

# **AUDUBON COMMISSION**

Audits of Financial Statements

December 31, 2019 and 2018



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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, 2019 and 2018, 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, 2019 and 2018, 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 12, 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 Supplementary 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 is presented for purposes of additional analysis and is 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 23, 2020, 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 solely 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 effectiveness of the Commission's 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 23, 2020

## 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, 2019 and 2018. 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, Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, and Other Supplementary Information.

The *Financial Statements* of the Commission presents 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* provides 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 decreased by \$3,009,994, or 2%, in 2019. In 2018, net position increased by \$5,949,492, or 5%. The decrease is mainly due to the reduction in non-operating revenues in 2019. Reductions in capital project support from Audubon Nature Institute and State capital reimbursements, along with modifications to the Gulf Opportunity Zone Act Loan repayment terms are the main reasons for the non-operating revenue reductions.

Additions to capital assets totaled \$9,850,042 in 2019 and \$10,553,394 in 2018.

# AUDUBON COMMISSION

## Management's Discussion and Analysis

### Operating Facilities Net Results for the Year Ended December 31, 2019 with Prior Years and Budget Comparisons

(in Thousands)	Actual 2019	Actual 2018	Actual 2017	Budget 2019	Budget 2018
Aquarium and Riverfront Park	\$ 7,493	\$ 6,949	\$ 6,547	\$ 6,839	\$ 6,556
Zoo and Audubon Park	(6,726)	(6,032)	(5,767)	(5,702)	(5,349)
Butterfly Garden and Insectarium	523	597	401	387	77
Species Survival Center/Research Center	(594)	(591)	(621)	(828)	(548)
Louisiana Nature Center	(335)	(340)	(129)	(349)	(355)
<b>Total Operations *</b>	<b>361</b>	<b>583</b>	<b>431</b>	<b>\$ 347</b>	<b>\$ 381</b>
<b>Net Capital Income and Expense</b>	<b>(3,371)</b>	<b>5,366</b>	<b>7,928</b>		
<b>Change in Net Position</b>	<b>\$ (3,010)</b>	<b>\$ 5,949</b>	<b>\$ 8,359</b>		

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

### Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended December 31			Change 2018 to 2019	Change 2017 to 2018
	2019	2018	2017		
Operating Revenues	\$ 45,593,860	\$ 45,156,704	\$ 42,522,381	\$ 437,156	\$ 2,634,323
Operating Expenses	65,054,673	62,799,774	59,901,493	2,254,899	2,898,281
Operating Loss	(19,460,813)	(17,643,070)	(17,379,112)	(1,817,743)	(263,958)
Nonoperating Revenues, Net	16,450,819	23,592,562	25,738,189	(7,141,743)	(2,145,627)
Change in Net Position	(3,009,994)	5,949,492	8,359,077	(8,959,486)	(2,409,585)
Beginning Net Position	132,823,980	126,874,488	118,515,411	5,949,492	8,359,077
Ending Net Position	<b>\$ 129,813,986</b>	<b>\$ 132,823,980</b>	<b>\$ 126,874,488</b>	<b>\$ (3,009,994)</b>	<b>\$ 5,949,492</b>

# AUDUBON COMMISSION

## Management's Discussion and Analysis

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### Comments on Condensed Statements of Revenues, Expenses, and Changes in Net Position

#### Operating Revenues

Operating revenues increased by \$437,156 in 2019 compared to 2018. However, overall operations were negatively impacted in mid-July because of necessary facilities closures for several days due to Hurricane Barry.

#### Operating Expenses

Salaries and benefits increased by \$907,159 mainly due a cost of living adjustment given to employees at the beginning of 2019. Contractual services, materials, and supplies increased by \$1,061,670 mainly due to an increase in insurance premiums, animal feed costs, and the cost of hosting a successful Association of Zoos and Aquariums (AZA) and International Marine Animal Trainer's Association's 2019 Annual Conference.

#### Nonoperating Revenues

Nonoperating revenues decreased mainly due to a reduction in transfers from Audubon Nature Institute to cover capital projects as well as debt modification.

Dedicated tax revenues were within \$9,790 of 2018, this reduction was mainly due to the timing of receipts.

#### 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, 2017</b>	\$ 37,329,197	\$ 13,152,315	\$ 72,901,302	\$ 16,457,774	\$ 11,433,541	\$ 151,274,129
Additions	2,654,691	-	6,536,041	744,819	617,843	10,553,394
Depreciation/Disposals	(3,525,397)	(1,279,904)	(4,486,937)	(1,043,540)	(283,392)	(10,619,170)
<b>Balance December 31, 2018</b>	36,458,491	11,872,411	74,950,406	16,159,053	11,767,992	151,208,353
Additions	6,775,322	-	2,491,543	573,550	9,627	9,850,042
Depreciation/Disposals	(3,416,763)	(1,270,577)	(4,554,639)	(1,069,326)	(595,722)	(10,907,027)
<b>Balance December 31, 2019</b>	\$ 39,817,050	\$ 10,601,834	\$ 72,887,310	\$ 15,663,277	\$ 11,181,897	\$ 150,151,368



