

# **AUDUBON COMMISSION**

Audits of Financial Statements

December 31, 2016 and 2015



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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), which comprise the statements of net position as of December 31, 2016 and 2015, the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

### 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.

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, 2016 and 2015, and the changes in its financial position and its 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 11, be presented to supplement the financial statements. Such information, although not a part of the 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 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 financial statements, and other knowledge we obtained during our audit of the 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 that collectively comprise the Commission's financial statements. The combining schedule of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are not a required part of the financial statements. The 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. Such 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 revenues, expenses, and changes in net position is fairly stated, in all material respects, in relation to the 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 1, 2017, 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.

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

A Professional Accounting Corporation

Metairie, LA  
June 1, 2017

## AUDUBON COMMISSION

### 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, 2016 and 2015. It should be read in conjunction with the financial statements in this report.

#### Overview of Financial Statements

This annual report consists of six components - Independent Auditor's Report, Management's Discussion and Analysis (this section), Financial Statements, Uniform Guidance, Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, and Other Supplementary 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 *Other Supplementary Information* section provides information on the Combining Schedule of Revenues, Expenses, and Changes in Net Position.

#### Financial Highlights

Net position increased by \$12,727,090, or 12%, in 2016. In 2015, net position increased by \$6,425,553, or 6.5%.

Additions to capital assets totaled \$16,137,315 in 2016 and \$11,022,193 in 2015, respectively.

# AUDUBON COMMISSION

## Management's Discussion and Analysis

### Operating Facilities Net Results for the Year Ended December 31, 2016 with Prior Years and Budget Comparisons

(in thousands)	Actual 2016	Actual 2015	Actual 2014	Budget 2016	Budget 2015
Aquarium and Riverfront Park	\$ 6,995	\$ 6,250	\$ 5,533	\$ 6,310	\$ 5,396
Zoo & Audubon Park	(5,452)	(4,608)	(4,343)	(4,879)	(3,984)
Butterfly Garden and Insectarium	(116)	39	17	23	(87)
Species Survival Center/Research Center	(755)	(858)	(677)	(900)	(907)
Louisiana Nature Center	-	-	-	(100)	-
<b>Total Operations *</b>	<b>672</b>	<b>823</b>	<b>530</b>	<b>\$ 454</b>	<b>\$ 418</b>
<b>Net Capital Income and Expense</b>	<b>12,055</b>	<b>5,603</b>	<b>10,964</b>		
<b>Change in Net Position</b>	<b>\$ 12,727</b>	<b>\$ 6,426</b>	<b>\$ 11,494</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 2015 to 2016	Change 2014 to 2015
	2016	2015	2014		
Operating Revenues	\$ 43,349,052	\$ 42,874,708	\$ 39,960,939	\$ 474,344	\$ 2,913,769
Operating Expenses	60,091,179	60,314,080	57,260,103	(222,901)	3,053,977
Operating Loss	(16,742,127)	(17,439,372)	(17,299,164)	697,245	(140,208)
Nonoperating Revenues, Net	29,469,217	23,864,925	28,792,701	5,604,292	(4,927,776)
Change in Net Position	12,727,090	6,425,553	11,493,537	6,301,537	(5,067,984)
Beginning Net Position	105,788,321	99,362,768	87,869,231	6,425,553	11,493,537
Ending Net Position	<b>\$ 118,515,411</b>	<b>\$ 105,788,321</b>	<b>\$ 99,362,768</b>	<b>\$ 12,727,090</b>	<b>\$ 6,425,553</b>

# AUDUBON COMMISSION

## 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 \$474,344 and \$2,913,769 in 2016 and 2015, respectively. Operations remained relatively consistent in both years with the increase in 2016 being due to an increase in admissions prices as well as an increase in membership and concessions revenue coupled with a decrease in gift shop and Cool Zoo revenue. The increase in 2015 was due to an increase in business due to new exhibit openings and increased marketing efforts as well as increased membership prices.

#### Operating Expenses

Contractual services, materials, supplies and other expense decreased by \$2,019,242 due to reduced marketing expenditures, a decrease in grant activities as well as a switch from using contract labor to in-house labor, which also contributed to the \$1,224,040 increase in salaries and benefits. Salaries and benefits also increased due to the cost of living increase for employees effective in the latter half of 2015. The increase in 2015 was due to the cost of living increase as well as the increase in business over 2014.

#### Non-Operating Revenues

Other non-operating revenues increased due to an increase in reimbursements for capital projects as well as debt modification.

Dedicated tax revenues increased by \$859,309 and \$486,037 in 2016 and 2015, respectively.

#### Net Capital Assets

	Aquarium and Riverfront Park	Butterfly Garden and Insectarium	Zoo and Audubon Park	Species Survival Center/ Research Center	Louisiana Nature Center	Total
<b>Balance December 31, 2014</b>	\$ 44,159,173	\$ 16,981,902	\$ 66,858,690	\$ 12,632,210	\$ 642,682	\$ 141,274,657
Additions	1,228,985	28,618	6,066,597	278,358	3,419,637	11,022,193
Depreciation/Disposals	(3,421,805)	(1,300,357)	(3,763,140)	(740,703)	-	(9,226,003)
<b>Balance December 31, 2015</b>	41,966,353	15,710,163	69,162,147	12,169,865	4,062,319	143,070,847
Additions	1,219,622	18,885	6,272,006	3,329,968	5,296,833	16,137,315
Depreciation/Disposals	(3,449,817)	(1,287,501)	(4,563,834)	(757,079)	-	(10,058,232)
<b>Balance December 31, 2016</b>	\$ 39,736,158	\$ 14,441,547	\$ 70,870,319	\$ 14,742,754	\$ 9,359,152	\$ 149,149,930

