

# **AUDUBON COMMISSION**

Audits of Financial Statements

December 31, 2021 and 2020



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## **Independent Auditor's Report**

To the Board of Directors of  
Audubon Commission

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the business-type activities of the Audubon Commission (the Commission), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 4 through 11, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The combining schedule of revenues, expenses, and changes in net position and schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of revenues, expenses, and changes in net position and schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, 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 Professional Accounting Corporation

Metairie, LA  
June 22, 2022

## 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, 2021 and 2020. It should be read in conjunction with the financial statements in this report.

#### Overview of Financial Statements

This annual report consists of five components - Independent Auditor's Report, Management's Discussion and Analysis (this section), Financial Statements, 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 additional information that is not a required part of the financial statements, but is presented for the purposes of additional analysis.

#### Financial Highlights

2021 was a year marked by rebuilding and resilience in the face of uncertainty. The global catastrophe of the COVID-19 pandemic forever changed the way we all live, work, and move through the world. Public safety measures to slow the spread of the virus forced Audubon to close all public facilities for several months in 2020 when we make the majority of the revenue that sustains our operations through the year. The devastating financial impact and the absence of governmental financial aid for zoos and aquariums left Audubon no choice but to drastically scale down operations, including laying off close to 75% of our staff. 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 were cancelled through the end of the year. The Commission reduced its expenses including laying off or placing staff on unpaid leave.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

Through it all, we continued providing exceptional care for the animals and parks in our charge.

While the Commission's operations continued to be shaped by responses to emerging new COVID variants in 2021, there were reasons for optimism. Visitation rebounded and exceeded expectations, Audubon qualified for federal aid from the Shuttered Venue Operators Grant program, and we were able to bring back some employees laid off in 2020 to strategically rebuild our team.

Net position decreased by \$755,382, or 1%, and \$17,775,185, or 14% in 2021 and 2020, respectively. The large negative Change in Net Position in 2020 was due to the financial impacts of the COVID-19 pandemic as well as a loss on disposal and retirements of assets at the Audubon Butterfly Garden and Insectarium and the Entergy Giant Screen Theater.

### Operating Facilities Net Results for the Year Ended December 31, 2021 with Prior Years and Budget Comparisons

(in Thousands)	Actual 2021	Actual 2020	Actual 2019	Budget 2021	Budget 2020
Aquarium and Riverfront Park	\$ 5,696	\$ 2,904	\$ 7,493	\$ 342	\$ 7,493
Zoo and Audubon Park	(1,002)	(5,988)	(6,726)	(3,543)	(6,344)
Butterfly Garden and Insectarium	(13)	(375)	523	-	368
Species Survival Center/Research Center	(314)	(163)	(594)	(599)	(615)
Louisiana Nature Center	(69)	(230)	(335)	-	(551)
<b>Total Operations *</b>	4,298	(3,852)	361	<u>\$ (3,800)</u>	<u>\$ 351</u>
<b>Net Capital Income and Expense</b>	<u>(5,053)</u>	<u>(13,923)</u>	<u>(3,371)</u>		
<b>Change in Net Position</b>	<u>\$ (755)</u>	<u>\$ (17,775)</u>	<u>\$ (3,010)</u>		

\*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 2020 to 2021	Change 2019 to 2020
	2021	2020	2019		
Operating Revenues	\$ 29,114,970	\$ 18,204,581	\$ 45,593,860	\$ 10,910,389	\$ (27,389,279)
Operating Expenses	47,421,085	44,710,932	65,054,673	2,710,153	(20,343,741)
Operating Loss	(18,306,115)	(26,506,351)	(19,460,813)	8,200,236	(7,045,538)
Nonoperating Revenues, Net	17,550,733	8,731,166	16,450,819	8,819,567	(7,719,653)
Change in Net Position	(755,382)	(17,775,185)	(3,009,994)	17,019,803	(14,765,191)
Beginning Net Position	112,038,801	129,813,986	132,823,980	(17,775,185)	(3,009,994)
Ending Net Position	<u>\$ 111,283,419</u>	<u>\$ 112,038,801</u>	<u>\$ 129,813,986</u>	<u>\$ (755,382)</u>	<u>\$ (17,775,185)</u>

# 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 \$10,910,389, or 60%, in 2021 compared to 2020 due to the economic recovery from the pandemic.

#### Operating Expenses

Salaries and benefits slightly decreased by \$294,636, or 2%. Contractual services, materials, and supplies increased by \$3,910,283, or 27%, due to the reopening of facilities and an increase in business in 2021.

#### Nonoperating Revenues

Nonoperating revenues increased in 2021 compared to 2020. The decrease in 2020 was mainly due to the loss on disposal and retirement of assets at the Audubon Butterfly Garden and Insectarium and the Entergy Giant Screen Theater.

Contributions from Audubon Nature Institute decreased in 2021 compared to 2020. The 2021 contributions reverted to pre-pandemic levels.

Dedicated tax revenues were \$10,602,695 in 2021 compared to \$8,223,791 in 2020.

Intergovernmental grants decrease of \$2,530,632 were mainly due the reduction of state reimbursements for capital expenditures.

Other revenue includes insurance reimbursements received for repairs and cleanup costs from Hurricane Ida. The storm hit Louisiana on August 29, 2021. All the Commission's facilities were closed for several weeks after landfall to allow for cleanup and repairs. Property repairs continue to be made in 2022. The Commission is working with the insurance company and FEMA to get reimbursements for all Hurricane Ida related expenses.