# AUDUBON COMMISSION

## Management's Discussion and Analysis

### Condensed Statements of Net Position

	2019	2018	2017	Change 2018 to 2019	Change 2017 to 2018
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,912,359	\$ 2,490,709	\$ 459,391	\$ (578,350)	\$ 2,031,318
Accounts Receivable, Net	465,424	399,778	444,110	65,646	(44,332)
Inventory	1,386,806	1,315,654	1,319,527	71,152	(3,873)
Prepaid Expenses	491,481	613,141	724,942	(121,660)	(111,801)
Restricted Assets	16,130,263	18,022,113	4,194,011	(1,891,850)	13,828,102
Nondepreciable Capital Assets	16,046,199	16,363,492	18,958,095	(317,293)	(2,594,603)
Depreciable Capital Assets, Net	134,105,169	134,844,861	132,316,034	(739,692)	2,528,827
Other Assets, Nonrestricted	7,757,879	7,873,669	7,989,458	(115,790)	(115,789)
Agency Fund	-	7,152,854	-	(7,152,854)	7,152,854
<b>Total Assets</b>	<b>178,295,580</b>	<b>189,076,271</b>	<b>166,405,568</b>	<b>(10,780,691)</b>	<b>22,670,703</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>75,833</b>	<b>-</b>	<b>(75,833)</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 178,295,580</b>	<b>\$ 189,076,271</b>	<b>\$ 166,481,401</b>	<b>\$ (10,780,691)</b>	<b>\$ 22,594,870</b>
<b>Liabilities</b>					
Unrestricted Current Liabilities	\$ 8,365,061	\$ 7,883,458	\$ 6,775,458	\$ 481,603	\$ 1,108,000
Payables from Restricted Assets	4,692,806	14,276,967	6,569,233	(9,584,161)	7,707,734
Noncurrent Liabilities	35,423,727	34,091,866	26,262,222	1,331,861	7,829,644
<b>Total Liabilities</b>	<b>48,481,594</b>	<b>56,252,291</b>	<b>39,606,913</b>	<b>(7,770,697)</b>	<b>16,645,378</b>
<b>Net Position</b>					
Net Investment in Capital Assets	114,923,159	112,715,122	121,617,847	2,208,037	(8,902,725)
Restricted	15,610,254	17,473,989	3,606,397	(1,863,735)	13,867,592
Unrestricted	(719,427)	2,634,869	1,650,244	(3,354,296)	984,625
<b>Total Net Position</b>	<b>129,813,986</b>	<b>132,823,980</b>	<b>126,874,488</b>	<b>(3,009,994)</b>	<b>5,949,492</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 178,295,580</b>	<b>\$ 189,076,271</b>	<b>\$ 166,481,401</b>	<b>\$ (10,780,691)</b>	<b>\$ 22,594,870</b>

### Comments on Condensed Statements of Net Position

Net capital assets decrease of \$1,056,985 in 2019 was due to capital asset additions of \$9,850,042 offset by depreciation and disposals of \$10,907,027.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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Cash and cash equivalents restricted for capital projects decreased mainly due to the voluntarily termination of the Ferry Terminal Pedestrian Bridge Cooperative Endeavor Agreement. Approximately \$7 million held in escrow was returned to the party that had contributed to the project. On February 22, 2018, the Commission had entered into an agreement with the City of New Orleans (City) and the Regional Transit Authority (RTA) to construct a pedestrian access bridge on Audubon property adjacent to Audubon Aquarium of the Americas. In August 2018, all bids for the construction of the new ferry terminal came in much higher than estimated, prompting RTA to reconsider its design and the need for a separate pedestrian access bridge. Negotiations among the City, RTA, and the Commission to terminate the above-noted agreement began in late fall 2018 and continued through March 2019.

At its January 24, 2019 meeting, the Commission voted to approve the termination agreement. The termination document was executed by the Commission, the RTA Board, and the Mayor on April 18, 2019. The corresponding liability under Payables from Restricted Assets was reduced due to the return of these funds.

### Condensed Statements of Cash Flows

	2019	2018	2017	Change 2018 to 2019	Change 2017 to 2018
Net Cash Used in Operating Activities	\$ (5,660,236)	\$ (5,858,784)	\$ (7,953,315)	\$ 198,548	\$ 2,094,531
Net Cash (Used in) Provided by Capital and Related Financing Activities	(4,087,739)	29,277,009	8,987,689	(33,364,748)	20,289,320
Net Increase (Decrease) in Cash and Cash Equivalents	(9,747,975)	23,418,225	1,034,374	(33,166,200)	22,383,851
Cash and Cash Equivalents Beginning of Year	27,571,946	4,153,721	3,119,347	23,418,225	1,034,374
End of Year	\$ 17,823,971	\$ 27,571,946	\$ 4,153,721	\$ (9,747,975)	\$ 23,418,225

### Comments on Condensed Statements of Cash Flows

There was a reduction in cash used in operating activities in 2019 compared to 2018 due to normal fluctuations in operations. Cash used in capital and related financing activities of \$4,087,739 in 2019 compared to cash provided by capital and related financing activities of \$29,277,009 in 2018.

Cash and cash equivalents for capital projects increased substantially in 2018 due to the approximately \$10 million held in escrow pursuant to the Governor Nicholls Esplanade Wharves Agreement and the \$7 million held in escrow related to the Ferry Terminal Pedestrian Bridge Agreement. It also included \$4 million held in escrow pursuant to an energy savings performance contract. All agreements are discussed in Note 8.

In 2019, there was an overall decrease in cash and cash equivalents of \$9,747,975.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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#### General Overview

2019 was marked by promising attendance trends and many other successes for Audubon Nature Institute. 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.

Audubon looks to the future with optimism, ready to embark on new adventures and new ways to educate and inspire our community.

#### Major Achievements

- In September, **Audubon hosted the Association of Zoos and Aquariums (AZA) and International Marine Animal Trainer's Association's 2019 Annual Conference**, which drew nearly 3,000 zoo and aquarium professionals to New Orleans. During the Conference, Audubon Nature Institute was recognized with **the 2019 Excellence in Marketing Award** for its "Audubon Zoo Lights presented by Children's Hospital 2018" campaign. This award recognizes excellence in marketing campaigns developed and executed by AZA member facilities. While receiving the prestigious Marketing Excellence award was an honor, the real win for Audubon was leading by example by **keeping its Conference events eco-friendly**.

Food and drinks were offered in recyclable and compostable serving ware and waste bins for recycling and composting were available throughout the events. Audubon partnered with Schmelly's Dirt Farm, a local composting business, to make this initiative a success, and together, they **kept over 5,000 pounds of waste out of landfills, making this one of the largest known composting hauls ever in New Orleans**. Audubon looks forward to forging innovative partnerships with Schmelly's and other community organizations on waste reduction and other green initiatives in the future.

