
**ART MUSEUM SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT OF THE CITY
OF ST. LOUIS AND ST. LOUIS COUNTY**
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022

SAINT LOUIS ART MUSEUM

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Independent Auditors' Report

Board of Commissioners
Art Museum Subdistrict of the Metropolitan
Zoological Park and Museum District of the
City of St. Louis and St. Louis County
St. Louis, Missouri

Opinion

We have audited the accompanying combined financial statements of the business-type activities of the Art Museum Subdistrict of the Metropolitan Zoological Park and Museum District of the City of St. Louis and St. Louis County (the Subdistrict) and its blended component unit, the St. Louis Art Museum Foundation (the Foundation), as of and for the year ended December 31, 2022, and the related notes to the combined financial statements, which collectively comprise the Subdistrict and the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the business-type activities of the Subdistrict and the Foundation as of December 31, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Combined Financial Statements section of our report. We are required to be independent of the Subdistrict and Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities Of Management For The Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Subdistrict's and Foundation's ability to continue as a going concern for one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities For The Audit Of The Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Subdistrict's and Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Subdistrict's and Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of selected pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

RubinBrown LLP

March 27, 2023

ART MUSEUM SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE CITY OF ST. LOUIS AND ST. LOUIS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (*Unaudited*) For The Years Ended December 31, 2022

Background Information

The Art Museum Subdistrict of the Metropolitan Zoological Park and Museum District of the City of St. Louis and St. Louis County (Subdistrict) and the St. Louis Art Museum Foundation (Foundation) are included within these financial statements. Both entities are tax exempt under section 501(c)(3) of the Internal Revenue Code. The management's discussion and analysis relate to the total of both the activities of the Subdistrict and the Foundation.

The audited financial statements cover the year ended December 31, 2022. However, the management's discussion and analysis does include comparisons to the year ended December 31, 2021.

The management's discussion and analysis of the Subdistrict's and Foundation's financial performance provides an overview of the financial activities for the years ended December 31, 2022 and 2021. The management's discussion and analysis should not be taken as a replacement for the financial statements but should be read in conjunction with them to enhance understanding of the organization's financial performance.

Financial Highlights

- Tax revenue from the Metropolitan Zoological Park and Museum District (Zoo-Museum District) is a result of an allocation of property taxes levied by the Zoo-Museum District on behalf of the Subdistrict per \$100 of assessed valuation equal to 7.21 cents and 7.01 cents, for the years ended December 31, 2022 and 2021, respectively.
- Support from the Zoo-Museum District under the accrual basis method was \$26,589,267 and \$24,419,871 for the years ended December 31, 2022 and 2021, respectively.
- The Foundation provided support to the Subdistrict in the amount of \$7,703,309 and \$5,347,790 for the years ended December 31, 2022 and 2021, respectively.

Financial Statements

The Statement of Net Position includes the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of December 31, 2022. These statements are prepared under the accrual basis of accounting. The statements of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during each year. The statement of cash flows' primary purpose is to provide information about the cash receipts and payments summarized by operating, noncapital financing, investing, and capital and related financing activities.

The Subdistrict meets the criteria for presenting its financial statements as a government. The Foundation, although legally separate from the Subdistrict, is a blended component unit, reported as a separate business activity and major enterprise fund. Since the Foundation is blended, the two entities are combined and reported as one financial reporting entity.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Management's Discussion And Analysis (*Continued*)

The Foundation is incorporated under Missouri nonprofit law and its primary purpose is to raise funds for the benefit of the Subdistrict and then subsequently make gifts to the Subdistrict. Its other purpose is to manage the Foundation's endowment portfolio.

Notes To The Financial Statements

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

**Condensed Combined Schedule Of Net Position
(In Thousands)**

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 64,418 | \$ 58,305 |
| Due to the Subdistrict from the Zoo-Museum District | 2,800 | 2,139 |
| Investments | 258,461 | 297,136 |
| Receivables: | | |
| Tax revenue from the Zoo-Museum District | 15,304 | 11,010 |
| Contributions | 41 | 161 |
| Interest and investment proceeds | 332 | 307 |
| Grants | 149 | 106 |
| Accounts | 93 | 45 |
| Prepaid expenses | 1,003 | 823 |
| Inventory held for resale | 357 | 246 |
| Capital assets, net | 109,049 | 112,493 |
| Total assets | <u>452,007</u> | <u>482,771</u> |
| Deferred outflows of resources | <u>7,044</u> | <u>2,002</u> |
| Liabilities: | | |
| Current liabilities | 4,568 | 2,678 |
| Noncurrent liabilities | 21,148 | 10,539 |
| Total liabilities | <u>25,716</u> | <u>13,217</u> |
| Deferred inflows of resources | <u>78</u> | <u>3,051</u> |
| Net Position: | | |
| Net investment in capital assets | 107,576 | 111,074 |
| Restricted | 147,078 | 166,133 |
| Unrestricted | 178,603 | 191,298 |
| Total net position | <u>\$ 433,257</u> | <u>\$ 468,505</u> |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Management's Discussion And Analysis (*Continued*)

Analysis:

- The decrease in investments is due to market losses in 2022. Unrealized and realized market investment losses in 2022 were \$36.2 million in 2022, while unrealized and realized market investment gains were \$30.0 million in 2021.
- The Subdistrict prepaid approximately \$683,000 and \$647,000 for annual coverage for general liability, workers compensation, and fine arts insurance as of December 31, 2022 and 2021, respectively. Renewal premiums in December 2022 reflected increases in general liability and cyber security insurance premiums.
- Capital assets decreased \$3.4 million and \$3.0 million in 2022 and 2021, respectively. Decreases in capital assets are a result of depreciation expense exceeding the cost of capital additions during the year.
- Noncurrent liabilities increased approximately \$10.6 million in 2022 primarily due to the increase in the net pension liability relating to the Subdistrict's employees' participation in the Employees Retirement System of the City of St. Louis pension plan from \$9.0 million at December 31, 2021 to \$19.7 million at December 31, 2022. The net pension liability increased due to the plan's investment losses and experience losses during the plan's fiscal year. Investment losses are recognized over the next five years, and the experience losses are recognized over the average remaining service life of plan participants estimated at three years. Unrecognized amounts are included in the \$7.0 million reported as deferred outflows of resources as of December 31, 2022.
- In 2022, the decreases in restricted and unrestricted net position are primarily due to market losses affecting the endowment assets. In 2021, the increases in restricted and unrestricted net position are primarily due to market value appreciation of endowment assets and the generosity of donor bequests including the two large bequests totaling \$8.0 received in 2021.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Management's Discussion And Analysis (*Continued*)

**Condensed Combined Schedule Of Changes In Net Position
(In Thousands)**

| | 2022 | 2021 |
|---|-------------|-----------|
| Operating revenues: | | |
| Merchandise sales and admissions | \$ 1,176 | \$ 1,109 |
| Members' contributions | 3,824 | 3,999 |
| Proceeds from deaccessions of collections | 1,394 | 289 |
| Contributions of art | 9,556 | 25,388 |
| Other earned revenue | 431 | 241 |
| Total operating revenues | 16,380 | 31,026 |
| Operating expenses: | | |
| Program services | 21,053 | 35,311 |
| Gallery operations | 16,005 | 14,280 |
| Management and general | 11,378 | 10,062 |
| Fundraising | 2,552 | 2,479 |
| Total operating expenses | 50,989 | 62,132 |
| Non-operating revenue (expenses): | | |
| Tax revenue from Zoo-Museum District | 26,589 | 24,420 |
| Contributions and bequests | 3,300 | 10,546 |
| Grants | 149 | 143 |
| Investment income | (30,648) | 35,747 |
| Interest expense, leases | (40) | (40) |
| Total non-operating revenues | (650) | 70,816 |
| Capital contributions and bequests | — | 1 |
| Additions to permanent endowment | 10 | 431 |
| Increase in net position | \$ (35,248) | \$ 40,142 |

