

# **AUDUBON COMMISSION**

**(A Discretely Presented Component Unit  
of the City of New Orleans, Louisiana)**

Audits of Financial Statements

December 31, 2013 and 2012



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## **Independent Auditor's Report**

To the Board of Directors of  
Audubon Commission

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Audubon Commission (the Commission), a discretely presented component unit of the City of New Orleans, Louisiana, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

**NEW ORLEANS HOUSTON BATON ROUGE COVINGTON**

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2013 and 2012, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 4 through 10, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The additional combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The additional combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2014, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

**Change in Accounting Principle**

As discussed in Note 2 to the financial statement, in 2013 the Commission adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Metairie, LA  
June 5, 2014

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Management's Discussion and Analysis**

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The discussion and analysis of the Audubon Commission's (the Commission) financial performance provides an overall review of the Commission's financial activities for the years ended December 31, 2013 and 2012. It should be read in conjunction with the financial statements in this report.

**Overview of Financial Statements**

This annual report consists of five components - Independent Auditor's Report, Management's Discussion and Analysis (this section), Financial Statements, Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, and Additional Information.

The *Financial Statements* of the Commission present the financial position of the Commission, the results of its operations and its cash flows. The *Financial Statements* are prepared on the accrual basis of accounting.

The *Statements of Net Position* includes all of the Commission's assets and liabilities and provides information about the Commission's investments in resources (assets) and its obligations to creditors (liabilities). It also provides information on the capital structure, liquidity and financial flexibility of the Commission.

The *Statements of Revenues, Expenses and Changes in Net Position* reports on the current year's performance of the Commission's operations.

The *Statements of Cash Flows* provides information on the Commission's cash from operations and capital and related financing activities.

The *Notes to Financial Statements* provide information that is essential in order to gain a full understanding of the data in the basic financial statements.

The *Additional Information* section provides information on the Combining Schedule of Revenues, Expenses and Changes in Net Position and Combining Schedule of Cash Flows.

**Financial Highlights**

Net position increased by \$3,904,901, or 4.7%, in 2013. In 2012, net position decreased by \$663,975 or 0.18%.

Additions to capital assets totaled \$12,686,447 in 2013 and \$5,850,169 in 2012, respectively.

Noncurrent liabilities decreased by \$1,758,991 and \$4,465,396 in 2013 and 2012, respectively. The overall net decrease in 2013 is due to debt service payments on bonds of \$3,829,090 and an increase of \$2,735,257 in the inter-company debt between the Audubon Nature Institute, Inc. (the Institute) and the Commission. The Institute has committed to the Commission that it has the intent and ability to continue funding the operations of the Commission through operating advances, donations and grants. The Institute has no plans in the next twelve months to demand payment on the amounts receivable from the Commission at December 31, 2013.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Management's Discussion and Analysis**

**Operating Facilities Net Results for the Year Ended December 31, 2013 with Prior Years and Budget Comparisons**

(in thousands)	Actual 2013	Actual 2012	Actual 2011	Budget 2013	Budget 2012
Aquarium and Riverfront Park	\$ 5,485	\$ 4,159	\$ 4,320	\$ 4,291	\$ 3,961
Zoo and Park & Golf Course	(3,697)	(2,907)	(2,789)	(3,209)	(3,071)
Insectarium	(276)	(447)	(396)	(346)	(215)
Species Survival Center/Research Center	(801)	(509)	(771)	(507)	(475)
Louisiana Nature Center	-	-	-	-	-
<b>Total Operations *</b>	<b>711</b>	<b>296</b>	<b>364</b>	<b>\$ 229</b>	<b>\$ 200</b>
<b>Net Capital Income and Expense</b>	<b>3,194</b>	<b>(666)</b>	<b>(2,138)</b>		
<b>Change in Net Position</b>	<b>\$ 3,905</b>	<b>\$ (370)</b>	<b>\$ (1,774)</b>		

\*Excludes capital revenues and expenditures and the depreciation associated with buildings and fixed exhibitory.

**Condensed Statement of Revenues, Expenses and Changes in Net Position**

	Year Ended December 31			Change 2012 to 2013	Change 2011 to 2012
	2013	2012	2011		
Operating Revenues	\$ 39,891,928	\$ 38,427,486	\$ 37,495,881	\$ 1,464,442	\$ 931,605
Operating Expenses (1)	56,131,067	52,578,219	50,119,011	3,552,848	2,459,208
Operating Loss	(16,239,139)	(14,150,733)	(12,623,130)	(2,088,406)	(1,527,603)
Nonoperating Revenues, Net	20,144,040	13,780,287	10,851,406	6,363,753	2,928,881
Change in Net Position	3,904,901	(370,446)	(1,771,724)	4,275,347	1,401,278
Beginning Net Position (1)	83,964,330	84,334,776	86,106,500	(370,446)	(1,771,724)
Ending Net Position	<b>\$ 87,869,231</b>	<b>\$ 83,964,330</b>	<b>\$ 84,334,776</b>	<b>\$ 3,904,901</b>	<b>\$ (370,446)</b>

(1) Restated for implementation of GASB 65.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Management's Discussion and Analysis**

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**Comments on Condensed Statement of Revenues, Expenses and Changes in Net Position**

**Operating Revenues**

Operating revenues increased by \$1,464,442 and \$931,605 in 2013 and 2012, respectively. The increase in 2013 was mainly due private events revenue of \$665,740 and membership revenue of \$551,012. The increase in 2012 was mainly due to an increase in private events, membership and concessions revenue.

Included in the 2013 operating revenues of \$39,891,928 are admissions revenues of \$15,007,500.

**Operating Expenses**

In 2013, there was an increase of \$1,166,351 in the cost of material, supplies and contractual services due to additional variable costs related to an increase in business. The increase was also due to additional costs incurred relating to the Gulf United for Lasting Fisheries (GULF) program, which is the result of a contract between the Commission and the Louisiana Department of Wildlife and Fisheries (LDWF) for the Commission to plan and implement a seafood sustainability certification program.

An increase of approximately \$2,152,870 in salaries and benefits in 2013 was mainly due to increased costs of medical insurance, cost of living salary increases, and additional variable salaries due to an increase in business.

**Non-Operating Revenues**

An increase in intergovernmental grants for capital projects and programs was mainly due to revenue generated from the contract with LDWF. Other non-operating revenues increased mainly due to FEMA proceeds of \$556,941 and Insurance proceeds of \$562,171.

Dedicated tax revenues increased by \$643,793 and \$342,682 in 2013 and 2012, respectively.

Private and government grants and donations for capital projects, education programs and operating support increased in 2013 by \$386,971.

**Net Capital Assets**

	Aquarium and Riverfront Park	Insectarium	Zoo and Park	Golf Course	Species Survival Center/ Research Center	Audubon Nature Center	Total
<b>Balance December 31, 2011</b>	\$ 42,282,222	\$ 20,390,979	\$ 46,288,561	\$ 8,860,133	\$ 13,944,433	\$ -	\$ 131,766,328
Additions	1,725,383	375,591	3,129,382	483,880	76,494	59,439	5,850,169
Depreciation/Disposals	(3,018,947)	(1,350,274)	(2,842,554)	(405,073)	(794,277)	-	(8,411,125)
<b>Balance December 31, 2012</b>	40,988,658	19,416,296	46,575,389	8,938,940	13,226,650	59,439	129,205,372
Additions	4,780,089	183,845	6,671,042	38,392	656,916	356,163	12,686,447
Depreciation/Disposals	(3,142,102)	(1,339,283)	(2,904,445)	(453,591)	(742,460)	-	(8,581,881)
<b>Balance December 31, 2013</b>	<u>\$ 42,626,645</u>	<u>\$ 18,260,858</u>	<u>\$ 50,341,986</u>	<u>\$ 8,523,741</u>	<u>\$ 13,141,106</u>	<u>\$ 415,602</u>	<u>\$ 133,309,938</u>