- Audubon kicked off the year by signing on with a **new advertising agency of record, Trumpet Advertising**. This shift to a new creative agency elevated Audubon's efforts to align messaging with guest interests as well as animal conservation. Trumpet is responsible for collaborating on digital strategy, brand positioning, and creative campaigns to promote Audubon Nature Institute's attractions and mission. The agency has also been playing a key role in Audubon's organization revisioning process, the results of which will inform future organizational strategies and communications.
- Audubon Aquarium of the Americas and Audubon Zoo were once again among the top winners of the USA TODAY **10Best Readers' Choice travel award contest**. **The Aquarium ranked 3rd** and the **Zoo secured 9th place** among 20 nominees, all accredited by the AZA, that were "hand-picked by a panel of zoo and family travel experts."
- In May, Orleans Parish voters voted in overwhelming favor for a new **parks and recreation millage** that would benefit Audubon Nature Institute's public parks as well as City Park New Orleans, NORDC, and New Orleans Parks and Parkways. While the amount of mills allotted to Audubon Nature Institute was reduced under the new plan, the new funding comes with fewer restrictions on its use, allowing Audubon to use it across facilities to meet the most urgent and impactful long-term needs, such as deferred maintenance and storm water management. The plan ushers in a new era of cooperation and collaboration among the four agencies that manage New Orleans' public greenspaces and recreational facilities.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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- Audubon Zoo opened a **brand-new, spacious lion habitat** in the spring. The new habitat's focal point is a replica of an abandoned 1920s-era train station complete with mock train cars that have been repurposed into conservation and research stations. The design gives panoramic views of the habitat along with places for up-close glimpses of the majestic animals and for Zoo staff to offer animal care and education demonstrations.

The habitat is home to a pride of four lions: sisters Kali, Nia, and Zuri along with male Arnold and has room to accommodate cubs, which is fortunate, since Kali was found to be expecting at the end of the year with a January due date. The new habitat was made possible through a generous \$5 million donation from philanthropists Joy and Boysie Bollinger.

- In October, Audubon celebrated the **30th anniversary of the opening of Woldenberg Riverfront Park**, which was developed with a generous gift from the Dorothy and Malcolm Woldenberg Foundation. The Park gave the city its first direct access to the downtown Mississippi riverfront and provided a setting for Audubon Aquarium of the Americas and Entergy Giant Screen Theater. The Park spans 17 acres of green space, contains numerous works of art, and has become home to several iconic New Orleans events, such as French Quarter Festival, Zulu Lundi Gras, and New Orleans Fireworks Celebrations like Go 4th on the River and New Year's Eve on the Riverfront.
- Critical conservation work continued at **Freeport-McMoRan Audubon Species Survival Center** on the West Bank of New Orleans, which is home to conservation programs such as the **Alliance for Sustainable Wildlife** and the Coastal Wildlife Network. Whooping crane breeding and release efforts continued to thrive with a newly-expanded flock and the release of 11 juvenile cranes released into the wild. **Coastal Wildlife Network (CWN)** serves as Louisiana Department of Wildlife and Fisheries' (LDWF) primary response partner to collect data about existing animal populations along Louisiana's coast and waterways and to assist and support researchers in conservation of marine species. CWN staff cared for a stranded green sea turtle affectionately dubbed "Hulk" for 4 months beginning in April of 2019 and collaborated with LDWF to release him back into the wild, good as new, in July.
- In 2019, Audubon's continued leadership in local efforts to **fight plastic pollution** garnered awards, including the 2019 Keep Louisiana Beautiful Everyday Hero Award for Corporate Leadership and the 2019 Love Your City Resource Management Award. Audubon challenged employees and community members to participate in EcoChallenge.org's Plastic Free July initiative, with Audubon's "Plastic Free New Orleans" team coming in third place among teams across the country. As part of the push to educate the community on the harms of single-use plastics and the importance of finding alternatives, Audubon youth volunteers hosted a popular free screening of the documentary "Straws" at Entergy Giant Screen Theater.
- Audubon's **Community Outreach Program** connected with minorities and underserved families in the Greater New Orleans Area to "celebrate the wonders of nature" at Audubon attractions in 2019. These are guests who otherwise may not have been able to experience the thrill of an Audubon visit. In addition, thanks to the **Taylor/Audubon Students and Scholars Program**, more than 219,000 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' hard work.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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- Audubon has continued to strengthen its **social media initiatives**, adding fans, friends, and followers daily. At year end, our social media network included more than **355,000 Facebook** followers; **24,000 Twitter** followers; **42,000 Instagram** followers; **5,500 YouTube** subscribers; and **146,000 email subscribers**.