Analysis:

- Merchandise sales and admissions increased \$67,000 in 2022 due to the increase in number of visitors as COVID-19 pandemic concerns lessened, and Museum attendance increased.
- Members' contributions decreased \$176,000 in 2022 consisting of a \$82,000 decrease in corporate sponsorship, \$52,000 decrease in general membership, and \$42,000 decrease in upper-level membership. Membership contributions increased \$541,000 in 2021 due to a return of visitors to the Museum after lower attendance in 2020 related to COVID-19 pandemic concerns. In 2021, there was a \$37,000 increase in corporate sponsorship, \$230,000 increase in general membership, and \$274,000 increase in upper-level membership.
- Proceeds from deaccessions increased by \$1.1 million and \$272,000 in 2022 and 2021, respectively. Contributions of art decreased by \$15.8 million and increased by \$19.6 million in 2022 and 2021, respectively. Deaccessions and gifts of art fluctuate from year to year.
- Other earned revenue increased \$190,000 in 2022 due to the increase in Museum attendance and events. Garage revenue increased \$40,000, events revenue increased \$41,000, and the Museum received a \$106,000 rebate from the recent installation of more energy efficient equipment. Other earned revenue increased \$112,000 in 2021 due to the increase in Museum attendance and events after COVID-19 pandemic related closures in 2020. Garage revenue increased \$40,000, and events revenue increased \$62,000 in 2021.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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Management’s Discussion And Analysis (*Continued*)

- The difference in contributions from 2021 to 2022 is due to two large bequests of \$6.3 million and \$1.7 million received in 2021. Contributions and bequests fluctuate from year to year.
- Tax revenue increased \$2.2 million in 2022 primarily due to an increase in personal property tax revenue. Recent supply chain shortages of new vehicles caused increases in assessed values of used vehicles driving up personal property tax revenue in 2022. Tax revenue increased \$255,000 in 2021.
- Changes in investment income are primarily driven by changes in market value. Net unrealized and realized market investment losses were \$36.2 million in 2022, and net unrealized and realized market investment gains were \$30.0 million in 2021.
- In 2022, the decrease in operating expenses of \$11.1 million is primarily related to the \$15.7 million decrease in accessions of art collections over 2021 offset by an additional \$2.1 million pension expense in 2022. The Subdistrict received \$9.6 million in art gifts in 2022 compared to \$25.4 million in 2021. The Subdistrict purchased \$1.5 million of accessions of art for collections in 2022 compared to \$1.3 million in 2021. In 2021, the increase in operating expenses of \$16.2 million was primarily related to the \$16.3 million increase in accessions of art collections over 2020. The Subdistrict received \$25.4 million in art gifts in 2021 compared to \$5.8 million in 2020.

Schedule Of Capital Assets, Net (Amounts Thousands)

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Nondepreciable: | | |
| Construction in process | \$ 331 | \$ 1,151 |
| Depreciable: | | |
| Buildings and building improvements | 107,255 | 109,892 |
| Furniture, fixtures and equipment | 77 | 93 |
| Intangible right to use asset: | | |
| Equipment leases | 223 | — |
| Building leases | 1,163 | 1,357 |
| <u>Total capital assets and leases, net</u> | <u>\$ 109,049</u> | <u>\$ 112,493</u> |

Analysis:

The Subdistrict invested \$109 million in capital assets (net of accumulated depreciation and amortization) as of the close of the fiscal year. These capital assets consist of construction in process, buildings and building improvements, furniture, fixtures, and equipment, and the intangible right to use assets from building and equipment leases.

Additional information on Capital Assets may be found in Note 3 of the financial statements.

Requests For Information

These basic financial statements are designed to provide a general overview of the Subdistrict’s and Foundation’s finances. Questions concerning any information provided in this report should be addressed to the Finance Department, St. Louis Art Museum, One Fine Arts Drive, Forest Park, St. Louis, Missouri 63110-1380.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

COMBINED STATEMENT OF NET POSITION

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December 31, 2022

| | <u>Business-Type Activities</u> | | |
|---|---------------------------------|--------------------|--------------------|
| | <u>Museum Subdistrict</u> | <u>Foundation</u> | <u>Total</u> |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents: | | | |
| Unrestricted | \$ 30,077,078 | \$ 27,577,185 | \$ 57,654,263 |
| Restricted | 3,720,279 | 3,043,903 | 6,764,182 |
| Due from the Metropolitan Zoological Park and Museum District | 2,799,872 | — | 2,799,872 |
| Investments: | | | |
| Unrestricted | 574,502 | 10,067,988 | 10,642,490 |
| Restricted | — | 953,388 | 953,388 |
| Receivables: | | | |
| Tax revenue from the Metropolitan Zoological Park and Museum District, net of an allowance of \$519,739 | 15,303,737 | — | 15,303,737 |
| Unrestricted contributions | — | 40,920 | 40,920 |
| Unrestricted interest and investment proceeds | 41,752 | 130,179 | 171,931 |
| Restricted interest and investment proceeds | 12,886 | 147,394 | 160,280 |
| Grants | 148,898 | — | 148,898 |
| Accounts - unrestricted | 92,865 | — | 92,865 |
| Prepaid expenses | 1,003,063 | — | 1,003,063 |
| Inventory held for resale | 356,871 | — | 356,871 |
| Total Current Assets | 54,131,803 | 41,960,957 | 96,092,760 |
| Noncurrent Assets | | | |
| Investments: | | | |
| Unrestricted | 18,896,594 | 88,271,081 | 107,167,675 |
| Restricted | 6,009,027 | 133,688,027 | 139,697,054 |
| Capital assets, net: | | | |
| Nondepreciable: | | | |
| Construction in process | 330,890 | — | 330,890 |
| Depreciable: | | | |
| Buildings and building improvements | 107,255,413 | — | 107,255,413 |
| Furniture, fixtures, and equipment | 76,579 | — | 76,579 |
| Intangible right to use asset - equipment lease, net | 223,332 | — | 223,332 |
| Intangible right to use asset - building leases, net | 1,162,515 | — | 1,162,515 |
| Total Noncurrent Assets | 133,954,350 | 221,959,108 | 355,913,458 |
| Total Assets | 188,086,153 | 263,920,065 | 452,006,218 |
| Deferred Outflows Of Resources | | | |
| Pension contributions | 431,672 | — | 431,672 |
| Difference between expected and actual earnings on pension investments | 5,659,874 | — | 5,659,874 |
| Difference between expected and actual experience - pension | 444,457 | — | 444,457 |
| Changes in proportionate share - pension | 508,112 | — | 508,112 |
| Total Deferred Outflows Of Resources | 7,044,115 | — | 7,044,115 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

