

AUDUBON NATURE INSTITUTE, INC.

Audits of Financial Statements

December 31, 2024 and 2023



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Independent Auditor's Report

To the Board of Directors of
Audubon Nature Institute, Inc.

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of Audubon Nature Institute, Inc. (the Institute), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 (*Government Auditing Standards*). 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 Institute 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 opinion.

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 Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Institute'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 Institute'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of compensation, benefits, and other payments to agency head and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2025 on our consideration of the Institute'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 Institute'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 Institute's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Metairie, LA
June 18, 2025

AUDUBON NATURE INSTITUTE, INC.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and Cash Equivalents	\$ 5,158,357	\$ 5,104,693
Cash Restricted	11,614,322	-
Grants Receivable	469,794	435,526
Accounts Receivable, Net	744,328	441,098
Inventory	39,958	33,841
Prepaid Expenses	558,564	369,730
Promises to Give, Net	1,622,767	433,642
Equipment, Net	790,889	926,433
Investments and Assets Limited as to Use	850,930	1,176,235
Due from Audubon Commission	56,597	1,038,309
Due from Audubon Nature Institute Foundation	92,947	27,054
Total Assets	\$ 21,999,453	\$ 9,986,561
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 4,311,155	\$ 3,639,616
Accrued Salaries and Benefits	1,034,180	1,602,184
Deferred Revenue	3,008,709	3,209,986
Loan Payable	2,900,000	-
Line of Credit	4,900,000	2,500,000
Deferred Compensation	845,580	1,176,235
Total Liabilities	16,999,624	12,128,021
Net Assets		
Without Donor Restrictions	(11,105,281)	(7,145,269)
With Donor Restrictions	16,105,110	5,003,809
Total Net Assets (Deficit)	4,999,829	(2,141,460)
Total Liabilities and Net Assets	\$ 21,999,453	\$ 9,986,561

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

AUDUBON NATURE INSTITUTE, INC.
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains (Losses), and Other Support			
Charges for Services	\$ 36,654,897	\$ -	\$ 36,654,897
Government Grants	444,609	232,000	676,609
Gifts and Exhibit/Program Sponsorships	1,398,748	14,582,539	15,981,287
Nonfinancial Contributions	-	447,881	447,881
Investment Return, Net	136,668	-	136,668
Fundraising Activities	1,443,031	-	1,443,031
Transfers from Audubon Commission for Operations	4,807,445	-	4,807,445
Contribution from Audubon Nature Institute Foundation	1,675,551	-	1,675,551
Other Revenues and Gains	404,028	-	404,028
Net Assets Released from Restrictions	4,161,119	(4,161,119)	-
Total Revenue, Gains (Losses), and Other Support	51,126,096	11,101,301	62,227,397
Expenses			
Program Services			
Operation and Management of Audubon Commission Facilities and Programs	36,934,061	-	36,934,061
Supporting Services			
Development Expenses	1,323,044	-	1,323,044
Fundraising Activities	653,983	-	653,983
Management and General	16,175,020	-	16,175,020
Total Expenses	55,086,108	-	55,086,108
Change in Net Assets	(3,960,012)	11,101,301	7,141,289
Net (Deficit) Assets, Beginning of Year	(7,145,269)	5,003,809	(2,141,460)
Net (Deficit) Assets, End of Year	\$ (11,105,281)	\$ 16,105,110	\$ 4,999,829

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

AUDUBON NATURE INSTITUTE, INC.
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains (Losses), and Other Support			
Charges for Services	\$ 29,822,231	\$ -	\$ 29,822,231
Government Grants	455,716	275,000	730,716
Gifts and Exhibit/Program Sponsorships	1,134,329	770,672	1,905,001
Investment Return, Net	167,675	-	167,675
Fundraising Activities	1,491,705	-	1,491,705
Transfers from Audubon Commission for Operations	6,174,508	-	6,174,508
Contribution from Audubon Nature Institute Foundation	5,778,098	-	5,778,098
Other Revenues and Gains	546,372	-	546,372
Net Assets Released from Restrictions	1,934,974	(1,934,974)	-
Total Revenue, Gains (Losses), and Other Support	47,505,608	(889,302)	46,616,306
Expenses			
Program Services			
Operation and Management of Audubon Commission Facilities and Programs	36,030,320	-	36,030,320
Supporting Services			
Development Expenses	1,425,183	-	1,425,183
Fundraising Activities	578,876	-	578,876
Management and General	15,506,576	-	15,506,576
Total Expenses	53,540,955	-	53,540,955
Change in Net Assets	(6,035,347)	(889,302)	(6,924,649)
Net (Deficit) Assets, Beginning of Year	(1,109,922)	5,893,111	4,783,189
Net (Deficit) Assets, End of Year	\$ (7,145,269)	\$ 5,003,809	\$ (2,141,460)

