
**ST. LOUIS SCIENCE CENTER
SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT**
FINANCIAL STATEMENTS
DECEMBER 31, 2018



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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, 2018 and 2017, 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, 2018 and 2017, 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 11 and the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of return on investments on pages 47 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

RubinBrown LLP

March 26, 2019

Management's Discussion And Analysis

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the St. Louis Science Center's (the Science Center) financial performance provides an overview of the Science Center's financial activities for the years ended December 31, 2018 and 2017. The discussion and analysis should be read in conjunction with the Science Center's financial statements that begin on page 12.

2018 Financial Highlights

The net position of the Science Center totaled \$54,879,468 at the close of 2018; this was a decrease of \$873,256 or -1.6% from 2017.

Unrestricted net position increased \$461,379 or 6.2%, primarily the result of an increase in revenues from simulators and gift shops and as more fully described following Table 1 - Net Position.

Total 2018 revenues decreased \$2,484,044 (-10.9%) from 2017, primarily as a result of lower special exhibits revenue, sponsorships, the biennial Gala (not held in 2018) and investment income. These decreases were offset by an increase in simulator revenue of approximately \$164,000 and gift shops revenue of approximately \$63,000.

Total expenses for 2018 decreased \$757,908 or 3.5% from 2017, comprised mostly of decreases in program services and depreciation. The largest decrease in program services was \$414,923 in special exhibits and depreciation decreased by \$118,310.

Total liabilities decreased \$144,602 or 0.8% from 2017, which was principally accounted for by a decrease in note payables of \$867,306 (7.1%) and a decrease in accounts payable and accrued expenses of \$472,106 or 18.5%. The decreases were offset by an increase in our net pension liability of \$1,290,505 or 167%.

Capital asset additions totaled approximately \$2,112,000 for the year, representing mostly the new exhibits Destination Moon and GameXP as well as our new parking system.

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.

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

Management's Discussion And Analysis (*Continued*)

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.

Using This Annual Report

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

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

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

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

Management's Discussion And Analysis (*Continued*)

St. Louis Science Center as a Whole

Table 1 provides a summary of the Science Center's net position for 2018, 2017 and 2016.

Table 1 - Net Position

	2018	2017	2016
Assets			
Current assets and other assets	\$19,531,139	\$ 19,821,980	\$ 17,774,945
Capital assets	51,427,311	53,093,392	55,373,586
<i>Total assets</i>	70,958,450	72,915,372	73,148,531
<i>Deferred outflows</i>	1,142,059	454,377	1,192,823
Liabilities			
Current liabilities	4,586,396	5,180,011	5,544,030
Noncurrent liabilities	12,545,330	12,096,317	13,850,389
<i>Total liabilities</i>	17,131,726	17,276,328	19,394,419
<i>Deferred inflows</i>	89,315	340,697	47,091
Net position			
Net investment in capital assets	40,327,608	41,152,759	42,613,491
Restricted	6,667,890	7,177,374	6,146,901
Unrestricted	7,883,970	7,422,591	6,139,452
<i>Total net position</i>	\$54,879,468	\$ 55,752,724	\$ 54,899,844

2018 and 2017

Net position invested in capital assets decreased by \$825,151 due to capital asset additions of \$2,111,936 and a decrease in debt of approximately \$867,000. This was offset by depreciation of \$3,778,017.

The restricted net position, which represents resources that are subject to external restrictions on how those assets may be used, decreased in 2018 due to pledges receivable which are restricted for the capital campaign and the decrease in endowment earnings due to a weak market. The Science Center did receive a pledge of \$2,000,000 in 2018 but because of the conditional wording used by the donor, only \$400,000 was able to be recognized in 2018.

The unrestricted net position increased as a result of higher revenues for simulators and gift shops which were offset by a decrease in revenues from special exhibits and the biennial Gala (not held in 2018).

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

Management's Discussion And Analysis (*Continued*)

Current liabilities decreased by approximately \$594,000 from 2017, comprised mainly of a decrease in accounts payable and accrued expenses of \$472,106.

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.

Table 2 - Change in Net Position

	2018	2017	2016
Revenues			
Contributions and grants	\$ 2,664,322	\$ 3,530,881	\$ 5,351,492
Tax revenue from Zoo - Museum			
District	11,414,772	11,372,086	10,855,047
Theaters and other operating sources	6,312,677	7,336,309	5,674,667
Investment income (loss)	(188,327)	448,212	156,830
<i>Total revenues, including endowment</i>	20,203,444	22,687,488	22,038,036
Expenses			
Salaries and benefits	10,176,571	10,018,202	10,013,064
Depreciation and amortization	3,778,017	3,896,327	3,436,598
Other program services	2,178,348	2,823,541	1,883,074
Other supporting services	4,439,820	4,568,340	4,629,199
Interest and debt related expenses	367,470	385,113	385,204
Other	136,474	143,085	187,560
<i>Total expenses</i>	21,076,700	21,834,608	20,534,699
<i>Change in net position</i>	\$ (873,256)	\$ 852,880	\$ 1,503,337

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

Management's Discussion And Analysis (*Continued*)

2018 and 2017

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 \$866,559 from 2017 to 2018 principally because of the biennial Gala (not held in 2018) and a decrease in major gifts. Operating grant revenues include \$349,757 and \$505,724 received under several different Federal and Non-Federal grants during 2018 and 2017, respectively. Property taxes and license fees are received rather than general admission fees and represented approximately 56% of total revenues in 2018 and 50% of total revenues in 2017. Theater and other revenues include revenue from the Science Center's operations for which fees are charged (Omnimax Theater, planetarium, special exhibits, parking, restaurants, etc.). These revenues decreased approximately \$1,023,000 from 2017, reflecting lower special exhibit and sponsorship revenue.

Investment income for 2018 (net loss in 2018) decreased from 2017 by approximately \$637,000. 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 \$10,176,571 and \$10,018,202 respectively, or 48% and 46% of total expenses in 2018 and 2017, respectively.

Depreciation of the Science Center's capital assets totaled \$3,778,017 and \$3,896,327 or 18% and 18%, of total expenses in 2018 and 2017, respectively. Depreciation decreased as a result of some exhibits being fully depreciated mid-year in 2018.