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Management's Discussion and Analysis**

**Condensed Statement of Net Position**

	2013	2012	2011	Change 2012 to 2013	Change 2011 to 2012
<b>Assets</b>					
Cash and Cash Equivalents	\$ 2,152,962	\$ 1,424,306	\$ 1,862,751	\$ 728,656	\$ (438,445)
Accounts Receivable	342,389	87,777	484,104	254,612	(396,327)
Grants Receivable	590,542	660,272	-	(69,730)	660,272
Inventory	1,366,743	1,435,303	1,398,057	(68,560)	37,246
Prepaid Expenses	1,277,682	1,033,823	1,020,556	243,859	13,267
Restricted Assets	3,347,621	4,714,900	5,739,414	(1,367,279)	(1,024,514)
Nondepreciable Capital Assets	9,729,227	4,876,183	3,172,602	4,853,044	1,703,581
Depreciable Capital Assets, Net	123,580,711	124,329,189	128,593,726	(748,478)	(4,264,537)
Other Assets, Nonrestricted (1)	8,717,443	9,099,672	9,817,544	(382,229)	(717,872)
<b>Total Assets</b>	<b>151,105,320</b>	<b>147,661,425</b>	<b>152,088,754</b>	<b>3,443,895</b>	<b>(4,427,329)</b>
Deferred Outflows of Resources	480,277	697,553	1,190,558	(217,276)	(493,005)
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 151,585,597</b>	<b>\$ 148,358,978</b>	<b>\$ 153,279,312</b>	<b>\$ 3,226,619</b>	<b>\$ (4,920,334)</b>
<b>Liabilities</b>					
Nonrestricted Current Liabilities	\$ 6,085,037	\$ 6,009,078	\$ 6,408,743	\$ 75,959	\$ (399,665)
Payables from Restricted Assets	8,337,180	7,332,430	5,826,699	1,004,750	1,505,731
Noncurrent Liabilities	49,294,149	51,053,140	56,709,094	(1,758,991)	(5,655,954)
<b>Total Liabilities</b>	<b>63,716,366</b>	<b>64,394,648</b>	<b>68,944,536</b>	<b>(678,282)</b>	<b>(4,549,888)</b>
<b>Net Position</b>					
Net Investment in Capital Assets (1)	88,632,923	82,613,165	84,017,656	6,019,758	(1,404,491)
Unrestricted	(763,692)	1,351,165	317,120	(2,114,857)	1,034,045
<b>Total Net Position</b>	<b>87,869,231</b>	<b>83,964,330</b>	<b>84,334,776</b>	<b>3,904,901</b>	<b>(370,446)</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 151,585,597</b>	<b>\$ 148,358,978</b>	<b>\$ 153,279,312</b>	<b>\$ 3,226,619</b>	<b>\$ (4,920,334)</b>

(1) Restated for implementation of GASB 65.

**Comments on Condensed Statement of Net Position**

Net capital assets increase of \$4,104,566 in 2013 was due to capital asset additions of \$12,686,447 offset by depreciation and disposals of \$8,581,881.

Net capital assets decrease of \$2,560,956 in 2012 was due to capital asset additions of \$5,850,169 offset by the depreciation and disposals of \$8,411,124.

Noncurrent liabilities decreased by \$1,758,991 and \$4,465,396 in 2013 and 2012, respectively. The overall net decrease in 2013 is due to debt service payments on bonds of \$3,829,090 and an increase of \$2,735,257 in the inter-company debt between the Institute and the Commission.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Management's Discussion and Analysis**

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**Condensed Statement of Cash Flows**

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2012 to 2013</b>	<b>2011 to 2012</b>
Net Cash Used in Operating Activities	\$ (4,924,199)	\$ (7,561,687)	\$ (3,187,804)	\$ 2,637,488	\$ (4,373,883)
Net Cash Provided by Capital and Related Financing Activities	5,652,855	7,123,242	4,285,462	(1,470,387)	2,837,780
Net Increase (Decrease) in Cash and Temporary Investments	728,656	(438,445)	1,097,658	1,167,101	(1,536,103)
Cash and Temporary Investments Beginning of Year	1,424,306	1,862,751	765,093	(438,445)	1,097,658
End of Year	<u>\$ 2,152,962</u>	<u>\$ 1,424,306</u>	<u>\$ 1,862,751</u>	<u>\$ 728,656</u>	<u>\$ (438,445)</u>

**Comments on Condensed Statement of Cash Flows**

Cash used in operating activities decreased in 2013 compared to 2012 due mainly to an increase in operating revenues and liabilities. In 2012, cash used in operating activities increased due mainly to an increase in operating expenses of \$2,456,466 that was partly off-set by an increase in cash receipts of \$931,605.

Cash provided by capital and related financing activities of \$5,652,856 in 2013 was \$1,470,387 less than 2012. This decrease was mainly due to an increase in payments for capital projects which was partly off-set by an increase in intergovernmental and other grants, FEMA reimbursements and insurance proceeds. In 2012, cash provided by capital and related financing activities was \$7,123,242, which was \$2,837,780 greater than 2011. The increase was mainly due to an increase in intergovernmental and other grants.

In 2013, there was an overall increase in cash and temporary investments of \$728,656.

**General Overview**

2013 was marked by many successes for Audubon. With an eye on the future, Audubon remained committed to providing outstanding guest experiences, educational opportunities, and developing partnerships to protect the wonders of nature. The combined attendance at the Zoo, Aquarium, IMAX®, and Butterfly Garden and Insectarium totaled **1,900,000** visitors, down 10% from 2012. Revenue from admissions totaled approximately **\$15,000,000**, an increase of 2.5% from 2012. Audubon looks to the future with optimism, ready to embark on new adventures and meet the challenges ahead.

**Major Achievements**

- Audubon Aquarium of the Americas opened **Geaux Fish!**, a new interactive exhibit that showcases Louisiana's fishing industry and explores its importance to the region. It also highlights various game fish, bait fish, and commercial seafood in Louisiana. Guests can cast a virtual reel, identify local species, visit a seafood market, or hop on a fishing boat.
- Audubon Zoo reopened **Cool Zoo** in April 2013 for a third season. This wild and wet splash park continues to be a summer hit for families looking to escape the heat.

## AUDUBON COMMISSION

(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)

### Management's Discussion and Analysis

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- Entergy IMAX® Theatre brought excitement to the theater's gigantic 5 1/2-story screen with a mix of educational and blockbuster films during the year including *Great White Shark*, *Born to be Wild*, *The Hobbit*, and *Star Trek into Darkness*.
- Construction completed on a new **state-of-the-art elephant barn** at Audubon Zoo for Asian elephants Panya and Jean. The barn is more than twice the size of the original 1930s structure and features padded, heated floors for the comfort and well-being of the elephants.
- At Aquarium and Riverfront Park, construction began at the Caribbean Reef exhibit to transform it into the **Great Maya Reef**, a 4,200 square-foot exhibit where guests can experience a submerged Maya city of the Yucatan peninsula. This underwater world of the ancient flooded metropolis is alive with lion fish, yellowtail snapper, moray eels, spiny lobsters and more all at home among stunning coral, sunken artifacts, and forgotten treasure.
- In the fall, Audubon celebrated the success of its \$10,000,000 fundraising campaign for Audubon Park with the inaugural **Olmsted Legacy Dinner**. The dinner celebrated the donors and supporters of the Olmsted Renewed capital campaign who have helped Audubon preserve this iconic green space for future generations.
- **Audubon Membership** exceeded expectations in 2013, with revenue totaling \$4,800,000 and coming in at 8.6% better than budget. At year end, Members accounted for 28% of visitation at Audubon Aquarium of the Americas; 35% at Audubon Zoo; 12% at Entergy IMAX® Theater; and 30% at Insectarium. All of Audubon's facilities saw an increase in Member attendance at an average of 3% compared to 2012.