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

AUDUBON NATURE INSTITUTE, INC.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ 7,141,289	\$ (6,924,649)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Realized and Unrealized Gains on Investments	(135,502)	(165,784)
Gain on Disposal of Property and Equipment	(38,642)	(38,127)
Receipt of Stock Gifts	(5,367)	-
Discount on Pledges Receivable	139,786	52,788
Bad Debt Expense	65,699	16,910
Depreciation and Amortization	249,359	326,053
Changes in Operating Assets and Liabilities		
Grants Receivable	(34,268)	760,315
Accounts Receivable	(368,929)	(204,653)
Promises to Give	(1,328,911)	1,225,873
Inventory	(6,117)	762,431
Prepaid Expenses	(188,834)	(83,072)
Due from Audubon Commission	981,712	(862,732)
Due from Audubon Nature Institute Foundation	(65,893)	(25,756)
Accounts Payable and Accrued Expenses	671,539	462,517
Accrued Salaries and Benefits	(568,004)	800,210
Deferred Revenue	(201,277)	(366,816)
Deferred Compensation	(330,655)	327,955
Net Cash Provided by (Used in) Operating Activities	5,976,985	(3,936,537)
Cash Flows from Investing Activities		
Purchases of Investments and Assets Limited as to Use	(161,581)	(161,581)
Proceeds from Sales of Investments and Assets Limited as to Use	627,755	-
Proceeds from Sales of Equipment	44,494	38,127
Purchases of Equipment	(119,667)	(155,993)
Net Cash Provided by (Used in) Investing Activities	391,001	(279,447)
Cash Flows from Financing Activities		
Proceeds from Lines of Credit	5,300,000	2,500,000
Net Cash Provided by Financing Activities	5,300,000	2,500,000
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	11,667,986	(1,715,984)
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	5,104,693	6,820,677
Cash and Cash Equivalents and Restricted Cash, End of Year	\$ 16,772,679	\$ 5,104,693
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 227,138	\$ 165,316
Cash Paid During the Year for Income Taxes	\$ -	\$ 124,695
Line of Credit Converted to Loan Payable	\$ 2,900,000	\$ -

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

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 1. Organization and Nature of Activities

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 the Revised and Restated Management and Cooperative Endeavor Agreement (the Agreement) discussed below between the Institute and the Audubon Commission (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.

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, Audubon Zoo, Audubon Aquarium, Audubon Insectarium, Woldenberg Riverfront Park, Freeport-McMoRan Audubon Species Survival Center, Audubon Center for Research of Endangered Species, Audubon Louisiana Nature Center, and Audubon Wilderness Park, collectively the Audubon Facilities as referred to above.

Per the Agreement in place in 2021 and previous years, the Commission paid for the cost and operation of the Audubon Facilities, with the Commission reimbursing the Institute for all expenses that it incurred on behalf of the Commission in furtherance of the Agreement. On December 31, 2021, and again on December 31, 2024, 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. As part of the implementation of the Agreement, on January 1, 2022, the Commission transferred certain assets and liabilities related to operations and management of the Audubon Facilities. The Agreement terminates on December 31, 2036, unless extended by the parties. The following are the main terms to the Agreement with financial reporting impacts.

The Institute, in order to achieve and continue the public purpose of the Agreement and its management obligations set forth within the Agreement, shall retain in its own account Earned Revenue and Other Revenue for the operation, maintenance, and development of Audubon Facilities. Such Earned Revenue 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.

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 1. Organization and Nature of Activities (Continued)

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.

The Institute obtains donations, gifts, and grants; and conducts fundraising activities in furtherance of its exempt purpose. The revenues and net assets reflected in these financial statements are the result of these activities. Specific grants by the Institute 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.