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 \$645,193 or 23% in 2018. 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 during 2018 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 \$128,520 or 3% in 2018. Major expenses include marketing and communications, utilities, supplies, printing, insurance and maintenance. Our largest expense reduction during 2018 was in membership benefits and fundraising.

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

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, or 46% and 49%, of total expenses in 2017 and 2016, respectively.

Depreciation of the Science Center's capital assets totaled \$3,896,327 and \$3,436,598, or 18% and 17%, of total expenses in 2017 and 2016, respectively. 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.

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

	2018		2017		2016
Land and land improvements	\$ 15,370,247	\$	15,354,343	\$	15,319,805
Building and building improvements	67,763,606		67,522,254		66,486,785
Equipment, exhibits and collections	46,758,828		45,304,432		44,834,072
Construction in progress	524,306		124,022		48,256
	130,416,987		128,305,051		126,688,918
Less accumulated depreciation	(78,989,676)		(75,211,659)		(71,315,332)
Net capital assets	\$ 51,427,311	\$	53,093,392	\$	55,373,586

At December 31, 2018 the Science Center's net investment in capital assets totaled \$40,327,608 (net of outstanding notes payable of \$11,284,336 used to finance the construction of certain capital assets and the related deferred amount on bond refunding of \$184,633). There were capital asset additions of \$2,111,936 during the year. These additions included the Destination Moon and GameXP exhibits as well as ongoing replacements and normal additions of equipment and other exhibits.

Additional information on the Science Center's capital assets can be found in Note 6 on pages 34 through 35 of this annual report.

Debt

The Science Center has notes payable outstanding totaling \$11,284,336. 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, 2018 total \$6,280,000. The total amount drawn on the Series 2014B Bonds as of December 31, 2018 is \$5,000,000.

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

Management's Discussion And Analysis (*Continued*)

In 2013, the Science Center financed the purchase of a new VOIP phone system through US Bank. The amount of the note at December 31, 2018 is \$4,336. 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, 2018. 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 36 through 38 of this annual report.

Contacting the Science Center's Financial Management

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

Basic Financial Statements

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

STATEMENT OF NET POSITION

Page 1 Of 2

Assets	December 31,	
	2018	2017
Current assets:		
Cash and short-term investments	\$ 3,501,923	\$ 3,689,003
Pledges receivable	2,283,654	1,639,197
Taxes receivable from Metropolitan Zoological Park and Museum District, net of allowance for uncollectible taxes of \$357,363 in 2018 and \$313,699 in 2017	7,700,699	6,838,708
Other receivables, net of allowance for uncollectible receivables of \$1,322 in 2018 and \$3,649 in 2017	498,299	767,693
Prepaid expenses	333,485	425,699
Total current assets	14,318,060	13,360,300
Noncurrent assets:		
Unrestricted investments	276,687	295,852
Restricted cash and investments	2,651,903	2,802,515
Pledges receivable, net	1,963,477	3,058,188
Other assets	321,012	305,125
Total noncurrent assets	5,213,079	6,461,680
Capital assets:		
Land and land improvements	15,370,247	15,354,343
Building and building improvements	67,763,606	67,522,254
Furniture, fixtures and equipment	16,762,543	16,258,059
Exhibits	28,911,821	27,961,909
Collections	1,084,464	1,084,464
Construction in progress	524,306	124,022
Less: Accumulated depreciation	(78,989,676)	(75,211,659)
Total capital assets (net of accumulated depreciation)	51,427,311	53,093,392
Total noncurrent assets	56,640,390	59,555,072
Total Assets	70,958,450	72,915,372
Deferred Outflows Of Resources		
Pension contributions	139,067	86,828
Difference between expected and actual earnings on pension investments	673,454	—
Change in assumptions - pension	—	156,540
Difference between expected and actual experience - pension	144,905	—
Deferred amount on bond refunding	184,633	211,009
Total Deferred Outflows Of Resources	1,142,059	454,377

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

STATEMENT OF NET POSITION

Page 2 Of 2

	December 31,	
	2018	2017
Liabilities		
Current liabilities:		
Notes payable - current	\$ 839,336	\$ 867,306
Note payable - lines of credit	1,400,000	1,400,000
Accounts payable and accrued expenses	2,073,387	2,545,493
Unearned revenue	273,673	367,212
Total current liabilities	4,586,396	5,180,011
Noncurrent liabilities:		
Notes payable	10,445,000	11,284,336
Other liabilities	37,291	39,447
Net pension liability	2,063,039	772,534
Total noncurrent liabilities	12,545,330	12,096,317
Total Liabilities	17,131,726	17,276,328
Deferred Inflows Of Resources		
Difference between expected and actual earnings on pension investments		
	—	39,879
Change in assumptions - pension	30,748	97,589
Difference between expected and actual experience - pension	58,567	203,229
Total Deferred Inflows Of Resources	89,315	340,697
Net Position		
Net investment in capital assets	40,327,608	41,152,759
Restricted for:		
Expendable:		
Debt service and capital projects	—	69
Capital campaign	4,015,987	4,374,859
Endowment earnings	993,701	1,177,247
Nonexpendable:		
Endowment principal	1,658,202	1,625,199
Unrestricted	7,883,970	7,422,591
Total Net Position	\$ 54,879,468	\$ 55,752,724

**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,	
	2018	2017
Operating Revenues		
Visitor activities:		
Omnimax theater	\$ 1,064,876	\$ 1,107,419
Special exhibits	498,863	1,263,442
Parking	968,744	1,033,868
Planetarium	292,115	345,518
Discovery room	84,314	76,254
Restaurants	215,376	212,586
Gift shops	277,403	214,476
Simulators	550,214	385,928
Education programs:		
School programs	165,854	202,841
Public programs	82,624	73,248
Camps	258,830	257,108
Robotics competition	10,250	114,438
Membership	1,176,424	1,154,787
Other:		
Sponsorships	290,750	485,148
Rental and events income	221,309	232,770
Guest services	31,196	34,789
Sale of exhibits	22,873	4,890
Miscellaneous	100,662	136,799
Total operating revenues	6,312,677	7,336,309
Operating Expenses		
Program services:		
Gallery operations and support	1,338,381	1,373,531
Design services and exhibit technology	1,318,310	1,393,474
Special exhibits	965,644	1,380,567
Theaters	892,651	1,136,883
Simulators	413,750	293,485
Community science education	615,317	678,974
Other educational programs	582,660	618,913
Grant funded programs	503,709	443,766
Other	298,916	306,268
Total program services	6,929,338	7,625,861
Supporting services:		
Marketing and communications	1,308,208	1,370,125
Building services	1,311,489	1,295,481
Operations	1,392,439	1,299,314
Security and parking	571,985	578,955
Guest services	439,153	421,838
Finance and information systems	2,729,498	2,469,168
Human resources	573,155	567,444
Membership benefits and fundraising	984,331	1,164,679
Administration	555,145	617,218
Depreciation	3,778,017	3,896,327
Total supporting services	13,643,420	13,680,549
Total Operating Expenses	20,572,758	21,306,410
Operating Loss	(14,260,081)	(13,970,101)