COMBINED STATEMENT OF NET POSITION

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December 31, 2022

| | <u>Business-Type Activities</u> | | <u>Total</u> |
|--|---------------------------------|-----------------------|-----------------------|
| | <u>Museum Subdistrict</u> | <u>Foundation</u> | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 1,506,225 | \$ 5,080 | \$ 1,511,305 |
| Accrued expenses | 1,525,320 | — | 1,525,320 |
| Leases liability | 229,918 | — | 229,918 |
| Obligations under split-interest agreements | — | 58,681 | 58,681 |
| Other liabilities | 659,103 | 583,495 | 1,242,598 |
| Total Current Liabilities | 3,920,566 | 647,256 | 4,567,822 |
| Noncurrent Liabilities | | | |
| Net pension liability | 19,667,325 | — | 19,667,325 |
| Leases liability | 1,242,753 | — | 1,242,753 |
| Obligations under split-interest agreements | — | 237,706 | 237,706 |
| Total Noncurrent Liabilities | 20,910,078 | 237,706 | 21,147,784 |
| Total Liabilities | 24,830,644 | 884,962 | 25,715,606 |
| Deferred Inflows Of Resources | | | |
| Difference between expected and actual experience - pension | 77,737 | — | 77,737 |
| Net Position | | | |
| Net investment in capital assets | 107,576,058 | — | 107,576,058 |
| Restricted: | | | |
| Expendable: | | | |
| Art acquisition and other | 4,514,733 | 62,338,459 | 66,853,192 |
| Nonexpendable: | | | |
| Endowment principal | 4,730,589 | 75,494,253 | 80,224,842 |
| Unrestricted | 53,400,507 | 125,202,391 | 178,602,898 |
| Total Net Position | \$ 170,221,887 | \$ 263,035,103 | \$ 433,256,990 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For The Year Ended December 31, 2022**

| | Business-Type Activities | | |
|--|---------------------------------|-----------------------|-----------------------|
| | Museum Subdistrict | Foundation | Total |
| Operating Revenues | | | |
| Merchandise sales and admissions | \$ 1,175,768 | \$ — | \$ 1,175,768 |
| Members' contributions | — | 3,823,507 | 3,823,507 |
| Proceeds from deaccessions of collections | 1,394,022 | — | 1,394,022 |
| Contributions of art | 9,556,090 | — | 9,556,090 |
| Other earned revenue | 431,089 | — | 431,089 |
| Total Operating Revenues | 12,556,969 | 3,823,507 | 16,380,476 |
| Operating Expenses | | | |
| Program services: | | | |
| Curatorial and conservation | 6,091,228 | — | 6,091,228 |
| Exhibitions | 1,941,093 | — | 1,941,093 |
| Education and library | 2,004,837 | — | 2,004,837 |
| Accessions of art for collections | 11,015,765 | — | 11,015,765 |
| Gallery operations: | | | |
| Building operations and maintenance | 11,196,851 | — | 11,196,851 |
| Protective services | 4,808,545 | — | 4,808,545 |
| Management and general: | | | |
| Administration | 10,194,362 | 261,173 | 10,455,535 |
| Museum shop | 922,809 | — | 922,809 |
| Fundraising: | | | |
| Development | 2,552,013 | — | 2,552,013 |
| Total Operating Expenses | 50,727,503 | 261,173 | 50,988,676 |
| Operating Income (Loss) | (38,170,534) | 3,562,334 | (34,608,200) |
| Nonoperating Revenues (Expenses) | | | |
| Tax revenue from the Metropolitan Zoological Park and Museum District | 26,589,267 | — | 26,589,267 |
| Contributions and bequests | 2,651,189 | 648,460 | 3,299,649 |
| Grants | 148,898 | — | 148,898 |
| Investment loss | (1,179,134) | (29,424,551) | (30,603,685) |
| Change in value of split-interest agreements | — | (44,454) | (44,454) |
| Interest expense, leases | (39,506) | — | (39,506) |
| Payments from the Foundation (payments to the Subdistrict) | 7,703,309 | (7,703,309) | — |
| Total Nonoperating Revenues (Expenses) | 35,874,023 | (36,523,854) | (649,831) |
| Loss Before Capital Contributions And Bequests And Additions To Permanent Endowment | (2,296,511) | (32,961,520) | (35,258,031) |
| Additions To Permanent Endowment | — | 10,360 | 10,360 |
| Decrease In Net Position | (2,296,511) | (32,951,160) | (35,247,671) |
| Net Position - Beginning Of Year | 172,518,398 | 295,986,263 | 468,504,661 |
| Net Position - End Of Year | \$ 170,221,887 | \$ 263,035,103 | \$ 433,256,990 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2022**

| | Business-Type Activities | | |
|--|--------------------------|----------------------|------------------------|
| | Museum Subdistrict | Foundation | Total |
| Cash Flows From Operating Activities | | | |
| Receipts from patrons | \$ 1,159,955 | \$ 3,836,806 | \$ 4,996,761 |
| Receipts from deaccessions of collections | 1,403,398 | — | 1,403,398 |
| Other operating cash receipts | 449,943 | — | 449,943 |
| Payments to suppliers of goods and services | (11,941,807) | (260,145) | (12,201,952) |
| Payments to employees | (19,781,857) | — | (19,781,857) |
| Net Cash Provided By (Used In) Operating Activities | (28,710,368) | 3,576,661 | (25,133,707) |
| Cash Flows From Noncapital Financing Activities | | | |
| Cash collections of support from Zoo Museum District | 21,711,625 | — | 21,711,625 |
| Payments to (from) the Foundation | 7,703,309 | (7,703,309) | — |
| Proceeds from contributions | 2,915,749 | 994,990 | 3,910,739 |
| Investment subject to split-interest agreements | — | 10,615 | 10,615 |
| Net payments for split-interest agreements | — | (58,940) | (58,940) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | 32,330,683 | (6,756,644) | 25,574,039 |
| Cash Flows From Investing Activities | | | |
| Purchase of investments | (8,925,532) | (21,033,067) | (29,958,599) |
| Investment income | 278,839 | 5,305,984 | 5,584,823 |
| Proceeds from sale of investments | 8,420,604 | 24,245,781 | 32,666,385 |
| Net Cash Provided By (Used In) Investing Activities | (226,089) | 8,518,698 | 8,292,609 |
| Cash Flows From Capital And Related Financing Activities | | | |
| Cash collections of grant support | 106,019 | — | 106,019 |
| Leases | (232,013) | — | (232,013) |
| Purchase of property and equipment | (2,493,576) | — | (2,493,576) |
| Net Cash Used In Capital And Related Financing Activities | (2,619,570) | — | (2,619,570) |
| Net Increase In Cash And Cash Equivalents | 774,656 | 5,338,715 | 6,113,371 |
| Cash And Cash Equivalents - Beginning Of Year | 33,022,701 | 25,282,373 | 58,305,074 |
| Cash And Cash Equivalents - End Of Year | \$ 33,797,357 | \$ 30,621,088 | \$ 64,418,445 |
| Reconciliation Of Operating Income (Loss) To Net Cash From Operating Activities | | | |
| Operating income (loss) | \$ (38,170,534) | \$ 3,562,334 | \$ (34,608,200) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: | | | |
| Depreciation and amortization | 6,190,259 | — | 6,190,259 |
| Provision for uncollectible taxes | (76,300) | — | (76,300) |
| Changes in assets and liabilities: | | | |
| Accounts receivable | (48,041) | — | (48,041) |
| Contributions receivable | — | 13,299 | 13,299 |
| Prepaid expenses | (180,526) | — | (180,526) |
| Inventory held for resale | (111,398) | — | (111,398) |
| Accounts payable | 1,054,939 | 1,028 | 1,055,967 |
| Accrued expenses | 80,687 | — | 80,687 |
| Net pension liability | 2,610,069 | — | 2,610,069 |
| Other liabilities | (59,523) | — | (59,523) |
| Total adjustments | 9,460,166 | 14,327 | 9,474,493 |
| Net Cash Provided By (Used In) Operating Activities | \$ (28,710,368) | \$ 3,576,661 | \$ (25,133,707) |
| Supplemental Disclosure Of Cash Flow Information | | | |
| Accounts payable incurred for capital asset purchases | \$ 51,000 | \$ — | \$ 51,000 |
| Unrealized loss on investments | (1,933,862) | (41,590,583) | (43,524,445) |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2022