#### New Arrivals and Programs

- Audubon Nature Institute has expanded its commitment to educating our community about the wonders of nature through a new initiative called **Audubon Community Connect**. This initiative increases accessibility to Audubon Zoo, Audubon Aquarium of the Americas, Audubon Butterfly Garden and Insectarium, and Audubon Louisiana Nature Center for Orleans Parish residents. The Audubon Community Connect program involves three components: Orleans Parish Appreciation Days, which offer free admission to an Audubon attraction for Orleans Parish residents on Wednesdays (attractions available on a rotating schedule); the Audubon SNAP Program, which provides free admission to Audubon attractions every day for SNAP benefit recipients and their families; and the Audubon Museum Culture Pass, which allows Orleans Parish Public Library cardholders to check out passes that can be used at any Audubon attraction any day the attractions are open to the public.
- Audubon celebrated **new births** throughout the year, including Bulan, the critically-endangered Sumatran orangutan, three tomistomas, a porcupette, three Home's hinge-backed tortoises (the first successful hatching of this species at Audubon Zoo!), Ruby the barasingha deer fawn, nine annulated tree boas at the Zoo and cownose and yellow stingrays, yellow seahorses, and euphyra (swimming moon jellyfish) at the **Aquarium**. The **Species Survival Center** enjoyed a baby boom consisting of giraffe, sable antelope, bongo, eland, sitatunga, whooping cranes, and Mississippi sandhill cranes.
- In addition to the lion pride, the Zoo also **welcomed some new members of the Audubon family from other conservation organizations**, including Liem the Malayan tiger, a two-toed sloth, a female babirusa named BB, a pair of red river hogs, a Baird's tapir named Ixchel, a Wolf's guenon named Fontina, a golden lion tamarin named Brazil, an armadillo named Louise, and three lace monitors. At the **Aquarium**, hooded Merganser ducks and blue-spotted stingrays joined the family.
- Summer of 2019, Audubon Louisiana Nature Center invited guests to explore a special temporary exhibit to discover the biological wonders of sanguivores-creatures that eat blood-in its Interpretive Center, which is open to the public free of charge. "**Attack of the Bloodsuckers!**" explored the science of what's biting you in this skin-crawling installation. The kid-friendly exhibition examined the what, why, when, and how of mosquitoes, fleas, ticks, leeches, and other parasites. Guests learned why bloodsuckers are important to the ecosystem - and how to keep them out of your system.
- In 2019, Audubon launched two new programs to give grown-ups access to Audubon attractions after hours: **Audubon Supper Club** and Sip+Dip. Supper Club pairs gourmet dining experiences with exclusive animal chats and lively entertainment at a rotating selection of Audubon revenues. **Sip+Dip** welcomed adults 21 and over to the Cool Zoo splash park and Gator Run lazy river after hours for snacks, sips, a DJ, and fun kid-free games and activities. The event was so popular, it is set to repeat on multiple nights in the future.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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- At the end of the year, the Butterfly Garden and Insectarium added a **colony of honeypot ants** in the Main Hall, across from the popular leafcutter ant exhibit. The colony was generously donated by Isaac's Ant Foundation. Honeypot ants are usually found in arid or semi-arid habitats, and the species (*Myrmecocystus mexicanus*) on display at the Butterfly Garden and Insectarium comes from particularly hot, dry parts of the southwestern United States. Honeypot ants do not make honey. Rather, they make honey-like liquids that are stored in the ants themselves!

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

The 2020 operating budget is substantially comparable to the 2019 operating budget, which reflects management's intent and expectations that operations will remain consistent. With the onset of the COVID-19 Pandemic, Audubon is closely monitoring revenues and expenses to address the impact of facility closures and phased reopening on the budget.

#### **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, 2019 and 2018**

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,912,359	\$ 2,490,709
Accounts Receivable, Net of Allowance for Uncollectible Accounts of \$29,724 in 2019 and \$26,262 in 2018	465,424	399,778
Inventory	1,386,806	1,315,654
Prepaid Expenses	491,481	613,141
<b>Total Current Assets</b>	<b>4,256,070</b>	<b>4,819,282</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Land	800,000	800,000
Buildings and Fixed Exhibitory	289,934,302	280,841,035
Equipment	24,588,073	23,544,932
Construction in Progress	15,246,199	15,563,492
Less: Accumulated Depreciation	(180,417,206)	(169,541,106)
<b>Net Capital Assets</b>	<b>150,151,368</b>	<b>151,208,353</b>
<b>Other Assets</b>		
Prepaid Rent - Dock Board	7,757,879	7,873,669
Cash with Fiscal Agent Restricted for Capital Projects	15,211,630	14,163,616
Cash Restricted for Capital Projects	699,982	3,764,767
Agency Fund	-	7,152,854
Receivables Restricted for Capital Improvements	218,651	93,730
<b>Total Other Assets</b>	<b>23,888,142</b>	<b>33,048,636</b>
<b>Total Assets</b>	<b>\$ 178,295,580</b>	<b>\$ 189,076,271</b>

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

**AUDUBON COMMISSION**  
**Statements of Net Position (Continued)**  
**December 31, 2019 and 2018**

	2019	2018
<b>Current Liabilities Payable from Unrestricted Assets</b>		
Accounts Payable and Other Accrued Liabilities	\$ 7,972,533	\$ 7,727,379
Capital Lease Obligations	392,528	156,079
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<b>8,365,061</b>	7,883,458
<b>Current Liabilities Payable from Restricted Assets</b>		
Accrued Interest	520,009	548,608
Agency Fund Payable	-	7,152,854
Limited Tax Bonds, Current Portion	3,470,000	3,305,000
Gulf Opportunity Zone Loan, Current Portion	225,000	1,537,146
Construction Payables	477,797	1,733,359
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>4,692,806</b>	14,276,967
<b>Total Current Liabilities</b>	<b>13,057,867</b>	22,160,425
<b>Noncurrent Liabilities</b>		
Limited Tax Bonds	4,032,246	7,732,102
Gulf Opportunity Zone Loan	11,891,326	10,842,000
Due to Audubon Nature Institute, Inc.	4,760,843	2,330,218
Unearned Revenue	10,707,744	8,826,041
Capital Lease Obligations	4,031,568	4,361,505
<b>Total Noncurrent Liabilities</b>	<b>35,423,727</b>	34,091,866
<b>Total Liabilities</b>	<b>48,481,594</b>	56,252,291
<b>Net Position</b>		
Net Investment in Capital Assets	114,923,159	112,715,122
Restricted	15,610,254	17,473,989
Unrestricted	(719,427)	2,634,869
<b>Total Net Position</b>	<b>129,813,986</b>	132,823,980
<b>Total Liabilities and Net Position</b>	<b>\$ 178,295,580</b>	\$ 189,076,271