**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,	
	2018	2017
Nonoperating Revenues (Expenses)		
Property taxes and license fees from the Metropolitan Zoological Park and Museum District	\$ 11,414,772	\$ 11,372,086
Contributions and grants:		
Annual fund	195,021	241,117
Events and other	58,085	91,165
Major gifts	285,420	509,661
In-kind revenue	26,280	114,431
Gala	—	407,400
Operating grants:		
Federal	96,330	122,811
Other	253,427	382,913
Capital fundraising expenses	(136,472)	(143,085)
Investment income (loss)	(188,327)	448,212
Interest expense	(367,470)	(385,113)
Total Nonoperating Revenues (Expenses)	11,637,066	13,161,598
Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment	(2,623,015)	(808,503)
Capital Grants And Contributions	1,719,281	1,660,383
Additions To Permanent Endowment	30,478	1,000
Change In Net Position	(873,256)	852,880
Net Position - Beginning Of Year	55,752,724	54,899,844
Net Position - End Of Year	\$ 54,879,468	\$ 55,752,724

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

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2018	2017
Cash Flows From Operating Activities		
Received from visitors	\$ 5,338,577	\$ 5,999,732
Membership contributions	1,176,424	1,154,787
Paid to employees for services	(9,792,567)	(9,779,027)
Paid to suppliers for goods and services	(7,156,129)	(7,044,863)
Net Cash Used In Operating Activities	(10,433,695)	(9,669,371)
Cash Flows From Noncapital And Related Financing Activities		
Received from Metropolitan Zoological Park and Museum District	10,552,781	10,709,127
Received from donors	1,322,461	1,335,092
Net Cash Provided By Noncapital And Related Financing Activities	11,875,242	12,044,219
Cash Flows From Capital And Related Financing Activities		
Received from donors	1,749,759	1,661,383
Principal paid on revenue bonds	(867,306)	(845,839)
Borrowings on line of credit	4,150,000	3,700,000
Repayments of line of credit	(4,150,000)	(4,600,000)
Interest paid	(331,962)	(361,873)
Purchases of capital assets	(2,024,096)	(1,423,472)
Paid to employees and suppliers for goods and services	(136,472)	(143,085)
Net Cash Used In Capital And Related Financing Activities	(1,610,077)	(2,012,886)
Cash Flows From Investing Activities		
Purchase of investments	(360,416)	(941,367)
Proceeds from sale of investments	193,489	791,302
Interest, dividends, and realized gain/(losses) on investments	148,377	164,255
Net Cash Provided By (Used In) Investing Activities	(18,550)	14,190
Net (Decrease) Increase In Cash And Short-Term Investments	(187,080)	376,152
Cash And Short-Term Investments - Beginning Of Year	3,689,003	3,312,851
Cash And Short-Term Investments - End Of Year	\$ 3,501,923	\$ 3,689,003
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Operating loss	\$ (14,260,081)	\$ (13,970,101)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	3,778,017	3,896,327
Changes in assets and liabilities:		
Other receivables and prepaid expenses	307,782	2,810
Other noncurrent assets	(15,887)	18,948
Accounts payable and accrued expenses	(569,078)	261,990
Pension liability and related inflows & outflows	325,065	195,460
Unearned revenue and other liabilities	487	(74,805)
Net Cash Used In Operating Activities	\$ (10,433,695)	\$ (9,669,371)
Supplemental Disclosure Of Cash Flow Information		
Unrealized gains (losses) on investments	\$ (336,855)	\$ 283,710
Reduction of in-kind pledge contributions	(97,582)	(115,582)
Capital asset additions included in accounts payable	280,501	192,661

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

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

	December 31,	
	2018	2017
Assets		
Cash and short-term investments	\$ 724,497	\$ 539,503
Investment in marketable securities	6,289,540	7,282,651
Contribution receivable	419,213	473,146
Total Assets	7,433,250	8,295,300
Net Position Restricted For Pensions	\$ 7,433,250	\$ 8,295,300

**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,	
	2018	2017
Additions		
Contributions		
Employer contributions	\$ 139,067	\$ 86,828
Investment Income, Net		
Net appreciation (depreciation) in fair value of investments and interest and dividends	(373,116)	1,042,141
Investment expenses	(31,615)	(31,662)
Total Investment Income, Net	(404,731)	1,010,479
Total Additions	(265,664)	1,097,307
Deductions		
Benefits paid	596,386	550,174
Change In Net Position	(862,050)	547,133
Net Position Restricted For Pensions - Beginning Of Year	8,295,300	7,748,167
Net Position Restricted For Pensions - End Of Year	\$ 7,433,250	\$ 8,295,300

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 And 2017

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, 2018 is as follows:

Condensed Combining Statement Of Net Position

	Subdistrict	St. Louis Science Center Foundation	Eliminating Entries	Combined Total 2018
Current Assets				
Due from Foundation	\$ 6,747	\$ —	\$ (6,747)	\$ —
Other	8,660,783	5,657,277	—	14,318,060
Noncurrent Assets				
Capital assets, net of depreciation	9,251,946	42,175,365	—	51,427,311
Other	279,051	4,934,028	—	5,213,079
Total Assets	18,198,527	52,766,670	(6,747)	70,958,450
Deferred Outflows Of Resources	957,426	184,633	—	1,142,059
Current Liabilities				
Due to Subdistrict	—	6,747	(6,747)	—
Other	3,260,829	1,325,567	—	4,586,396
Noncurrent Liabilities				
Total Liabilities	2,063,039	10,482,291	—	12,545,330
Total Liabilities	5,323,868	11,814,605	(6,747)	17,131,726
Deferred Inflows Of Resources	89,315	—	—	89,315
Net Position				
Net investment in capital assets	9,251,946	31,075,662	—	40,327,608
Restricted	279,051	6,388,839	—	6,667,890
Unrestricted	4,211,773	3,672,197	—	7,883,970
Total Net Position	\$ 13,742,770	\$ 41,136,698	\$ —	\$ 54,879,468