1. Summary Of Significant Accounting Policies

The Art Museum Subdistrict (the Subdistrict) was established by an act of the Missouri State Legislature in 1971. The Subdistrict operates the Saint Louis Art Museum, and is supported by tax revenue from the Metropolitan Zoological Park and Museum District of the City of St. Louis and St. Louis County (the Zoo-Museum District). Support from the Zoo-Museum District represents a continuous appropriation of an allocation of property tax revenues from the City of St. Louis and St. Louis County, which are levied on behalf of the Subdistrict by the Zoo-Museum District. The Subdistrict has no authority to levy taxes on its own.

The following is a summary of the more significant accounting policies:

Reporting Entity

The Subdistrict's financial reporting entity has been determined in accordance with governmental accounting standards for defining the reporting entity and identifying entities to be included in its basic financial statements. The Subdistrict's financial reporting entity consists of the Subdistrict (the primary government) and its blended component unit, the St. Louis Art Museum Foundation (the Foundation).

The Foundation, a separate legal entity, was incorporated as a Missouri not-for-profit organization to act as an organization for certain of the Saint Louis Art Museum's fundraising activities. Members of the Board of Commissioners for the Subdistrict appoint the members of the Board of Directors for the Foundation. In addition, the Foundation manages the endowment of the Subdistrict and the income and resources generated by the Foundation support the efforts of the Subdistrict. Consequently, the Foundation is included as a blended component unit of the Subdistrict. The financial activity of the Foundation is presented as a separate enterprise fund and in a separate column in the accompanying basic financial statements to emphasize that it is legally separate from the Subdistrict. Separate financial statements of the Foundation are not prepared.

Basis Of Accounting

The Subdistrict and Foundation prepare their financial statements in accordance with accounting principles generally accepted in the United States of America for business-type activities, as prescribed by The Governmental Accounting Standards Board (GASB). Accordingly, the economic resource measurement focus and the accrual basis of accounting are used. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from nonexchange transactions (principally tax revenue from the Zoo-Museum District, grants and contributions) are recognized when all applicable eligibility requirements are met.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Business-type activities distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with business-type activities ongoing operations. Revenues from merchandise sales and admissions, proceeds from deaccessions of collections, and members' contributions are reported as operating revenues. All expenses related to operating the Subdistrict or Foundation are reported as operating expenses. Transactions which are capital, financing, or investing related are reported as nonoperating revenues and expenses in its own category in the Statement of Revenues, Expenses and Changes in the Net Position.

Revenue Recognition

The Subdistrict recognizes merchandise sales as revenue at the point of sale. The Subdistrict and Foundation recognize members' contributions as revenue when received.

Tax revenue from the Zoo-Museum District represents a continuous appropriation to the Subdistrict by the Zoo-Museum District. Accordingly, the Subdistrict recognizes support from the Zoo-Museum District based on an allocation of property taxes which are levied by the Zoo-Museum District, net of the Zoo-Museum District management fee and an allowance for uncollectible accounts.

The Subdistrict and Foundation recognize contributions, including contributions receivable due in future periods, when the contribution is received and all eligibility requirements, including time requirements, are met.

Cash And Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents consist of cash on hand and in banks.

Investments

The Subdistrict and Foundation's investments are stated at fair value. Fair value of all debt and equity securities with a readily determinable fair value is based on quotations obtained from national securities exchanges.

The Subdistrict and Foundation invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Fair Value Measurements

The Subdistrict and Foundation categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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.

Capital Assets

Capital assets of the Subdistrict are recorded at original cost or, if donated, at acquisition value at date of donation. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and building improvements need to increase the value of the building or asset. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 5 years for furniture, fixtures, and equipment, 10 years for certain building improvements, and 30 to 75 years for buildings.

Leases

For arrangements where the Subdistrict is the lessee, a lease liability and a right of use (ROU) intangible asset are recognized at the commencement of the lease term. ROU assets represent the Subdistrict's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term.

The discount rates are based on estimates of the Subdistrict's incremental borrowing rate when the discount rates implicit in the lease arrangements cannot be readily determined. The Subdistrict includes lease extensions and termination options in the lease term if it is reasonably certain the Subdistrict will exercise the options after considering relevant economic factors. ROU assets and lease liabilities with terms for 12 months or less are not recognized.

Prepaid Expenses

At December 31, 2022, prepaid expenses represent \$682,792 of payments to vendors for insurance costs and \$320,271 for other expenses.

Inventory Held For Resale

Inventory held for resale by the Subdistrict's Museum Shop is stated at the lower of cost or net realizable value, with cost being determined using the first-in, first-out method.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Collections

The Subdistrict collects works of art representing many periods and cultures. The Subdistrict's collections, as permitted by accounting principles generally accepted in the United States of America, are not capitalized in the accompanying financial statements because they meet all of the following criteria:

- The collections are held for public exhibition.
- The collection is cataloged, preserved, and cared for, with activities verifying the existence and condition of the collection performed annually.
- The Subdistrict's collections' policy requires the proceeds from the sales of deaccessioned items, which are items removed from the collection, to be used to acquire other objects for the collections.

The Subdistrict preserves, collects and interprets the collection through curatorial research and educational outreach. The Subdistrict's curatorial, conservation, library and registrarial staff work to interpret and present the permanent collections in the historic galleries of the Beaux Art building and the East Building.

Objects can be acquired, or accessioned, by purchase or by outright gift. Items acquired by outright gift are recorded as operating revenue and accessions of art for collections at their estimated acquisition value in the year of donation.

A summary of the Subdistrict's accessions for the year ended December 31, 2022 is as follows:

| | |
|---|----------------------|
| Accessions of art for collections: | |
| Value of objects acquired by gift | \$ 9,556,090 |
| Purchase of accessions of art for collections | <u>1,459,675</u> |
| | <u>\$ 11,015,765</u> |

Accrued Expenses

The Subdistrict's accrued expenses balance of as of December 31, 2022 represents \$613,797 of accrued salaries due to employees, \$77,909 of accrued contributions to the Employee Retirement System of the City of St. Louis, and \$833,614 of benefit time due to employees. Benefit time is granted to all full-time employees based on years of continuous service. No employee shall be allowed to exceed the maximum carryover of days, based on the employee's years of service, past December 31 of any given year without the written approval of the Director.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Other Liabilities

The Subdistrict's other liabilities as of December 31, 2022 represent \$659,103 of unearned income to be recognized in future periods. The Foundation's other liabilities as of December 31, 2022 represent \$333,495 of unearned income to be recognized in future periods and \$250,000 committed to the future settlement of an investment purchased (accounted for by trade date) prior to December 31, 2022.