# AUDUBON COMMISSION

## Management's Discussion and Analysis

### Condensed Statement of Net Position

	2016	2015	2014	Change 2015 to 2016	Change 2014 to 2015
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,484,928	\$ 1,318,396	\$ 1,225,931	\$ 166,532	\$ 92,465
Accounts Receivable, Net	307,544	343,998	239,123	(36,454)	104,875
Inventory	1,417,749	1,366,267	1,338,321	51,482	27,946
Prepaid Expenses	561,419	719,574	1,274,339	(158,155)	(554,765)
Restricted Assets	4,296,649	3,455,511	4,889,235	841,138	(1,433,724)
Nondepreciable Capital Assets	20,134,433	12,856,508	19,162,666	7,277,925	(6,306,158)
Depreciable Capital Assets, Net	129,015,497	130,214,339	122,111,991	(1,198,842)	8,102,348
Other Assets, Nonrestricted	8,105,247	8,221,036	8,336,826	(115,789)	(115,790)
<b>Total Assets</b>	<b>165,323,466</b>	<b>158,495,629</b>	<b>158,578,432</b>	<b>6,827,837</b>	<b>(82,803)</b>
Deferred Outflows of Resources	176,944	278,055	379,166	(101,111)	(101,111)
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 165,500,410</b>	<b>\$ 158,773,684</b>	<b>\$ 158,957,598</b>	<b>\$ 6,726,726</b>	<b>\$ (183,914)</b>
<b>Liabilities</b>					
Unrestricted Current Liabilities	\$ 5,843,976	\$ 6,287,641	\$ 7,122,162	\$ (443,665)	\$ (834,521)
Payables from Restricted Assets	8,468,800	7,233,517	10,135,421	1,235,283	(2,901,904)
Noncurrent Liabilities	32,672,223	39,464,205	42,337,247	(6,791,982)	(2,873,042)
<b>Total Liabilities</b>	<b>46,984,999</b>	<b>52,985,363</b>	<b>59,594,830</b>	<b>(6,000,364)</b>	<b>(6,609,467)</b>
<b>Net Position</b>					
Net Investment in Capital Assets	116,367,601	105,781,570	100,372,787	10,586,031	5,408,783
Unrestricted	2,147,810	6,751	(1,010,019)	2,141,059	1,016,770
<b>Total Net Position</b>	<b>118,515,411</b>	<b>105,788,321</b>	<b>99,362,768</b>	<b>12,727,090</b>	<b>6,425,553</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 165,500,410</b>	<b>\$ 158,773,684</b>	<b>\$ 158,957,598</b>	<b>\$ 6,726,726</b>	<b>\$ (183,914)</b>

### Comments on Condensed Statement of Net Position

Net capital assets increase of \$6,079,083 in 2016 was due to capital asset additions of \$16,137,315 offset by depreciation and disposals of \$10,058,232.

Noncurrent liabilities decreased by \$6,791,982 and \$2,873,042 in 2016 and 2015, respectively. In each year, the decrease was due to debt service payments on bonds and a reduction in the amount owed to the Institute by the Commission in accordance with the terms of the Agreement between those two parties.

# AUDUBON COMMISSION

## Management's Discussion and Analysis

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### Condensed Statement of Cash Flows

	2016	2015	2014	Change 2015 to 2016	Change 2014 to 2015
Net Cash Used in Operating Activities	\$ (9,107,264)	\$ (9,306,589)	\$ (9,444,378)	\$ 199,325	\$ 137,789
Net Cash Provided by Capital and Related Financing Activities	9,273,796	9,399,054	8,517,347	(125,258)	881,707
Net Increase (Decrease) in Cash and Cash Equivalents	166,532	92,465	(927,031)	74,067	1,019,496
Cash and Cash Equivalents Beginning of Year	1,318,396	1,225,931	2,152,962	92,465	(927,031)
End of Year	\$ 1,484,928	\$ 1,318,396	\$ 1,225,931	\$ 166,532	\$ 92,465

### Comments on Condensed Statement of Cash Flows

Cash used in operating activities decreased in 2016 compared to 2015 due to normal fluctuations in operations. Cash provided by capital and related financing activities of \$9,273,796 in 2016 was \$125,258 less than 2015.

In 2016, there was an overall increase in cash and cash equivalents of \$166,532.

### General Overview

2016 was marked by promising attendance trends and many other successes for Audubon. With an eye on the future, Audubon remained committed to providing outstanding guest experiences and educational opportunities, while also developing partnerships to protect the wonders of nature. The combined attendance at the Aquarium, Butterfly Garden and Insectarium, Entergy Giant Screen Theater, and Zoo totaled **1,906,064 visitors**. Revenue from admissions totaled **\$16,756,776**. Audubon looks to the future with optimism, ready to embark on new adventures and meet the challenges ahead.

### Major Achievements

- In 2016, Audubon and three other organizations won the Association of Zoos and Aquariums' 2016 **North American Conservation Award** for work as part of the Whooping Crane Recovery Program. Audubon's decades of whooping crane breeding and partnership in the **Whooping Crane Recovery Program** have helped pull these birds back from the brink of extinction.
- As construction at the new **Audubon Louisiana Nature Center** drew closer to completion in 2016, hundreds of volunteers came together for three **Citgo Tree Planting Days** in partnership with NOLA Tree Project and other community groups. Nearly 1,700 native trees were planted, helping to restore the Nature Center as a treasured green space for family recreation and environmental education. The Nature Center reopens in 2017.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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- Audubon's **Coastal Wildlife Network (CWN)** made history in 2016 with **the first successful release of a bottlenose dolphin in the state of Louisiana**. The young male dolphin, dubbed "Octavius," found stranded on Grand Isle, was released into Barataria Bay after being nursed back to health by Audubon animal experts at CWN, located on the Freeport-McMoRan Audubon Species Survival Center campus.
- **A little turtle affectionately called "Peanut"** made headlines in 2016. Sluggish and dehydrated, the young green sea turtle was brought to Audubon's Coastal Wildlife Network (CWN) in May. After intensive rehabilitation at CWN, young Peanut was deemed healthy enough to be released into the Gulf of Mexico in October. **Since 2010, Audubon's CWN has released 221 turtles back into the wild**, and those efforts will continue into 2017 and beyond.
- In December of 2016, Audubon's **Gulf United for Lasting Fisheries (G.U.L.F.)** announced that the **Louisiana's blue crab fishery achieved Responsible Fisheries Management certification** based on internationally-accepted principles in a major step forward for Audubon's conservation mission. This means the **largest blue crab fishery in the country** can continue to provide consumers with delicious Louisiana blue crabs long into the future.
- While it was tough to say goodbye, we knew it was for an excellent cause. Twenty Audubon **penguins** left the Aquarium in 2016 to start new breeding programs at other zoos and aquariums. **Since 1990, Audubon has hatched 54 penguins!** And the Aquarium is still home to 20 busy and active penguins, much to the delight of guests.
- **Audubon Membership** exceeded expectations in 2016, with revenue totaling **\$5,680,572**. At year-end, Members accounted for **27%** of visitation at Audubon Aquarium of the Americas; **39%** at Audubon Zoo; **9%** at Entergy Giant Screen Theater; and **34%** at Audubon Butterfly Garden and Insectarium. Member attendance accounted for **32%** of attendance across all Audubon facilities at **608,003**.
- Audubon's **Community Outreach Program**, helped minorities and underserved families in the Greater New Orleans Area "celebrate the wonders of nature" at Audubon attractions in 2016. These are guests who otherwise may have been unable to experience the thrill and enjoyment of an Audubon visit. In addition, thanks to the **Taylor/Audubon Students and Scholars Program**, high-achieving students in grades 7 through 12 statewide received free Audubon memberships as part of the ongoing initiative established by the Patrick F. Taylor Foundation to reward Louisiana students who work hard and earn good grades.
- From **\$2 Tuesdays** to **military discounts** and **Parish Appreciation Days**, there were many ways for all members of the community to enjoy an Audubon visit in 2016. For example, moms were admitted free to Audubon Zoo on **Mother's Day**, and dads were welcomed in free on **Father's Day**, and the Insectarium offered free admission to everyone in honor of **Museum Day**.
- Audubon has continued to strengthen **social media initiatives**, adding fans, friends, and followers daily. At year end, our social media network included more than **240,500 Facebook** friends; **16,800 Twitter** followers; **17,000 Instagram** followers; and more than **112,000 email** subscribers.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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#### New Arrivals and Programs