**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 2018
Operating Revenue				
Visitor activities	\$ 319,291	\$ 3,632,614	\$ —	\$ 3,951,905
Education programs	517,558	—	—	517,558
Membership	—	1,176,424	—	1,176,424
Other operating revenues	2,329,634	5,164,408	(6,827,252)	666,790
Total Operating Revenue	3,166,483	9,973,446	(6,827,252)	6,312,677
Operating Expenses				
Program Services	4,431,599	2,497,739	—	6,929,338
Supporting Services	14,315,196	2,377,459	(6,827,252)	9,865,403
Depreciation	941,744	2,836,273	—	3,778,017
Total Operating Expenses	19,688,539	7,711,471	(6,827,252)	20,572,758
Operating Loss	(16,522,056)	2,261,975	—	(14,260,081)
Nonoperating Revenue (Expenses)				
Property taxes and license fees	11,414,772	—	—	11,414,772
Contributions and grants	20,300	894,263	—	914,563
Capital fundraising expenses	—	(136,472)	—	(136,472)
Investment income (expense)	(6,922)	(181,405)	—	(188,327)
Interest and debt related expenses	(30,012)	(337,458)	—	(367,470)
Net Nonoperating Revenues	11,398,138	238,928	—	11,637,066
Capital Grants And Contributions	—	1,719,281	—	1,719,281
Additions To Permanent Endowment	—	30,478	—	30,478
Transfers	5,385,000	(5,385,000)	—	—
Change In Net Position	261,082	(1,134,338)	—	(873,256)
Net Position Beginning Of Year	13,481,688	42,271,036	—	55,752,724
Net Position End Of Year	\$ 13,742,770	\$ 41,136,698	\$ —	\$ 54,879,468

Condensed Combining Statement Of Cash Flows

Net cash (used in) provided by operating activities	\$ (16,181,276)	\$ 5,747,581	\$ —	\$ (10,433,695)
Net cash provided by noncapital and related financing activities	10,573,079	1,302,163	—	11,875,242
Net cash used in capital and related financing activities	(1,114,762)	(495,315)	—	(1,610,077)
Net cash (used in) provided by investing activities	10,822	(29,372)	—	(18,550)
Transfers	5,385,000	(5,385,000)	—	—
Net increase (decrease) in cash and cash equivalents	(1,327,137)	1,140,057	—	(187,080)
Cash and cash equivalents - beginning of year	1,794,344	1,894,659	—	3,689,003
Cash and cash equivalents - end of year	\$ 467,207	\$ 3,034,716	\$ —	\$ 3,501,923

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

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

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.

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

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

Notes To Financial Statements (*Continued*)

Capital Assets

Capital assets are recorded at historical cost plus interest on funds borrowed to finance the acquisition or construction of major capital additions. Donated items are stated at acquisition 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

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.

**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:

	<u>2018</u>	<u>2017</u>
Business-Type Activity		
Cash and short-term investments:		
Cash	\$ 3,501,923	\$ 3,689,003
Noncurrent cash and investments:		
Equity-based mutual funds - international	420,625	486,406
Equity-based mutual funds - domestic	1,524,417	1,737,740
Fixed income mutual funds	516,901	539,573
Money market mutual funds	351,016	83,951
Hedge funds	—	115,773
Infrastructure funds	53,456	65,791
REIT funds	62,175	69,133
	<u>\$ 6,430,513</u>	<u>\$ 6,787,370</u>
Pension Trust Fund		
Money market mutual funds	\$ 724,497	\$ 539,753
Equity-based index and open-end mutual funds	3,894,799	4,807,274
Fixed income mutual funds	2,294,671	2,074,642
Hedge funds	—	282,108
Infrastructure funds	59,818	73,620
REIT funds	40,252	44,757
	<u>\$ 7,014,037</u>	<u>\$ 7,822,154</u>

Investment Policy

Investments - Subdistrict

The St. Louis Science Center's investment policies require the Subdistrict to invest in instruments that are defined as being approved by the statutes of the State of Missouri and collateralized by approved instruments. The policy has safety as its primary objective. Investments are made to ensure 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

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
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

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, 2018 and 2017, the St. Louis Science Center held the following investments and maturities:

Investment Type	Fair Value	December 31, 2018		
		Investment Maturities (In Years)		
		Less Than One	1 - 5	6 - 10
Fixed income mutual funds*	\$ 516,901	\$ 33,717	\$ —	\$ 483,184
Money market mutual funds	351,016	351,016	—	—
	\$ 867,917	\$ 384,733	\$ —	\$ 483,184

* Average duration of securities within the funds

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

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

Notes To Financial Statements (*Continued*)

The Pension Plan's investment policy does not address interest rate risk. The portfolio had the following investments and maturities:

Investment Type	Fair Value	December 31, 2018		
		Investment Maturities (In Years)		
		Less Than One	1 - 5	6 - 10
Money market mutual funds	\$ 724,497	\$ 724,497	\$ —	\$ —
Fixed income mutual funds*	2,294,671	360,259	—	1,934,412
	\$ 3,019,168	\$ 1,084,756	\$ —	\$ 1,934,412

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

* 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.

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

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.

	December 31, 2018	
	Moody's	Fair Value
Goldman Sachs Financial Sq Funds Gov't Fund 466	Aaa-mf	\$ 351,016
Commerce Bond Fund	Unrated	442,880
iShares US Preferred Stock ETF	Unrated	33,717
Vanguard Intermediate Term Investment	Unrated	40,304

	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

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.

	December 31, 2018	
	Moody's	Fair Value
Barclays Capital Aggregate Bond Fund	Unrated	\$ 259,452
Commerce Bond Fund	Unrated	1,934,412
iShares US Preferred Stock ETF	Unrated	100,807
Financial Square Tf Government Fd	Unrated	598,158
BlackRock Money Market	Unrated	132,390

	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

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

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, 2018 and 2017, 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, 2018 or 2017.