#### 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, 2019</b>	\$ 39,817,050	\$ 10,601,834	\$ 72,887,310	\$ 15,663,277	\$ 11,181,897	\$ 150,151,368
Additions	1,725,007	-	2,475,423	273,674	-	4,474,104
Depreciation/Disposals/Retirement	(4,027,811)	(10,121,811)	(4,603,320)	(1,102,162)	(608,358)	(20,463,462)
Internal Transfers, Net of Accumulated Depreciation	480,023	(480,023)	-	-	-	-
<b>Balance December 31, 2020</b>	37,994,269	-	70,759,413	14,834,789	10,573,539	134,162,010
Additions	3,550,629	-	2,266,428	230,668	-	6,047,725
Depreciation/Disposals/Retirement	(3,761,545)	-	(4,565,271)	(1,128,753)	(608,356)	(10,063,925)
Internal Transfers, Net of Accumulated Depreciation	-	-	-	-	-	-
<b>Balance December 31, 2021</b>	<u>\$ 37,783,353</u>	<u>\$ -</u>	<u>\$ 68,460,570</u>	<u>\$ 13,936,704</u>	<u>\$ 9,965,183</u>	<u>\$ 130,145,810</u>

# AUDUBON COMMISSION

## Management's Discussion and Analysis

### Condensed Statements of Net Position

	2021	2020	2019	Change 2020 to 2021	Change 2019 to 2020
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,572,511	\$ 2,030,589	\$ 1,912,359	\$ (458,078)	\$ 118,230
Accounts Receivable, Net	144,797	343,126	465,424	(198,329)	(122,298)
Inventory	642,967	1,203,750	1,386,806	(560,783)	(183,056)
Prepaid Expenses	410,380	415,392	491,481	(5,012)	(76,089)
Restricted Assets	62,216,019	27,718,723	16,130,263	34,497,296	11,588,460
Nondepreciable Capital Assets	10,702,654	9,815,268	16,046,199	887,386	(6,230,931)
Depreciable Capital Assets, Net	119,443,156	124,346,742	134,105,169	(4,903,586)	(9,758,427)
Other Assets, Nonrestricted	7,526,301	7,642,090	7,757,879	(115,789)	(115,789)
<b>Total Assets</b>	<b>202,658,785</b>	<b>173,515,680</b>	<b>178,295,580</b>	<b>29,143,105</b>	<b>(4,779,900)</b>
<b>Deferred Outflows of Resources</b>					
	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 202,658,785</b>	<b>\$ 173,515,680</b>	<b>\$ 178,295,580</b>	<b>\$ 29,143,105</b>	<b>\$ (4,779,900)</b>
<b>Liabilities</b>					
Unrestricted Current Liabilities	\$ 6,095,411	\$ 5,963,574	\$ 8,365,061	\$ 131,837	\$ (2,401,487)
Payables from Restricted Assets	4,203,885	7,713,416	4,692,806	(3,509,531)	3,020,610
Noncurrent Liabilities	81,076,070	47,799,889	35,423,727	33,276,181	12,376,162
<b>Total Liabilities</b>	<b>91,375,366</b>	<b>61,476,879</b>	<b>48,481,594</b>	<b>29,898,487</b>	<b>12,995,285</b>
<b>Net Position</b>					
Net Investment in Capital Assets	50,360,517	89,161,823	114,923,159	(38,801,306)	(25,761,336)
Restricted	61,936,173	27,039,691	15,610,254	34,896,482	11,429,437
Unrestricted	(1,013,271)	(4,162,713)	(719,427)	3,149,442	(3,443,286)
<b>Total Net Position</b>	<b>111,283,419</b>	<b>112,038,801</b>	<b>129,813,986</b>	<b>(755,382)</b>	<b>(17,775,185)</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 202,658,785</b>	<b>\$ 173,515,680</b>	<b>\$ 178,295,580</b>	<b>\$ 29,143,105</b>	<b>\$ (4,779,900)</b>

### Comments on Condensed Statements of Net Position

Restricted assets increased mainly due to the issuance of bonds in the amount of \$33,860,000 in 2021. The Bonds were issued for the purpose of constructing and improving the parks, recreational, and wildlife conservation facilities of the Commission. The net capital assets decrease of \$4,016,200 in 2021 was due to capital asset additions of \$6,047,725 offset by depreciation, disposals, and retirements of \$10,063,925.

Non-current liabilities increased by \$33,276,181. There was an increase in bonds payable of \$38,923,670. These Limited Tax Bonds are payable from and secured solely by Commission's portion of the revenues of the separate ad valorem tax of 6.31 mills (the Tax), which is authorized to be levied in the City each of the years 2021 through 2040 pursuant to a special election held in the City on May 4, 2019. The amount due to the Audubon Nature Institute from the Commission was reduced by \$4,795,565.

# AUDUBON COMMISSION

## Management's Discussion and Analysis

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### Condensed Statements of Cash Flows

	2021	2020	2019	Change 2020 to 2021	Change 2019 to 2020
Net Cash Used in Operating Activities	\$(11,947,249)	\$(11,890,467)	\$ (5,660,236)	\$ (56,782)	\$ (6,230,231)
Net Cash Provided by (Used in) Capital and Related Financing Activities	48,160,197	21,577,459	(4,087,739)	26,582,738	25,665,198
Net Increase (Decrease) in Cash and Cash Equivalents	36,212,948	9,686,992	(9,747,975)	26,525,956	19,434,967
Cash and Cash Equivalents Beginning of Year	27,510,963	17,823,971	27,571,946	9,686,992	(9,747,975)
End of Year	\$ 63,723,911	\$ 27,510,963	\$ 17,823,971	\$ 36,212,948	\$ 9,686,992

### Comments on Condensed Statements of Cash Flows

There was minimal change in cash used in operating activities in 2021 compared to 2020. An increase in cash provided from capital and related financing activities was due to the issuance of new bonds as well as cash received from insurance proceeds due to Hurricane Ida.

### General Overview and Major Achievements in 2021

Below are some highlights of Audubon's work in 2021 to rebuild better than ever before. We look to the future with optimism, ready to embark on new adventures and new ways to educate and inspire our community.

- 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 6th** and the **Zoo secured 7th place** among 20 nominees, all accredited by the Association of Zoos and Aquariums (AZA), that were "hand-picked by a panel of zoo and family travel experts." The Aquarium was also ranked in the top 10 in the nation by Travel + Leisure Magazine.
- After months of working with AZA and other zoos, aquariums, and cultural institutions financially devastated by COVID shut-downs in 2020 to petition the federal government to expand qualifications for federal relief, Audubon Nature Institute received the maximum award—\$10 million—through the **SBA's Shuttered Venue Operators Grant**. The proceeds were recorded as revenue from government grants in the Audubon Nature Institute's statement of activities for the year ended December 31, 2021.
- Staff from Audubon's Coastal Wildlife Network, which serves as Louisiana Department of Wildlife and Fisheries' primary response partner, had a busy year in 2021, rehabilitating and releasing a group of sea turtles dubbed "the Krewe of Turtles" for their Carnival season release. The turtles arrived at CWN for rehabilitation after they were cold stunned off the coast of New England in November 2020. CWN also responded to a report from a local resident on August 30, 2021, about a young bottlenose dolphin trapped in a drainage canal in Slidell, La, after Hurricane Ida. The rescue was coordinated by NOAA Fisheries Service and included our partners in the Southeast Regional Marine Mammal Stranding Network.