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 the Commission real estate lease revenue and any other Commission Revenue due to the Commission.

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.

Audubon Nature Institute Foundation (the Foundation) is a nonprofit organization that is separate and independent of the Institute. The purpose of the Foundation is to raise funds in support of the Audubon Facilities, programs, and other activities managed by the Institute. The Foundation is governed by its own board, with one member of that board being the Chairman of the Board of the Institute. The Foundation independently administers its assets at its sole discretion and for the benefit of the Institute, and while those assets are not commingled in any way with the funds and assets of the Institute, there is an ongoing economic interest between the Foundation and Institute.

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 1. Organization and Nature of Activities (Continued)

Summary financial information for the Foundation as of and for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Total Assets	\$ 35,441,683	\$ 29,528,487
Total Liabilities	92,947	27,054
Total Net Assets	\$ 35,348,736	\$ 29,501,433
Total Revenues, Gains (Losses), and Other Support	\$ 7,546,254	\$ 4,389,415
Total Expenses	\$ 23,400	\$ 20,000
Total Endowment Distributions and Grants	\$ 1,675,551	\$ 5,778,098

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statement presentation is presented in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Cash and Cash Equivalents and Restricted Cash

For reporting purposes, the Institute considers all demand deposits and highly liquid investments purchased with an initial maturity of three months or less to be cash and cash equivalents. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same amounts show in the statement of cash flows as of December 31, 2024 and 2023:

	2024	2023
Cash and Cash Equivalents - Unrestricted	\$ 5,158,357	\$ 5,104,693
Cash Restricted for Riverfront For All Project	11,614,322	-
Total Cash and Cash Equivalents and Restricted Cash as Shown in the Statement of Cash Flows	\$ 16,772,679	\$ 5,104,693

Note 2. Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable are for grants from governmental agencies. The Institute has determined that an uncollectible allowance is not required as of December 31, 2024, and 2023, as the balance is expected to be fully collectible.

Promises to Give

The Institute records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Institute determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Inventory

Inventory consists of merchandise for sale stated at the lower of cost or net realizable value, using the first in, first out method.

Equipment, Net

Equipment with an original cost in excess of \$10,000 and a useful life of over one year is capitalized and depreciated using the straight-line method over estimated useful lives ranging from 3 to 10 years. Equipment of \$4,605,926 and \$4,501,524 is presented on the statements of financial position net of accumulated depreciation of \$3,815,037 and \$3,575,091 at December 31, 2024 and 2023, respectively.

Investments and Assets Limited as to Use

Assets limited as to use primarily include investments in mutual funds measured at fair value. These assets are designated for funding the 457 Executive Retirement Plan (the 457 Plan), discussed further in Note 12. The Institute records investments in accordance with the *Not-for-Profit Entities* Topic of the FASB ASC which establishes standards for the recognition of fair value of investments in certain equity and debt securities with gains and losses included in the statements of activities. See Note 4.

Note 2. Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that can be fulfilled or removed by actions of the Institute pursuant to those stipulations such as completion of construction projects. Other donor-imposed restrictions are perpetual in nature (also referred to as an endowment fund), where the donor stipulates that resources be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As restrictions are met or until released in accordance with the Institute's spending policy, assets are reclassified to net assets without donor restrictions. There were no net asset restrictions that were perpetual in nature as of December 31, 2024 and 2023. The Institute reports gifts of cash and other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met, or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions.

Nonfinancial Contributions

Donated services and other noncash donations are recorded as contributions at their fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Institute. During 2024, the Institute received an unconditional promise to give certain pest control services with a total estimated fair value of \$500,000, discounted to a present value of \$447,881. The services will be rendered evenly over a multi-year period ending in 2029. Fair value was measured based on current market rates for these services. The contributed services are reported as revenues with donor restrictions for time restriction. As the services are provided over the pledge period, the restriction will be released and the corresponding expense will be recognized in the statement of activities.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions which are conditional are recognized as revenue when the conditions are substantially met.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

The Institute accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Revenue is recognized when, or as, control of a promised service transfers to a customer, in an amount that reflects the consideration to which the Institute expects to be entitled in exchange for transferring those services.