Deferred Outflows Of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. Deferred outflows of resources include pension-related deferrals required by GASB Statement No. 68.

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. Deferred inflows of resources include pension-related deferrals required by GASB Statement No. 68.

Pensions

Pension-related expenses, liabilities, deferred outflows of resources and deferred inflows of resources have been determined on the same bases as they are reported by the Employees Retirement System of the City of St. Louis (the System). 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

The Subdistrict and Foundation's net position is classified for financial reporting purposes in the following categories:

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

Restricted - Expendable - This component of net position includes net position whose use by the Subdistrict or the Foundation is subject to externally imposed stipulations that can be fulfilled by actions of the Subdistrict or the Foundation.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Restricted - Nonexpendable - This component of net position includes amounts subject to externally imposed stipulations that the assets be maintained permanently by the Subdistrict or the Foundation. Such assets include the Subdistrict or the Foundation's permanent endowment fund. The current spending rate has been set at 4.5% of the trailing five-year (20 quarter) average account balance. If, due to market conditions or other issues, the Director and/or Controller deem it inadvisable to withdraw the entire 4.5% amount during any one year, they will have the authority to either take less than the 4.5%, or to withhold taking any withdrawal from the account during that year. The net amount of appreciation available for authorization of expenditure as of December 31, 2022 was \$1,291,324 and is reported in restricted expendable net position of the Subdistrict. The net amount of appreciation available for authorization of expenditure as of December 31, 2022 was \$59,294,556 and is reported in restricted expendable net position of the Foundation. Depending on the presence or absence of donor stipulations as to use, the amount harvested is recorded as a part of unrestricted or restricted - expendable net positions.

Unrestricted - For the Subdistrict, this component of net position includes net positions that are not subject to externally imposed stipulations. For the Foundation, this component of net position includes amounts that are for the support of the Subdistrict, but that are not subject to externally imposed stipulations. Unrestricted net position may be assigned for specific purposes by action of the Board of Commissioners of the Subdistrict or the Board of Directors of the Foundation. When an expense is incurred that can be paid using either restricted or unrestricted resources, the Subdistrict and the Foundation's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

Estimates And Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Subdistrict and Foundation to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributed Services

A substantial number of unpaid volunteers contribute services to the Subdistrict. The estimated value of this contributed time for the year ending December 31, 2022 is \$145,654. The value of contributed services is not reflected in the accompanying statement of revenues, expenses and changes in net position.

Federal Income Tax

The Subdistrict is exempt from federal income taxes under Sections 115(a) and 501(c)(3) of the Internal Revenue Code, except for any unrelated business income activities.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
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Notes To Combined Financial Statements (*Continued*)

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for any unrelated business income activities.

Subsequent Events

Management has evaluated subsequent events through the Independent Auditors' Report date, which is when the financial statements were available for issue.

2. Investments

All investment decisions of the Subdistrict and Foundation are recommended by the Investment Committee, and made in accordance with the Investment Policy Statement adopted by the Subdistrict and the Foundation in May 2014 and most recently amended December 2020.

Subdistrict

The Subdistrict's investments are maintained in accordance with state laws governing the investment of public funds; specifically, those contained in Article 6, Section 23 of the Missouri Constitution. As such, the Subdistrict's investments, excluding assets which were donated, consist of fixed income securities, specifically municipal bonds, U.S. Treasury and U.S. Agency securities. The Subdistrict's Investment Committee has the responsibility of ensuring compliance with the existing investment policy, monitoring management's compliance with state laws, and recommending any changes to investment custodians, managers or changes to the policy.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The Subdistrict's investment policy provides that the Subdistrict's investment pool, excluding assets which were donated, should consist entirely of fixed income securities, specifically municipal bonds, U.S. Treasury and U.S. Agency securities, with maturity dates staggered over approximately a five-year maturity.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

As of December 31, 2022, the Subdistrict had the following investments and related maturities:

| | Fair Value | Investment Maturities (In Years) | |
|-------------------------|----------------------|-------------------------------------|----------------------------|
| | | Less Than One Year | One To Five Years |
| Investment type: | | | |
| U.S. Treasury | \$ 11,296,625 | \$ 908,323 | \$ 10,388,302 |
| U.S. Agencies | 5,528,510 | 1,450,218 | 4,078,292 |
| Municipal bonds | 1,364,012 | 132,675 | 1,231,337 |
| Certificates of deposit | 7,290,976 | 1,923,351 | 5,367,625 |
| Total | \$ 25,480,123 | \$ 4,414,567 | \$ 21,065,556 |

As of December 31, 2022, the Subdistrict had the following recurring fair value measurements:

| | Fair Value | Fair Value Measurements | |
|------------------|----------------------|-------------------------|---------------------|
| | | Level 1 | Level 2 |
| Investment type: | | | |
| U.S. Treasury | \$ 11,296,625 | \$ 11,296,625 | \$ — |
| U.S. Agencies | 5,528,510 | 5,528,510 | — |
| Municipal bonds | 1,364,012 | — | 1,364,012 |
| Total | \$ 18,189,147 | \$ 16,825,135 | \$ 1,364,012 |

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's.

The Subdistrict's investment policy requires the average credit quality of the portfolio be maintained at AA- or higher, as rated by Moody's and/or Standard and Poor's. The policy dictates that split-rated issues in which one of the ratings is below investment grade are not permissible.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

The following table lists the credit quality ratings per Standard and Poor's of the Subdistrict's investments as of December 31, 2022:

| Investment type: | Fair Value | Quality Ratings |
|------------------|---------------------|---------------------|
| | | AA+ |
| U.S. Agencies | \$ 5,528,510 | \$ 5,528,510 |
| Municipal bonds | 1,364,012 | 1,364,012 |
| Total | \$ 6,892,522 | \$ 6,892,522 |

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty to a transaction for investments or a bank failure for deposits, the Subdistrict will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty or bank. The Subdistrict does not have a formal policy related to custodial credit risk of investments or deposits. Protection of the Subdistrict's deposits is provided by the Federal Deposit Insurance Corporation and by eligible securities pledged by the financial institutions. At December 31, 2022, all bank balances were entirely insured or collateralized.

Concentration Of Credit Risk

The Subdistrict's investment policy provides that the Subdistrict's investment pool, excluding assets which were donated, should consist entirely of fixed income securities, specifically municipal bonds, U.S. Treasury and U.S. Agency securities.