### New Arrivals and Programs

- Insectarium added **Madagascar hissing roaches and blue death-feigning beetles** for visitors to enjoy in the main hall gallery. The beetles are part of a larger exhibit highlighting the diverse habitats around the planet in which insects thrive.
- Audubon announced the **Alliance for Sustainable Wildlife**, a groundbreaking partnership with San Diego Zoo Global to devise strategies to ensure sustainable populations of animals facing possible extinction. The Alliance will be housed on Audubon's West Bank facility on 1,000-acres equipped with enclosures for species that have declining populations including whooping cranes, okapis, bongos, and Masai giraffes.
- In August, Audubon Zoo's Reptile Department celebrated the birth of three **Shingleback Skinks**. This is the first time Audubon has successfully reproduced this species. The Zoo also welcomed 18-month old **sea lion pup**, Zoey. She joins Audubon's longtime sea lions, Sushi, who is 27, and Lilli, who is 26. Also of note was the birth of a new baby **Babirusa**. Affectionately named Fig, this little piglet's arrival is important for her species, which are threatened in the wild.
- Audubon has continued to strengthen social media initiatives, adding fans, friends, and followers every day. At year end, our social media network included more than 128,000 **Facebook** friends, 12,000 **Twitter** followers, and over 83,000 email subscribers.

**AUDUBON COMMISSION**  
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**Management's Discussion and Analysis**

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**Economic Factors and Next Year's Budget**

The 2014 operating budget is comparable to the 2013 operating budget, which reflects management's intent and expectations that operations will remain consistent. The capital projects underway at the end of 2013 will continue throughout 2014. The impact of these improvements on operating revenues and expenses is not anticipated until calendar year 2015.

**Contacting the Commission's Financial Manager**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Commission's finances. If you have any questions about this report or need additional financial information, please contact the Director of Finance, Audubon Nature Institute, 6500 Magazine Street, New Orleans, LA 70118.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Statements of Net Position**  
**December 31, 2013 and 2012**

	2013	2012 (Restated)
<b>Assets and Deferred Outflows of Resources</b>		
<b>Unrestricted Current Assets</b>		
Cash and Temporary Investments	\$ 2,152,962	\$ 1,424,306
Grants Receivable	590,542	660,272
Accounts Receivable, Net of Allowance for Uncollectible Accounts of \$55,262 in 2013 and \$49,376 in 2012	342,389	87,777
Inventory	1,366,743	1,435,303
Prepaid Expenses	1,277,682	1,033,823
<b>Total Unrestricted Current Assets</b>	<b>5,730,318</b>	<b>4,641,481</b>
<b>Current Restricted Assets</b>		
Restricted for Capital Projects	1,790,896	2,306,878
Debt Service and Bond Reserve Investments	307,088	882,456
Receivables for Capital Improvements	1,249,637	1,525,566
<b>Total Restricted Current Assets</b>	<b>3,347,621</b>	<b>4,714,900</b>
<b>Total Current Assets</b>	<b>9,077,939</b>	<b>9,356,381</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Land	800,000	800,000
Buildings and Fixed Exhibitory	227,099,867	221,205,666
Equipment	21,917,403	20,046,132
Construction in Progress	8,929,227	4,076,183
Less: Accumulated Depreciation	(125,436,559)	(116,922,609)
<b>Net Capital Assets</b>	<b>133,309,938</b>	<b>129,205,372</b>
<b>Other Assets</b>		
Prepaid Rent - Dock Board	8,452,615	8,568,404
Film Cost - Net of Accumulated Amortization	264,828	531,268
<b>Total Other Assets</b>	<b>8,717,443</b>	<b>9,099,672</b>
<b>Total Assets</b>	<b>151,105,320</b>	<b>147,661,425</b>
<b>Deferred Outflows of Resources</b>	<b>480,277</b>	<b>697,553</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 151,585,597</b>	<b>\$ 148,358,978</b>

The accompanying notes are an integral part of these financial statements.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Statements of Net Position (Continued)**  
**December 31, 2013 and 2012**

	2013	2012 (Restated)
<b>Current Liabilities Payable from Unrestricted Assets</b>		
Accounts Payable and Other Accrued Liabilities	\$ 5,954,717	\$ 5,868,512
Capital Lease Obligations	130,320	140,566
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<b>6,085,037</b>	6,009,078
<b>Current Liabilities Payable from Restricted Assets</b>		
Accrued Interest	1,267,855	1,333,934
Limited Tax Bonds, Current Portion	3,030,000	3,005,000
Gulf Opportunity Zone Loan, Current Portion	1,118,172	1,068,589
Construction Payables	2,921,153	1,924,907
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>8,337,180</b>	7,332,430
<b>Total Current Liabilities</b>	<b>14,422,217</b>	13,341,508
<b>Noncurrent Liabilities</b>		
Accrued Interest	743,569	923,830
Limited Tax Bonds	24,786,378	28,096,370
Gulf Opportunity Zone Loan	14,251,991	15,125,665
Due to Related Party	9,256,734	6,521,477
Capital Lease Obligations	255,477	385,798
<b>Total Noncurrent Liabilities</b>	<b>49,294,149</b>	51,053,140
<b>Total Liabilities</b>	<b>63,716,366</b>	64,394,648
<b>Net Position</b>		
Net Investment in Capital Assets	88,632,924	82,613,165
Unrestricted	(763,693)	1,351,165
<b>Total Net Position</b>	<b>87,869,231</b>	83,964,330
<b>Total</b>	<b>\$ 151,585,597</b>	\$ 148,358,978

The accompanying notes are an integral part of these financial statements.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2013 and 2012**

	2013	2012 (Restated)
<b>Operating Revenues</b>		
Charges for Services	\$ 38,827,891	\$ 37,134,153
Other Revenues	1,064,037	1,293,333
<b>Total Operating Revenues</b>	<b>39,891,928</b>	38,427,486
<b>Operating Expenses</b>		
Salaries and Benefits	24,823,737	22,670,867
Contractual Services, Materials, Supplies and Other	22,337,887	21,171,536
Depreciation and Amortization	8,969,443	8,735,816
<b>Total Operating Expenses</b>	<b>56,131,067</b>	52,578,219
<b>Operating Loss</b>	<b>(16,239,139)</b>	(14,150,733)
<b>Nonoperating Revenues (Expenses)</b>		
Audubon Nature Institute, Inc. Grants for Capital Projects and Education Programs	4,588,318	4,201,347
Dedicated Tax Revenues	9,281,313	8,637,520
Intergovernmental Grants	6,684,832	2,279,214
Endowment Distributions from Audubon Nature Institute Foundation	1,398,613	1,380,926
Amortization - Debt Costs	(21,803)	(33,012)
Interest Income	1,287	5,227
Interest Expense	(1,896,602)	(2,258,813)
Grant Expenses	(1,011,030)	(432,122)
Other Revenue	1,119,112	-
<b>Total Nonoperating Revenues, Net</b>	<b>20,144,040</b>	13,780,287
<b>Change in Net Position</b>	<b>3,904,901</b>	(370,446)
<b>Net Position, Beginning of Year</b>	<b>83,964,330</b>	84,628,305
<b>Impact of Implementation of GASB 65 (Note 2)</b>	<b>-</b>	(293,529)
<b>Net Position, Beginning of Year - Restated</b>	<b>83,964,330</b>	84,334,776
<b>Net Position, End of Year</b>	<b>\$ 87,869,231</b>	\$ 83,964,330

The accompanying notes are an integral part of these financial statements.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