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, 2019 and 2018**

	2019	2018
<b>Operating Revenues</b>		
Charges for Services	\$ 43,819,192	\$ 43,736,748
Other Revenues	1,774,668	1,419,956
<b>Total Operating Revenues</b>	<b>45,593,860</b>	45,156,704
<b>Operating Expenses</b>		
Salaries and Benefits	29,167,299	28,260,140
Contractual Services, Materials, Supplies, and Other	24,863,228	23,801,558
Depreciation and Amortization	11,024,146	10,738,076
<b>Total Operating Expenses</b>	<b>65,054,673</b>	62,799,774
<b>Operating Loss</b>	<b>(19,460,813)</b>	(17,643,070)
<b>Nonoperating Revenues (Expenses)</b>		
Support for Capital Projects, Education, and Operating Support from Audubon Nature Institute, Inc.	3,442,931	8,615,419
Dedicated Tax Revenues	11,673,656	11,683,446
Intergovernmental Grants	692,888	1,086,323
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	1,503,346	903,530
Other Revenue/Expense	(519,355)	2,420,115
Interest Expense	(328,140)	(1,101,764)
Amortization - Debt Costs	(14,507)	(14,507)
<b>Total Nonoperating Revenues, Net</b>	<b>16,450,819</b>	23,592,562
<b>Change in Net Position</b>	<b>(3,009,994)</b>	5,949,492
<b>Net Position, Beginning of Year</b>	<b>132,823,980</b>	126,874,488
<b>Net Position, End of Year</b>	<b>\$ 129,813,986</b>	\$ 132,823,980

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

**AUDUBON COMMISSION**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2019 and 2018**

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 45,528,214	\$ 45,201,036
Cash Paid to or on Behalf of Employees	(29,098,718)	(28,146,870)
Cash Paid for Supplies and Services	(22,089,732)	(22,912,950)
<b>Net Cash Used in Operating Activities</b>	<b>(5,660,236)</b>	<b>(5,858,784)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Support for Capital Projects, Education, and Operating		
Support from Audubon Nature Institute, Inc.	3,442,931	8,615,419
Payments for Design, Construction, and Equipment Purchases	(11,222,723)	(9,923,695)
Proceeds Received under Terms of Cooperative Endeavor Agreement	1,881,703	16,147,873
Return of Funds Received under Terms of Cooperative Endeavor Agreement	(7,152,854)	-
Dedicated Tax Revenues	11,673,656	11,683,446
Interest Paid	(601,102)	(652,155)
Payment of Bond Principal and GO Zone Loan	(4,305,000)	(3,185,000)
Proceeds from ESCO Agreement	-	4,166,465
Payment of Capital Lease Obligations	(93,488)	(110,770)
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	1,503,346	903,530
Intergovernmental and Other Grants	686,264	1,492,274
Interest Income	89,977	2,636
Cash Received from Insurance Proceeds	9,551	136,986
<b>Net Cash (Used in) Provided by Capital and Related Financing Activities</b>	<b>(4,087,739)</b>	<b>29,277,009</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(9,747,975)</b>	<b>23,418,225</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>27,571,946</b>	<b>4,153,721</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 17,823,971</b>	<b>\$ 27,571,946</b>
<b>Reconciliation to Statement of Net Position</b>		
Cash and Cash Equivalents	\$ 1,912,359	\$ 2,490,709
Cash with Fiscal Agent Restricted for Capital Projects	15,211,630	14,163,616
Cash Restricted for Capital Projects	699,982	3,764,767
Agency Fund	-	7,152,854
<b>Total Cash and Cash Equivalents</b>	<b>\$ 17,823,971</b>	<b>\$ 27,571,946</b>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating Loss	\$ (19,460,813)	\$ (17,643,070)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities		
Depreciation and Amortization	11,024,146	10,738,076
Decrease in Accounts Receivable and Other Current Assets	100,652	275,795
Increase in Accounts Payable and Other Current Liabilities	2,675,779	770,415
<b>Net Cash Used in Operating Activities</b>	<b>\$ (5,660,236)</b>	<b>\$ (5,858,784)</b>
<b>Non-Cash Items</b>		
Purchases for Design, Construction, and Equipment in Accounts Payable and Other Current Liabilities	\$ 477,979	\$ 1,733,359

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 houses 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.

In May 2019, the voters of New Orleans approved a new 20-year 1.95 property tax millage to begin when the current millages expire in 2021.

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 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 \$53,458 in 2019 and \$52,847 in 2018 are included in the statements of revenues, expenses, and changes in net position.

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 1. Organization (Continued)

#### General Information (Continued)

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.

#### 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.

#### Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. The proprietary fund is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 those estimates.

# AUDUBON COMMISSION

## Notes to Financial Statements

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

#### **Basis of Reporting**

In accordance with Governmental Accounting Standards Board (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".

#### **Restricted Assets**

Restricted assets consist primarily of cash maintained in the applicable enterprise fund in accordance with bond indentures and amounts held in trust for capital expenditures. 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.

# AUDUBON COMMISSION

## Notes to Financial Statements

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

#### **Capital Assets (Continued)**

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.

#### **Revenue Recognition**

Charges for services are recognized as revenue in the period in which the services are provided. Revenues related to dedicated taxes, as well as grants and other support not deemed an exchange transaction are recognized when received. Unearned receipts of funds from cooperative endeavor agreements (see Note 8) and memberships are recorded as unearned revenue until earned.

#### **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.

#### **Recently Issued Accounting and Reporting Standards**

Subsequent to year end, in May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB 95 extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods after June 15, 2018. Statements which are relevant to the Commission which have had effective dates postponed are: GASB 84, GASB 87, GASB 88, and GASB 89. The new effective dates are reflected in the descriptions of the statements below.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of GASB 84 is to enhance the consistency and comparability of fiduciary activity reporting in state and local governments. The statement establishes standards of accounting and financial reporting for fiduciary activities. Management is evaluating the potential impact of adoption on the Commission's financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

## AUDUBON COMMISSION

### Notes to Financial Statements

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

##### Recent Accounting and Reporting Standards (Continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Management is evaluating the potential impact of adoption on the Commission's financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of GASB 88 is to improve consistency in information that is disclosed in notes to government financial statements related to debt and to provide financial statement users with additional essential information about debt. Management is evaluating the potential impact of adopting on the Commission's financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019.