- Panya and Jean, **Audubon Zoo's cherished Asian elephants**, moved to a spacious **new 42,000 square-foot exhibit** in April of 2016, complete with shade trees, enrichment log, two pools and other amenities. Visitors loved seeing Zoo favorites Panya and Jean from a different perspective—a **new elevated boardwalk and education pavilion** where guests could learn more about elephants and the efforts to save them from extinction. This breezy, beautiful elevated pavilion is perfect for inspired conservation learning, including iPad elephant "painting" and a life-size graphic where kids create elephant sounds.
- Audubon Zoo had a pups and piglets baby boom in 2016, with the births of **10 African painted dog pups** (a significant milestone for the Zoo and for species conservation!) and a pair of adorable **babirusa piglets**, Ginger and Ivy. Zoo visitors were delighted by these cute babies while gaining insight and helpful pointers on how to support conservation efforts in the wild through engaging graphics and informative keeper chats. **Both species are endangered**, and both benefit from breeding programs at Audubon Zoo.
- Audubon Zoo guests saw new stripes in 2016 as **endangered Malayan tiger Bumi**, one of only **64 Malayan tigers currently in zoos** across the country, joined the Audubon family. He is a beautiful cat who represents the majesty of his species perfectly—and he definitely showed some interest in the arrival of a herd of beautiful **barasingha deer** for the exhibit just across the boardwalk!
- 2016 could go down in Audubon history as one of the most colorful in recent memory thanks to Jinx and Mapema, an **endangered mandrill pair** who arrived at Audubon Zoo in March. With their exotic looks and charming antics, this primate pair immediately captured the hearts of Zoo visitors. They quickly made the former orangutan exhibit across from gorillas their very own after Audubon's orangutan family moved to a new home in the Zoo's Asia in late 2015.
- Audubon Butterfly Garden and Insectarium welcomed fascinating new species to the collection in 2016, **scarab beetles** from Brazil and yellow **porcelain roaches** from Tanzania, to name just a couple. Perhaps the most popular were **man-faced bugs** from Malaysia, which reminded New Orleanians of Mardi Gras masks! Audubon entomologists hope to breed these fascinating bugs, which are common in Malaysia but rare in the U.S.
- In 2016, the Aquarium launched a new *Wild Encounter* – the **Sea Otter Experience**. During this experience, guests can go behind the scenes at the Aquarium to meet a southern sea otter! This unforgettable 30-minute behind the scenes experience gives a sneak peek behind-the-scenes and an up-close interaction with our sea otter through a protective interaction area. Guests learn about conservation efforts while our trainers share the wonders of this charismatic, endangered animal.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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- The **Aquarium hosted NASA** in 2016, conducting free workshops and presenting fascinating, future-forward demonstrations for teachers from across the state, who will in turn inspire thousands of youngsters—the generation that's going to Mars—to reach for the stars through all-important science learning. **NASA astronaut Commander Victor J. Glover** appeared at the Aquarium during this week of special NASA exhibitry, then stopped by Audubon Zoo for a chat with Zoo campers.
- The **New Orleans Pelicans' partnership** with Audubon keeps expanding with new messages of stewardship for our Louisiana coastal wetlands. One of the latest initiatives that opened in 2016—the **Pelicans' Nest at the Zoo's Louisiana Swamp**—is a slam dunk! Kids can compare their own “wingspan” with that of superstar Anthony Davis and a life-size brown pelican as well as sign a pledge to protect the wetlands. The New Orleans Pelicans are working with Audubon to educate our community about challenges facing the wetlands while empowering people to make a difference for our environment.
- The heartwarming adventures of a colorful pelican captivated readers in 2016, as ***Petit Pierre and the Floating Marsh***, a children's book created through the partnership between Audubon Nature Institute and the New Orleans Pelicans, hit shelves just in time for the holidays. **Audubon dedicated proceeds to wetlands education initiatives and donated two copies to every public library in the state of Louisiana.** The book was selected to represent the state of Louisiana at the National Book Festival in Washington, DC and landed on the 2017 Louisiana State Library summer reading list, connecting children to the beauty of our wetlands while encouraging reading.
- Customized experiences for children with special needs debuted in 2016 with **Sensory Sundays**, when special needs families were invited to the Zoo before public hours for activities and animal encounters tailored especially for them. Sensory Sundays were so popular they are set to continue in 2017.
- The **Youth Conservation Corps** was born in 2016 in partnership with the Orleans Parish 4-H Foundation to increase youth community service. Environmental leadership and outdoor skills were nurtured through work with organizations such as Habitat for Humanity, Second Harvest Food Bank and Lake Pontchartrain Basin Foundation. Forty-five students ages 12 - 19 participated in the program's inaugural year.

### Economic Factors and Next Year's Budget

The 2017 operating budget is substantially comparable to the 2016 operating budget, which reflects management's intent and expectations that operations will remain consistent.