	2013	2012 (Restated)
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 39,707,047	\$ 38,163,542
Cash Paid to or on Behalf of Employees	(24,729,300)	(22,513,588)
Cash Paid for Supplies and Services	(19,901,946)	(23,211,641)
<b>Net Cash Used in Operating Activities</b>	<b>(4,924,199)</b>	<b>(7,561,687)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Grants from the Institute for Capital Projects, Education and Operating Support	4,588,318	4,201,347
Payments for Projects' Design, Construction and Equipment Purchases	(11,695,537)	(3,436,551)
Decrease in Restricted Assets	1,367,278	1,321,285
Decrease in Liabilities Payable from Restricted Assets	(279,992)	(214,085)
Dedicated Tax Revenues	9,281,313	8,637,520
Interest Paid	(1,925,666)	(1,765,808)
Payment of Bond Principal	(3,829,090)	(4,939,253)
Payment of Capital Lease Obligations	(140,566)	(78,909)
Endowment Distributions from Audubon Nature Institute Foundation	1,398,613	1,380,926
Interest Income	1,287	5,227
Intergovernmental and Other Grants	6,684,832	2,279,214
Grant Expenses	(1,011,030)	(432,122)
Cash Received from FEMA Reimbursements	556,941	-
Cash Received from Insurance Proceeds	562,171	-
Other	93,983	164,451
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>5,652,855</b>	<b>7,123,242</b>
<b>Net Increase (Decrease) in Cash and Temporary Investments</b>	<b>728,656</b>	<b>(438,445)</b>
<b>Cash and Temporary Investments, Beginning of Year</b>	<b>1,424,306</b>	<b>1,862,751</b>
<b>Cash and Temporary Investments, End of Year</b>	<b>\$ 2,152,962</b>	<b>\$ 1,424,306</b>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating Loss	\$ (16,239,139)	\$ (14,150,733)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation and Amortization	8,969,443	8,735,816
Increase in Accounts Receivable and Other Current Assets	(475,970)	(430,247)
Increase (Decrease) in Accounts Payable and Other Current Liabilities	2,821,467	(1,716,523)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (4,924,199)</b>	<b>\$ (7,561,687)</b>
<b>Noncash Items</b>		
Purchase of Equipment through Capital Lease	\$ -	\$ 399,491
Purchases for Projects' Design, Construction and Equipment in Accounts Payable and Other Current Liabilities	\$ 2,921,154	\$ 1,924,907

The accompanying notes are an integral part of these financial statements.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 1. Organization**

**General Information**

Audubon Park is located on a 400-acre tract within the City of New Orleans (the City) that includes the Audubon Zoo, trails for jogging, biking, and horseback riding, an 18-hole golf course and numerous athletic fields. Act 83 passed by the Louisiana Legislature (the Legislature) in 1871 authorized the Board of Park Commissioners to acquire the land which is now known as Audubon Park. In 1914, the Legislature passed Act 191 which created a Commission to be entrusted with the management and control of Audubon Park. Act 191, as amended, is the current authority for the present Audubon Park Commission which is composed of 24 members who are appointed by the Mayor of the City with the approval of the City Council. Each member serves a six-year term, with four members' terms expiring each year. The Commission is considered a discretely presented component unit of the City and its statements are included in the City's annual financial statements. On January 1, 1996, the Commission's name was changed from Audubon Park Commission to Audubon Commission (the Commission) effective with the City's adoption of amendments to its Home Rule Charter.

On November 4, 1986, City voters approved the levy of a three and four-fifths (3-4/5) mills property tax to finance the construction and certain operating expenses of the Audubon Aquarium of the Americas (the Aquarium). The vote was taken pursuant to Act 309, passed by the Legislature earlier in 1986, which provided that the Commission would develop, construct and operate the Aquarium, and authorized the City to levy and collect the aforementioned ad valorem tax, subject to voter approval, on behalf of the Commission. The City acts through the Commission in the issuance of bonds authorized by Act 309, and through the Board of Liquidation, City Debt, in the sale of its bonds. Construction of the Aquarium of the Americas and Woldenberg Riverfront Park was begun in 1987 and the bonds (Audubon Park Commission Aquarium Bonds, Series 1988 - \$25,000,000) were issued in 1988. Construction was completed and the Aquarium was opened to the public in September 1990. Phase II of the Aquarium was completed in 1995.

On June 1, 1990, the Commission and the City entered into an agreement for the construction and operation of the Audubon Wilderness Park and the Freeport McMoRan Audubon Species Survival Center on approximately 64 acres of property owned by the City. The agreement requires an annual payment to the City's General Fund of one dollar (\$1.00) per year for a period of fifty (50) years that terminates on February 28, 2040. The Audubon Center for Research of Endangered Species is located adjacent to the Species Survival Center on 986 acres of United States Coast Guard (Coast Guard) property. The Coast Guard granted the Commission a 25 year land use license with a 25 year renewal option that was executed on July 1, 2010. The term of such license is to commence on the 1st day of June 2015 and end on the 31st day of May 2040 inclusive, with an option for renewal for 25 additional years thereafter. Improvements completed on this site by the Commission include a 36,000 square-foot research laboratory.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 1. General Information and Summary of Significant Accounting Policies (Continued)**

**General Information (Continued)**

Effective October 1, 1994, the Commission received assignment of a facility lease by the Society for Environmental Education (as lessee) with the City (as lessor). The Society for Environmental Education operates as the Audubon Louisiana Nature Center.

The Audubon Insectarium opened in the summer of 2008 and is located in the Customs House building in New Orleans.

The Commission has a contractual management agreement with Audubon Nature Institute, Inc. (the Institute), a nonprofit organization, under which the Institute manages and operates the Commission facilities located at the Audubon Zoo and Park, the Aquarium and Riverfront Park, the Audubon Insectarium, the Species Survival Center and the Louisiana Nature Center. The Institute employs individuals to operate and maintain the Commission's facilities; however, all operating revenues and expenses, including salary expense, related to these facilities are recorded on the records of the related facility. The Institute also supports the Commission financially through specific donations and grants obtained by the Institute for operations or capital improvements of Commission facilities.

**Impact of Hurricanes**

The Commission is insured for an event of this nature and has property damage insurance and business interruption insurance limits of approximately \$75,000,000 for all facilities. The Louisiana Nature Center, located in New Orleans East, flooded during Hurricane Katrina in 2005. The Commission recorded a loss on impairment of the Louisiana Nature Center of approximately \$446,000 in 2005 which represented the remaining net book value of the facility at the time and the Louisiana Nature Center has not since reopened. Management is still in the process of developing plans for the future utilization of this site.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation - Fund Accounting**

The proprietary fund is used to account for the Commission's ongoing operations and activities which are similar to those in the private sector. Proprietary funds are accounted for using a flow of economic resource measurement focus under which assets and liabilities associated with the operation of these funds are included in the statements of net position. The statements of revenues, expenses and changes in net position present increases (revenues) and decreases (expenses) in net position. The Commission maintains one proprietary fund type - the enterprise fund.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Impact of Implementation of GASB Statement No. 65**

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65). GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. GASB 65 was implemented by the Commission effective January 1, 2012. The adoption of GASB 65 had the following impact on the financial statements:

<b>Net Position - Beginning of Period</b>	\$ 84,628,305
<b>Impact of Implementation of GASB 65</b>	<u>(293,529)</u>
<b>Net Position - Beginning of Period - Restated</b>	<u>\$ 84,334,776</u>

The impact of implementation is due to bond issuance costs that were previously reported as net position and amortized over the life of the bonds are now considered an outflow of resources in the reporting period in which they are incurred. The prior year was restated to conform with GASB 65.

The adoption of GASB 65 also required the unamortized loss on advance refunding to be reclassified as a deferred outflow of resources on the statement of net position, rather than as a contra-liability. This line item is still amortized as a component of interest expense over the shorter of the life of the old or new debt. The result of this reclassification increased the noncurrent liability Limited Tax Bonds by \$480,277 and \$697,553 as of December 31, 2013 and 2012, respectively.