#### Note 3. Cash and Cash Equivalents

##### Cash on Deposit

The Commission's deposits at financial institutions at December 31, 2019 and 2018, were \$1,763,439 and \$2,341,789, respectively, (excluding \$148,920 of cash on hand at December 31, 2019 and 2018).

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. The Commission periodically maintains cash in bank accounts in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) secures accounts in insured institutions up to \$250,000 per depositor. As of December 31, 2019, the Commission had \$1,997,722 of deposits in excess of the FDIC insured limit which were secured from risk by \$8,919,213 of pledged securities held by the custodial bank in the name of the Commission and fiscal agent bank which serves to mitigate the custodial credit risk of the Commission's deposits. As of December 31, 2019, and 2018, no funds were exposed to custodial credit risk.



## AUDUBON COMMISSION

### Notes to Financial Statements

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#### **Note 3. Cash and Cash Equivalents (Continued)**

##### **Restricted Cash**

As of December 31, 2019 and 2018, restricted cash included cash held with a fiscal agent totaling \$15,211,630 and \$14,163,616, respectively, for various capital projects (see Note 8). In addition, cash restricted from a dedicated tax millage held by the Commission for capital expenses totaled \$699,982 and \$3,764,767, respectively. At December 31, 2019 and 2018 the total was comprised of cash. These assets are presented as other assets in 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.

#### **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.

# AUDUBON COMMISSION

## Notes to Financial Statements

### Note 5. Capital Assets

Capital assets are summarized as follows by major classification at December 31, 2019:

	Balance January 1, 2019	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2019
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	15,563,492	9,144,723	(9,462,016)	-	15,246,199
<b>Total Capital Assets Not Depreciated</b>	<b>16,363,492</b>	<b>9,144,723</b>	<b>(9,462,016)</b>	<b>-</b>	<b>16,046,199</b>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	280,841,035	33,499	9,059,768	-	289,934,302
Equipment	23,544,932	671,820	402,248	(30,927)	24,588,073
<b>Total Capital Assets Being Depreciated</b>	<b>304,385,967</b>	<b>705,319</b>	<b>9,462,016</b>	<b>(30,927)</b>	<b>314,522,375</b>
<b>Less Accumulated Depreciation</b>	<b>(169,541,106)</b>	<b>(10,907,027)</b>	<b>-</b>	<b>30,927</b>	<b>(180,417,206)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 151,208,353</b>	<b>\$ (1,056,985)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,151,368</b>

Capital assets are summarized as follows by major classification at December 31, 2018:

	Balance January 1, 2018	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2018
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	18,158,095	9,284,800	(11,879,403)	-	15,563,492
<b>Total Capital Assets Not Depreciated</b>	<b>18,958,095</b>	<b>9,284,800</b>	<b>(11,879,403)</b>	<b>-</b>	<b>16,363,492</b>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	268,964,702	364,356	11,511,977	-	280,841,035
Equipment	22,552,190	904,238	367,426	(278,922)	23,544,932
<b>Total Capital Assets Being Depreciated</b>	<b>291,516,892</b>	<b>1,268,594</b>	<b>11,879,403</b>	<b>(278,922)</b>	<b>304,385,967</b>
<b>Less Accumulated Depreciation</b>	<b>(159,200,858)</b>	<b>(10,616,839)</b>	<b>-</b>	<b>276,591</b>	<b>(169,541,106)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 151,274,129</b>	<b>\$ (63,445)</b>	<b>\$ -</b>	<b>\$ (2,331)</b>	<b>\$ 151,208,353</b>

Depreciation expense for the years ended December 31, 2019 and 2018, related to these assets amounted to approximately \$10,907,000 and \$10,616,000, respectively.

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 6. Long-Term Debt

Bonds and other debt payable at December 31, 2019 and 2018 were comprised of the following:

	2019	2018
<b>Limited Tax Bonds</b>		
Audubon Commission Aquarium Bonds Series 2011 A-1, due in annual installments of \$3,505,000 to \$3,630,000 from October 2017 through October 2021; 3.276%	<b>\$ 7,100,000</b>	\$ 10,405,000
<b>Other Debt</b>		
State of Louisiana, Office of Community Development Gulf Opportunity Zone Act Loan	<b>12,116,326</b>	12,379,146
<b>Total Bonds Payable and Other Debt</b>	<b>19,216,326</b>	22,784,146
<b>Unamortized Premium, Net</b>	<b>402,246</b>	632,102
<b>Total</b>	<b>19,618,572</b>	23,416,248
<b>Less: Current Maturities</b>	<b>(3,695,000)</b>	(4,842,146)
<b>Bonds Payable and Other Debt, Noncurrent</b>	<b>\$ 15,923,572</b>	\$ 18,574,102

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%.

#### 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 of Louisiana (the State) with recovery efforts from Hurricane Katrina and Hurricane Rita. Accordingly, the State, 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

### Notes to Financial Statements

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

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

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 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.

On October 21, 2019, the Commission and the State cancelled and terminated the October 1, 2015 CEA. On that same date, the payment terms of the 2006 loan were amended. Amendment No. 1 extends the repayment period for the loan in order to ensure full repayment of the amounts due under the 2006 agreement. All other provisions of the 2006 Agreement remain in full force and effect. As a result of the amendment, the loan was increased by \$737,180 to agree to the amended loan balance.