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, 2018 the Foundation's deposits in excess of the FDIC limits were \$2,795,472.

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

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE
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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:

Investments By Fair Value Level	2018		
	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Level 1	Level 2	Level 3
Money market mutual funds	\$ 351,016	\$ —	\$ —
Equity-based mutual funds - international	420,625	—	—
Equity-based mutual funds - domestic	1,524,417	—	—
Fixed income mutual funds	516,901	—	—
Infrastructure funds	53,456	—	—
REIT funds	62,175	—	—
Total Investments By Fair Value Level	\$ 2,928,590	\$ —	\$ —

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

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

The Pension Plan has the following recurring fair value measurements as of December 31:

Investments By Fair Value Level	2018		
	Quoted Prices		
	In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Level 1	Level 2	Level 3
Money Market Funds	\$ 724,497	\$ —	\$ —
Equity Based Index and Open-end Mutual Funds	3,894,799	—	—
Fixed Income Mutual Funds	2,294,671	—	—
Infrastructure funds	59,818	—	—
REIT funds	40,252	—	—
Total Investments By Fair Value Level	\$ 7,014,037	\$ —	\$ —

Investments By Fair Value Level	2017		
	Quoted Prices		
	In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	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	—	—
Total Investments By Fair Value Level	\$ 7,822,154	\$ —	\$ —

5. Pledges Receivable

Outstanding pledges at December 31, 2018 and 2017 are receivable from individuals, corporations, and other organizations principally located in the St. Louis metropolitan area. Pledges that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. In 2010, the St. Louis Science Center began its Bridge to the Future Campaign and received approximately \$1,000,000 and \$1,500,000 in pledges during 2018 and 2017, respectively. Amortization of the discounts is included in contribution revenue.

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

Pledges are scheduled to be collected as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 2,283,654
2020	1,308,516
2021	452,270
2022	400,000
2023	—
	<u>4,444,440</u>
Less: Noncurrent unamortized discount	160,574
	<u>4,283,866</u>
Less: Allowance for uncollectible pledges	36,735
	<u><u>\$ 4,247,131</u></u>

As of December 31, 2018, the St. Louis Science Center has conditional donor commitments totaling approximately \$1,600,000 that have not been recognized. Contribution revenue will be recognized when all donor-imposed eligibility requirements are met.

6. Capital Assets

Capital asset activity for the year ended December 31, 2018 is as follows:

	<u>Balance - January 1, 2018</u>	<u>Additions & Transfers</u>	<u>Deletions & Transfers</u>	<u>Balance - December 31, 2018</u>
Capital assets, nondepreciable:				
Land	\$ 11,601,596	\$ —	\$ —	\$ 11,601,596
Construction in progress	124,022	407,076	(6,792)	524,306
Collections	1,084,464	—	—	1,084,464
Total capital assets, nondepreciable	<u>12,810,082</u>	<u>407,076</u>	<u>(6,792)</u>	<u>13,210,366</u>
Capital assets, depreciable:				
Land improvements	3,752,747	15,904	—	3,768,651
Building and building improvements	67,522,254	241,352	—	67,763,606
Furniture, fixtures and equipment	16,258,059	504,484	—	16,762,543
Exhibits	27,961,909	949,912	—	28,911,821
Total capital assets, depreciable	<u>115,494,969</u>	<u>1,711,652</u>	<u>—</u>	<u>117,206,621</u>
Total accumulated depreciation	<u>(75,211,659)</u>	<u>(3,778,017)</u>	<u>—</u>	<u>(78,989,676)</u>
Total capital assets, depreciable, net	<u>40,283,310</u>	<u>(2,066,365)</u>	<u>—</u>	<u>38,216,945</u>
Total capital assets, net	<u><u>\$ 53,093,392</u></u>	<u><u>\$ (1,659,289)</u></u>	<u><u>\$ (6,792)</u></u>	<u><u>\$ 51,427,311</u></u>

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

Capital asset activity for the year ended December 31, 2017 was 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

**ST. LOUIS SCIENCE CENTER SUBDISTRICT OF THE
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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, 2018 and 2017 is as follows:

	Balance - January 1, 2018			Additions	Reductions	Balance - December 31, 2018		Due Within One Year		
2013 Note Payable	\$	56,642	\$	—	\$	52,306	\$	4,336	\$	4,336
Series 2014A Refunding Revenue Bonds		7,095,000		—		815,000		6,280,000		835,000
Series 2014B Refunding Revenue Bonds		5,000,000		—		—		5,000,000		—
Long-Term Liabilities	\$	12,151,642	\$	—	\$	867,306	\$	11,284,336	\$	839,336

	Balance - January 1, 2017			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		—
Long-Term Liabilities	\$	12,997,481	\$	—	\$	845,839	\$	12,151,642	\$	867,306

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
2019	\$ 835,000	\$ 141,548
2020	855,000	121,581
2021	875,000	101,051
2022	895,000	80,225
2023	915,000	58,835
2024-2025	1,905,000	51,044
	<u>\$ 6,280,000</u>	<u>\$ 554,284</u>

The Series B Bonds bear interest at an adjustable rate, set initially at 3.05%, with interest payments due every 90 days. The interest rate 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, 2018 and 2017, \$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, 2018 and 2017 is \$184,633 and \$211,009, 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 - Lines-Of-Credit

Subdistrict

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 17, 2018, the St. Louis Science Center signed a renewal agreement with US Bank to extend the maturity date to December 20, 2019. 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 2018 was \$3,500,000 and during 2017 was \$3,050,000. The unpaid balance bore an interest rate of 3.77% at December 31, 2018 and 2.81% at December 31, 2017. The balance outstanding at December 31, 2018 and 2017 was \$1,400,000.

Under terms of the line of credit agreement, the St. Louis Science Center is required to meet certain financial ratios, including a 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, 2018 and 2017.

Foundation

On December 1, 2018, the Foundation entered into a revolving line-of-credit agreement with US Bank to allow borrowing up to \$10,000,000 in increments of \$100,000. This agreement extends through December 1, 2021. The unpaid balance bears interest at an annual rate equal to 1.00% above the LIBOR rate. Pledges receivable have been pledged as collateral.

The Foundation did not have an outstanding balance at any point during 2018, and therefore, has no outstanding balance at December 31, 2018.