**Use of Estimates**

The Commission prepares financial statements in accordance with accounting principles generally accepted in the United States of America. Such principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Basis of Reporting**

In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended*, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

**Net Investment in Capital Assets** - This component of net position consists of capital position, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Basis of Reporting (Continued)**

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets".

**Restricted Assets**

Restricted assets consist primarily of investments maintained in the applicable enterprise fund in accordance with bond indentures. This category is also used to report amounts receivable from public agencies in connection with the funding of capital projects.

**Investments**

Investments are stated at cost or amortized cost, which does not materially differ from market value.

**Inventory**

Inventory is stated at the lower of cost, determined by the first-in, first-out method, or market.

**Capital Assets**

Capital assets greater than \$10,000 and a useful life of over one year are recorded at historical cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives (ranging from 20 to 40 years for buildings and fixed exhibitary and 3 to 20 years for equipment) of the assets. Equipment under capital leases is amortized using the straight-line method over the shorter of the lease term or its useful life. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in revenue or expense for the period. The cost of maintenance and repairs is charged to operations as incurred and significant renewals and betterments are capitalized.

The Commission reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset might not be recoverable through future utilization. An impairment change is recognized when the fair value of an asset is less than its carrying value.

**Cash and Temporary Investments**

The enterprise funds consider all short-term and highly liquid investments with an original maturity of ninety days or less to be temporary investments. Cash and temporary investments at December 31, 2013 and 2012, consisted of unrestricted cash and cash equivalents of \$2,152,962 and \$1,424,306, respectively.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Budgeting**

Operating and capital expenditure budgets are adopted by the Commission on a basis consistent with accounting principles generally accepted in the United States. Budget information is utilized for analytical purposes, and the budget process is a key component of the Commission's management control environment.

**Impact of Other Recently Issued Accounting Principles**

Recently Issued Accounting Pronouncements

In June, 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*. GASB 67 provides for financial reporting for pension plans that are administered through trust or equivalent arrangements. The provisions of the Statement are effective for periods beginning after June 15, 2013. Management does not anticipate that the adoption of this statement will have a significant impact on its reporting.

In June, 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of the Statement are effective for periods beginning after June 15, 2014. Management does not anticipate that the adoption of this Statement will have a significant impact on the financial statements of the Commission.

**Reclassifications**

The Commission has reclassified certain amounts for prior periods to conform to the current year presentation.

**Note 3. Cash and Temporary Investments**

**Cash on Deposit**

The Commission's deposits at financial institutions at December 31, 2013 and 2012, were \$2,003,842 and \$1,275,186, respectively, (excluding \$149,120 of cash on hand at December 31, 2013 and 2012).

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. The Commission does not have a deposit policy for custodial credit risk. As of December 31, 2013 and 2012, no funds were exposed to custodial credit risk.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 3. Cash and Temporary Investments (Continued)**

**Investments**

The carrying and market values of the Commission's investments as of December 31, 2013 and 2012 were \$2,097,984 and \$3,189,334, respectively. At December 31, 2013 and 2012, the total was comprised of money market accounts and cash. The average return on the deposits approximated 0.01% at December 31, 2013 and 2012.

Per GASB authoritative guidance, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

**Interest Rate Risk**

It is not the Commission's policy to limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Commission would not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At December 31, 2013 and 2012, the Commission is not exposed to significant custodial credit risk with respect to its investments because all investments are either insured by Federal Depository Insurance registered in the name of the Commission or collateralized by other investments pledged in the name of the Commission.

**Note 4. Other Assets**

**Prepaid Rent – Dock Board**

On April 30, 1992, the Commission, the City and the Board of Commissioners of the Port of New Orleans (the Port) entered into an agreement titled "Riverfront Economic Development Agreement" (the Agreement). The Agreement included a provision for paying the Port \$11,000,000, which the Commission funded through its Aquarium Revenue Bonds, Series 1992 A.

The \$11,000,000 payment relieves the Commission of all rents and fees associated with the development and occupancy of the Aquarium and its related facilities for the 99 year term of the agreement. This payment is presented as prepaid rent – dock board on the statements of financial position and is being amortized on a straight-line basis over the term of the agreement.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 4. Other Assets (Continued)**

**Film Cost**

The Commission and a partner began production on an IMAX® film about the Louisiana Wetlands in 2004 and the Commission capitalized its related costs as part of construction in process. On August 29, 2006, the *Hurricane on the Bayou*, IMAX® film was completed and released at the Aquarium and subsequently released in other theatres around the world. The Commission amortizes the film costs using the individual-film-forecast-computation method which amortizes such costs in the same ratio that current period actual revenue bears to estimated remaining unrecognized ultimate revenue as of the beginning of the current fiscal year (denominator). The film revenue, included in charges for services, for the years ended December 31, 2013 and 2012, was \$288,414 and \$346,490, respectively, and ultimate revenue is estimated at \$5,034,444. Ultimate revenue includes the estimates that are based on the history of earning such revenue. The Commission recognized \$266,440 and \$223,639 of the film amortization for the years ended December 31, 2013 and 2012, respectively.

**Note 5. Capital Assets**

Capital assets are summarized as follows by major classification at December 31, 2013:

	Balance January 1, 2013	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2013
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	4,076,183	10,842,434	(5,989,389)	-	8,929,228
<b>Total Capital Assets Not Depreciated</b>	<b>4,876,183</b>	<b>10,842,434</b>	<b>(5,989,389)</b>	<b>-</b>	<b>9,729,228</b>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	221,205,666	-	5,894,202	-	227,099,868
Equipment	20,046,132	1,844,013	95,187	(67,931)	21,917,401
<b>Total Capital Assets Being Depreciated</b>	<b>241,251,798</b>	<b>1,844,013</b>	<b>5,989,389</b>	<b>(67,931)</b>	<b>249,017,269</b>
<b>Less Accumulated Depreciation</b>	<b>(116,922,609)</b>	<b>(8,581,881)</b>	<b>-</b>	<b>67,931</b>	<b>(125,436,559)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 129,205,372</b>	<b>\$ 4,104,566</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 133,309,938</b>

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 5. Capital Assets (Continued)**

Capital assets are summarized as follows by major classification at December 31, 2012:

	Balance January 1, 2012	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2012
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	2,372,602	4,595,544	(2,891,963)	-	4,076,183
<b>Total Capital Assets Not Depreciated</b>	<b>3,172,602</b>	<b>4,595,544</b>	<b>(2,891,963)</b>	<b>-</b>	<b>4,876,183</b>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	218,313,703	-	2,891,963	-	221,205,666
Equipment	19,250,234	1,254,625	-	(458,727)	20,046,132
<b>Total Capital Assets Being Depreciated</b>	<b>237,563,937</b>	<b>1,254,625</b>	<b>2,891,963</b>	<b>(458,727)</b>	<b>241,251,798</b>
<b>Less Accumulated Depreciation</b>	<b>(108,970,211)</b>	<b>(8,410,459)</b>	<b>-</b>	<b>458,061</b>	<b>(116,922,609)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 131,766,328</b>	<b>\$ (2,560,290)</b>	<b>\$ -</b>	<b>\$ (666)</b>	<b>\$ 129,205,372</b>

Depreciation expense for the years ended December 31, 2013 and 2012, related to these assets amounted to approximately \$8,582,000 and \$8,410,000, respectively.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

**Note 6. Bonds Payable**

Bonds payable at December 31, 2013 and 2012, are comprised of the following:

	2013	2012
<b>Limited Tax Bonds</b>		
Audubon Commission Aquarium Bonds Series 2003 A, due in a final installment of \$2,695,000 in October 2013; ranging from 3.00% to 5.00%.	\$ -	\$ 2,695,000
Audubon Commission Aquarium Bonds Series 2011 A-1, due in annual installments of \$2,075,000 to \$3,630,000 from October 2014 through October 2021; 3.276%.	<b>24,370,000</b>	24,370,000
Audubon Commission Aquarium Bonds Series 2011 A-2, due in October 2014; 1.867%.	<b>630,000</b>	630,000
Audubon Commission Improvement and Refunding Zoo Bonds, Series 1997, due in annual installments of \$310,000 to \$365,000 through December 2016; ranging from 5.00% to 6.50%.	<b>1,035,000</b>	1,345,000
<b>Revenue Bonds</b>		
State of Louisiana, Office of Community Development Gulf Opportunity Zone Act Loan	<b>15,370,163</b>	16,194,254
<b>Total Bonds Payable</b>	<b>41,405,163</b>	45,234,254
<b>Unamortized Premium, Net</b>	<b>1,781,378</b>	2,061,370
<b>Total</b>	<b>43,186,541</b>	47,295,624
<b>Less: Current Maturities</b>	<b>(4,148,172)</b>	(4,073,589)
<b>Bonds Payable, Noncurrent</b>	<b>\$ 39,038,369</b>	\$ 43,222,035

Details of the bonds and loans payable are as follows:

Limited Tax Bonds – Series 2011 A-1 and 2011 A-2

On September 22, 2011, the Commission issued \$24,370,000 Aquarium Refunding Bonds Series 2011 A-1 with a net interest cost of 3.276%. The bonds were issued for the purpose of defeasing the Aquarium Refunding Bonds, Series 2001 A and Series 2001 B Bonds and providing amounts for capital improvements to the Aquarium and related facilities and paying costs of issuance of the bonds. On the same date the Commission issued \$630,000 Aquarium Refunding Bonds, Taxable Series 2011 A-2 with a net interest rate of 1.867%.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 6. Bonds Payable (Continued)**

Limited Tax Bonds – Series 2011 A-1 and 2011 A-2 (Continued)

The bonds were issued for the purpose of paying a portion of the interest due on the 2011 A Bonds and paying costs of issuance of the Bonds. The Bonds were issued on a complete parity with the Aquarium Refunding Bonds Series 2003 A. The Commission completed the advance refunding to reduce the debt service payments over the next 10 years and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2,676,682.

Limited Tax Bonds – Series 2003 A

On July 9, 2003, the Commission issued \$22,285,000 Aquarium Refunding Bonds, Series 2003 A with an average interest rate of 3.726%. The proceeds of this issue were used to advance refund \$22,565,000 of the Audubon Commission Aquarium Bonds, Series 1993. The 2003 A Series Bonds were issued on complete parity with the Aquarium Refunding Bonds, Series 2001 A and 2001 B. The advance refund included escrowing \$23,685,145 into an irrevocable trust to provide for all future debt service payments on the Series 1993 bonds, therefore the Series 1993 bonds were removed from the statement of net position in 2003. As of December 31, 2013, these bonds were paid in full.

Limited Tax Bonds – Series 1997

In December 1996, the Commission received a commitment to purchase its \$4,500,000 Improvement and Refunding Bonds, Series 1997. The proceeds of the issue were used to advance refund \$1,895,000 in Series 1979 and 1988 Improvement Bonds, and provide \$2,500,000 for capital improvements at Audubon Zoo. The advance refunding included escrowing \$1,943,500 into an irrevocable trust to provide for future debt service on the defeased bonds.

Debt service applicable to all of the above mentioned limited tax bonds is held by the Board of Liquidation, City Debt (BOL). No tax bonds may be sold without approval of the BOL. Property taxes levied by the City of New Orleans and dedicated to the payment of these limited tax bonds are collected by the City of New Orleans and, as required by law, paid to the Board of Liquidation as collected. The millages for these limited tax bonds were established at the time the bonds were issued, based upon the approval of the City's voters. The property taxes are recorded as non-operating revenue for the appropriate fund.

Gulf Opportunity Zone Act Loan

In July 2006, pursuant to the Public Law 109-135 of the United States Congress, the Gulf Opportunity Zone Act of 2005 was enacted to provide tax relief and tax credit bond authority designed to aid the State with recovery efforts from Hurricane Katrina and Hurricane Rita. Accordingly, the State of Louisiana, Office of Community Development loaned the Commission \$4,907,500 to make the scheduled debt payments for the Aquarium Revenue Refunding Bonds, Series 1997 and \$11,851,006 to make scheduled debt payments for the Improvement and Refunding Zoo Bonds, Series 1997, Aquarium Refunding Bonds, Series 2001 A, Aquarium Bonds, Series 2001 B and Aquarium Refunding Bonds, Series 2003 A through 2009.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

**Note 6. Bonds Payable (Continued)**

*Gulf Opportunity Zone Act Loan (Continued)*

Per the agreement the funds shall be maintained at the State identified trustee and disbursed according to the debt schedule of the bonds identified above. Once funds are disbursed by the State, the debt service payments are made with the proceeds and amounts are recorded as loans payable by the Commission. The agreement matures 20 years from the date of the delivery of the loan which was on July 19, 2006. No principal or interest was payable during the initial five year period of the loan. After the expiration of the initial five year period of the loan, the loan bears interest at a fixed rate of 4.64%. An extension was requested in 2011 to defer the payment of principal and interest for an additional five years, but was denied. As a result, principal and interest shall be repaid over the remaining 15 year period based on level annual amortization of principal and interest. The loan balance may be prepaid at any time, in whole or in part, by the Commission without penalty or premium. The total amount of interest to accrue over the 20 year period of the loan is \$6,874,054.

A summary of changes in bonds payable during 2013 and 2012, is as follows:

	Limited Tax Bonds	Revenue Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2013	\$ 29,040,000	\$ -	\$ 16,194,254	\$ 45,234,254
Additions	-	-	-	-
Reductions	(3,005,000)	-	(824,091)	(3,829,091)
<b>Balance December 31, 2013</b>	<b>\$ 26,035,000</b>	<b>\$ -</b>	<b>\$ 15,370,163</b>	<b>\$ 41,405,163</b>
<b>Due within One Year</b>	<b>\$ 3,030,000</b>	<b>\$ -</b>	<b>\$ 1,118,172</b>	<b>\$ 4,148,172</b>

	Limited Tax Bonds	Revenue Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2012	\$ 31,895,000	\$ 1,520,000	\$ 16,758,506	\$ 50,173,506
Additions	-	-	-	-
Reductions	(2,855,000)	(1,520,000)	(564,252)	(4,939,252)
<b>Balance December 31, 2012</b>	<b>\$ 29,040,000</b>	<b>\$ -</b>	<b>\$ 16,194,254</b>	<b>\$ 45,234,254</b>
<b>Due within One Year</b>	<b>\$ 3,005,000</b>	<b>\$ -</b>	<b>\$ 1,068,589</b>	<b>\$ 4,073,589</b>

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 6. Bonds Payable (Continued)**

Expected debt service requirements on all bonds outstanding as of December 31, 2013, are as follows:

Year Ending December 31,	Limited Tax Bonds		Gulf Opportunity Zone Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,030,000	\$ 1,153,680	\$ 1,118,172	\$ 810,264	\$ 4,148,172	\$ 1,963,944
2015	3,145,000	1,063,820	914,212	661,292	4,059,212	1,725,112
2016	3,245,000	961,880	956,631	618,873	4,201,631	1,580,753
2017	3,025,000	798,900	1,001,019	574,485	4,026,019	1,373,385
2018	3,185,000	647,650	1,047,466	528,038	4,232,466	1,175,688
2019 to 2023	10,405,000	1,056,750	6,013,068	1,864,352	16,418,068	2,921,102
2024 to 2026	-	-	4,319,595	406,917	4,319,595	406,917
<b>Total</b>	<b>\$ 26,035,000</b>	<b>\$ 5,682,680</b>	<b>\$ 15,370,163</b>	<b>\$ 5,464,221</b>	<b>\$ 41,405,163</b>	<b>\$ 11,146,901</b>

**Note 7. Retirement System**

Employees of the Institute that provide services for the Commission in accordance with the terms of the management agreement may participate on an optional basis in a tax-deferred annuity plan established by the Institute for the benefit of all full-time employees. The plan provides for the purchase of annuities which qualify for tax deferral. Participating employees contribute between 2% and 15% of their salary, not to exceed \$16,500, and the Commission, through its management agreement with the Institute, matches employee contributions up to 3% of base salary. The retirement expense provision for 2013 and 2012 amounted to approximately \$461,000 and \$449,000, respectively.