### Contacting the Commission

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 President of the Commission, 6500 Magazine Street, New Orleans, LA 70118.

**AUDUBON COMMISSION**  
**Statements of Net Position**  
**December 31, 2016 and 2015**

	2016	2015
<b>Assets and Deferred Outflows of Resources</b>		
<b>Unrestricted Current Assets</b>		
Cash and Cash Equivalents	\$ 1,484,928	\$ 1,318,396
Accounts Receivable, Net of Allowance for Uncollectible Accounts of \$13,196 in 2016 and \$43,384 in 2015	307,544	343,998
Inventory	1,417,749	1,366,267
Prepaid Expenses	561,419	719,574
<b>Total Unrestricted Current Assets</b>	<b>3,771,640</b>	<b>3,748,235</b>
<b>Current Restricted Assets</b>		
Restricted for Capital Projects	1,634,419	300,000
Debt Service and Bond Reserves	-	307,088
Receivables for Capital Improvements	2,662,230	2,848,423
<b>Total Restricted Current Assets</b>	<b>4,296,649</b>	<b>3,455,511</b>
<b>Total Current Assets</b>	<b>8,068,289</b>	<b>7,203,746</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Land	800,000	800,000
Buildings and Fixed Exhibitory	256,986,856	249,315,477
Equipment	21,199,734	21,102,275
Construction in Progress	19,334,433	12,056,508
Less: Accumulated Depreciation	(149,171,093)	(140,203,413)
<b>Net Capital Assets</b>	<b>149,149,930</b>	<b>143,070,847</b>
<b>Other Assets</b>		
Prepaid Rent - Dock Board	8,105,247	8,221,036
<b>Total Other Assets</b>	<b>8,105,247</b>	<b>8,221,036</b>
<b>Total Assets</b>	<b>165,323,466</b>	<b>158,495,629</b>
<b>Deferred Outflows of Resources</b>	<b>176,944</b>	<b>278,055</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 165,500,410</b>	<b>\$ 158,773,684</b>

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

**AUDUBON COMMISSION**  
**Statements of Net Position (Continued)**  
**December 31, 2016 and 2015**

	2016	2015
<b>Current Liabilities Payable from Unrestricted Assets</b>		
Accounts Payable and Other Accrued Liabilities	\$ 5,691,189	\$ 5,944,138
Capital Lease Obligations	152,787	343,503
	<hr/>	<hr/>
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<b>5,843,976</b>	<b>6,287,641</b>
<b>Current Liabilities Payable from Restricted Assets</b>		
Accrued Interest	628,831	669,647
Limited Tax Bonds, Current Portion	3,025,000	3,245,000
Gulf Opportunity Zone Loan, Current Portion	1,403,844	1,341,594
Construction Payables	3,411,125	1,977,276
	<hr/>	<hr/>
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>8,468,800</b>	<b>7,233,517</b>
	<hr/>	<hr/>
<b>Total Current Liabilities</b>	<b>14,312,776</b>	<b>13,521,158</b>
<b>Noncurrent Liabilities</b>		
Limited Tax Bonds	14,681,812	17,936,667
Gulf Opportunity Zone Loan	13,848,128	15,251,971
Due to Audubon Nature Institute, Inc.	4,037,885	6,018,382
Capital Lease Obligations	104,398	257,185
	<hr/>	<hr/>
<b>Total Noncurrent Liabilities</b>	<b>32,672,223</b>	<b>39,464,205</b>
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>46,984,999</b>	<b>52,985,363</b>
<b>Net Position</b>		
Net Investment in Capital Assets	116,367,601	105,781,570
Unrestricted	2,147,810	6,751
	<hr/>	<hr/>
<b>Total Net Position</b>	<b>118,515,411</b>	<b>105,788,321</b>
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 165,500,410</b>	<b>\$ 158,773,684</b>

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

**AUDUBON COMMISSION**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b>Operating Revenues</b>		
Charges for Services	\$ 41,817,868	41,701,494
Other Revenues	1,531,184	1,173,214
<b>Total Operating Revenues</b>	<b>43,349,052</b>	42,874,708
<b>Operating Expenses</b>		
Salaries and Benefits	27,067,868	25,823,828
Contractual Services, Materials, Supplies, and Other	23,182,344	25,201,586
Depreciation and Amortization	9,840,967	9,288,666
<b>Total Operating Expenses</b>	<b>60,091,179</b>	60,314,080
<b>Operating Loss</b>	<b>(16,742,127)</b>	(17,439,372)
<b>Nonoperating Revenues (Expenses)</b>		
Support for Capital Projects, Education, and Operating Support from Audubon Nature Institute, Inc.	7,211,962	3,369,779
Dedicated Tax Revenues	10,919,256	10,059,947
Intergovernmental Grants	9,787,980	6,701,888
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	768,285	766,472
Other Revenue	2,364,486	4,081,031
Interest Expense	(1,568,245)	(1,099,685)
Amortization - Debt Costs	(14,507)	(14,507)
<b>Total Nonoperating Revenues, Net</b>	<b>29,469,217</b>	23,864,925
<b>Change in Net Position</b>	<b>12,727,090</b>	6,425,553
<b>Net Position, Beginning of Year</b>	<b>105,788,321</b>	99,362,768
<b>Net Position, End of Year</b>	<b>\$ 118,515,411</b>	\$ 105,788,321