At December 31, 2022, the Subdistrict held the following investments that, individually, were greater than 5% of the Subdistrict's total investments:

| | |
|-------------------------|---------------|
| Investment Type | |
| Israel Savings Bond | 5.35% |
| Federal Farm Credit | 7.78% |
| Federal Home Loans Bank | 6.12% |
| | <u>19.25%</u> |

Investments are reported in the Subdistrict's accompanying statement of net position as of December 31, 2022, as follows:

| | |
|--------------------------|----------------------|
| Current investments: | |
| Unrestricted | \$ 574,502 |
| Noncurrent investments: | |
| Unrestricted | 18,896,594 |
| Restricted | 6,009,027 |
| Total Investments | \$ 25,480,123 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Foundation

The Foundation is incorporated as a Missouri not-for-profit organization organized under Chapter 355 of the Missouri revised Statutes, and as such, is not subject to the restrictions on investments of governmental subdivisions contained in Article 6, Section 23 of the Missouri Constitution. Specifically, not-for-profit corporations are not restricted under Missouri law from investing in corporate stock and similar investments.

Interest Rate Risk

Interest rate risk is the risk that the fair value of securities will be adversely affected by a change in interest rates. The Foundation's investment policy provides that the Foundation's investment pool may consist of fixed income securities with maturity dates not exceeding 10 years.

As of December 31, 2022, the Foundation had the following investments and maturities:

| | Fair Value | Investment Maturities (In Years) | | | | No Maturity |
|---------------------------|-----------------------|----------------------------------|----------------------------|---------------------------|-----------------------|----------------|
| | | Less Than One Year | One To Five Years | Six To Ten Years | | |
| Investment type: | | | | | | |
| U.S. Treasury | \$ 10,796,058 | \$ 1,914,350 | \$ 6,901,985 | \$ 1,979,723 | \$ — | — |
| U.S. Agencies | 1,960,176 | — | 1,960,176 | — | — | — |
| Taxable municipal bonds | 34,429,346 | 3,069,253 | 16,222,108 | 15,137,985 | — | — |
| Certificates of deposit | 15,271,173 | 3,923,360 | 11,147,813 | 200,000 | — | — |
| Mutual funds | 170,215,487 | — | — | — | — | 170,215,487 |
| Money market mutual funds | 288,050 | — | — | — | — | 288,050 |
| Other investments | 20,194 | — | — | — | — | 20,194 |
| Total | \$ 232,980,484 | \$ 8,906,963 | \$ 36,232,082 | \$ 17,317,708 | \$ 170,523,731 | |

As of December 31, 2022, the Foundation has the following recurring fair value measurements:

| | Fair Value | Fair Value Measurements | | |
|---------------------------|-----------------------|-------------------------|----------------------|------------------|
| | | Level 1 | Level 2 | Not Applicable |
| Investment type: | | | | |
| U.S. Treasury | \$ 10,796,058 | \$ 10,796,058 | \$ — | \$ — |
| U.S. Agencies | 1,960,176 | 1,960,176 | — | — |
| Taxable municipal bonds | 34,429,346 | — | 34,429,346 | — |
| Mutual funds | 170,215,487 | 170,215,487 | — | — |
| Money market mutual funds | 288,050 | 288,050 | — | — |
| Other investments | 20,194 | — | — | 20,194 |
| Total | \$ 217,709,311 | \$ 183,259,771 | \$ 34,429,346 | \$ 20,194 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's.

The Foundation's investment policy requires that the average credit quality of the portfolio of investments be maintained at AA or higher, and that corporate fixed income securities be limited to quality ratings of BBB or above, as rated by Moody's and/or Standard and Poor's. The policy dictates that split-rated issues in which one of the ratings is below investment grade are not permissible.

The following table lists the credit quality ratings per Standard and Poor's of the Foundation's investments as of December 31, 2022:

| Investment type: | Fair | Quality Ratings | | | | |
|---------------------------|-----------------------|----------------------|---------------------|----------------------|---------------------|-----------------------|
| | Value | AAA | AA+ | AA | AA- | Unrated |
| U.S. Agencies | \$ 1,960,176 | \$ 1,960,176 | \$ — | \$ — | \$ — | \$ — |
| Taxable municipal bonds | 34,429,346 | 10,328,397 | 6,519,880 | 15,861,784 | 1,719,285 | — |
| Mutual funds | 170,215,487 | — | — | — | — | 170,215,487 |
| Money market mutual funds | 288,050 | — | — | — | — | 288,050 |
| Other investments | 20,194 | — | — | — | — | 20,194 |
| Total | \$ 206,913,253 | \$ 12,288,573 | \$ 6,519,880 | \$ 15,861,784 | \$ 1,719,285 | \$ 170,523,731 |

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty to a transaction for investments or a bank failure for deposits, the Foundation will not be able to recover the value of the investments or collateral securities that are in the possession of the counterparty or bank. The Foundation does not have a formal policy related to custodial credit risk of investments or deposits. At December 31, 2022, \$853,290, of the Foundation's bank balance was uninsured and uncollateralized, and thus exposed to custodial credit risk.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Concentration Of Credit Risk

As of December 31, 2022, the Museum and Foundation's Investment Policy Statement includes an asset allocation with the following target investment allocations and a permissible variance for total asset classes of +/- 3% and for specific investment types of +/- 20%.

| <u>Asset Class</u> | <u>Target Allocation</u> |
|-----------------------------------|--------------------------|
| Equity investments: | |
| US equity investments: | |
| Total market | 11.50% |
| Large cap value | 16.00% |
| Small cap market | 7.00% |
| Small cap value | 11.00% |
| REIT's | 3.50% |
| International equity investments: | |
| International total world (x-US) | 7.50% |
| International large value | 5.00% |
| International small cap | 8.50% |
| Fixed income investments | 30.00% |
| | <hr/> |
| Total | <u>100.00%</u> |

At December 31, 2022, the Foundation did not hold any investments that, individually, were greater than 5% of the Foundation's total investments. This excludes any U.S. Government backed securities and pooled funds.

Investments are reported in the Foundation's accompanying statement of net position as of December 31, 2022, as follows:

| | |
|-------------------------|-----------------------|
| Current investments: | |
| Unrestricted | \$ 10,067,988 |
| Restricted | 953,388 |
| Noncurrent investments: | |
| Unrestricted | 88,271,081 |
| Restricted | 133,688,027 |
| | <hr/> |
| Total Investments | <u>\$ 232,980,484</u> |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

3. Capital Assets

The following is a summary of changes in capital assets for the Subdistrict for the year ended December 31, 2022:

| | Balance January 1, 2022 | Additions And Reclassifications | Retirements And Reclassifications | Balance December 31, 2022 |
|---|--|--|--|--|
| Capital assets not being depreciated: | | | | |
| Construction in process | \$ 1,150,590 | \$ 2,634,157 | \$ (3,453,857) | \$ 330,890 |
| Capital assets being depreciated: | | | | |
| Buildings and building improvements | 175,643,605 | 3,239,516 | — | 178,883,121 |
| Furniture, fixtures and equipment | 3,306,714 | 80,570 | — | 3,387,284 |
| Total capital assets being depreciated | 178,950,319 | 3,320,086 | — | 182,270,405 |
| Less accumulated depreciation for: | | | | |
| Buildings and building improvements | 65,751,957 | 5,875,751 | — | 71,627,708 |
| Furniture, fixtures and equipment | 3,214,170 | 96,535 | — | 3,310,705 |
| Total accumulated depreciation | 68,966,127 | 5,972,286 | — | 74,938,413 |
| Total capital assets being depreciated, net | 109,984,192 | (2,652,200) | — | 107,331,992 |
| Capital assets, net | 111,134,782 | (18,043) | (3,453,857) | 107,662,882 |
| Intangible right to use leases being amortized: | | | | |
| Equipment lease | — | 245,870 | — | 245,870 |
| Building leases | 1,557,420 | — | — | 1,557,420 |
| Total intangible right to use leases being amortized | 1,557,420 | 245,870 | — | 1,803,290 |
| Less accumulated amortization for: | | | | |
| Equipment lease | — | 22,538 | — | 22,538 |
| Building leases | 199,470 | 195,435 | — | 394,905 |
| Total accumulated amortization | 199,470 | 217,973 | — | 417,443 |
| Total intangible right to use leases being amortized, net | 1,357,950 | 27,897 | — | 1,385,847 |
| Capital assets and leases, net | \$ 112,492,732 | \$ 9,854 | \$ (3,453,857) | \$ 109,048,729 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE
CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

