2

December 31, 2017

	St. Louis Science Center				
	St. Louis Science Center		Eliminating Entries	Combined Total	
	Subdistrict	Foundation		2017	2016
<b>Liabilities</b>					
Current liabilities:					
Notes payable - current	\$ —	\$ 867,306	\$ —	\$ 867,306	\$ 845,838
Note payable - line-of-credit agreement	1,400,000	—	—	1,400,000	2,300,000
Accounts payable and accrued expenses	1,946,362	599,131	—	2,545,493	2,093,979
Due to Foundation	597,395	—	(597,395)	—	—
Unearned revenue	67,142	300,070	—	367,212	304,213
<b>Total current liabilities</b>	<b>4,010,899</b>	<b>1,766,507</b>	<b>(597,395)</b>	<b>5,180,011</b>	<b>5,544,030</b>
Noncurrent liabilities:					
Notes payable	—	11,284,336	—	11,284,336	12,151,643
Other liabilities	—	39,447	—	39,447	115,997
Net pension liability	772,534	—	—	772,534	1,582,749
<b>Total noncurrent liabilities</b>	<b>772,534</b>	<b>11,323,783</b>	<b>—</b>	<b>12,096,317</b>	<b>13,850,389</b>
<b>Total Liabilities</b>	<b>4,783,433</b>	<b>13,090,290</b>	<b>(597,395)</b>	<b>17,276,328</b>	<b>19,394,419</b>
<b>Deferred Inflows Of Resources</b>					
Difference between expected and actual earnings on pension investments	39,879	—	—	39,879	—
Change in assumptions - pension	97,589	—	—	97,589	—
Difference between expected and actual experience - pension	203,229	—	—	203,229	47,091
<b>Total Deferred Outflows Of Resources</b>	<b>340,697</b>	<b>—</b>	<b>—</b>	<b>340,697</b>	<b>47,091</b>
<b>Net Position</b>					
Net investment in capital assets	8,971,509	32,181,250	—	41,152,759	42,613,491
Restricted for:					
Debt service	—	69	—	69	69
Capital campaign	—	4,374,859	—	4,374,859	3,736,604
Endowment - expendable	96,792	1,080,455	—	1,177,247	785,029
Endowment - nonexpendable	200,000	1,425,199	—	1,625,199	1,625,199
Unrestricted	4,213,387	3,209,204	—	7,422,591	6,139,452
<b>Total Net Position</b>	<b>\$ 13,481,688</b>	<b>\$ 42,271,036</b>	<b>\$ —</b>	<b>\$ 55,752,724</b>	<b>\$ 54,899,844</b>

