



July 21, 2020

A meeting of the Audubon Nature Institute Board was held on Tuesday, July 21, at 12:00 pm by video conference, Chairman Poco Sloss presiding.

In attendance: Poco Sloss, Chris Bardell, Caroline Calhoun, Leslie Gottsegen, Tommy Westfeldt, Ludovico Feoli, Dennis Lauscha, Hunter Cazes, Mark Romig, Nolan Marshall, Quentin Messer, Henry Coaxum, Bernard Vanderlinden, Susu Stall, Anne Long, Willard Dumas, John Nickens, Bart Farris, Angus Cooper, Deirdre Hooper, Peter Moss

Excused: Joe Jaeger, Julie Quinn, Nathalie Simon, Cleveland Spears, Vincent Palumbo, Ransdell Prieur, Leah Brown, Steve Kupperman, Qi Wiggins, Wil Jacobs, Steve Perry

The minutes of the May 19, 2020 meeting were unanimously accepted as distributed.

Mr. Sloss then introduced Ms. Laurie Conkerton, EVP and CAO, to give a financial update.

Ms. Conkerton began by sharing the May 2020 financial dashboard below. She explained that the year is broken down into three distinct time periods. Between March and June, Audubon brings in about 40% of operating revenue for the entire year. January through March 13, Audubon facilities were operating normally, and were doing very well. March 14 through May 31 was the height of the pandemic when we really slashed the budget because no revenue was coming in during that time. The remainder of the year, June 1 through December 31 we are in very limited operations due to capacity restrictions.

Looking that month of May, we had a net operating loss of roughly \$3.4M. That is \$7.8M below what was budgeted for the year. In overall revenue, we are \$15M less than what was budgeted. Most of that is coming from admissions revenue, membership, and retail sales. On the expense side, we are down to about half of what our operating budget was. When looking at the tax millage revenue, the budget variance is because of timing. Some of that was received in June, putting us ahead of what was budgeted. Our salaries are down by 25% after going through three rounds of furloughs and layoffs. Number of employees is down to 230 from over 850. With reopening facilities, we are very strategically re-staffing some positions to generate more revenue.

From the Institute side, we are heavily into a recovery campaign to try to bring in additional funds. We are also working with donors to release restrictions on donations. We've also revised payment schedules for very large expenses. We have increased a line of credit and are working on an extended loan package with our banks. As a private entity that is assuming risk for the benefit of public assets, the Institute is taking the lead on the financing opportunities.

On the Commission side, we are submitting CARES emergency funding requests to the City. There is CDBG funding from the State to the City. We are trying to work on reimbursing some of our positions related to pandemic response. We are also tracking all expenses that could be submitted to FEMA. We are also working with other zoos, aquariums, and cultural institutions to add some additional financial opportunities to the federal package. As a group, if we had more than 500 employees we were excluded from all federal opportunities. We have submitted a \$4.7M capital outlay request to the City for Riverview improvements. On the state side, the

capital outlay budget was approved with Audubon projects. A reauthorization of \$18.2M cash line of credit was just approved. The projects in that include Tropical Bird House at the Zoo, wharf repair and other aquarium projects. We are also working on our bond sale, it is on the State Bond Commission's agenda for August.

<b>MAY YTD 2020 FINANCIAL DASHBOARD</b>						
<i>(AMOUNTS IN THOUSANDS)</i>						
<b>NET OPERATING RESULTS BY FACILITY:</b>						
<b>FACILITY</b>	<b>YTD ACTUAL 2020</b>	<b>YTD BUDGET 2020</b>	<b>BUDGET VARIANCE</b>	<b>YTD ACTUAL 2019</b>	<b>PRIOR YEAR VARIANCE</b>	<b>TOTAL BUDGET 2020</b>
Aquarium/EGST	\$1,991	\$5,610	(3,619)	\$5,351	(3,360)	7,492
Zoo & Park	(\$4,661)	(\$982)	(3,679)	(\$1,089)	(3,572)	(6,344)
Butterfly Garden & Insectarium	(\$296)	\$317	(613)	\$331	(627)	368
FMASSC	(\$255)	(\$283)	28	(\$322)	67	(615)
Louisiana Nature Center	(\$145)	(\$244)	99	(\$127)	(18)	(551)
<b>NET OPERATING RESULTS</b>	<b>(\$3,366)</b>	<b>\$4,418</b>	<b>(\$7,784)</b>	<b>\$4,144</b>	<b>(\$7,510)</b>	<b>\$350</b>
<i>Excludes capital revenues and expenses.</i>						

Mr. Ron Forman, CEO and President of Audubon Nature Institute, then gave an overview of the operations of our facilities and reminded of the need to find more operating money. The Zoo and Aquarium are now open with reduced capacity and revenue. We have received very generous donations to help us continue to operate and care for our animals. He thanked Ludovico for their recent Zemurray Foundation gift. He then went on to say that Audubon will likely struggle until 2022. Staff is working hard to find additional money and keep the organization going. Capital money will ensure we come out of this with better facilities. We really want to get back to our mission of conservation. Right now, our mission is to find funding. He then thanked the board for their leadership.

Ms. Conkerton then asked for a motion to approve the 2019 Audited Financial Statements for the Audubon Nature Institute. The audited financial statements dated December 31, 2019 and 2018 were reviewed and accepted by the Executive/Finance/Audit committees on June 24, 2020. The committees recommended the full Board approve the statements as presented. They were emailed to all members of the Board prior to the meeting. The motion was passed unanimously.

Mr. Sloss introduced Ms. Rebecca Dietz, EVP of Public Affairs and General Counsel, to give an update on public affairs and federal advocacy. As previously mentioned, funding of this type is key to our recovery and Audubon is not currently eligible for federal funding or emergency relief at this time. Currently, we are applying for emergency CARES Act funding with the City through the State DOA. We have had calls and meetings with congressional delegation. We expect additional federal legislation before August. Focus of that will be extending unemployment, reforming PPP, and extending recovery for state and local governments. Key goals are to add large non-profits to the payroll protection program, add a forgivability component to the main street lending program, and finally we are working with Senator Cassidy's office to add a specific provision with state and local funding for the care of animals, a revenue loss component, or both. We keep working on this daily and will continue to do so and keep you all posted.

Dr. Kyle Burks, EVP & COO, then gave a brief update on facilities. In the face of the pandemic, we continue to care for our animals. We also continue our conservation efforts with pine snakes and cranes. We are still working on our breeding programs, which are going very well. If you come out to the Aquarium, you can see Zion, our newest penguin addition. Out at our Species Survival Center, we have had several animals born recently. At the Zoo, our ocelot kitten is doing well behind the scenes. Multiple flamingo chicks have been born, including one who recently broke their leg. That chick is receiving great care and animal staff hopes the leg will fully heal as it grows. Our baby orangutan, Bulan, just celebrated her first birthday. Finally, he mentioned the upcoming gorilla birth, which should be happening sometime in the next month.

Mr. Forman thanked John Nickens and Children's Hospital for their sponsorship of our Zoo and Aquarium reopenings. Mr. Sloss then thanked the staff for all their hard work. There being no further business, the meeting was adjourned at 12:30 pm.