The Institute earns revenues from customers for exchange transactions such as ticket sales, membership sales, facilities rentals, catering, gift shop sales, food and beverage sales, sponsorships, fundraisers and sales opportunities related to and at its special events. During 2023, the gift shop and food and beverage operations for the Facilities were outsourced to third parties, at which point the associated revenues are earned by the Institute as commission based on monthly gross receipts.

Contracts typically require the completion of a defined service and billing for completed services are based on actual amounts. The Institute satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized, after the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date. The Institute historically collects revenues before or at the time when the sales transaction is entered into. Advanced membership sales and ticket sales for admissions to facilities and events, as well as related sponsorships are deferred and recognized as revenue as events occur. Receivables from contracts with customers are reported as accounts receivable in the accompanying statements of financial position, net of an allowance totaling \$60,048 and \$37,938 for the years ended December 31, 2024 and 2023, respectively. Receivables from contracts with customers totaled \$24,182 as of January 1, 2023.

Functional Allocation of Expenses

Expenses are charged directly to program services, management and general, or development/fundraising based on specific identification.

Income Tax

The Institute is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. In addition, the Institute qualifies for the charitable contribution deductions under Section 170(b)(1)(a)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(2). Any unrelated business income may be subject to taxation. The Institute's significant sources of business income include sales of certain items from the gift shops, golf course income and certain rental of facilities and services provided for rentals. Income taxes for unrelated business income were approximately \$-0- and \$43,000 for the years ended December 31, 2024 and 2023, respectively.

Note 2. Summary of Significant Accounting Policies (Continued)

Income Tax (Continued)

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Institute believes that it has taken appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in provision for income tax expense.

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.

Concentrations

Financial instruments that potentially expose the Institute to concentrations of credit and market risk consist primarily of cash and investments. The Institute has not experienced any losses in these accounts. The Federal Deposit Insurance Corporation (FDIC) secures accounts in insured institutions up to \$250,000 per depositor. At December 31, 2024 and 2023, the Institute had \$15,687,359 and \$4,326,920, respectively, in excess of the FDIC insured limit. As of December 31, 2024, \$10,629,000 of the balance is invested in a money market fund rated AAAm by the Standard & Poor's Investor Services. The fund contains underlying securities which are issued or guaranteed as to principal and interest by the U.S. government or its agencies and instrumentalities.

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 3. Liquidity and Availability

The following table reflects the Institute's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year.

	2024	2023
Financial Assets		
Cash and Cash Equivalents	\$ 5,158,357	\$ 5,104,693
Cash Restricted	11,614,322	-
Grants Receivable	469,794	435,526
Accounts Receivable, Net	744,328	441,098
Promises to Give, Net	1,622,767	433,642
Investments and Assets Limited as to Use	850,930	1,176,235
Due from Audubon Commission	56,597	1,038,309
Due from Audubon Nature Institute Foundation	92,947	27,054
Financial Assets at Year End	20,610,042	8,656,557
Less Those Unavailable for General Expenditure		
Within One Year Due to:		
Cash Subject to Satisfaction of Donor Restrictions	(13,293,362)	(2,728,674)
Promises to Give, Restricted by Donor for Time or Purpose	(1,622,767)	(433,642)
Investments Held for Use in Greater Than One Year	(850,930)	(548,497)
Financial Assets at Year End Available to Meet Cash Needs for General Expenditures Within One Year	\$ 4,842,983	\$ 4,945,744

The Institute receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Institute monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. The Institute uses its budget to help manage cash flow needs by monitoring expenses and revenues during the year. The Institute also has a line of credit available to meet short term needs.

The Institute is authorized to borrow up to \$5,000,000 directly from Audubon Nature Institute Foundation. See Note 11 for a discussion on how affiliated entities are involved in meeting the operating needs of the Institute.

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 4. Investments and Assets Limited as to Use

At December 31, 2024 and 2023, investments and assets limited as to use consist of the following:

	2024	2023
Mutual Funds (Invested Primarily in Equity and Bond Funds)	\$ 707,396	\$ 856,629
Cash/Sweep Funds	60,951	81,108
Exchange Traded Funds	82,583	-
U.S. Treasury Bonds	-	238,498
Total Investments and Asset Limited as to Use	\$ 850,930	\$ 1,176,235

Note 5. Promises to Give

Unconditional promises of donors to make contributions to the Institute are included in the statements of financial position as promises to give and as revenue and other support with donor restrictions. Promises to give are recorded after discounting future cash flows to the present value and are discounted at rates ranging from 1.69% to 4.38%.