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

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

Page 1 Of 2

For The Year Ended December 31, 2017

	St. Louis Science Center				
	Subdistrict	St. Louis Science Center		Combined Total	
		Foundation	Eliminating Entries	2017	2016
<b>Operating Revenues</b>					
Visitor Activities:					
Omnimax theater	\$ —	\$ 1,107,419	\$ —	\$ 1,107,419	\$ 1,306,731
Special exhibits	350	1,263,092	—	1,263,442	136,653
Parking	—	1,033,868	—	1,033,868	952,249
Planetarium	345,518	—	—	345,518	309,919
Discovery Room	—	76,254	—	76,254	82,156
Restaurants	—	212,586	—	212,586	200,653
Gift Shops	—	214,476	—	214,476	270,504
Simulators	13,838	372,090	—	385,928	410,010
Education programs:					
School programs	202,841	—	—	202,841	172,455
Public programs	73,248	—	—	73,248	75,432
Camps	257,108	—	—	257,108	234,784
Robotics competition	114,438	—	—	114,438	162,000
Membership	—	1,154,787	—	1,154,787	891,364
Other:					
Sponsorships	—	485,148	—	485,148	49,575
Rental and events income	232,770	4,821,877	(4,821,877)	232,770	268,396
Guest services	34,789	—	—	34,789	33,968
Sale and lease of exhibits	4,890	—	—	4,890	35,894
Miscellaneous	2,080,520	60,279	(2,004,000)	136,799	81,924
Total operating revenues	3,360,310	10,801,876	(6,825,877)	7,336,309	5,674,667
<b>Operating Expenses</b>					
Program services:					
Gallery operations and support	1,373,531	—	—	1,373,531	1,189,554
Design services and exhibit technology	1,393,474	—	—	1,393,474	1,457,052
Special exhibits	100,030	1,280,537	—	1,380,567	499,241
Theaters	201,803	935,080	—	1,136,883	1,111,606
Simulators	—	293,485	—	293,485	314,505
Community science education	678,974	—	—	678,974	716,399
Other educational programs	618,913	—	—	618,913	562,392
Grant funded programs	—	443,766	—	443,766	298,568
Other	306,268	—	—	306,268	230,380
Total program services	4,672,993	2,952,868	—	7,625,861	6,379,697
Supporting services:					
Marketing and communications	1,370,125	—	—	1,370,125	1,628,733
Building services	1,295,481	—	—	1,295,481	1,269,999
Operations	1,299,314	—	—	1,299,314	1,351,861
Security and parking	543,132	35,823	—	578,955	574,453
Guest services	421,838	—	—	421,838	447,114
Finance and information systems	6,957,554	333,491	(4,821,877)	2,469,168	2,633,979
Human resources	567,444	—	—	567,444	581,477
Membership benefits and fundraising	1,164,679	—	—	1,164,679	1,086,712
Administration	610,375	2,010,843	(2,004,000)	617,218	571,312
Depreciation and amortization	946,483	2,949,844	—	3,896,327	3,436,598
Total supporting services	15,176,425	5,330,001	(6,825,877)	13,680,549	13,582,238
<b>Total Operating Expenses</b>	19,849,418	8,282,869	(6,825,877)	21,306,410	19,961,935
<b>Operating Income (Loss)</b>	(16,489,108)	2,519,007	—	(13,970,101)	(14,287,268)

**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, 2017

	St. Louis Science Center				
	St. Louis Science Center			Combined Total	
	Subdistrict	Foundation	Eliminating Entries	2017	2016
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes and license fees from the Metropolitan Zoological Park and Museum District, net	\$ 11,372,086	\$ —	\$ —	\$ 11,372,086	\$ 10,855,047
Contributions and grants:					
Annual fund	—	241,117	—	241,117	225,679
Events and other	26,000	65,165	—	91,165	47,630
Major gifts	—	509,661	—	509,661	1,889,921
In-kind revenue	35,660	78,771	—	114,431	1,191,740
Gala	—	407,400	—	407,400	—
Grants:					
Federal	—	122,811	—	122,811	107,523
Other	—	382,913	—	382,913	184,226
Capital fundraising expenses	—	(143,085)	—	(143,085)	(183,861)
Gain (loss) on disposal of capital assets	—	—	—	—	(3,699)
Investment income	51,708	396,504	—	448,212	156,830
Interest expense	(25,142)	(359,971)	—	(385,113)	(385,204)
<b>Total Nonoperating Revenues</b>	<b>11,460,312</b>	<b>1,701,286</b>	<b>—</b>	<b>13,161,598</b>	<b>14,085,832</b>
<b>Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment</b>					
	(5,028,796)	4,220,293	—	(808,503)	(201,436)
<b>Capital Grants And Contributions Additions To Permanent Endowment</b>	<b>—</b>	<b>1,660,383</b>	<b>—</b>	<b>1,660,383</b>	<b>1,704,773</b>
	—	1,000	—	1,000	—
<b>Change In Net Position</b>	<b>(5,028,796)</b>	<b>5,881,676</b>	<b>—</b>	<b>852,880</b>	<b>1,503,337</b>
<b>Net Position - Beginning Of Year</b>	<b>12,685,484</b>	<b>42,214,360</b>	<b>—</b>	<b>54,899,844</b>	<b>53,396,507</b>
<b>Transfers</b>	<b>5,825,000</b>	<b>(5,825,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Position - End Of Year</b>	<b>\$ 13,481,688</b>	<b>\$ 42,271,036</b>	<b>\$ —</b>	<b>\$ 55,752,724</b>	<b>\$ 54,899,844</b>