# AUDUBON COMMISSION

## Notes to Financial Statements

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

A summary of changes in bonds payable and other debt during 2019 and 2018, is as follows:

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2019	\$ 10,405,000	\$ 12,379,146	\$ 22,784,146
Additions	-	737,180	737,180
Reductions	(3,305,000)	(1,000,000)	(4,305,000)
<b>Balance December 31, 2019</b>	<b>\$ 7,100,000</b>	<b>\$ 12,116,326</b>	<b>\$ 19,216,326</b>
<b>Due within One Year</b>	<b>\$ 3,470,000</b>	<b>\$ 225,000</b>	<b>\$ 3,695,000</b>

  

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2018	\$ 13,590,000	\$ 13,848,128	\$ 27,438,128
Additions	-	-	-
Reductions	(3,185,000)	(1,468,982)	(4,653,982)
<b>Balance December 31, 2018</b>	<b>\$ 10,405,000</b>	<b>\$ 12,379,146</b>	<b>\$ 22,784,146</b>
<b>Due within One Year</b>	<b>\$ 3,305,000</b>	<b>\$ 1,537,146</b>	<b>\$ 4,842,146</b>

Expected debt service requirements on all debt outstanding as of December 31, 2019, are as follows:

Year Ending December 31,	Limited Tax Bonds		Gulf Opportunity Zone Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 3,470,000	\$ 355,000	\$ 225,000	\$ 295,638	\$ 3,695,000	\$ 650,638
2021	3,630,000	181,500	525,000	286,488	4,155,000	467,988
2022	-	-	550,000	273,373	550,000	273,373
2023	-	-	575,000	259,648	575,000	259,648
2024	-	-	600,000	245,313	600,000	245,313
2025 to 2026	-	-	9,641,326	1,021,185	9,641,326	1,021,185
<b>Total</b>	<b>\$ 7,100,000</b>	<b>\$ 536,500</b>	<b>\$ 12,116,326</b>	<b>\$ 2,381,645</b>	<b>\$ 19,216,326</b>	<b>\$ 2,918,145</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 submitted 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, 2019 and 2018, 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, 2019 and 2018, the amount due to the Institute from the Commission totaled \$4,760,843 and \$2,330,218, respectively.

The Institute has committed 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 provided support to the Commission to fund certain capital projects, education programs and operational support. For the years ended December 31, 2019 and 2018, those amounts totaled \$3,442,931 and \$8,615,419, 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, 2019 and 2018, the Foundation donated funds of \$1,503,346 and \$903,530, 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, 2019 and 2018 totaled \$843,870 and \$861,071, 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:

Year Ending December 31,	Lease Payments
2020	\$ 670,639
2021	388,514
2022	<u>54,807</u>
<b>Total</b>	<b><u>\$ 1,113,960</u></b>

As of December 31, 2019, the Commission was obligated under capital leases for equipment, each with non-cancelable terms in excess of one year. The assets under capital lease as of December 31, 2019 had a cost of \$4,557,849 and accumulated amortization of \$100,007. One of these leases is associated with an energy savings performance contract whereby the Commission will lease the necessary equipment for energy conservation measures applied to existing buildings that improve energy efficiency and are life cycle cost effective. The term of the initial lease agreement expires in September 2038. The lease is payable in quarterly installments and has a base rate of 3.251% adjusted by the 10 Year Swap Rate yield.

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

Year Ending December 31,	Lease Payments
2020	\$ 405,141
2021	405,941
2022	398,829
2023	311,700
2024	312,300
2025 - 2029	1,575,500
2030 - 2034	1,599,700
2035 - 2038	<u>1,299,157</u>
Total Minimum Lease Payments	6,308,268
Less: Amounts Representing Interest	<u>1,884,172</u>
Present Value of Future Minimum Lease Payments	4,424,096
Less: Current Portion of Capital Leases Obligation	<u>(392,528)</u>
<b>Capital Lease Obligations, Excluding Current Portion</b>	<b><u>\$ 4,031,568</u></b>

## AUDUBON COMMISSION

### Notes to Financial Statements

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

##### **Construction in Progress**

As of December 31, 2019, the Commission has approximately \$409,491 remaining on construction projects still ongoing.

##### **Governor Nicholls and Esplanade Wharves Development**

Audubon Commission has entered into two cooperative endeavor agreements related to the development of public green space on the Governor Nicholls and Esplanade wharves. The projects will offer over three miles of continuous public access to the Mississippi River, revitalizing New Orleans' downtown riverfront, and are as follows:

On February 6, 2018, the City of New Orleans and the Commission entered into a cooperative endeavor agreement (Wharves Agreement) allowing the Commission to redevelop the Governor Nicholls and Esplanade Wharves into a public park and recreational facilities. Upon completing construction, the Commission will operate and assume responsibility for the property. The Wharves Agreement's term runs from February 6, 2018 to October 23, 2086.

On November 22, 2017, the Commission entered into a separate cooperative endeavor agreement (the Wharves Funding Agreement) with the Ernest M. Morial New Orleans Exhibition Hall Authority (the Authority) and the New Orleans Convention and Visitors Bureau (CVB) to raise the initial funding to support the Wharves Agreement. Under the Wharves Funding Agreement, the Authority will provide \$9 million, the CVB will provide \$2 million, and the Commission will provide or raise \$4 million. The parties also entered into an escrow agreement with Iberia Bank to serve as escrow agent. The first payment to the escrow account of \$10 million from all parties was completed April 17, 2018. Pursuant to the Funding Agreement, the parties made the remaining escrow payment of \$5 million on February 4, 2019. The balance is included in cash with fiscal agent restricted for capital projects (see Note 3) in the statement of net position. The unearned portion is included in unearned revenue in the statements of net position.

Pursuant to the Wharves Agreement, public input continues to be collected through the project website [www.RiverfrontforAll.org](http://www.RiverfrontforAll.org) while results from a visitor intercept survey were received in January 2019. In February 2019, the City of New Orleans' Mayor's office approached the Commission about extending certain deadlines noted in the Wharves Agreement for 12 to 21 months due to the Mayor's desire for additional public engagement and the transition needs of the wharves' tenant, TCI Packaging, LLC. The agreement was amended in 2019 to extend deadlines due to the status of the current tenant's new location.