Promises to give for the years ended December 31, 2024 and 2023 are expected to be realized as follows:

	2024	2023
In One Year or Less	\$ 406,240	\$ 171,088
Between One Year and Five Years	1,293,648	327,500
Thereafter	130,000	-
	1,829,888	498,588
Less: Discount to Present Value	(192,574)	(52,788)
Less: Allowance for Uncollectible Promises to Give	(14,547)	(12,158)
Promises to Give, Net	\$ 1,622,767	\$ 433,642

Promises to give for the years ended December 31, 2024 and 2023, have restrictions as follows:

	2024	2023
Programs and Capital Projects	\$ 1,110,867	\$ 350,296
Other - General Capital and Operating Support	511,900	83,346
Restrictions on Promises to Give, Net	\$ 1,622,767	\$ 433,642

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 6. Bank Loans

As of December 31, 2024, the Institute had one unsecured revolving line of credit with a commercial bank in the amount of \$5,000,000. The line bears interest at a variable rate based on the Prime Rate as published in the Money Rates section of The Wall Street Journal, with a floor of 3.750%. As of December 31, 2024, \$4,900,000 was outstanding under this line of credit. The line matures on December 31, 2025. The Foundation is a co-borrower on this line of credit.

The Institute does not believe there are any conditions that would change its ability to renew its credit line. The credit line is short-term in nature and, consequently, its carrying value is considered representative of its approximate fair value.

At of December 2023, the Institute had one unsecured revolving line of credit \$3,000,000. In December 2024, this line of credit was converted into a short-term loan in the amount of \$2,900,000. The loan bears interest at a variable rate based on the Prime Rate as published in the Money Rates section of The Wall Street Journal, with a floor of 4.50%. Monthly payments of accrued and unpaid interest are due beginning January 31, 2025, with the full principal balance due at maturity on December 31, 2025. The Foundation is also a co-borrower on this loan.

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2024 and 2023:

	2024	2023
Promises to Give and Grants Receivable for Periods after Year End	\$ 1,556,629	\$ 450,801
Support for Riverfront for All Projects	11,614,322	-
Capital Projects at the Audubon Facilities	1,847,619	4,050,800
Education Programs at the Audubon Facilities	77,499	69,999
Operating Support for the Audubon Facilities	1,009,041	432,209
Total Net Assets With Donor Restrictions	\$ 16,105,110	\$ 5,003,809

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 8. Net Assets Released from Restrictions

Net assets were released from restrictions during the year ended December 31, 2024 and 2023, by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	2024	2023
Operating Support for the Audubon Facilities	\$ 662,434	\$ 449,906
Education Programs at the Audubon Facilities	119,528	100,000
Support for Riverfront for All Projects	885,678	-
Capital Projects at the Audubon Facilities	2,353,567	1,379,910
Promises to Give and Grants Receivable for Periods after Year End	139,912	5,158
Total Net Assets Released from Restrictions	\$ 4,161,119	\$ 1,934,974

Note 9. Revenue from Contracts with Customers

The following table provides information about significant changes in deferred revenue for the years ended December 31, 2024 and 2023:

	2024	2023
Deferred Revenue, Beginning of Year	\$ 3,209,986	\$ 3,576,802
Membership Cash Received During the Year	2,551,790	2,466,492
Membership Revenue Recognized	(2,466,492)	(2,022,512)
Events Rentals and Catering Cash Received During the Year	24,500	369,681
Events Rentals and Catering Revenue Recognized	(311,434)	(1,025,621)
Golf Annual Pass and Advances Cash Received During the Year	14,461	19,196
Golf Annual Pass and Advances Cash Revenue Recognized	(17,431)	(10,484)
Sponsorship and Special Events Cash Received During the Year	906,714	353,090
Sponsorship and Special Events Revenue Recognized	(903,385)	(516,658)
Deferred Revenue, End of Year	\$ 3,008,709	\$ 3,209,986

