

**THE MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE OF  
THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT**

St. Louis, Missouri  
April 2, 2019

A regular meeting of the Audit Committee of the Metropolitan Zoological Park and Museum District was held at the ZMD office, 7733 Forsyth Blvd., Suite 550 at 3:15 p.m. on Tuesday, April 2, 2019.

The primary purpose of the meeting was to review the draft report associated with the December 31, 2018 and 2017 Financial Statements, the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance on Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards, and the December 31, 2018 Report to the Board of Directors.

Robert Eggmann, Audit Committee Chair called the meeting to order. Upon roll call, the following Committee members were present: Pat Coleman, Robert E. Eggmann, and Thomas Mummert. Other persons attending the meeting included ZMD employees: J. Patrick Dougherty and Jina Choi. The District's audit firm, Kerber, Eck and Braeckel LLP was also present. Representing the firm was Brian Wuertz, CPA, Partner-in-Charge, Rick Gratza, CPA, Quality Review Partner, and Allison Weems, CPA, Manager.

Mr. Eggmann, Committee Chair, asked for public comments; none resulted.

Approval of Minutes: Mr. Eggmann called for the approval of the Regular Meeting and Closed Session minutes from the January 23, 2019 Audit Committee meeting. Mr. Mummert moved that the minutes be approved. Ms. Coleman seconded the motion. The motion to approve the January 23, 2019 Audit Committee minutes was approved with all Committee members voting "Aye".

Mr. Gratza then presented a summary of the audit results. He emphasized that it is management's responsibility to prepare and fairly present the financial statements. It is the Auditors' responsibility to express an opinion on the financial statements. The District's financial statements included only the financial data of the primary government (District). The statements did not include the financial data of the component units (Subdistricts).

Because the component unit financial activities have been excluded from the December 31, 2018 and 2017 Financial Statements, the Auditors determined that the statements did not fairly present the financial condition of the aggregated discretely presented component units of the District. An adverse opinion was therefore given. The Auditors also believe the financial statements, in all material respects, present fairly the financial position of the business-type activities of the District. An unmodified opinion was granted regarding the financial position of the business-type activities of the District.

A discussion ensued regarding details within the financial statements. Due to the financial information for each of the District's component units is not made available in time to meet the District's statutory reporting deadline, the District has elected to exclude all component units from the financial statements resulting in an adverse opinion on the aggregated discretely presented component units of the District. The Committee determined that a paragraph should be added to the Notes to the Financial Statements to provide clarification on the adverse opinion.

Mr. Dougherty explained that the December 31, 2018 and 2017 Financial Statements will be presented to the full District Board at the April 23, 2018 District Board meeting.

Mr. Mummert moved that the Audit Committee accept the December 31, 2018 and 2017 Financial Statements with the Note providing clarification on the adverse opinion on the aggregated discretely presented component

units of the District, and recommended that the Financial Statements be submitted to the Mayor of the City of St. Louis and the County Executive of St. Louis County in accordance with Section 184.380, R.S.Mo. Ms. Coleman seconded the motion. The motion to forward the December 31, 2018 and 2017 Financial Statements and the accompanying reports to the Mayor and County Executive on or before the second Monday in April 2019 was approved with all present Committee members voting "Aye".

The Committee also discussed the possibility of an issuance of an RFP for banking services. The current banking service provider, Central Bank, provides good and reliable service, is conveniently located in the same building as the ZMD, charges no fees, and provides collateral coverage. Mr. Dougherty commented that experience with historical banking services providers may initially start without any fees, however, would eventually begin charging for services. The Committee determined that there was no need for an issuance of an RFP for banking services, and to continue banking with Central Bank.

There being no other business to come before the Audit Committee, Mr. Mummert moved that the meeting be adjourned; Ms. Coleman seconded the motion. The motion was unanimously approved. The meeting adjourned at 3:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "J. Patrick Dougherty". The signature is written in dark ink and is positioned above the printed name.

J. Patrick Dougherty