Notes To Combined Financial Statements (*Continued*)

Depreciation expense for 2022 was allocated to the following functions of the Subdistrict:

| | Depreciation Expense | Amortization Expense | Total |
|-------------------------------------|---------------------------------|---------------------------------|---------------------|
| Building operations and maintenance | \$ 5,867,585 | \$ 114,147 | \$ 5,981,732 |
| Administration | 104,701 | 22,538 | 127,239 |
| Curatorial and conservation | — | 81,288 | 81,288 |
| | \$ 5,972,286 | \$ 217,973 | \$ 6,190,259 |

4. Tax Revenue From The Zoo-Museum District

Tax revenue from the Zoo-Museum District represents property tax revenues allocated to the Subdistrict from the following sources:

| | |
|-----------------------------|----------------------|
| City of St. Louis, Missouri | \$ 3,971,740 |
| St. Louis County, Missouri | 22,617,527 |
| | \$ 26,589,267 |

5. Leases - Lessee

The Subdistrict has entered into leasing arrangements for warehouse space, art storage space and equipment. The lease contracts for art storage space, equipment and warehouse space expire in 2025, 2027 and 2031, respectively, assuming all renewal options are exercised by the Subdistrict. The right to use assets are intangible assets and are recorded in capital assets as building leases for the warehouse and art storage spaces and equipment leases for copier equipment. See Note 3. During 2022, the Subdistrict paid \$232,013 in lease payments.

The following represents future minimum lease payments required under the lease arrangements as of December 31:

| Year | Principal | Interest | Total |
|-------------|---------------------|-------------------|---------------------|
| 2023 | \$ 229,918 | \$ 39,423 | \$ 269,341 |
| 2024 | 242,204 | 32,933 | 275,137 |
| 2025 | 238,755 | 26,119 | 264,874 |
| 2026 | 168,888 | 20,147 | 189,035 |
| 2027 | 154,860 | 14,775 | 169,635 |
| 2028-2031 | 438,046 | 20,754 | 458,800 |
| | \$ 1,472,671 | \$ 154,151 | \$ 1,626,822 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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Notes To Combined Financial Statements (*Continued*)

6. Noncurrent Liabilities

Following is a summary of the changes in noncurrent liabilities of the Subdistrict for the year ended December 31, 2022. Refer to Note 8 for descriptions of the net pension liability.

| | Beginning Balance | Additions | Reductions | Ending Balance | Amount Due Within One Year |
|-------------------------|------------------------------|-------------------|---------------------|---------------------------|---|
| Deferred rental deposit | \$ 5,750 | \$ — | \$ (5,750) | \$ — | \$ — |
| Lease liability | 1,419,308 | 245,870 | (192,507) | 1,472,671 | 229,918 |
| | <u>\$ 1,425,058</u> | <u>\$ 245,870</u> | <u>\$ (198,257)</u> | <u>\$ 1,472,671</u> | <u>\$ 229,918</u> |

Following is a summary of the changes in noncurrent liabilities of the Foundation for the year ended December 31, 2022:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amount Due Within One Year |
|--|------------------------------|------------------|-------------------|---------------------------|---|
| Obligations under split-interest agreements | \$ 304,063 | \$ 51,264 | \$ (58,940) | \$ 296,387 | \$ 58,681 |

7. Split-Interest Agreements

The Foundation administers gift annuities subject to obligations to pay fixed amounts periodically to the respective donor or designated beneficiaries during their lifetimes. Assets held under these split-interest agreements are included in investments and long-term investments. Contribution revenue is recorded at the inception date of each split-interest agreement, net of the related obligation under split-interest agreement, which is recorded at present value utilizing interest rates ranging between 4.5% and 10.9%, for estimated future payments to be made to the donors or designated beneficiaries during their lifetimes. The obligations under split-interest agreements are adjusted over the term of the agreements for changes in the fair value of the assets, accretion of the discount, and other changes in estimates of future benefits.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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Notes To Combined Financial Statements (*Continued*)

8. Retirement Plans

General Information About The Pension Plan

Plan description. The Employees Retirement System of the City of St. Louis (the System) is a cost-sharing multiple-employer public employee's retirement system for nonuniformed employees of the City of St. Louis and certain other public entities funded by, or providing services to, residents of the City of St. Louis. All non-uniformed employees of the City and certain other public entities funded by or providing services to residents of the City become members of the System upon employment with the exception of employees hired after attaining age 60. The System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Employees' Retirement System of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

Benefits provided. The System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest with employees covered by the System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost of living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10 year U.S. Treasury Bond yield as of September 30, for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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Notes To Combined Financial Statements (*Continued*)

Contributions. The System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. Deductions from plan assets are financed from plan additions.

The Board of Trustees established the required employer contributions rate based on active member payroll of 15.36% effective July 1, 2022. Employees who became members of the System prior to October 14, 1977, and continued to make contributions, may make voluntary contributions to the System equal to 3% of their compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year. The Subdistrict's contributions to the System for the year ended December 31, 2022 were \$1,963,232.

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

At December 31, 2022, the Subdistrict reported a liability of \$19,667,325 as its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Subdistrict's proportion of the net pension liability was based on the Subdistrict's contributions relative to the contributions of all participating employers for the System's plan year ended September 30, 2022. At September 30, 2022, the Subdistrict's proportion was 5.43%, which was an increase of 0.23% from its proportion measured as of September 30, 2021.