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 10. Functional Reporting of Expenses

The Institute's expenses, by functional classification, for the year ended December 31, 2024 are as follows:

December 31, 2024	Program Services	Supporting Services			Total
	Operation and Management of Audubon Commission Facilities and Programs	Development	Fundraising	Management and General	
Salaries and Benefits	\$ 17,825,579	\$ 627,597	\$ 182,342	\$ 7,062,841	\$ 25,698,359
Insurance	-	-	-	5,795,349	5,795,349
Operating Supplies and Equipment	4,354,125	22,716	700	346,659	4,724,200
Utilities	3,412,177	-	-	-	3,412,177
Contractual Services	1,989,649	518,512	20,125	881,337	3,409,623
Grant Expenses	2,549,210	-	-	-	2,549,210
Advertising	2,461,673	955	4,875	583	2,468,086
Security Services	1,375,249	-	17,921	-	1,393,170
Fees	899,236	2,940	15,319	17,121	934,616
Outside Services and Professional Fees	239,642	48,000	900.00	431,762	720,304
Repairs and Maintenance	632,267	-	-	4,306	636,573
Employee Expense	92,436	613	71	295,648	388,768
Event Production	-	24,297	345,709	-	370,006
Information Technology	89,561	-	-	239,924	329,485
Deferred Compensation, Net of Market Adjustment	-	-	-	297,083	297,083
Miscellaneous	117,747	396	-	149,181	267,324
Depreciation and Amortization	119,056	-	-	130,303	249,359
Outreach and Education Expenses	226,170	-	-	6,170	232,340
Interest Expense	-	-	-	227,138	227,138
Dues	59,726	5,775	-	108,014	173,515
Cost of Goods Sold	144,391	-	-	-	144,391
Travel	125,489	1,508	166	16,442	143,605
Postage and Freight	87,075	12,153	15,913	3,570	118,711
Office Supplies and Furniture	64,048	588	313	38,693	103,642
Printing and Photography	28,281	36,823	33,181	3,379	101,664
Bad Debt Expense	-	3,589	-	62,110	65,699
Conferences, Conventions, and Meetings	40,753	1,361	-	8,047	50,161
Telephone and Communications	521	-	-	49,360	49,881
Donor Relations	-	15,221	16,448	-	31,669
	\$ 36,934,061	\$ 1,323,044	\$ 653,983	\$ 16,175,020	\$ 55,086,108

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 10. Functional Reporting of Expenses (Continued)

The Institute's expenses, by functional classification, for the year ended December 31, 2023 are as follows:

December 31, 2023	Program Services	Supporting Services			Total
	Operation and Management of Audubon Commission Facilities and Programs	Development	Fundraising	Management and General	
Salaries and Benefits	\$ 17,837,780	\$ 419,255	\$ 168,706	\$ 7,416,055	\$ 25,841,796
Operating Supplies and Equipment	5,372,515	-	-	309,257	5,681,772
Insurance	480	-	-	4,555,751	4,556,231
Contractual Services	1,795,431	517,335	16,400	1,178,053	3,507,219
Utilities	3,344,765	-	-	-	3,344,765
Advertising	1,709,993	133,839	844	150	1,844,826
Grant Expenses	1,424,125	-	-	-	1,424,125
Cost of Goods Sold	1,050,887	-	-	-	1,050,887
Outside Services and Professional Fees	445,658	78,095	-	407,672	931,425
Repairs and Maintenance	822,579	-	-	33,025	855,604
Fees	750,056	6,378	7,059	24,276	787,769
Event Production	-	194,862	311,989	-	506,851
Information Technology	108,538	-	-	373,200	481,738
Deferred Compensation, Net of Market Adjustment	-	-	-	327,955	327,955
Depreciation and Amortization	136,335	-	-	189,718	326,053
Employee Expense	88,365	-	-	194,451	282,816
Outreach and Education Expenses	274,773	-	-	-	274,773
Office Supplies and Furniture	98,808	5,684	1,155	103,455	209,102
Travel	176,563	-	-	24,732	201,295
Interest Expense	-	-	-	165,316	165,316
Security Services	147,785	-	17,476	-	165,261
Printing and Photography	76,173	29,350	34,126	8,137	147,786
Dues	65,817	1,250	-	73,255	140,322
Miscellaneous	120,940	5,286	420	5,073	131,719
Postage and Freight	99,885	10,647	12,670	2,938	126,140
Conferences, Conventions, and Meetings	79,025	11,174	-	13,830	104,029
Telephone and Communications	44	-	-	43,367	43,411
Provision for Income Tax	-	-	-	43,000	43,000
Donor Relations	-	12,028	8,031	-	20,059
Bad Debt Expense	3,000	-	-	13,910	16,910
	<u>\$ 36,030,320</u>	<u>\$ 1,425,183</u>	<u>\$ 578,876</u>	<u>\$ 15,506,576</u>	<u>\$ 53,540,955</u>