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

**AUDUBON COMMISSION**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 43,385,506	\$ 42,769,833
Cash Paid to or on Behalf of Employees	(27,011,308)	(26,519,566)
Cash Paid for Supplies and Services	(25,481,462)	(25,556,856)
<b>Net Cash Used in Operating Activities</b>	<b>(9,107,264)</b>	<b>(9,306,589)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Support From Audubon Nature Institute, Inc.	7,211,962	3,369,779
Payments for Design, Construction, and Equipment Purchases	(14,370,412)	(12,075,577)
Non-Cash Transfer of Equipment from Audubon Nature Institute, Inc.	-	(25,684)
(Increase)/Decrease in Restricted Assets	(841,138)	1,433,724
Decrease in Liabilities Payable from Restricted Assets	(229,855)	(807,707)
Dedicated Tax Revenues	10,919,256	10,059,947
Interest Paid	(1,507,949)	(850,587)
Payment of Bond Principal	(4,586,593)	(3,145,000)
Payment of Capital Lease Obligations	(343,503)	(210,515)
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	768,285	766,472
Intergovernmental and Other Grants	9,787,980	6,701,888
Cash Received from Legal Settlement	-	3,492,412
Contractual Debt Reduction	2,111,535	-
Cash Received from Insurance Proceeds	252,950	10,767
Other	101,278	679,135
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>9,273,796</b>	<b>9,399,054</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>166,532</b>	<b>92,465</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,318,396</b>	<b>1,225,931</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,484,928</b>	<b>\$ 1,318,396</b>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating Loss	\$ (16,742,127)	\$ (17,439,372)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation and Amortization	9,840,967	9,288,666
Increase in Accounts Receivable and Other Current Assets	27,338	306,155
Decrease in Accounts Payable and Other Current Liabilities	(2,233,442)	(1,462,038)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (9,107,264)</b>	<b>\$ (9,306,589)</b>
<b>Non-Cash Items</b>		
Purchase of Equipment through Capital Lease	\$ -	\$ 103,469
Purchases for Design, Construction, and Equipment in Accounts Payable and Other Current Liabilities	\$ 3,411,126	\$ 1,977,276
Changes in Relation to Debt Reamortization:		
Reduction in Accrued Interest Removed from Debt Restructure	\$ -	\$ 577,815
Accrued Interest Reclassified as Principal	\$ -	\$ 1,223,438

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

# AUDUBON COMMISSION

## 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. 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 to lease approximately 128 acres of City-owned property as part of construction and operation of a Wilderness Park, Species Survival Center and Research Center. The agreement, which terminates on February 28, 2040, requires an annual payment to the City's General Fund of one dollar (\$1.00) per year for a period of fifty (50) years, payable in a lump sum on June 1, 1990. Adjacent to the City property is 986 acres of United States Coast Guard (Coast Guard) property for which the Coast Guard granted the Commission a 25-year land use license on June 1, 1990. A 25 year renewal option was executed on July 1, 2010, and started on June 1, 2015; the renewal ends on May 31, 2040 with an option for renewal for 25 years thereafter. Together, these sites comprise Freeport-McMoRan Audubon Species Survival Center and Wilderness Park. This site will house the Alliance for Sustainable Wildlife, a partnership with the San Diego Zoo, to devise strategies to ensure sustainable populations of unique and endangered zoo animals. Improvements completed by the Commission include Audubon Center for Research of Endangered Species (a 36,000 square foot scientific research facility); Audubon Aquatics Center (houses aquatic wildlife rehabilitation and aquarium husbandry operations); Freeport-McMoRan Audubon Species Survival Center (large-scale animal enclosures and barns in forested settings); and Audubon Wilderness Park (education space, restrooms, trails, and picnic shelters).

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 1. Organization (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 Butterfly Garden and Insectarium opened in the summer of 2008 and is located in the Custom House building in New Orleans.

Audubon Nature Institute, Inc. (the Institute) is a nonprofit organization incorporated October 31, 1975, exclusively for educational purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code. Pursuant to a Management and Cooperative Endeavor Agreement (Agreement) between the Institute and the Commission, the Institute operates and manages the Audubon Facilities, as defined below, for the benefit of the Audubon Commission (Commission), an independent agency of the City of New Orleans.

As described above, the Commission owns, controls, and manages various facilities in the State of Louisiana in fulfillment of its goals, purposes, and objectives, including, but not limited to Audubon Park, the Audubon Zoo, the Aquarium of the Americas, Woldenberg Riverfront Park, the Entergy Giant Screen Theater, the Freeport McMoRan Audubon Species Survival Center, the Alliance for Sustainable Wildlife, the Audubon Center for Research of Endangered Species, the Audubon Louisiana Nature Center, Audubon Wilderness Park, and the Audubon Butterfly Garden and Insectarium, collectively the Audubon Facilities as referred to above.

Per the Agreement, the Commission shall pay for the cost and operation of the Audubon Facilities, with the Commission reimbursing the Institute for all expenses that it incurs on behalf of the Commission in furtherance of the Agreement.

The Institute employs individuals to operate and maintain the Commission's facilities; however, all operating revenues and expenses, including salary and employee benefits expenses, related to these facilities are recorded in the records of the related facility within the Commission's financial statements.

For its services, the Institute shall earn a management fee of \$50,000, annually, adjusted in accordance with the Consumer Price Index (CPI) as compared to the CPI for January 1<sup>st</sup> of the prior year. The Agreement currently has a term of fifteen years which terminates in 2028 unless extended by both parties. Management fee expenses totaling \$50,576 in 2016 and 2015 are included in the statements of revenues, expenses, and changes in net position.

The Institute obtains donations, gifts and grants, and conducts fundraising activities in furtherance of its exempt purpose. The revenues and net assets reflected in the Institute's financial statements are the result of these activities. Specific grants to the Commission consist of donations received and grants obtained by the Institute for operating support and capital improvements of the Audubon Facilities discussed above.

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 1. Organization (Continued)

#### Environmental Risks

The Commission is insured for natural disasters and has property damage insurance and business interruption insurance limits of approximately \$75,000,000 for all Audubon Facilities.

### 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.

#### 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.

**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".

# AUDUBON COMMISSION

## Notes to Financial Statements

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

#### **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.

#### **Inventory**

Inventory is stated at the lower of cost, determined by the average cost 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 exhibitory, 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 Cash Equivalents**

The enterprise fund considers all short-term and highly liquid investments with an original maturity of ninety days or less to be cash equivalents. Cash and cash equivalents at December 31, 2016 and 2015, consisted of unrestricted cash and money market accounts of \$1,484,928 and \$1,318,396, respectively.

#### **Budgeting**

Operating and capital expenditure budgets are presented to the Commission by the Institute and are prepared 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.

#### **Reclassification**

Certain amounts in the prior year financial statements have been reclassified in order to be comparable with current year presentation.

# AUDUBON COMMISSION

## Notes to Financial Statements

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

#### Adoption of New Accounting Principles

For the year ended December 31, 2016, the following was implemented:

#### Governmental Accounting Standards Board Statement No. 72 (GASB 72)

The objective of GASB Statement No. 72, *Fair Value Measurement and Application*, is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The adoption of this guidance is not expected to have a material impact on the financial statements.