## AUDUBON COMMISSION

### Management's Discussion and Analysis

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- Our partners included SeaWorld Orlando, SeaWorld San Antonio, The Institute for Marine Mammal Studies, National Marine Mammal Foundation, Alabama Marine Mammal Stranding Network, and NOAA Fisheries Office for Law Enforcement. Fortunately, on September 5th, responders were able to rescue the dolphin from the drainage canal, and after the expert veterinarian team assessed it and deemed it healthy enough for release, CWN staff and our partners transported, tagged, and released the dolphin in Bay St. Louis, Ms.
- In February of 2021, Audubon Aquarium of the Americas welcomed the hatching of its **56th endangered African penguin chick** as part of our Species Survival Plan (SSP) breeding program. The chick was the offspring of Hubig (mother) and Ocio (father), who are also parents to Zion, the African penguin chick hatched at the Aquarium in 2020.
- At Audubon Zoo, our herpetology department was the **most successful breeder of monitor lizards in the world in 2021**. Not only have we been successful with breeding monitors, we've also had egg viability rates and hatch rates much higher than most other institutions.
- **Alliance for Sustainable Wildlife at Freeport-McMoRan Audubon Species Survival Center enjoyed another year of breeding successes**, welcoming the hatchings of whooping cranes, Mississippi sandhill cranes, saddle-billed storks, and their first blue-billed curassow as well as the births of sable antelope, sitatunga, giraffe, and barasingha. The sitatunga herd got a new home, moving from a 12-acre enclosure to a 46-acre enclosure. Not only does this give the herd more space, it allowed ASW to turn the smaller enclosure into a bachelor pen (male animals only), which will help zoo populations by holding male offspring for longer periods of time after they become sexually mature. The bachelor pen is now home to barasingha, sable antelopes, male sitatungas, and Nile lechwes.
- FMASSC and Audubon Zoo are also serving another critical role for species preservation—they are **two of the only four AZA-accredited facilities that house barasingha**, a swamp-loving species of deer whose populations are rapidly declining in their home habitat along the border of India and Nepal.
- **Audubon continued its Community Connect access initiative in 2021**. The 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. **In 2021, Community Connect made it possible for more than 64,000 community members to visit Audubon facilities (as compared to 30,000 in 2020)**.
- In 2021, Audubon Nature Institute and New Orleans Museum of Art partnered with the Patrick F. Taylor Foundation to expand the **Taylor Scholars Awards Program** to include sixth grade students for the first time. The addition of sixth grade will greatly impact the number of students that are recognized for their academic achievements. More than 223,000 high-achieving students in grades 6 through 12 statewide received free Audubon Memberships in the 2020-2021 school year 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 **389,400 Facebook** followers, **23,200 Twitter** followers; **51,380 Instagram** followers; **3,963 LinkedIn** followers; **15,900 YouTube** subscribers, **27,000 TikTok** followers; and **171,500 email** subscribers.

#### New Arrivals and Programs

- The much-anticipated **new Shark Discovery gallery** opened in June of 2021 on the second floor of Audubon Aquarium, giving guests a new way to connect with wildlife by reaching into 60-foot-long, 13,000-gallon touchpool filled with a variety of touchable shark and ray species.
- Recovery from COVID-19 closures continued with the **reopening of some of Audubon guests' favorite attractions**, including the Zoo's "Criaturas de la Noche" nocturnal house in Jaguar Jungle and the Reptile Encounter building and the return of the Swamp Train, Gottesman Endangered Species Carousel, Cool Zoo and Gator Run, birthday parties, and fall and winter camps. Across Magazine Street, the Audubon Park Clubhouse Café reopened for brunch and lunch and in New Orleans East, the Interpretive Center at Audubon Louisiana Nature Center was open to the community once again.
- 2021 was a big year for **orangutan babies** at Audubon Zoo, as Jambi, the group's male, fathered infant Madu with female Reese, who joined Bulan, his offspring with matriarch Feliz born in 2020. Later in the year, animal care staff discovered that the group's other mature female, Menari, was pregnant with twins—an extremely rare and often dangerous phenomenon in orangutans. Menari gave birth on Christmas Eve. Sadly, one of the twins did not make it, but the other, a male dubbed "Roux" by public vote, survived and is now thriving after overcoming some early health challenges.
- **New births** continued to arrive throughout the year as a reminder of the perseverance of life in the face of tragedy, including Pacha the endangered Baird's tapir, a prehensile-tailed porcupette, an owl monkey, and a clutch of dwarf shield-tailed agama.
- Across Audubon, teams found new ways to stay connected with our community during lockdown and adapt guest-favorite events to new COVID safety protocols. The Education team offered **virtual outreach programs** for children across the state. These virtual programs allow students to discover amazing animals with Audubon educators as they explore nature and science together. Each 45-minute session combines science topics aligned with Louisiana state science standards and live animal presentations. Students can interact in real time with educators and live animals through streaming video conferencing as they discover new things about the world around them. Thanks to the support of Shell, Chevron, and the New Orleans Pelicans, **Audubon was able to offer virtual programming to Title 1 schools in Louisiana free of charge.**
- Pre-construction planning began for a \$41,300,000 transformation of Audubon Aquarium. The project relocates Audubon Butterfly Garden and Insectarium (BGI) from the nearby U.S. Custom House into underutilized Aquarium space, a strategy that will increase visitation and reduce operating costs. Broadmoor LLC was selected through a competitive process as the Construction Manager at Risk, collaborating with architect EDR and exhibit designer Cambridge 7 to develop a dynamic attraction set to open in 2023 as post-COVID tourism rebounds. Demolition began at year-end, with the project on track to meet its completion deadline.