## AUDUBON COMMISSION

### Notes to Financial Statements

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

##### **Ferry Terminal Pedestrian Bridge Cooperative Endeavor Agreement**

On February 22, 2018, the Commission entered into an agreement with the City of New Orleans (City) and the Regional Transit Authority (RTA) to construct a pedestrian access bridge on Audubon property adjacent to Audubon Aquarium of the Americas. Approximately \$7 million was held in escrow to fund the bridge. It was recorded on the statement of net position as both an asset and a liability under agency fund payable. In August 2018, all bids for the construction of the new ferry terminal came in much higher than estimated, prompting RTA to reconsider its design and the need for a separate pedestrian access bridge. Negotiations among the City, RTA and the Commission to terminate the above-noted agreement began in late fall 2018 and continued through March 2019. At its January 24, 2019 meeting, the Commission voted to approve the termination agreement. The termination document was executed by the Commission, the RTA Board, and the Mayor on April 18, 2019. The funds held in escrow were returned to the party that contributed to the project.

#### **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. Tax Abatements**

The City of New Orleans maintains a Restoration Tax Abatement Program that provides commercial property owners and homeowners who expand, restore, or develop an existing structure in a downtown development district, economic development district, or historic district the right to pay ad valorem taxes based on the assessed valuation of the property for the year prior to the commencement of the project for five years after completion of the work. During the fiscal year ended December 31, 2019, there were fifteen tax abatements under the Restoration Tax Abatement Program with exemptions. During the fiscal year ended December 31, 2019, ad valorem taxes abated applicable to the Commission totaled \$45,730.

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### Note 11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 23, 2020, and determined that the following events occurred that required disclosure:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Commission operates. While it is unknown how long these conditions will last and what the complete financial effect will be, to date, the Commission has experienced decreased revenues since March 14, 2020 due to the closure of admissions-based facilities to the public.

The closure occurred during peak attendance season, when 44% of operating revenue for the year is earned. Over 65% of the Commission's revenue is directly linked to guest visits: admissions, attractions, concessions, and gift shop sales. An additional 9% is earned through catered events, which have been cancelled through August 2020. The Commission has reduced its expenses by over 55%, including laying off or placing staff on unpaid leave. Current funding is focused on areas that sustain baseline operations: employee/park guest safety; animal welfare; fundraising; and essential business operations. Through Audubon Nature Institute, Inc., the Commission has access to line of credit funding. Audubon Nature Institute Foundation supports facilities managed by Audubon Nature Institute, Inc., so the Commission continues to benefit from this funding source.

New Orleans began phased reopening on May 16, 2020, and included zoos and museums among businesses eligible to reopen during Phase I. Audubon Zoo opened June 3, 2020, with the Aquarium and Butterfly Garden/Insectarium opening in the summer. The Commission anticipates continued decreased revenues as government mandated restrictions on crowd sizes and capacity usage limit the number of guests that can be admitted, catered events, and field trips/group visits.

It is reasonably possible that the Commission is vulnerable to the risk of a near-term severe impact. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be materially and adversely impacted in the near term as a result of these conditions, including event cancellation refunds, camp cancellation refunds and losses on retail and concessions inventory.

The pandemic has also affected the Cooperative Endeavor Agreement between The City of New Orleans and Audubon Commission to develop the Governor Nicholls and Esplanade Wharves into public park space. The agreement was amended in 2019 to extend deadlines due to the status of the current tenant's new location. The City has agreed not to enforce the deadlines during the crisis and immediate recovery.

No further subsequent events occurring after June 23, 2020 have been evaluated for inclusion in these financial statements.

**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 financial statements of Audubon Commission (the Commission) which comprise the statement of net position as of and for the year ended December 31, 2019, 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 23, 2020.

**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 Professional Accounting Corporation

Metairie, LA  
June 23, 2020

**AUDUBON COMMISSION  
Schedule of Findings and Responses  
For the Year Ended December 31, 2019**

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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

**Part II - Financial Statement Findings**

No matters were reported.

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

Not applicable.

**AUDUBON COMMISSION**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2019**

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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, 2019**

	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	\$ 18,229,539	\$ 3,211,541	\$ 22,319,618	\$ -	\$ 58,494	\$ 43,819,192
Other Revenues	1,221,973	11,847	520,188	20,660	-	1,774,668
<b>Total Operating Revenues</b>	19,451,512	3,223,388	22,839,806	20,660	58,494	45,593,860
<b>Operating Expenses</b>						
Salaries and Benefits	9,065,194	942,110	17,712,941	1,178,364	268,690	29,167,299
Contractual Services, Materials, Supplies, and Other	7,799,817	1,773,941	14,090,689	1,013,175	185,606	24,863,228
Depreciation and Amortization	3,532,553	1,270,577	4,550,633	1,074,660	595,723	11,024,146
<b>Total Operating Expenses</b>	20,397,564	3,986,628	36,354,263	3,266,199	1,050,019	65,054,673
<b>Operating Loss</b>	(946,052)	(763,240)	(13,514,457)	(3,245,539)	(991,525)	(19,460,813)
<b>Nonoperating Revenues (Expenses)</b>						
Support from Audubon Nature Institute, Inc.	196,610	8,766	1,977,179	1,233,225	27,151	3,442,931
Dedicated Tax Revenues	10,545,058	-	1,128,598	-	-	11,673,656
Intergovernmental Grants	88,835	-	8,649	20,833	574,571	692,888
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	718,272	-	292,400	440,630	52,044	1,503,346
Other Revenue/Expenses	(528,906)	-	9,551	-	-	(519,355)
Interest Expense	(310,878)	-	(17,262)	-	-	(328,140)
Amortization - Debt Costs	(13,507)	-	(1,000)	-	-	(14,507)
<b>Total Nonoperating Revenues, Net</b>	10,695,484	8,766	3,398,115	1,694,688	653,766	16,450,819
<b>Change in Net Position</b>	9,749,432	(754,474)	(10,116,342)	(1,550,851)	(337,759)	(3,009,994)
<b>Net Position, Beginning of Year</b>	75,340,968	13,535,928	25,807,100	9,857,865	8,282,119	132,823,980
<b>Net Position, End of Year</b>	\$ 85,090,400	\$ 12,781,454	\$ 15,690,758	\$ 8,307,014	\$ 7,944,360	\$ 129,813,986