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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Notes To Combined Financial Statements (*Continued*)

For the year ended December 31, 2022, the Subdistrict recognized pension expense of \$4,577,687, which includes \$1,963,232 of the Subdistrict's contributions to the System for the year ended December 31, 2022. At December 31, 2022, the Subdistrict reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources | Net Deferred Outflows (Inflows) Of Resources |
|--|---|--|---|
| Differences between expected and actual experience | \$ 444,457 | \$ 77,737 | \$ 366,720 |
| Changes of assumptions | — | — | — |
| Net difference between expected and actual earnings on pension plan investments | 5,659,874 | — | 5,659,874 |
| Changes in Subdistrict's proportion and differences between Subdistrict contributions and Subdistrict's proportionate share of contributions | 508,112 | — | 508,112 |
| Subdistrict contributions subsequent to the measurement date of October 1, 2022 | 431,672 | — | 431,672 |
| | \$ 7,044,115 | \$ 77,737 | \$ 6,966,378 |

Deferred outflows of resources of \$431,672 resulting from Subdistrict contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Subdistrict's fiscal year following the System's fiscal year as follows:

| Year | Net Deferred Outflows (Inflows) Of Resources |
|-------------|---|
| 2023 | \$ 2,099,691 |
| 2024 | 1,445,519 |
| 2025 | 942,658 |
| 2026 | 2,046,838 |
| | \$ 6,534,706 |

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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Notes To Combined Financial Statements (*Continued*)

Actuarial assumptions. The total pension liability measured as of September 30, 2022 is based on an actuarial valuation as of October 1, 2021 using the following actuarial assumptions:

| | |
|----------------------------|---|
| Inflation | 2.5% |
| Salary increases | 2.5% annually, average, plus merit component based on employee's years of service (range from 2.5% to 4.55%) |
| Investment rate of return | 7.25% net of investment expense |
| Mortality rates - active | 135% of the Pub-2010 General Employee below-median income mortality table for males and 155% for females projected with generational mortality improvements from 2010 using Scale MP-2019 |
| Mortality rates - healthy | 125% of the Pub-2010 General Retiree below-median income mortality table for males and 120% for females projected with generational mortality improvements from 2010 using Scale MP-2019 |
| Mortality rates - disabled | 120% of the Pub-2010 Non-Safety Disabled Retiree mortality table for males and 110% for females projected with generational mortality improvements from 2010 using Scale MP-2019 |

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model 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 rates are combined to produce the long-term expected rate of return by weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the last capital market assumptions. Specifically, the System uses Marquette Associates' capital market assumption in analyzing the System's asset allocation.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to the expected long-term real return and reflecting expected volatility and correlation.

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Notes To Combined Financial Statements (*Continued*)

The target allocation and best estimate of the geometric rate of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate Of Return |
|----------------------------|----------------------|---|
| Large cap | 24.00% | 6.90% |
| Mid cap | 7.50% | 7.27% |
| Small cap | 7.50% | 8.00% |
| International large cap | 12.00% | 7.24% |
| Emerging markets | 3.00% | 7.40% |
| Bank loans | 4.50% | 5.10% |
| Fixed Income | 10.00% | 2.50% |
| International fixed income | 4.50% | 4.90% |
| Core real estate | 10.00% | 6.50% |
| Infrastructure | 5.00% | 7.00% |
| Private equity | 5.00% | 11.00% |
| Hedge funds | 3.00% | 5.10% |
| Defensive equity | 4.00% | 6.10% |
| Total | 100.00% | |

Discount rate. The discount rate used to measure the total pension liability was 7.25% as of September 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from System members will be made at the current contribution rate. Based on these assumptions, the System's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of investment expenses but without reduction for administrative expenses.

Sensitivity of the Subdistrict's proportionate share of the net pension liability to changes in the discount rate. The following presents the Subdistrict's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Subdistrict's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|------------------------|-------------------------------------|------------------------|
| Subdistrict's proportionate share of the net pension liability as of December 31, 2022 | \$ 25,721,853 | \$ 19,667,325 | \$ 14,511,897 |

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Notes To Combined Financial Statements (*Continued*)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

Payables To The Pension Plan

The Subdistrict did not report any payables to the System for 2022.

403 (b) Plan

The Subdistrict offers its employees the ability to save for retirement through an optional 403(b) plan (Plan). The Plan was created in accordance with Internal Revenue Code Section 403(b). The Plan is fully funded by the employees that have chosen to participate, no contributions are made by the Subdistrict.

9. Risk Management

The Subdistrict and the Foundation are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; theft of, damage to, and destruction of collections; errors and omissions; injuries to employees; and natural disasters. The Subdistrict and Foundation purchase commercial insurance for these risks of loss. Settled claims did not exceed commercial coverage in the past three years.

10. Tax Abatements

The Subdistrict recognizes tax revenue based on an allocation of property taxes levied and collected by the Zoo-Museum District. The Zoo-Museum District levies and collects property taxes on behalf of the Subdistricts based on the assessed valuation of property in the City of St. Louis, Missouri (the City) and St. Louis County, Missouri (the County). Both the City and the County have entered into property tax abatement agreements with local businesses under various state statutes. Under these state statutes, the City and the County may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The Subdistrict's allocated revenues were reduced under these agreements entered into by the City and the County. City property tax allocated revenues were reduced by approximately \$454,000 for 2021, for taxes assessed on January 1 and payable by December 31 of the same year. County property tax allocated revenues were reduced by approximately \$298,000 for 2021, for taxes assessed on January 1 and payable by December 31 of the same year. Information regarding the County and City property tax allocated revenue reduction for 2022 is unavailable.

Required Supplementary Information

**ART MUSEUM SUBDISTRICT OF THE METROPOLITAN
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CITY OF ST. LOUIS AND ST. LOUIS COUNTY**

**SCHEDULES OF SELECTED PENSION INFORMATION
EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS**

Schedule Of Subdistrict's Proportionate Share Of The Net Pension Liability

| Plan Year | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Subdistrict's proportion of the net pension liability | 5.4269% | 5.1998% | 4.9411% | 4.7566% | 4.5009% | 4.2066% | 3.9538% | 3.7971% |
| Subdistrict's proportionate share of the net pension liability | \$ 19,667,325 | \$ 9,042,343 | \$ 14,024,362 | \$ 10,353,911 | \$ 7,614,931 | \$ 7,307,481 | \$ 8,273,109 | \$ 8,624,107 |
| Subdistrict's covered-employee payroll | 13,421,980 | 12,513,729 | 12,194,135 | 11,505,845 | 10,865,298 | 10,136,866 | 9,429,227 | 9,830,362 |
| Subdistrict's proportionate share of net pension liability as a percentage of its covered-employee payroll | 146.53% | 72.26% | 115.01% | 89.99% | 70.08% | 72.09% | 87.74% | 87.73% |
| Plan fiduciary net position as a percentage of the total pension liability | 67.70% | 84.10% | 73.80% | 78.60% | 83.00% | 82.46% | 78.52% | 76.22% |

Schedule Of Subdistrict's Contributions

| Fiscal Year | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Required contribution | \$ 1,963,232 | \$ 1,819,008 | \$ 1,558,331 | \$ 1,421,231 | \$ 1,347,676 | \$ 1,272,100 | \$ 1,248,391 | \$ 1,386,774 |
| Contributions in relation to the required contribution | 1,963,232 | 1,819,008 | 1,558,331 | 1,421,231 | 1,347,676 | 1,272,100 | 1,248,391 | 1,386,774 |
| Subdistrict's covered-employee payroll | 12,792,743 | 12,794,261 | 12,347,578 | 11,274,213 | 11,328,949 | 10,357,551 | 9,528,783 | 9,581,296 |
| Contributions as a percentage of covered-employee payroll | 15.35% | 14.22% | 12.62% | 12.61% | 11.90% | 12.28% | 13.10% | 14.47% |

Note: The Subdistrict implemented GASB 68 for the year ended December 31, 2015. Years will be added to these schedules in future years until 10 years of information is provided.

Changes Of Benefit Terms Or Assumptions

There were no changes to benefit terms in the plan in 2022.

There were changes to the actuarial assumptions in 2020 based on an experience study performed for the period from October 1, 2014 through September 30, 2019. There have been no changes of assumptions since 2020 and prior to 2020. See the actuarial assumptions for 2022 at Note 8.