## AUDUBON COMMISSION

### **Management's Discussion and Analysis**

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At the Zoo, construction continued on the Tropical Birdhouse Renovation, highlighted by new habitats, landscaping and support areas. The project will open in 2022. Work began on Capital One Stage Improvements, with updated aesthetics, a water permeable dance floor, and upgraded support areas

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

The 2022 operating budget is more optimistic than the 2021 budget but it is still lower than pre-pandemic levels due the ongoing and still unknown impacts of the COVID-19 Pandemic. Audubon should meet the 2022 budget based on current operating trends in the first part of 2022.

#### **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, 2021 and 2020**

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,572,511	\$ 2,030,589
Accounts Receivable, Net of Allowance for Uncollectible		
Accounts of \$10,253 in 2021 and \$14,034 in 2020	144,797	343,126
Inventory	642,967	1,203,750
Prepaid Expenses	410,380	415,392
	<hr/>	<hr/>
<b>Total Current Assets</b>	<b>2,770,655</b>	<b>3,992,857</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Land	800,000	800,000
Buildings and Fixed Exhibitory	276,682,466	271,753,050
Equipment	23,522,915	27,837,159
Construction in Progress	9,902,654	9,015,268
Less: Accumulated Depreciation	(180,762,225)	(175,243,467)
	<hr/>	<hr/>
<b>Net Capital Assets</b>	<b>130,145,810</b>	<b>134,162,010</b>
<b>Other Assets</b>		
Prepaid Rent - Dock Board	7,526,301	7,642,090
Cash with Fiscal Agent Restricted for Capital Projects	62,151,400	25,480,374
Receivables Restricted for Capital Improvements	64,619	2,238,349
	<hr/>	<hr/>
<b>Total Other Assets</b>	<b>69,742,320</b>	<b>35,360,813</b>
	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 202,658,785</b>	<b>\$ 173,515,680</b>

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

**AUDUBON COMMISSION**  
**Statements of Net Position (Continued)**  
**December 31, 2021 and 2020**

	2021	2020
<b>Current Liabilities Payable from Unrestricted Assets</b>		
Accounts Payable and Other Accrued Liabilities	\$ 5,846,356	\$ 5,720,712
Capital Lease Obligations	249,055	242,862
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<b>6,095,411</b>	<b>5,963,574</b>
<b>Current Liabilities Payable from Restricted Assets</b>		
Accrued Interest	279,845	679,032
Limited Tax Bonds, Current Portion	1,205,000	3,630,000
Gulf Opportunity Zone Loan, Current Portion	550,000	750,000
Construction Payables	2,169,040	2,654,384
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>4,203,885</b>	<b>7,713,416</b>
<b>Total Current Liabilities</b>	<b>10,299,296</b>	<b>13,676,990</b>
<b>Noncurrent Liabilities</b>		
Limited Tax Bonds	50,558,159	11,634,489
Gulf Opportunity Zone Loan	10,816,326	11,366,326
Due to Audubon Nature Institute, Inc.	5,281,382	10,076,947
Unearned Revenue	10,689,371	10,689,371
Capital Lease Obligations	3,730,832	4,032,756
<b>Total Noncurrent Liabilities</b>	<b>81,076,070</b>	<b>47,799,889</b>
<b>Total Liabilities</b>	<b>91,375,366</b>	<b>61,476,879</b>
<b>Net Position</b>		
Net Investment in Capital Assets	50,360,517	89,161,823
Restricted	61,936,173	27,039,691
Unrestricted	(1,013,271)	(4,162,713)
<b>Total Net Position</b>	<b>111,283,419</b>	<b>112,038,801</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 202,658,785</b>	<b>\$ 173,515,680</b>

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

**AUDUBON COMMISSION**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2021 and 2020**

	2021	2020
<b>Operating Revenues</b>		
Charges for Services	\$ 27,887,356	\$ 17,132,474
Other Revenues	1,227,614	1,072,107
<b>Total Operating Revenues</b>	<b>29,114,970</b>	18,204,581
<b>Operating Expenses</b>		
Salaries and Benefits	18,719,785	19,014,421
Contractual Services, Materials, Supplies, and Other	18,552,426	14,642,143
Depreciation and Amortization	10,148,874	11,054,368
<b>Total Operating Expenses</b>	<b>47,421,085</b>	44,710,932
<b>Operating Loss</b>	<b>(18,306,115)</b>	(26,506,351)
<b>Nonoperating Revenues (Expenses)</b>		
Support for Capital Projects, Education, and Operating		
Support from Audubon Nature Institute, Inc.	2,096,027	3,889,201
Dedicated Tax Revenues	10,602,695	8,223,791
Intergovernmental Grants	994,674	3,525,306
Contributions to Facilities Managed by		
Audubon Nature Institute, Inc.	1,682,136	3,516,574
Loss on Disposal of Assets	(10,259)	(9,482,516)
Other Revenue/Expense	3,065,184	66,586
Interest Expense	(465,360)	(669,770)
Bond Issuance Costs	(414,364)	(338,006)
<b>Total Nonoperating Revenues, Net</b>	<b>17,550,733</b>	8,731,166
<b>Change in Net Position</b>	<b>(755,382)</b>	(17,775,185)
<b>Net Position, Beginning of Year</b>	<b>112,038,801</b>	129,813,986
<b>Net Position, End of Year</b>	<b>\$ 111,283,419</b>	\$ 112,038,801