Under terms of the line of credit agreement, the Foundation is required to meet certain financial ratios, including a minimum fixed charge coverage ratio and operating liquidity ratio. The Foundation was in compliance with all covenants as of and for the year ended December 31, 2018.

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 \$246,001 and \$287,183 to the 401(a) plan in 2018 and 2017, respectively, and made no contributions to the other plan in 2018 or 2017.

Because the St. Louis Science Center did not hold the plan assets in a trustee capacity at December 31, 2018 and 2017, the investments for the deferred compensation plans are not presented in the St. Louis Science Center's financial statements.

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

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.

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, 2018 and 2017, membership in the Plan consisted of the following:

	<u>2018</u>	<u>2017</u>
Active employees	74	84
Retirees and beneficiaries currently receiving benefits	75	60
Terminated employees entitled to benefits but not yet receiving them	163	162
<u>Total</u>	<u>312</u>	<u>306</u>

Contributions of \$139,067 and \$86,828 were accrued by St. Louis Science Center as of December 31, 2018 and 2017, respectively, and are included in accrued expenses. These contributions were accrued in accordance with actuarially determined contribution requirements.

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Notes To Financial Statements (*Continued*)

Net Pension Liability

The St. Louis Science Center's net pension liability was measured as of January 1, 2018 and rolled forward to December 31, 2018 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	\$ 9,496,289
Plan fiduciary net position	<u>7,433,250</u>
Science Center's net pension liability	<u><u>\$ 2,063,039</u></u>
Plan fiduciary net position as a percentage of total pension liability	78.28%

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%

The total pension liability in the December 31, 2018 and 2017 actuarial rollforward, respectively, were determined using the following actuarial assumptions:

Valuation date	January 1, 2018	January 1, 2017
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-2017 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, 2018 and 2017 are as follows:

Asset Class	Target Allocation	Actual Allocation	Long Term 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, 2018 and 2017 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, 2018

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 12/31/17	\$ 9,067,834	\$ 8,295,300	\$ 772,534
Changes For The Year:			
Service cost	69,734	—	69,734
Interest	678,471	—	678,471
Differences between expected and actual experiences	276,636	—	276,636
Employer contributions	—	139,067	(139,067)
Net investment income	—	(373,116)	373,116
Benefit payments	(596,386)	(596,386)	—
Administration expenses	—	(31,615)	31,615
Net Changes	428,455	(862,050)	1,290,505
Balances at 12/31/18	\$ 9,496,289	\$ 7,433,250	\$ 2,063,039

Change In The Net Pension Liability For The Year Ended December 31, 2017

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 12/31/16	\$ 9,330,916	\$ 7,748,167	\$ 1,582,749
Changes For The Year:			
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)
Net Changes	(263,082)	547,133	(810,215)
Balances at 12/31/17	\$ 9,067,834	\$ 8,295,300	\$ 772,534

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Notes To Financial Statements (*Continued*)

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

The following presents the net pension liability of the St. Louis Science Center, calculated using the discount rate, 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, 2018		
	1% Decrease	Current	1% Increase
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 3,082,694	\$ 2,063,039	\$ 1,188,818

	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

Rate Of Return

For the year ended December 31, 2018 and 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.65) and 13.91 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, 2018 and 2017, the St. Louis Science Center recognized pension expense of \$325,065 and \$195,460, respectively, after all deferred inflows and outflows of resources were accounted for. At December 31, 2018 and 2017, the St. Louis Science Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 144,905	\$ 58,567	\$ —	\$ 203,229
Net difference between projected and actual earnings on pension plan investments	673,454	—	—	39,879
Science Center contributions subsequent to the measurement date	139,067	—	86,828	—
Other changes - assumption changes	—	30,748	156,540	97,589
Total	\$ 957,426	\$ 89,315	\$ 243,368	\$ 340,697

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Notes To Financial Statements (*Continued*)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2018 will be recognized in pension expense as follows:

Year	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Total
2019	\$ (395,327)	\$ 89,315	\$ (306,012)
2020	(128,869)	—	(128,869)
2021	(98,776)	—	(98,776)
2022	(195,387)	—	(195,387)
	\$ (818,359)	\$ 89,315	\$ (729,044)

Other amounts currently reported as deferred outflows of resources of \$139,067 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, 2019.

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, 2018 and 2017 are \$419,213 and \$473,146, 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, 2018 the Subdistrict has the option to renew the lease annually for up to 21 additional one-year terms. The lease calls for annual rentals of \$2,000,000, payable in equal monthly installments of \$166,667 each. During 2018 and 2017, 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, 2018, the Subdistrict has the option to renew the lease annually for up to 28 additional one-year terms. The lease calls for annual rentals of \$350,000, payable in equal monthly installments of \$29,167 each. During 2018 and 2017, the Subdistrict paid, and the Foundation received, rentals totaling \$350,000.

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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, 2018, the Subdistrict has the option to renew the lease annually for up to 2 additional one-year terms. The lease calls for annual rentals of \$1,920,000 payable in monthly installments of \$160,000 each. During 2018 and 2017, 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, 2018, the Subdistrict has the option to renew the lease annually for up to 41 additional one-year terms. The lease calls for annual rentals of \$234,000 payable in monthly installments of \$19,500 each. During 2018 and 2017, 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 \$319,252 in 2018 and \$317,877 in 2017, which the Subdistrict paid, and the Foundation received.

The Foundation has entered into a rental lease with a third party for office space that matures on May 31, 2023. At December 31, 2018, future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 441,653
2020	452,708
2021	464,166
2022	476,046
2023	202,142
	<u>\$ 2,036,715</u>

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

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 \$151,000 for 2017, for taxes assessed on January 1 and payable by December 31 of the same year. County property tax allocated revenues were reduced by approximately \$84,000 for 2017, 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 2018 is unavailable.

14. Commitments And Contingencies

Capital Commitments

As of December 31, 2018, the St. Louis Science Center has entered into two contracts totaling \$519,105 for renovations to the Omnimax Theater to be completed in fiscal year 2019. There were no contract commitments at December 31, 2017.

Subsequent to year end, the St. Louis Science Center entered into four more contracts with unrelated parties in the amount of \$1,946,001 for renovations to the Omnimax Theater.

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, 2018.