**Note 8. Related Party Transactions**

The Commission and the Institute are related through the interaction of their Boards of Directors and contractual management agreements under which the Institute manages and operates Commission facilities. The management agreement was extended to a new ten year term beginning January 26, 2011 through January 25, 2021. As of December 31, 2013 and 2012, amounts due to the Institute totaled \$9,256,734 and \$6,521,477, respectively. These liabilities have been classified as a long-term liability based on the Commission's evaluation of the timing of the anticipated repayment of these amounts. There is no scheduled maturity date and the Institute has no plans in the next 12 months to demand payment on the amounts receivable from the Commission at December 31, 2013.

To assure efficiencies through economies of scale, the Commission and the Institute often engage in operations through one organization that benefit the other organization. One example of this is the use of common or central bank and investment accounts. The Commission received additional financial support from the Institute in the form of specific gifts and grants of \$4,588,318 and \$4,201,347 and distributions from the Foundation's endowment fund amounting to \$1,398,613 and \$1,380,926 during 2013 and 2012, respectively.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 8. Related Party Transactions (Continued)**

The Commission has amounts due to the Institute as of December 31, 2013 and 2012, which are reflected as due to related party on the statements of net position. The Institute has committed to the Commission that it has the intent and ability to continue funding the operations of the Commission through operating advances, donations and grants, if necessary, in order to provide the required level of financial support to enable the Commission to discharge its liabilities in the normal course of business as they become due. The Institute has no plans in the next twelve months to demand payment on the amounts receivable from the Commission at December 31, 2013.

**Note 9. Commitments and Contingencies**

**Long-Term Leases**

The Commission leases its Audubon Insectarium premises under an operating lease. A three year step rent plan was introduced in August 2009. The rent will be reset to market every five years, beginning August 2014, instead of 10 years as stated in the lease. The Commission also leases two additional properties in Jefferson and Orleans Parishes. Rent expense for the years ending December 31, 2013 and 2012 totaled \$716,826 and \$888,618, respectively.

Future lease payments required under the operating leases are as follows:

<b>Years Ending December 31,</b>	<b>Lease Payments</b>
2014	\$ 597,924
2015	572,994
2016	572,994
2017	572,994
2018	572,994
Thereafter	<u>347,654</u>
<b>Total</b>	<b><u>\$ 3,237,554</u></b>

As of December 31, 2013, the Commission was obligated under various capital leases, each with non-cancelable terms in excess of one year. The assets under capital lease as of December 31, 2013 have a cost of \$681,743 and accumulated amortization of \$322,545.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Notes to Financial Statements**

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**Note 9. Commitments and Contingencies (Continued)**

**Long-Term Leases (Continued)**

Future minimum lease payments under the capital leases are as follows:

<b>Years Ending December 31,</b>	<b>Lease Payments</b>
2014	\$ 148,301
2015	83,873
2016	<u>190,084</u>
<b>Total Minimum Lease Payments</b>	422,258
<b>Less: Amounts Representing Interest</b>	<u>36,461</u>
<b>Present Value of Future Minimum Lease Payments</b>	385,797
<b>Less: Current Portion of Capital Leases Obligation</b>	<u>130,320</u>
<b>Capital Lease Obligations, Excluding Current Portion</b>	<u><u>\$ 255,477</u></u>

**Construction in Progress**

As of December 31, 2013, the Commission has approximately \$12,000,000 remaining on construction projects still ongoing.

**Note 10. Litigation**

Certain claims and suits have been filed against the Commission. The majority of these claims are covered by insurance and, based on all available information and consultation with the Commission's legal counsel, management does not believe the ultimate resolution of these matters will have a significant effect on the Commission's financial position, results of operations, or cash flows.

**Note 11. Subsequent Events**

The Commission completed its subsequent events review through June 5, 2014, the date on which the financial statements were available to be issued. There were no events that required adjustments to, or disclosures in, the financial statements. No subsequent events occurring after June 5, 2014 have been evaluated for inclusion in these financial statements.

**OMB CIRCULAR A-133**

**Report on Compliance for Each Major Federal Award Program; Report on Internal Control Over Compliance; and Report on Scheduled of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

To the Board of Directors of  
Audubon Commission

**Report on Compliance for Each Major Federal Program**

We have audited Audubon Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended December 31, 2013. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibilities***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibilities***

Our responsibility is to express an opinion on compliance for the Commission's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

### **Report on Internal Control Over Compliance**

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Commission's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Commission as of and for the year ended December 31, 2013, and have issued our report thereon dated June 5, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Metairie, LA  
June 5, 2014

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2013**

<b>Federal Grantor or Pass-Trough Grantor and Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures Incurred During the Year Ended December 31, 2013</b>
U.S. Department of Homeland Security Passed through Louisiana Military Department, Office of Homeland Security and Emergency Preparedness - Public Assistance Grant	97.036	FEMA-1603-DR-LA	\$ 1,487,251
<b>Total</b>			<u>\$ 1,487,251</u>

See accompanying note to the schedule of expenditures of federal awards.

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Note to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2013**

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**Note 1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Commission and is presented on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Commission has met the qualifications for the respective grants.



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**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Independent Auditor's Report

To the Board of Directors of  
Audubon Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Audubon Commission (the Commission) which comprise the statement of net position as of and for the year ended December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the basic financial statements, and have issued our report thereon dated June 5, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance with the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA  
June 5, 2014

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2013**

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**Part I - Summary of Auditor's Results**

**Financial Statements**

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting:	
• Material Weakness(es) Identified?	No
• Significant Deficiency(ies) Identified?	None Reported
Noncompliance Material to Financial Statements Noted?	No

**Federal Awards**

Internal Control Over Major Programs:	
• Material Weakness(es) Identified?	No
• Significant Deficiency(ies) Identified?	None Reported
Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
Any Audit Findings disclosed that are required to be reported in Accordance with Section 510(a) of Circular A-133?	No
Identification of Major Programs:	
<u>Name of Federal Program or Cluster</u>	<u>CFDA Numbers</u>
Public Assistance Grant	97.036
Dollar threshold used to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**Part II - Financial Statement Findings**

None

**Part III - Findings and Questioned Costs for Federal Awards**

None

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2013**

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Not applicable

## **ADDITIONAL INFORMATION**

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Additional Information**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended December 31, 2013**