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

**AUDUBON COMMISSION**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 29,313,299	\$ 18,326,880
Cash Paid to or on Behalf of Employees	(18,525,874)	(19,274,803)
Cash Paid for Supplies and Services	(22,734,674)	(10,942,544)
<b>Net Cash Used in Operating Activities</b>	<b>(11,947,249)</b>	<b>(11,890,467)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Support for Capital Projects, Education, and Operating Support from Audubon Nature Institute, Inc.	2,096,027	3,889,201
Payments for Design, Construction, and Equipment Purchases	(6,628,277)	(2,370,940)
Proceeds Received under Terms of Cooperative Endeavor Agreement	-	(18,373)
Dedicated Tax Revenues	10,602,695	8,223,791
Interest Paid	(1,150,242)	(757,090)
Bond Premium on Issuance of Bonds	6,554,364	1,978,586
New Bond Issuance	33,860,000	9,500,000
Payment of Bond Principal and GO Zone Loan	(4,380,000)	(3,470,000)
Payment of Capital Lease Obligations	(295,731)	(148,478)
Bond Issuance Costs	(231,472)	(338,006)
Underwriters Discount	(182,891)	-
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	1,682,136	3,516,574
Intergovernmental and Other Grants	3,168,404	1,505,608
Interest Income	19,316	66,586
Cash Received from Insurance Proceeds	3,045,868	-
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>48,160,197</b>	<b>21,577,459</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>36,212,948</b>	<b>9,686,992</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>27,510,963</b>	<b>17,823,971</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 63,723,911</b>	<b>\$ 27,510,963</b>
<b>Reconciliation to Statement of Net Position</b>		
Cash and Cash Equivalents	\$ 1,572,511	\$ 2,030,589
Cash with Fiscal Agent Restricted for Capital Projects	62,151,400	25,480,374
<b>Total Cash and Cash Equivalents</b>	<b>\$ 63,723,911</b>	<b>\$ 27,510,963</b>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating Loss	\$ (18,306,115)	\$ (26,506,351)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation and Amortization	10,148,874	11,054,368
Decrease in Accounts Receivable and Other Current Assets	879,913	497,232
Increase in Accounts Payable and Other Current Liabilities	(4,669,921)	3,064,284
<b>Net Cash Used in Operating Activities</b>	<b>\$ (11,947,249)</b>	<b>\$ (11,890,467)</b>
<b>Non-Cash Items</b>		
Purchases for Design, Construction, and Equipment in Accounts Payable and Other Current Liabilities	\$ 2,169,040	\$ 2,654,384

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. During 2020, the Audubon Butterfly Garden and Insectarium suspended operations due to COVID-19 and eventually closed its location, with plans to move certain exhibits to the Aquarium of the Americas.

In May 2019, the voters of New Orleans approved a new 20-year 1.95 property tax millage. It began in 2021 when the old millages expired.

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 (retired in 2020), 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 in place in 2021 and previous years, 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.

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

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 1. Organization (Continued)

#### General Information (Continued)

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 \$55,557 in 2021 and \$54,661 in 2020 are included in the statements of revenues, expenses, and changes in net position.

On December 31, 2021, the Agreement was amended and restated. The Institute shall continue to undertake complete operation, management, and control, subject to the reserved rights and responsibilities of the Commission.

The following are the main amendments to the Agreement with financial reporting impacts. The effective implementation date is January 1, 2022 and terminates on December 31, 2028, unless extended by the parties.

The Institute, in order to achieve and continue the public purpose of the Agreement and its management obligations set forth herein, shall retain in its own account Earned Revenue and Other Revenue for the operation, maintenance, and development of Audubon Facilities. Such Earned and Other Revenue shall be administered by the Institute and deposited in an account to be used for the operation of the Audubon Facilities (hereinafter referred to as the "Institute Operating Account"). For the avoidance of doubt, it is the understanding of the parties that in no event shall Earned Revenue or Other Revenue be considered public funds.

It is the intent of both parties that "Earned Revenue" (defined as admission fees, special event fees, special event rental fees, contractual income, food and merchandise revenue, and other fees collected attributable to the Audubon Facilities), "Other Revenue" defined as qualifying philanthropic sponsorships, grants specific to the Institute, and "Commission Revenue" defined as tax revenue, bond proceeds, intergovernmental grants, or Commission real estate lease revenue will be used for the benefit of all Audubon Facilities, in furtherance of the missions of both the Commission and the Institute and will cover all necessary expenses related to operation, maintenance, upgrade and development of the Audubon Facilities. Reserves and/or total positive net Earned Revenue shall also be used for the benefit of and for operation, maintenance, and development of the Audubon Facilities.

Necessary expenses of the Institute relating to the operation, maintenance, upgrade and development of the Audubon Facilities shall be paid by the Commission through transfer of Commission Revenue, including tax revenue, bond proceeds, intergovernmental grants, and Commission real estate lease revenue and any other Commission revenue due to the Commission.

# AUDUBON COMMISSION

## Notes to Financial Statements

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### Note 1. Organization (Continued)

#### General Information (Continued)

All tax revenues, bond proceeds, intergovernmental grants, Commission real estate lease revenue and any other Commission Revenue due to the Commission for the operation, maintenance, upgrade and development of the Audubon Facilities shall be administered by the Institute on behalf of and in the name of the Commission and deposited in an account administered by the Institute on behalf of and in the name of the Commission (hereinafter referred to as the "Commission Account"). For the avoidance of doubt, it is the understanding of the parties that funds maintained in the Commission Account are considered public funds.

The Institute shall prepare an Institute Facilities Operating Budget, a Commission Operating Budget and a Commission Capital Budget each year. The Institute Facilities Operating Budget shall set forth revenue and expenses relating to the operation, maintenance, and development of the Audubon Facilities and the use of Earned Revenue, Other Revenue and Commission Revenue transferred to the Institute. The Commission Operating Budget shall set forth revenue and expenses relating to Commission Revenue. The Commission Capital Budget shall set forth revenue and expenses relating to Audubon Facilities capital projects.

#### 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.

# AUDUBON COMMISSION

## Notes to Financial Statements

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

#### **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.

#### **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".

#### **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.

#### **Inventory**

Inventory is stated at the lower of cost, determined by the average cost method, or market.

# AUDUBON COMMISSION

## Notes to Financial Statements

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

#### **Capital Assets**

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

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

#### **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.

#### **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.

## AUDUBON COMMISSION

### Notes to Financial Statements

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

##### **Recent Accounting and Reporting Standards - Adopted**

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The Commission implemented GASB Statement No. 89, effective January 1, 2021. In accordance of provisions of the new standard the Commission no longer capitalizes interest cost incurred before the end of a construction period.

##### **Recent Accounting and Reporting Standards - Not Yet Adopted**

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. In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021.

#### Note 3. Cash and Cash Equivalents

##### **Cash on Deposit**

The Commission's deposits at financial institutions at December 31, 2021 and 2020 were \$2,177,761 and \$1,852,645, respectively, (excluding \$111,470 and \$123,920 of cash on hand at December 31, 2021 and 2020, respectively).