### Note 3. Cash and Cash Equivalents

#### Cash on Deposit

The Commission's deposits at financial institutions at December 31, 2016 and 2015, were \$1,336,208 and \$1,169,526, respectively, (excluding \$148,720 and \$148,870 of cash on hand at December 31, 2016 and 2015, respectively).

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. As of December 31, 2016 and 2015, no funds were exposed to custodial credit risk.

#### Restricted Cash and Cash Equivalents

The carrying and market values of the Commission's cash and cash equivalents as of December 31, 2016 and 2015 were \$1,634,419 and \$607,088, respectively. At December 31, 2016 the total was comprised of cash, at December 31, 2015 the total was comprised of money market accounts and cash. These assets are presented as Restricted for Capital Projects in 2016. In 2015 these assets are presented as Restricted for Capital Projects and as Debt Service and Bond Reserves on the statements of net position.

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.

# AUDUBON COMMISSION

## Notes to Financial Statements

### 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 Riverfront Agreement). The Riverfront 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 Riverfront 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 Riverfront Agreement.

### Note 5. Capital Assets

Capital assets are summarized as follows by major classification at December 31, 2016:

	Balance January 1, 2016	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2016
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	12,056,508	15,117,879	(7,784,810)	(55,144)	19,334,433
<b>Total Capital Assets Not Depreciated</b>	<b>12,856,508</b>	<b>15,117,879</b>	<b>(7,784,810)</b>	<b>(55,144)</b>	<b>20,134,433</b>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	249,315,477	40,728	7,630,651	-	256,986,856
Equipment	21,102,275	978,708	154,159	(1,035,408)	21,199,734
<b>Total Capital Assets Being Depreciated</b>	<b>270,417,752</b>	<b>1,019,436</b>	<b>7,784,810</b>	<b>(1,035,408)</b>	<b>278,186,590</b>
<b>Less Accumulated Depreciation</b>	<b>(140,203,413)</b>	<b>(9,716,675)</b>	<b>-</b>	<b>748,995</b>	<b>(149,171,093)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 143,070,847</b>	<b>\$ 6,420,640</b>	<b>\$ -</b>	<b>\$ (341,557)</b>	<b>\$ 149,149,930</b>

# AUDUBON COMMISSION

## Notes to Financial Statements

### Note 5. Capital Assets (Continued)

Capital assets are summarized as follows by major classification at December 31, 2015:

	Balance January 1, 2015	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2015
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	18,362,666	10,366,758	(16,659,172)	(13,744)	12,056,508
<b>Total Capital Assets Not Depreciated</b>	<u>19,162,666</u>	<u>10,366,758</u>	<u>(16,659,172)</u>	<u>(13,744)</u>	<u>12,856,508</u>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	233,078,315	58,786	16,178,376	-	249,315,477
Equipment	22,745,265	596,649	499,141	(2,738,780)	21,102,275
<b>Total Capital Assets Being Depreciated</b>	<u>255,823,580</u>	<u>655,435</u>	<u>16,677,517</u>	<u>(2,738,780)</u>	<u>270,417,752</u>
<b>Less Accumulated Depreciation</b>	<u>(133,711,589)</u>	<u>(9,163,550)</u>	<u>(18,345)</u>	<u>2,690,071</u>	<u>(140,203,413)</u>
<b>Total Capital Assets, Net</b>	<u>\$ 141,274,657</u>	<u>\$ 1,858,643</u>	<u>\$ -</u>	<u>\$ (62,453)</u>	<u>\$ 143,070,847</u>

Depreciation expense for the years ended December 31, 2016 and 2015, related to these assets amounted to approximately \$9,717,000 and \$9,164,000, respectively.

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 6. Long-Term Debt

Bonds and other debt payable at December 31, 2016 and 2015, are comprised of the following:

	2016	2015
<b>Limited Tax Bonds</b>		
Audubon Commission Aquarium Bonds Series 2011 A-1, due in annual installments of \$3,025,000 to \$3,630,000 from October 2016 through October 2021; 3.276%.	<b>\$ 16,615,000</b>	\$ 19,495,000
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%.	-	365,000
<b>Other Debt</b>		
State of Louisiana, Office of Community Development Gulf Opportunity Zone Act Loan	<b>15,251,972</b>	16,593,565
<b>Total Bonds Payable and Other Debt</b>	<b>31,866,972</b>	36,453,565
<b>Unamortized Premium, Net</b>	<b>1,091,812</b>	1,321,667
<b>Total</b>	<b>32,958,784</b>	37,775,232
<b>Less: Current Maturities</b>	<b>(4,428,844)</b>	(4,586,594)
<b>Bonds Payable and Other Debt, Noncurrent</b>	<b>\$ 28,529,940</b>	\$ 33,188,638

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%.

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.

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### Note 6. Long-Term Debt (Continued)

##### 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 are 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.

Per the agreement the funds were maintained at the State identified trustee and disbursed according to the debt schedule. Once funds were disbursed by the State, the debt service payments were made with the proceeds and amounts recorded as loans payable by the Commission. No principal or interest was payable during the initial five year period of the loan. An extension was requested in 2011 to defer the payment of principal and interest for an additional five years, but was denied. In 2015, the loan was reamortized as part of a cooperative endeavor agreement (CEA) explained below. As part of the reamortization of the loan which matures November 1, 2025, \$1,223,438 of accrued interest on the loan was reclassified as principal for a total of \$16,593,565 which bears interest at 4.64%.

On October 1, 2015, the Commission and the State entered into a cooperative endeavor agreement (CEA) whereby the Commission agreed to invest in the Woldenberg Riverside Park (the Park) an amount of not less than \$1 million per year for ten years for the purpose of capital improvements, advertising, marketing, maintenance, and food and beverage service to increase the use of the park for annual festivals and other events based on multi-year contracts for such events.