Note 11. Transactions with Audubon Commission 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 the revised and restated Agreement. The Agreement provides that all Earned Revenue and Other Revenue for the operation, maintenance, and development of the Audubon Facilities shall be deposited and administered in an account maintained and administered by the Institute. All revenues of the Commission that are for the operation, maintenance, upgrade, and development of the Audubon Facilities shall be deposited in an account on behalf of and in the name of the Commission and administered and maintained by the Institute on behalf of and in the name of the Commission. Specific grants or donations received by the Institute related to capital improvements will be transferred to the Commission.

AUDUBON NATURE INSTITUTE, INC.

Notes to Financial Statements

Note 11. Transactions with Audubon Commission and Audubon Nature Institute Foundation (Continued)

At December 31, 2024 and 2023, the amount due from the Commission to the Institute totaled \$56,597 and \$1,038,309, respectively.

The Institute has provided support to the Commission to fund certain capital projects and operational support. For the years ended December 31, 2024 and 2023, those amounts included in the statements of activities as grant expense totaled \$2,549,210 and \$1,201,626, respectively.

During the years ended December 31, 2024 and 2023, the Institute donated \$-0- and \$222,500, respectively, to the Foundation which is included in grant expense on the statements of activities. At December 31, 2024 and 2023, the amount due from the Foundation to the Institute totaled \$92,947 and \$27,054, respectively.

Specific grants provided by the Institute to the Foundation and to the Commission for the Audubon Facilities to pay operating expenses and fund certain capital projects for the years ended December 31, 2024 and 2023, are summarized as follows:

	2024	2023
Aquarium of the Americas and Riverfront Park	\$ 1,303,117	\$ 209,365
Audubon Zoo and Park	1,221,193	682,320
Louisiana Nature Center	24,900	-
Species Survival Center/Research Center	-	309,940
Audubon Nature Institute Foundation	-	222,500
Total	\$ 2,549,210	\$ 1,424,125

As mentioned in Note 1, the Foundation raises funds in support of the Audubon Facilities, programs, and other activities managed by the Institute. In addition to that support and in the event of the Institute's inability to gain access to capital through other lines of credit, the Foundation's Board of Directors authorized the loaning of funds to the Institute in an amount not to exceed \$5,000,000, bearing no interest. Funds may be used by the Institute for the repayment of debt obligations in favor of a commercial lending institution incurred directly by the Institute, general operating needs, and capital improvements for the Audubon Facilities. There are no specific repayment terms. The Foundation reserves the right to forgive this loan at its discretion by vote of its Board. For December 31, 2024 and 2023, there were no loans from the Foundation to the Institute.

Note 12. Employee Benefit Plans

The Institute has established a 403(b) retirement plan (the 403(b) Plan) to provide eligible employees, with a systematic means of saving and investing for the future. The 403(b) Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. The Institute contributes a discretionary match amount to be determined by the Institute each year. Contributions are subject to certain limitations. For the years ended December 31, 2024 and 2023, contribution expense totaled \$292,186 and \$278,668, respectively.

The Institute also has a discretionary 457 Executive Retirement Plan (the 457 Plan) for certain officers. The 457 Plan provides additional compensation based on the dollar amount or percentage specified in a salary deferral agreement with the officers. The deferred compensation is to be paid to the individuals or their beneficiaries/survivors in a lump sum upon death, disability or established vesting date. Deferred compensation expense includes total contributions totaling approximately \$162,000 for both 2024 and 2023 and net market adjustment gain (loss) related to the associated assets totaled approximately \$136,000 and \$166,000 for 2024 and 2023, respectively. The liability related to the 457 Plan totaled \$845,580 and \$1,176,235 at December 31, 2024 and 2023, respectively, and is included in deferred compensation in the accompanying statements of financial position.

