

**Minutes of the Audit Committee of the  
Metropolitan Zoological Park and Museum District  
April 5, 2013**

Gloria Wessels, Chair, called the meeting to order. In attendance were committee members Tom Campbell, Robert Powell and Gloria Wessels. Also in attendance were Patrick Dougherty, Executive Director of the Metropolitan Zoological Park and Museum District ("District") and Rick Gratza, CPA from Kerber Eck & Braeckel, LLP (KEB), the District's audit firm.

Mrs. Wessels opened the meeting and asked Mr. Gratza to review the District's December 31, 2012 and 2011 financial statements. Mr. Gratza began the review of the Independent Auditors' Report. He stated that KEB issued an unqualified opinion regarding the District's 2012 and 2011 financial statements. Mr. Gratza emphasized, however, that the unqualified opinion referred to the financial position of the primary government, the Zoo Museum District. The published December 31, 2012 and 2011 financial statements excluded the District's component units. Mr. Gratza also emphasized that the format of the unqualified opinion, which appeared in the 2012 report, differed from that used in reports issued in recent years. The revised format resulted from the AICPA's Clarity Project.

Mr. Gratza then explained the Management Discussion and Analysis portion of the report and reviewed the audited financial statements. Mr. Gratza pointed out that the Statements of Net Assets have been re-titled as the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Assets have been re-named the Statements of Revenues, Expenses and Changes in Net Position. A review of the Notes to Financial Statements was then initiated by Mr. Gratza. He pointed out that all deposits of the District are insured or have adequate collateral and that only one capital expenditure occurred in 2012. This expenditure totaled \$813 and represented the cost of a speaker phone. Mr. Gratza provided explanations regarding the District's future lease commitments, the curtailment of the Science Center's defined benefit pension plan in which the District participated and the provision for protested taxes.

Mr. Gratza then reviewed the Independent Auditors' Report on Internal Control over Financial Reporting. Mr. Gratza stated that, based on the size of the ZMD administrative staff, the District's internal controls are very effective. He also mentioned that the involvement of the ZMD's Board members strengthens the controls. There being no further questions with respect to the financial statements and system of internal controls, Mr. Gratza reviewed the Report to the Board of Directors. He reported that there had been no changes to the District's accounting policies and procedures during the 2012 calendar year. He noted that estimates were used in the preparation of the financial statements and that the most significant estimates related to the provision and allowance for uncollectible taxes.

Following Mr. Gratza's presentation, Mrs. Wessels informed the committee members that, as part of the audit field work and in her capacity as District Treasurer, she was contacted by Amber Bohnenstiehl, a KEB employee assigned to the District audit team. Mrs. Wessels was asked questions regarding potential fraud and/or other wrong doing. During the conversation, Mrs.



Wessels asked Ms. Bohnenstiehl about her experiences at the District. She was informed by Ms. Bohnenstiehl that the District audit field work was trouble free and the accounting work papers and schedules were straightforward and accurate.

There being no further questions or comments, Mr. Campbell moved that the Audit Committee accept the December 31, 2012 and 2011 financial statements as submitted, that they be forwarded to the full Board for approval and be timely filed with the appropriate government authorities. Mr. Powell seconded the motion which was unanimously passed.

Since Mr. Campbell and Mr. Powell were recently appointed to the Committee, Mrs. Wessels re-introduced the proposal for the development of a training program for the benefit of ZMD Board members, Subdistrict Commissioners and members of other Boards affiliated with the cultural institutions. After an extensive discussion, the following training parameters were approved:

- The length of the training session will be approximately ½ day;
- The session will underscore the volunteer board's fiduciary, legal, public oversight and financial responsibilities; and
- Board and/or member responsibilities resulting from the Missouri Ethics Law, open records requirements, conflicts of interest and procedural issues will also be addressed within the training session.

Mrs. Wessels stated that members of the Audit Committee met on January 28, 2013 and interviewed Sue Greenberg, Executive Director of Volunteer Lawyers and Accountants for the Arts and Dan Sise, Instructor and Community Engagement Manager for the Nonprofit Management & Leadership Program at UMSL. Ms. Greenberg and Mr. Sise were interviewed as potential providers of board training services. Mrs. Wessels informed the other committee members that three additional individuals, interested in providing such services, were unable to attend the January meeting. These individuals were Gretta Forrester, Barry Rosenberg and Odester Saunders. Mrs. Wessels suggested that these three potential service providers be invited to the next Audit Committee meeting to discuss their approaches to the development of a board training program. Mrs. Wessels, Mr. Powell and Mr. Campbell provided dates when each was available for a subsequent committee meeting. Mr. Dougherty was asked to coordinate a date and time for the next meeting and invite Ms. Forrester, Mrs. Saunders and Mr. Rosenberg.

Since there were no additional matters before the committee, Mr. Powell moved that the meeting be adjourned. Mrs. Wessels seconded the motion; it passed unanimously. The meeting was adjourned at 3:55 p.m.

Respectfully submitted,



J. Patrick Dougherty, Acting Secretary