Required Supplementary Information

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

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

Schedule Of Changes In The Net Pension Liability And Related Notes

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability					
Service cost	\$ 69,734	\$ 118,437	\$ 159,245	\$ 158,326	\$ 39,996
Interest	678,471	646,334	663,374	620,824	650,216
Differences between expected and actual experience	276,636	(313,249)	(61,741)	(42,284)	(35,181)
Changes of assumptions	—	(164,430)	557,922	—	(529,475)
Benefit payments	(596,386)	(550,174)	(578,768)	(490,947)	(487,594)
Net Change In Total Pension Liability	428,455	(263,082)	740,032	245,919	(362,038)
Total Pension Liability - Beginning	9,067,834	9,330,916	8,590,884	8,344,965	8,707,003
Total Pension Liability - Ending (a)	\$ 9,496,289	\$ 9,067,834	\$ 9,330,916	\$ 8,590,884	\$ 8,344,965
Plan Fiduciary Net Position					
Contributions - employer	\$ 139,067	\$ 86,828	\$ 86,828	\$ 86,828	\$ 72,871
Net investment income (loss)	(373,116)	1,042,141	479,822	(122,710)	445,931
Benefit payments	(596,386)	(550,174)	(578,768)	(490,947)	(487,594)
Administrative expenses	(31,615)	(31,662)	(31,504)	(38,774)	—
Net Change In Plan Fiduciary Net Position	(862,050)	547,133	(43,622)	(565,603)	31,208
Plan Fiduciary Net Position - Beginning	8,295,300	7,748,167	7,791,789	8,357,392	8,326,184
Plan Fiduciary Net Position - Ending (b)	\$ 7,433,250	\$ 8,295,300	\$ 7,748,167	\$ 7,791,789	\$ 8,357,392
St. Louis Science Center's Net Pension Liability (Asset) - Ending (a) - (b)	\$ 2,063,039	\$ 772,534	\$ 1,582,749	\$ 799,095	\$ (12,427)
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability	78.28%	91.48%	83.04%	90.70%	100.15%
Covered Payroll	\$ 4,463,942	\$ 5,001,700	\$ 5,443,558	\$ 5,811,438	\$ 5,641,424
St. Louis Science Center's Net Pension Liability (Asset) As A Percentage Of Covered Payroll	46.22%	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**

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

Schedule Of Employer Contributions

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 139,067	\$ 86,828	\$ 86,828	\$ 86,828	\$ 67,662
Contributions in relation to the actuarially determined contribution	139,067	86,828	86,828	86,828	72,871
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ (5,209)
Covered payroll	\$ 4,463,942	\$ 5,001,700	\$ 5,443,558	\$ 5,811,438	\$ 5,641,424
Contributions as a percentage of covered payroll	3.12%	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**

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

Schedule Of Annual-Weighted Rate Of Return On Investments

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expense:	(4.65)%	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.

Supplementary Information
Combining Financial Statements

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

COMBINING STATEMENT OF NET POSITION

**Page 1 Of 2
December 31, 2018**

	St. Louis Science Center				
	St. Louis Science Center			Combined Total	
	Subdistrict	Foundation	Eliminating Entries	2018	2017
Assets					
Current assets:					
Cash and short-term investments	\$ 467,207	\$ 3,034,716	\$ —	\$ 3,501,923	\$ 3,689,003
Pledges receivable, net	—	2,283,654	—	2,283,654	1,639,197
Taxes receivable from Metropolitan Zoological Park and Museum District, net	7,700,699	—	—	7,700,699	6,838,708
Due from Foundation	6,747	—	(6,747)	—	—
Other receivables, net	209,151	289,148	—	498,299	767,693
Prepaid expenses	283,726	49,759	—	333,485	425,699
Total current assets	8,667,530	5,657,277	(6,747)	14,318,060	13,360,300
Noncurrent assets:					
Unrestricted investments	—	276,687	—	276,687	295,852
Restricted cash and investments	279,051	2,372,852	—	2,651,903	2,802,515
Pledges receivable, net	—	1,963,477	—	1,963,477	3,058,188
Other assets	—	321,012	—	321,012	305,125
	279,051	4,934,028	—	5,213,079	6,461,680
Capital assets:					
Land and land improvements	859,121	14,511,126	—	15,370,247	15,354,343
Building and building improvements	12,264,710	55,498,896	—	67,763,606	67,522,254
Furniture, fixtures and equipment	5,412,692	11,349,851	—	16,762,543	16,258,059
Exhibits	18,344,997	10,566,824	—	28,911,821	27,961,909
Collections	841,804	242,660	—	1,084,464	1,084,464
Construction in progress	220,043	304,263	—	524,306	124,022
Less: Accumulated depreciation	(28,691,421)	(50,298,255)	—	(78,989,676)	(75,211,659)
Total capital assets (net of accumulated depreciation)	9,251,946	42,175,365	—	51,427,311	53,093,392
Total noncurrent assets	9,530,997	47,109,393	—	56,640,390	59,555,072
Total Assets	18,198,527	52,766,670	(6,747)	70,958,450	72,915,372
Deferred Outflows Of Resources					
Pension contributions	139,067	—	—	139,067	86,828
Difference between expected and actual earnings on pension investments	673,454	—	—	673,454	—
Change in assumptions - pension	—	—	—	—	156,540
Difference between expected and actual experience - pension	144,905	—	—	144,905	—
Deferred amount on bond refunding	—	184,633	—	184,633	211,009
Total Deferred Outflows Of Resources	957,426	184,633	—	1,142,059	454,377