	Aquarium and Riverfront Park	Insectarium	Zoo and Park	Golf Course	Species Survival Center/ Research Center	Louisiana Nature Center	Total
<b>Operating Revenues</b>							
Charges for Services	\$ 16,726,811	\$ 2,444,117	\$ 17,865,480	\$ 1,791,483	\$ -	\$ -	\$ 38,827,891
Other Revenues	552,745	41,133	459,072	837	10,250	-	1,064,037
<b>Total Operating Revenues</b>	<b>17,279,556</b>	<b>2,485,250</b>	<b>18,324,552</b>	<b>1,792,320</b>	<b>10,250</b>	<b>-</b>	<b>39,891,928</b>
<b>Operating Expenses</b>							
Salaries and Benefits	8,189,593	1,716,645	12,690,914	1,177,914	1,048,671	-	24,823,737
Contractual Services, Materials, Supplies and Other	8,189,606	1,862,266	10,629,914	741,067	915,034	-	22,337,887
Depreciation and Amortization	3,524,332	1,339,282	2,904,444	453,592	747,793	-	8,969,443
<b>Total Operating Expenses</b>	<b>19,903,531</b>	<b>4,918,193</b>	<b>26,225,272</b>	<b>2,372,573</b>	<b>2,711,498</b>	<b>-</b>	<b>56,131,067</b>
<b>Operating Loss</b>	<b>(2,623,975)</b>	<b>(2,432,943)</b>	<b>(7,900,720)</b>	<b>(580,253)</b>	<b>(2,701,248)</b>	<b>-</b>	<b>(16,239,139)</b>
<b>Nonoperating Revenues (Expenses)</b>							
Audubon Nature Institute Grants for Capital Projects and Education Programs	1,456,357	447,143	1,494,797	-	1,190,021	-	4,588,318
Dedicated Tax Revenues	7,783,564	600,000	897,749	-	-	-	9,281,313
Intergovernmental Grants	2,540,234	-	4,063,472	-	81,126	-	6,684,832
Endowment Distributions from Audubon Nature Institute Foundation	719,357	-	259,228	-	420,028	-	1,398,613
Other Revenue	556,941	-	428,900	-	133,271	-	1,119,112
Interest Income	1,287	-	-	-	-	-	1,287
Interest Expense	(1,744,784)	-	(122,757)	(29,061)	-	-	(1,896,602)
Grant Expenses	(393,185)	-	(432,624)	-	(185,221)	-	(1,011,030)
Amortization - Debt Costs	(20,803)	-	(1,000)	-	-	-	(21,803)
<b>Total Nonoperating Revenues, Net</b>	<b>10,898,968</b>	<b>1,047,143</b>	<b>6,587,765</b>	<b>(29,061)</b>	<b>1,639,225</b>	<b>-</b>	<b>20,144,040</b>
<b>Change in Net Position</b>	<b>8,274,993</b>	<b>(1,385,800)</b>	<b>(1,312,955)</b>	<b>(609,314)</b>	<b>(1,062,023)</b>	<b>-</b>	<b>3,904,901</b>
<b>Net Position, Beginning of Year (Restated)</b>	<b>13,472,253</b>	<b>20,443,683</b>	<b>31,934,693</b>	<b>7,487,030</b>	<b>11,003,858</b>	<b>(377,187)</b>	<b>83,964,330</b>
<b>Net Position, End of Year</b>	<b>\$ 21,747,246</b>	<b>\$ 19,057,883</b>	<b>\$ 30,621,738</b>	<b>\$ 6,877,716</b>	<b>\$ 9,941,835</b>	<b>\$ (377,187)</b>	<b>\$ 87,869,231</b>

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Additional Information**  
**Combining Schedule of Cash Flows**  
**For the Year Ended December 31, 2013**

	Aquarium and Riverfront Park	Insectarium	Zoo and Park	Golf Course	Species Survival Center/ Research Center	Louisiana Nature Center	Total
<b>Cash Flows from Operating Activities</b>							
Cash Received from Customers	\$ 17,075,920	\$ 2,465,243	\$ 18,191,524	\$ 1,776,263	\$ 198,097	\$ -	\$ 39,707,047
Cash Paid to or on Behalf of Employees	(8,155,995)	(1,715,781)	(12,632,223)	(1,177,918)	(1,047,383)	-	(24,729,300)
Cash Paid for Supplies and Services	(12,497,635)	(1,642,235)	(5,687,824)	(390,325)	(223,160)	539,233	(19,901,946)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(3,577,710)</b>	<b>(892,773)</b>	<b>(128,523)</b>	<b>208,020</b>	<b>(1,072,446)</b>	<b>539,233</b>	<b>(4,924,199)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Grants from the Institute for Capital Projects, Education and Operating Support	1,456,357	447,143	1,494,797	-	1,190,021	-	4,588,318
Payments for Projects' Design, Construction and Equipment Purchases	(3,918,335)	(154,370)	(6,478,427)	(38,393)	(566,779)	(539,233)	(11,695,537)
Decrease in Restricted Assets	972,568	-	394,710	-	-	-	1,367,278
Decrease in Liabilities Payable from Restricted Assets	(279,992)	-	-	-	-	-	(279,992)
Dedicated Tax Revenues	7,783,564	600,000	897,749	-	-	-	9,281,313
Interest Paid	(1,759,421)	-	(137,184)	(29,061)	-	-	(1,925,666)
Payment of Bond Principal	(3,464,723)	-	(364,367)	-	-	-	(3,829,090)
Payment of Capital Lease Obligations	-	-	-	(140,566)	-	-	(140,566)
Endowment Distributions from Audubon Nature Institute Foundation	719,357	-	259,228	-	420,028	-	1,398,613
Interest Income	1,287	-	-	-	-	-	1,287
Intergovernmental and Other Grants	2,540,234	-	4,063,472	-	81,126	-	6,684,832
Grant Expenses	(393,185)	-	(432,624)	-	(185,221)	-	(1,011,030)
Cash Received from FEMA Reimbursements	556,941	-	-	-	-	-	556,941
Cash Received from Insurance Proceeds	-	-	428,900	-	133,271	-	562,171
Other	94,983	-	(1,000)	-	-	-	93,983
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>4,309,635</b>	<b>892,773</b>	<b>125,254</b>	<b>(208,020)</b>	<b>1,072,446</b>	<b>(539,233)</b>	<b>5,652,855</b>
<b>Net Increase (Decrease) in Cash and Temporary Investments</b>	<b>731,925</b>	<b>-</b>	<b>(3,269)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728,656</b>
<b>Cash and Temporary Investments, Beginning of Year</b>	<b>1,312,031</b>	<b>25,000</b>	<b>84,775</b>	<b>2,250</b>	<b>250</b>	<b>-</b>	<b>1,424,306</b>
<b>Cash and Temporary Investments, End of Year</b>	<b>\$ 2,043,956</b>	<b>\$ 25,000</b>	<b>\$ 81,506</b>	<b>\$ 2,250</b>	<b>\$ 250</b>	<b>\$ -</b>	<b>\$ 2,152,962</b>

**AUDUBON COMMISSION**  
**(A Discretely Presented Component Unit of the City of New Orleans, Louisiana)**

**Additional Information**  
**Combining Schedule of Cash Flows**  
**For the Year Ended December 31, 2013**

	Aquarium and Riverfront Park	Insectarium	Zoo and Park	Golf Course	Species Survival Center/ Research Center	Louisiana Nature Center	Total
<b>Reconciliation of Operating (Loss) Income to Net Cash</b>							
<b>Used in Operating Activities</b>							
Operating Loss	\$ (2,623,975)	\$ (2,432,943)	\$ (7,900,720)	\$ (580,253)	\$ (2,701,248)	\$ -	\$ (16,239,139)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities							
Depreciation and Amortization	3,524,332	1,339,282	2,904,444	453,592	747,793	-	8,969,443
(Increase) Decrease in Accounts Receivable and Other Current Assets	(745,512)	(6,901)	89,560	(17,652)	204,535	-	(475,970)
(Decrease) Increase in Accounts Payable and Other Current Liabilities	(3,732,555)	207,789	4,778,193	352,333	676,474	539,233	2,821,467
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (3,577,710)</b>	<b>\$ (892,773)</b>	<b>\$ (128,523)</b>	<b>\$ 208,020</b>	<b>\$ (1,072,446)</b>	<b>\$ 539,233</b>	<b>\$ (4,924,199)</b>
<b>Noncash Items</b>							
Purchases for Projects' Design, Construction, and Equipment in Accounts Payable and Other Current Liabilities	\$ 1,362,270	\$ 36,359	\$ 1,213,304	\$ -	\$ 152,895	\$ 156,326	\$ 2,921,154