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, 2021, the Commission had \$1,880,878 of deposits in excess of the FDIC insured limit which were secured from risk by \$8,654,424 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, 2021 and 2020, 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, 2021 and 2020, restricted cash included cash held with several fiscal agents totaling \$62,151,400 and \$25,480,374, respectively, for various capital projects (see Note 8). 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, 2021:

	Balance 1/1/2021	Additions/ Increases	Transfers	Disposals/ Retirements	Balance 12/31/2021
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	9,015,268	5,920,746	(5,033,360)	-	9,902,654
<b>Total Capital Assets Not Depreciated</b>	<b>9,815,268</b>	<b>5,920,746</b>	<b>(5,033,360)</b>	<b>-</b>	<b>10,702,654</b>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	271,753,050	-	4,935,864	(6,448)	276,682,466
Equipment	27,837,159	126,979	97,496	(4,538,719)	23,522,915
<b>Total Capital Assets Being Depreciated</b>	<b>299,590,209</b>	<b>126,979</b>	<b>5,033,360</b>	<b>(4,545,167)</b>	<b>300,205,381</b>
<b>Less: Accumulated Depreciation</b>	<b>(175,243,467)</b>	<b>(10,040,859)</b>	<b>-</b>	<b>4,522,101</b>	<b>(180,762,225)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 134,162,010</b>	<b>\$ (3,993,134)</b>	<b>\$ -</b>	<b>\$ (23,066)</b>	<b>\$ 130,145,810</b>

Capital assets are summarized as follows by major classification at December 31, 2020:

	Balance 1/1/2020	Additions/ Increases	Transfers	Disposals/ Retirements	Balance 12/31/2020
<b>Capital Assets Not Depreciated</b>					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Construction in Progress	15,246,199	4,287,914	(10,518,845)	-	9,015,268
<b>Total Capital Assets Not Depreciated</b>	<b>16,046,199</b>	<b>4,287,914</b>	<b>(10,518,845)</b>	<b>-</b>	<b>9,815,268</b>
<b>Capital Assets Being Depreciated</b>					
Buildings and Fixed Exhibitory	289,934,302	-	6,110,855	(24,292,107)	271,753,050
Equipment	24,588,073	186,190	4,407,990	(1,345,094)	27,837,159
<b>Total Capital Assets Being Depreciated</b>	<b>314,522,375</b>	<b>186,190</b>	<b>10,518,845</b>	<b>(25,637,201)</b>	<b>299,590,209</b>
<b>Less: Accumulated Depreciation</b>	<b>(180,417,206)</b>	<b>(10,937,911)</b>	<b>-</b>	<b>16,111,650</b>	<b>(175,243,467)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 150,151,368</b>	<b>\$ (6,463,807)</b>	<b>\$ -</b>	<b>\$ (9,525,551)</b>	<b>\$ 134,162,010</b>

Depreciation expense for the years ended December 31, 2021 and 2020, related to these assets amounted to approximately \$10,040,000 and \$10,938,000, respectively.

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### Note 6. Long-Term Debt

Bonds and other debt payable at December 31, 2021 and 2020 were comprised of the following:

	2021	2020
<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%.	\$ -	\$ 3,630,000
Audubon Commission Limited Tax Bonds Series 2020, due in annual installments of \$345,000 to \$735,000 from October 2022 through October 2040; 4.205%.	9,500,000	9,500,000
Audubon Commission Limited Tax Bonds Series 2021, due in annual installments of \$860,000 to \$3,525,000 from October 2022 through October 2040; 4.076%.	33,860,000	-
<b>Other Debt</b>		
State of Louisiana, Office of Community Development Gulf Opportunity Zone Act Loan	11,366,326	12,116,326
Total Bonds Payable and Other Debt	54,726,326	25,246,326
<b>Plus: Unamortized Premium, Net</b>	8,403,159	2,134,489
Total	63,129,485	27,380,815
Less: Current Maturities	(1,755,000)	(4,380,000)
<b>Bonds Payable and Other Debt, Noncurrent</b>	<b>\$ 61,374,485</b>	<b>\$ 23,000,815</b>

Details of the bonds and loan payable are as follows:

#### Limited Tax Bonds - Series 2021

On December 15, 2021, the Commission issued \$33,860,000 Limited Tax Bonds Series 2021 with a net interest cost of 4.076%. The Bonds were issued for the purpose of constructing and improving the parks, recreational, and wildlife conservation facilities of the Commission. The Bonds are valid and binding special and limited obligations of the City of New Orleans (the City) and are payable from and secured solely by Commission's portion of the revenues of the separate ad valorem tax of 6.31 mills (the Tax), which is authorized to be levied in the City each of the years 2021 through 2040 pursuant to a special election held in the City on May 4, 2019 (subject to adjustment from time to time due to reassessment).

## AUDUBON COMMISSION

### Notes to Financial Statements

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

##### **Limited Tax Bonds - Series 2020**

On November 10, 2020, the Commission issued \$9,500,000 Limited Tax Bonds Series 2020 with a net interest cost of 4.205%. The Bonds were issued for the purpose of constructing and improving the parks, recreational, and wildlife conservation facilities of the Commission. The Bonds are valid and binding special and limited obligations of the City and are payable from and secured solely by Commission's portion of the revenues of the separate ad valorem tax of 6.31 mills (the Tax), which is authorized to be levied in the City each of the years 2021 through 2040 pursuant to a special election held in the City on May 4, 2019 (subject to adjustment from time to time due to reassessment).

##### **Limited Tax Bonds - Series 2011 A-1 and 2011 A-2**

On September 22, 2011, the Commission issued \$24,370,000 Aquarium Refunding Bonds Series 2011 A-1 with a net interest cost of 3.276%. The bonds were issued for the purpose of defeasing the Aquarium Refunding Bonds, Series 2001 A and Series 2001 B Bonds and providing amounts for capital improvements to the Aquarium and related facilities and paying costs of issuance of the bonds. On the same date the Commission issued \$630,000 Aquarium Refunding Bonds, Taxable Series 2011 A-2 with a net interest rate of 1.867%. The final payment principal payment was made in October 2021.

##### **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.

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 re-amortized as part of a cooperative endeavor agreement explained below. As part of the re-amortization of the loan, \$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 10 years for the purpose of capital improvements, advertising, marketing, maintenance, and food and beverage service to increase the use of the park for annual festivals and other events based on multi-year contracts for such events.