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

COMBINING STATEMENT OF NET POSITION

**Page 2 Of 2
December 31, 2018**

	St. Louis Science Center				
	St. Louis Science Center			Combined Total	
	Subdistrict	Foundation	Eliminating Entries	2018	2017
Liabilities					
Current liabilities:					
Notes payable - current	\$ —	\$ 839,336	\$ —	\$ 839,336	\$ 867,306
Note payable - line-of-credit agreement	1,400,000	—	—	1,400,000	1,400,000
Accounts payable and accrued expenses	1,779,315	294,072	—	2,073,387	2,545,493
Due to Subdistrict	—	6,747	(6,747)	—	—
Unearned revenue	81,514	192,159	—	273,673	367,212
Total current liabilities	3,260,829	1,332,314	(6,747)	4,586,396	5,180,011
Noncurrent liabilities:					
Notes payable	—	10,445,000	—	10,445,000	11,284,336
Other liabilities	—	37,291	—	37,291	39,447
Net pension liability	2,063,039	—	—	2,063,039	772,534
Total noncurrent liabilities	2,063,039	10,482,291	—	12,545,330	12,096,317
Total Liabilities	5,323,868	11,814,605	(6,747)	17,131,726	17,276,328
Deferred Inflows Of Resources					
Difference between expected and actual earnings on pension investments					
	—	—	—	—	39,879
Change in assumptions - pension	30,748	—	—	30,748	97,589
Difference between expected and actual experience - pension	58,567	—	—	58,567	203,229
Total Deferred Outflows Of Resources	89,315	—	—	89,315	340,697
Net Position					
Net investment in capital assets	9,251,946	31,075,662	—	40,327,608	41,152,759
Restricted for:					
Debt service	—	—	—	—	69
Capital campaign	—	4,015,987	—	4,015,987	4,374,859
Endowment - expendable	79,051	914,650	—	993,701	1,177,247
Endowment - nonexpendable	200,000	1,458,202	—	1,658,202	1,625,199
Unrestricted	4,211,773	3,672,197	—	7,883,970	7,422,591
Total Net Position	\$ 13,742,770	\$ 41,136,698	\$ —	\$ 54,879,468	\$ 55,752,724

**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, 2018

	St. Louis Science Center				
	St. Louis Science Center			Combined Total	
	Subdistrict	Foundation	Eliminating Entries	2018	2017
Operating Revenues					
Visitor Activities:					
Omnimax theater	\$ —	\$ 1,064,876	\$ —	\$ 1,064,876	\$ 1,107,419
Special exhibits	—	498,863	—	498,863	1,263,442
Parking	—	968,744	—	968,744	1,033,868
Planetarium	292,115	—	—	292,115	345,518
Discovery Room	—	84,314	—	84,314	76,254
Restaurants	—	215,376	—	215,376	212,586
Gift Shops	—	277,403	—	277,403	214,476
Simulators	27,176	523,038	—	550,214	385,928
Education programs:					
School programs	165,854	—	—	165,854	202,841
Public programs	82,624	—	—	82,624	73,248
Camps	258,830	—	—	258,830	257,108
Robotics competition	10,250	—	—	10,250	114,438
Membership	—	1,176,424	—	1,176,424	1,154,787
Other:					
Sponsorships	—	290,750	—	290,750	485,148
Rental and events income	221,309	4,823,252	(4,823,252)	221,309	232,770
Guest services	31,196	—	—	31,196	34,789
Sale and lease of exhibits	22,873	—	—	22,873	4,890
Miscellaneous	2,054,256	50,406	(2,004,000)	100,662	136,799
Total operating revenues	3,166,483	9,973,446	(6,827,252)	6,312,677	7,336,309
Operating Expenses					
Program services:					
Gallery operations and support	1,338,381	—	—	1,338,381	1,373,531
Design services and exhibit technology	1,318,310	—	—	1,318,310	1,393,474
Special exhibits	95,746	869,898	—	965,644	1,380,567
Theaters	182,269	710,382	—	892,651	1,136,883
Simulators	—	413,750	—	413,750	293,485
Community science education	615,317	—	—	615,317	678,974
Other educational programs	582,660	—	—	582,660	618,913
Grant funded programs	—	503,709	—	503,709	443,766
Other	298,916	—	—	298,916	306,268
Total program services	4,431,599	2,497,739	—	6,929,338	7,625,861
Supporting services:					
Marketing and communications	1,308,208	—	—	1,308,208	1,370,125
Building services	1,311,489	—	—	1,311,489	1,295,481
Operations	1,392,439	—	—	1,392,439	1,299,314
Security and parking	541,378	30,607	—	571,985	578,955
Guest services	439,153	—	—	439,153	421,838
Finance and information systems	7,214,974	337,776	(4,823,252)	2,729,498	2,469,168
Human resources	573,155	—	—	573,155	567,444
Membership benefits and fundraising	984,331	—	—	984,331	1,164,679
Administration	550,069	2,009,076	(2,004,000)	555,145	617,218
Depreciation and amortization	941,744	2,836,273	—	3,778,017	3,896,327
Total supporting services	15,256,940	5,213,732	(6,827,252)	13,643,420	13,680,549
Total Operating Expenses	19,688,539	7,711,471	(6,827,252)	20,572,758	21,306,410
Operating Income (Loss)	(16,522,056)	2,261,975	—	(14,260,081)	(13,970,101)

**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, 2018

	St. Louis Science Center				
	St. Louis Science Center			Combined Total	
	Subdistrict	Foundation	Eliminating Entries	2018	2017
Nonoperating Revenues (Expenses)					
Property taxes and license fees from the Metropolitan Zoological Park and Museum District, net	\$ 11,414,772	\$ —	\$ —	\$ 11,414,772	\$ 11,372,086
Contributions and grants:					
Annual fund	—	195,021	—	195,021	241,117
Events and other	—	58,085	—	58,085	91,165
Major gifts	—	285,420	—	285,420	509,661
In-kind revenue	20,300	5,980	—	26,280	114,431
Gala	—	—	—	—	407,400
Grants:					
Federal	—	96,330	—	96,330	122,811
Other	—	253,427	—	253,427	382,913
Capital fundraising expenses	—	(136,472)	—	(136,472)	(143,085)
Investment income	(6,922)	(181,405)	—	(188,327)	448,212
Interest expense	(30,012)	(337,458)	—	(367,470)	(385,113)
Total Nonoperating Revenues	11,398,138	238,928	—	11,637,066	13,161,598
Change In Net Position Before Capital Grants And Contributions And Additions To Permanent Endowment					
	(5,123,918)	2,500,903	—	(2,623,015)	(808,503)
Capital Grants And Contributions Additions To Permanent Endowment	—	1,719,281	—	1,719,281	1,660,383
	—	30,478	—	30,478	1,000
Change In Net Position	(5,123,918)	4,250,662	—	(873,256)	852,880
Net Position - Beginning Of Year	13,481,688	42,271,036	—	55,752,724	54,899,844
Transfers	5,385,000	(5,385,000)	—	—	—
Net Position - End Of Year	\$ 13,742,770	\$ 41,136,698	\$ —	\$ 54,879,468	\$ 55,752,724