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 6. Long-Term Debt (Continued)

#### Gulf Opportunity Zone Act Loan (Continued)

It is anticipated that the investment of funds into the Park would increase tax revenues annually for the State. Each July 1st, the Commission shall submit a report to the Louisiana Division of Administration that demonstrates that the number of visitors to events directly associated with the Park is consistent with 800,000 visitors (820,000 for each succeeding year) and average spending of \$700 per visitor. In addition, the Commission shall identify long-term contracts related to the festivals directly associated with the Park and the revenues expected to be generated by these festivals for the State and the infrastructure that was undertaken by the Commission in the prior years. If the Commission meets the criteria of spending a minimum of \$1 million on the Park, as well as the threshold of visitors and visitor spending, the State will accept the stream of net new Park tax revenues as payment for the annual amounts owed per the reamortized loan. If the visitor criteria are not met, the Commission will pay any insufficiency to the State, calculated using a ratio set forth in the CEA, by August 15th of that same year. If the minimum \$1 million spending criteria is not met, the Commission shall pay an additional proportionate amount of the loans to the State based on the insufficiency. If greater than \$1 million is spent, the excess may be carried forward for use in any future year toward the spending requirement. The term of this contract terminates on July 15, 2026.

The Commission's total expenditures associated with Woldenberg Riverfront Park for the period July 1, 2015 to June 30, 2016 was \$1,323,161. The park hosted 896,726 visitors during this time period with each visitor spending an estimated \$720. Based on these factors, the Commission met the criteria established by the CEA for the period July 1, 2015 to June 30, 2016.

Per the CEA, if the expenditures associated with Woldenberg Riverfront Park are in excess of \$1,000,000 in any year, the excess may be carried forward for use in any future year toward the required \$1,000,000 yearly expenditure.

The expenditure and carryover balance as of December 31, 2016 is the following:

Balance January 1, 2016	\$ -
Expenditures from July 1, 2015 through June 30, 2016	<u>1,323,161</u>
Total Expenditures	1,323,161
CEA Annual Requirement	<u>1,000,000</u>
Carryover to Next Fiscal Year	<u>\$ 323,161</u>

The Commission reduced its gulf opportunity zone loan balance by the principal and interest amount due in 2016 per the CEA, in the amount of \$2,111,535. This amount is recorded in other revenue on the statement of revenues, expenses, and changes in net position.

# AUDUBON COMMISSION

## Notes to Financial Statements

### Note 6. Long-Term Debt (Continued)

A summary of changes in bonds payable and other debt during 2016 and 2015, is as follows:

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2016	\$ 19,860,000	\$ 16,593,565	\$ 36,453,565
Additions	-	-	-
Reductions	(3,245,000)	(1,341,593)	(4,586,593)
Balance December 31, 2016	\$ 16,615,000	\$ 15,251,972	\$ 31,866,972
Due within One Year	\$ 3,025,000	\$ 1,403,844	\$ 4,428,844

  

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2015	\$ 23,005,000	\$ 15,370,163	\$ 38,375,163
Additions	-	1,223,402	1,223,402
Reductions	(3,145,000)	-	(3,145,000)
Balance December 31, 2015	\$ 19,860,000	\$ 16,593,565	\$ 36,453,565
Due within One Year	\$ 3,245,000	\$ 1,341,594	\$ 4,586,594

Expected debt service requirements on all debt outstanding as of December 31, 2016, are as follows:

Year Ending December 31,	Limited Tax Bonds		Gulf Opportunity Zone Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 3,025,000	\$ 798,900	\$ 1,403,844	\$ 707,691	\$ 4,428,844	\$ 1,506,591
2018	3,185,000	647,650	1,468,982	642,553	4,653,982	1,290,203
2019	3,305,000	520,250	1,537,143	574,392	4,842,143	1,094,642
2020	3,470,000	355,000	1,608,466	503,069	5,078,466	858,069
2021	3,630,000	181,500	1,683,099	428,436	5,313,099	609,936
2022 to 2025	-	-	7,550,438	895,703	7,550,438	895,703
<b>Total</b>	<b>\$ 16,615,000</b>	<b>\$ 2,503,300</b>	<b>\$ 15,251,972</b>	<b>\$ 3,751,844</b>	<b>\$ 31,866,972</b>	<b>\$ 6,255,144</b>

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### **Note 7. Transactions with Audubon Nature Institute and Audubon Nature Institute Foundation**

As mentioned in Note 1, the Institute operates and manages the Audubon Facilities for the benefit of the Commission as evidenced by an Agreement. The Agreement provides that all monies from the operation of the Audubon Facilities, and all tax revenues, shall be collected by the Institute on behalf of the Commission and deposited in an account maintained and administered by the Commission; however, the Commission shall pay for the cost and operation of the Audubon Facilities as detailed annually in a budget presented to the Commission. The Commission is to also reimburse the Institute for all expenses that it incurs on behalf of the Commission in furtherance of the Agreement, as well as pay the Institute an annual management fee.

At December 31, 2016 and 2015, the Institute has incurred expenses on behalf of the Commission in amounts exceeding the reimbursements received from the Commission for those expenses. At December 31, 2016 and 2015, the amount due to the Institute from the Commission totaled \$4,037,885 and \$6,018,382, respectively.

The Institute has provided support to the Commission to fund certain capital projects, education programs and operational support. For the years ended December 31, 2016 and 2015, those grants totaled \$7,211,962 and \$3,369,779, respectively.

Audubon Nature Institute Foundation (Foundation) is a nonprofit organization that raises funds in support of the facilities, programs, and other activities managed by the Institute. During the years ended December 31, 2016 and 2015, the Foundation donated funds for the direct benefit of the facilities managed by the Institute. These contributions totaled \$768,285 and \$766,472 for 2016 and 2015, respectively.

#### **Note 8. Commitments and Contingencies**

##### **Long-Term Leases**

The Commission leases its Audubon Butterfly Garden and 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, 2016 and 2015 totaled \$675,414 and \$664,297, respectively.

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### Note 8. Commitments and Contingencies (Continued)

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

<b>Years Ending December 31,</b>	<b>Lease Payments</b>
2017	\$ 631,429
2018	602,321
2019	581,531
2020	37,733
2021 and Thereafter	<u>10,666</u>
<b>Total</b>	<b><u>\$ 1,863,680</u></b>

As of December 31, 2016, the Commission was obligated under capital leases, each with non-cancelable terms in excess of one year. The assets under capital lease as of December 31, 2016 had a cost of \$584,239 and accumulated amortization of \$341,637.

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

<b>Years Ending December 31,</b>	<b>Lease Payments</b>
2017	\$ 159,781
2018	<u>106,243</u>
<b>Total Minimum Lease Payments</b>	266,024
<b>Less: Amounts Representing Interest</b>	<u>8,839</u>
<b>Present Value of Future Minimum Lease Payments</b>	257,185
<b>Less: Current Portion of Capital Leases Obligation</b>	<u>152,787</u>
<b>Capital Lease Obligations, Excluding Current Portion</b>	<b><u>\$ 104,398</u></b>

#### **Construction in Progress**

As of December 31, 2016 the Commission has approximately \$5,256,959 remaining on construction projects still ongoing.