## AUDUBON COMMISSION

### Notes to Financial Statements

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

On October 21, 2019, the Commission and the State cancelled and terminated the October 1, 2015 CEA. On the 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. The loan matures July 31, 2031.

A summary of changes in bonds payable and other debt during 2021 is as follows:

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2021	\$ 13,130,000	\$ 12,116,326	\$ 25,246,326
Additions	33,860,000	-	33,860,000
Reductions	(3,630,000)	(750,000)	(4,380,000)
Balance December 31, 2021	<u>\$ 43,360,000</u>	<u>\$ 11,366,326</u>	<u>\$ 54,726,326</u>
Due within One Year	<u>\$ 1,205,000</u>	<u>\$ 550,000</u>	<u>\$ 1,755,000</u>

A summary of changes in bonds payable and other debt during 2020 is as follows:

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2020	\$ 7,100,000	\$ 12,116,326	\$ 19,216,326
Additions	9,500,000	-	9,500,000
Reductions	(3,470,000)	-	(3,470,000)
Balance December 31, 2020	<u>\$ 13,130,000</u>	<u>\$ 12,116,326</u>	<u>\$ 25,246,326</u>
Due within One Year	<u>\$ 3,630,000</u>	<u>\$ 750,000</u>	<u>\$ 4,380,000</u>

# AUDUBON COMMISSION

## Notes to Financial Statements

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

Expected debt service requirements on all debt outstanding as of December 31, 2021 are as follows:

Year Ending December 31,	Limited Tax Bonds		Gulf Opportunity Zone Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,205,000	\$ 1,546,619	\$ 550,000	\$ 273,373	\$ 1,755,000	\$ 1,819,992
2023	1,035,000	1,778,350	575,000	259,648	1,610,000	2,037,998
2024	1,155,000	1,726,600	600,000	245,313	1,755,000	1,971,913
2025	805,000	1,668,850	1,100,000	230,368	1,905,000	1,899,218
2026	925,000	1,628,600	1,125,000	203,223	2,050,000	1,831,823
2027 - 2040	38,235,000	14,245,700	7,416,326	587,892	45,651,326	14,833,592
<b>Total</b>	<b>\$ 43,360,000</b>	<b>\$ 22,594,719</b>	<b>\$ 11,366,326</b>	<b>\$ 1,799,817</b>	<b>\$ 54,726,326</b>	<b>\$ 24,394,536</b>

### 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, 2021 and 2020, 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, 2021 and 2020, the amount due to the Institute from the Commission totaled \$5,281,382 and \$10,076,947, 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, 2021 and 2020, those amounts totaled \$2,096,027 and \$3,889,201, respectively.

Audubon Nature Institute Foundation (the 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, 2021 and 2020, the Foundation donated funds of \$1,682,136 and \$3,516,574, respectively.

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### Note 8. Commitments and Contingencies

##### Long-Term Leases

The Commission leased its Audubon Butterfly Garden and Insectarium premises under an operating lease, which was cancelled on April 30, 2021 due to the transition of the exhibits to Audubon Aquarium of the Americas as part of a renovation to that facility. This will provide a combined experience that re-envision the guest experience and educational programming. The move also presents a multitude of cost-savings and revenue-generating opportunities. The Commission also leases two additional properties in Jefferson and Orleans Parishes, as well as golf equipment. Rent expense for the years ended December 31, 2021 and 2020 totaled approximately \$360,000 and \$640,000, respectively.

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

Year Ending December 31,	Lease Payments
2022	\$ 157,468
2023	122,436
2024	95,136
2025	75,636
2026	<u>31,515</u>
<b>Total</b>	<u>\$ 482,191</u>

As of December 31, 2021, 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, 2021 had a cost of \$4,509,345 and accumulated amortization of \$479,770. 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 August 2038.

## AUDUBON COMMISSION

### Notes to Financial Statements

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

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

Year Ending December 31,	Lease Payments
2022	\$ 398,829
2023	311,700
2024	312,300
2025	313,400
2026	314,200
2027 - 2031	1,584,800
2032 - 2036	1,610,100
2037 - 2040	<u>550,759</u>
Total Minimum Lease Payments	5,396,088
Less: Amounts Representing Interest	<u>1,416,201</u>
Present Value of Future Minimum Lease Payments	3,979,887
Less: Current Portion of Capital Leases Obligation	<u>(249,055)</u>
<b>Capital Lease Obligations, Excluding Current Portion</b>	<b><u>\$ 3,730,832</u></b>

#### Construction in Progress

As of December 31, 2021, the Commission has approximately \$25,000,000 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.

## AUDUBON COMMISSION

### Notes to Financial Statements

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

##### **Governor Nicholls and Esplanade Wharves Development (Continued)**

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. 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 again in 2021 to extend deadlines by four calendar years from the original agreement to allow for delays due to the COVID-19 pandemic. Audubon is in communication with the City agencies to monitor progress and to reconvene the design and community participation process.

#### 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.

## AUDUBON COMMISSION

### Notes to Financial Statements

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#### **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, 2021, there were five tax abatements under the Restoration Tax Abatement Program with exemptions. During the fiscal year ended December 31, 2021, ad valorem taxes abated applicable to the Commission totaled \$4,435.

#### **Note 11. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 22, 2022 and determined that the following matter requires disclosure:

As described in Note 1, the Management and Cooperative Endeavor Agreement (Agreement) between the Commission and the Audubon Nature Institute was amended and restated during 2021 with an effective date of January 1, 2022. The main amendments to the Agreement will have financial reporting impacts upon the effective date, as described in Note 1.

No further subsequent events occurring after June 22, 2022 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 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 the business-type activities of Audubon Commission (the Commission) for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2022.

**Report on 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 control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of an 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.