#### **Contractual Debt Reduction**

As disclosed in Note 6 in the Gulf Opportunity Zone Act Loan section, the Commission recognizes revenue under the Cooperative Endeavor Agreement wherein the liability is canceled after meeting certain requirements. The Commission asserts all necessary components for revenue recognition are met, and recognized the liability reduction in the current year. While the Commission has fulfilled obligations under the Cooperative Endeavor Agreement to substantiate revenue recognition and liability reduction, acknowledgement by the State of Louisiana is pending.

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### **Note 9. 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 10. Subsequent Events**

The Commission completed its subsequent events review through June 1, 2017, 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 1, 2017 have been evaluated for inclusion in these financial statements.

**UNIFORM GUIDANCE**

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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 Compliance Supplement* that could have a direct and material effect on the Commission's major federal programs for the year ended December 31, 2016. The Commission's major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibilities**

Our responsibility is to express an opinion on compliance for the Commission's major federal programs 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 each 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 each of its major federal programs for the year ended December 31, 2016.

### **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 each 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 the Uniform Guidance, 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 the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Commission as of and for the year ended December 31, 2016, and have issued our report thereon dated June 1, 2017 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 the Uniform Guidance 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 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 "LaForte".

A Professional Accounting Corporation

Metairie, LA  
June 1, 2017

**AUDUBON COMMISSION**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

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<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, 2016</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	\$ 3,483,056
U.S. Department of Commerce Financial Assistance Grant	11.439	NA14NMF4390186	<u>21,185</u>
<b>Total</b>			<u><u>\$ 3,504,241</u></u>

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

**AUDUBON COMMISSION**  
**Note to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

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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.

**Accrued Reimbursement**

Various reimbursement procedures are used for federal awards received by the Commission. Consequently, timing differences between expenditures and program reimbursements may exist at the beginning and end of the year. Any accrued balances at year-end represent an excess of reimbursable expenditures over reimbursements received.

**Prior Year Expenditures Submitted for Reimbursement**

During the year ended December 31, 2016, the Commission submitted claims for reimbursement through the Public Assistance Grant for expenditures from previous years which were not previously submitted for claims totaling \$522,504.

**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, 2016, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 1, 2017.

**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 opinion 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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 and 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 1, 2017

**AUDUBON COMMISSION**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2016**

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

**Financial Statements**

Type of Auditor's Report Issued on Whether the Financial Statements Audited were Prepared in Accordance with GAAP:	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 Federal Programs:	Unmodified
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Any Audit Findings disclosed that are required to be reported in Accordance with Section 2 CFR 200.516(a)	No
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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:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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**Part II - Financial Statement Findings**

No matters were reported.

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

No matters were reported.

**AUDUBON COMMISSION**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2016**

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The prior year single (or organization-wide) audit disclosed no significant findings, and no significant uncorrected or unresolved findings exist from prior single (or organization-wide) audits.

**OTHER SUPPLEMENTARY INFORMATION**

**AUDUBON COMMISSION**  
**Other Supplementary Information**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended December 31, 2016**

	Aquarium and Riverfront Park	Butterfly Garden and Insectarium	Zoo and Audubon Park	Species Survival Center/ Research Center	Louisiana Nature Center	Total
<b>Operating Revenues</b>						
Charges for Services	\$ 17,418,163	\$ 2,762,296	\$ 21,637,294	\$ 115	\$ -	\$ 41,817,868
Other Revenues	1,095,852	6,715	411,367	17,250	-	1,531,184
<b>Total Operating Revenues</b>	<b>18,514,015</b>	<b>2,769,011</b>	<b>22,048,661</b>	<b>17,365</b>	<b>-</b>	<b>43,349,052</b>
<b>Operating Expenses</b>						
Salaries and Benefits	7,902,325	1,352,658	16,622,986	1,189,899	-	27,067,868
Contractual Services, Materials, Supplies, and Other	7,802,444	1,803,671	12,517,162	1,000,380	58,687	23,182,344
Depreciation and Amortization	3,513,420	1,287,501	4,314,435	725,611	-	9,840,967
<b>Total Operating Expenses</b>	<b>19,218,189</b>	<b>4,443,830</b>	<b>33,454,583</b>	<b>2,915,890</b>	<b>58,687</b>	<b>60,091,179</b>
<b>Operating Loss</b>	<b>(704,174)</b>	<b>(1,674,819)</b>	<b>(11,405,922)</b>	<b>(2,898,525)</b>	<b>(58,687)</b>	<b>(16,742,127)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Support from Audubon Nature Institute, Inc.	271,825	60,833	3,063,364	3,715,940	100,000	7,211,962
Dedicated Tax Revenues	9,713,534	150,000	1,055,722	-	-	10,919,256
Intergovernmental Grants	987,754	-	3,047,016	423,149	5,330,061	9,787,980
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	-	-	351,394	416,891	-	768,285
Other Revenue	2,114,486	-	250,000	-	-	2,364,486
Interest Expense	(1,529,685)	-	(38,560)	-	-	(1,568,245)
Amortization - Debt Costs	(13,507)	-	(1,000)	-	-	(14,507)
<b>Total Nonoperating Revenues, Net</b>	<b>11,544,407</b>	<b>210,833</b>	<b>7,727,936</b>	<b>4,555,980</b>	<b>5,430,061</b>	<b>29,469,217</b>
<b>Change in Net Position</b>	<b>10,840,233</b>	<b>(1,463,986)</b>	<b>(3,677,986)</b>	<b>1,657,455</b>	<b>5,371,374</b>	<b>12,727,090</b>
<b>Net Position, Beginning of Year</b>	<b>42,009,204</b>	<b>16,505,644</b>	<b>36,830,609</b>	<b>8,030,652</b>	<b>2,412,212</b>	<b>105,788,321</b>
<b>Net Position, End of Year</b>	<b>\$ 52,849,437</b>	<b>\$ 15,041,658</b>	<b>\$ 33,152,623</b>	<b>\$ 9,688,107</b>	<b>\$ 7,783,586</b>	<b>\$ 118,515,411</b>