**Report on 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 financial statements. 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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

A Professional Accounting Corporation

Metairie, LA  
June 22, 2022

**AUDUBON COMMISSION  
Schedule of Findings and Responses  
For the Year Ended December 31, 2021**

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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, 2021**

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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, 2021**

	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	\$ 13,171,964	\$ -	\$ 14,715,392	\$ -	\$ -	\$ 27,887,356
Other Revenues	601,267	50	614,043	12,254	-	1,227,614
<b>Total Operating Revenues</b>	<b>13,773,231</b>	<b>50</b>	<b>15,329,435</b>	<b>12,254</b>	<b>-</b>	<b>29,114,970</b>
<b>Operating Expenses</b>						
Salaries and Benefits	5,643,654	-	11,632,866	1,295,228	148,037	18,719,785
Contractual Services, Materials, Supplies, and Other	5,856,415	234,549	10,754,436	1,421,801	285,225	18,552,426
Depreciation and Amortization	3,867,848	-	4,541,330	1,131,340	608,356	10,148,874
<b>Total Operating Expenses</b>	<b>15,367,917</b>	<b>234,549</b>	<b>26,928,632</b>	<b>3,848,369</b>	<b>1,041,618</b>	<b>47,421,085</b>
<b>Operating Loss</b>	<b>(1,594,686)</b>	<b>(234,499)</b>	<b>(11,599,197)</b>	<b>(3,836,115)</b>	<b>(1,041,618)</b>	<b>(18,306,115)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Support from Audubon Nature Institute, Inc.	67,613	-	353,536	1,669,578	5,300	2,096,027
Dedicated Tax Revenues	6,814,753	-	3,635,277	-	152,665	10,602,695
Intergovernmental Grants	119,710	-	1,262,909	(348,922)	(39,023)	994,674
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	615,264	-	539,148	473,388	54,336	1,682,136
Loss on Disposal of Assets	(9,486)	-	(2,852)	2,079	-	(10,259)
Other Revenue/Expenses	19,316	-	1,581,334	1,426,323	38,211	3,065,184
Interest Expense	(457,669)	-	(7,691)	-	-	(465,360)
Bond Issuance Costs	(414,364)	-	-	-	-	(414,364)
<b>Total Nonoperating Revenues, Net</b>	<b>6,755,137</b>	<b>-</b>	<b>7,361,661</b>	<b>3,222,446</b>	<b>211,489</b>	<b>17,550,733</b>
<b>Change in Net Position</b>	<b>5,160,451</b>	<b>(234,499)</b>	<b>(4,237,536)</b>	<b>(613,669)</b>	<b>(830,129)</b>	<b>(755,382)</b>
<b>Net Position, Beginning of Year</b>	<b>87,706,869</b>	<b>2,291,003</b>	<b>7,665,438</b>	<b>7,391,087</b>	<b>6,984,404</b>	<b>112,038,801</b>
<b>Net Position, End of Year</b>	<b>\$ 92,867,320</b>	<b>\$ 2,056,504</b>	<b>\$ 3,427,902</b>	<b>\$ 6,777,418</b>	<b>\$ 6,154,275</b>	<b>\$ 111,283,419</b>

See independent auditor's report

**AUDUBON COMMISSION**  
**Other Supplementary Information**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head**  
**For the Year Ended December 31, 2021**

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Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

**Agency Head Name:** J. Kelly Duncan, President of the Audubon Commission

Purpose	Amount
Salary	\$0
Benefits	\$0
Other Payments	\$0

## **AGREED-UPON PROCEDURES REPORT**

Audubon Commission

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period January 1, 2021 - December 31, 2021**

To the Board of Directors  
Audubon Commission and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. Audubon Commission's management is responsible for those C/C areas identified in the SAUPs.

Audubon Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** Audubon Commission does not have written sexual harassment policies and procedures. No other exception was noted as a result of performing these procedures.

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Collections (excluding electronic funds transfers )***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** Fifteen out of nineteen deposits tested were not deposited to the bank within one business day. No other exception was noted as a result of performing these procedures.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** No exceptions were noted as a result of performing these procedures.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.  

[Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** No exceptions were noted as a result of performing these procedures.

#### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Not Applicable.**

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** As a result of performing the above procedure we noted that no documentation was maintained regarding the completion of the ethics training by the board of trustees. No other exception noted.

### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedure and discussed the results with management."
  - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** Laporte performed the procedure above and discussed the results with management.

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1<sup>st</sup>, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Results:** As a result of performing these procedures we noted that no documentation was maintained regarding the board of trustee's completion of the sexual harassment training, no policy was posted in the Audubon Commission's website, and no annual sexual harassment report was filed for the year ended December 31, 2021.

We were engaged by Audubon Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Audubon Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



A Professional Accounting Corporation

Metairie  
June 22, 2022



## Audubon Commission

6500 Magazine St., New Orleans, LA 70118

June 22, 2022

LaPorte CPAs & Business Advisors  
111 Veterans Blvd, Suite 600  
Metairie, LA 70005

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Following are the responses to the exceptions noted in your report on the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures performed for fiscal year ended December 31, 2021.

**Written Policies and Procedures -Sexual Harassment:**

Response: The Commission has no employees, holding a management agreement with Audubon Nature Institute to provide daily operations and development of projects and programs. The Institute has a written sexual harassment policy in its handbook and requires training with annual refresher course for its employees.

**Collections:**

Response: Audubon Commission does not consider it feasible or safe to bring its deposits to a financial institution on a daily basis. The policy used for depositing cash at our facilities involves the cash residing in a secure cash handling room within a locked safe until armored car pick-up transports the deposits to our financial institution. We have contracted with an armored car service to pick-up from our facilities, multiple times a week. This process has a reasonable time frame for getting the funds deposited safely, and the process is more secure than attempting to deposit funds daily at our financial institution by using our own employees.

**Ethics:**

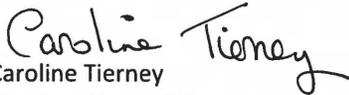
Response: The Commission has no employees, holding a management agreement with Audubon Nature Institute to provide daily operations and development of projects and programs. The Institute requires senior staff, budget heads and any individual involved in the administration of federal funds to take the annual state ethics training and to submit certificates to the CAO.

**Sexual Harassment:**

Response: Audubon Commission will review policy and training procedures and will document completion moving forward. Audubon Commission will file annual reports in the future.

The above exceptions and Audubon's responses were discussed with the Commissioners at the Joint Executive/Finance/Audit Committee meeting on June 22, 2022.

Sincerely,

  
Caroline Tierney  
Vice President of Finance  
Audubon Nature Institute, Inc.