Note 13. UNO/Audubon Nature Institute Sustainable Wildlife Program

The Institute and the University of New Orleans (the University or UNO) have established four funded trusts to support four endowed chairs at the University. These trusts were funded by private donations totaling \$2,400,000 and \$1,600,000 in matching funds from the Louisiana Trust Fund for Eminent Scholars. This funding provides four \$1,000,000 chairs. The trust assets are not included in the Institute's assets but are maintained and administered by the University of New Orleans Foundation. The Institute and the University jointly benefit from trust distributions that fund the UNO/Audubon Nature Institute Sustainable Wildlife Program.

In 2016 the University and the Institute were authorized to create the UNO/Audubon Nature Institute Sustainable Wildlife Program. A revised affiliation agreement repurposes endowed chairs to allow funds to be utilized for the University professorships, graduate student fellowships, internships and research related to sustainable wildlife initiatives conducted at facilities managed by Audubon Nature Institute.

Revenues from the University totaled \$70,071 for both the years ended December 31, 2024 and 2023.

Note 14. Contingencies

Certain claims and suits have been filed against the Institute. The majority of these claims are covered by insurance. Management does not believe the ultimate resolution of these matters will have a significant effect on the Institute's financial position, changes in net assets, or cash flows.

Note 15. Fair Value of Financial Instruments

The Institute follows the *Fair Value Measurement* Topic of the FASB ASC which establishes a common definition of fair value of financial instruments, a framework for measuring fair value, and expands disclosures about fair value measurements.

The *Fair Value Measurement* Topic establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. ASC 820 requires that assets and liabilities earned at fair value be classified and disclosed in one of the following three categories:

- Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities. Includes mutual funds and an exchange traded fund valued at the net asset value of shares on the last trading day of the fiscal year, which is the basis for transactions at that date, as well as cash/sweep funds.
- Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices are observable for the asset or liability. For 2023, includes a U.S. Treasury bond valued by a present value of expected future cash flow model.
- Level 3 Unobservable inputs for the asset or liability.

The Institute endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The fair value of assets and liabilities measured at estimated fair value on a recurring basis, including those items for which the Institute has elected the fair value option, are estimated as described in the preceding section.

AUDUBON NATURE INSTITUTE, INC.**Notes to Financial Statements**

Note 15. Fair Value of Financial Instruments (Continued)**Recurring Fair Value Measurements (Continued)**

These estimated fair values and corresponding fair value hierarchy are summarized as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 707,396	\$ -	\$ -	\$ 707,396
Exchange Traded Funds	82,583	-	-	82,583
Cash/Sweep Funds	60,951	-	-	60,951
Total	\$ 850,930	\$ -	\$ -	\$ 850,930

December 31, 2023	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 856,629	\$ -	\$ -	\$ 856,629
U.S. Treasury Bond	-	238,498	-	238,498
Cash/Sweep Funds	81,108	-	-	81,108
Total	\$ 937,737	\$ 238,498	\$ -	\$ 1,176,235

Note 16. Subsequent Events

The Institute has evaluated subsequent events through the date that the financial statements were available to be issued, June 18, 2025, and determined that there were no events that require recognition or additional disclosure. No other subsequent events occurring after this date 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 Nature Institute, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Audubon Nature Institute, Inc. (the Institute) which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Institute'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Institute'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 Institute'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 Institute's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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



A Professional Accounting Corporation

Metairie, LA
June 18, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors of
Audubon Nature Institute, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Audubon Nature Institute Inc.'s (the Institute), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Institute's major federal program for the year ended December 31, 2024. The Institute's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Audit Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Institute's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Institute's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Institute's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Institute's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Institute's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Institute's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

Metairie, LA
June 18, 2025

AUDUBON NATURE INSTITUTE, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor or Pass-Trough Grantor and Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce (DOC)				
Passed Through National Oceanic and Atmospheric Administration				
Marine Mammal Data Program	11.439	NA23NMF4390320	\$ -	\$ 95,915
Marine Mammal Data Program	11.439	N/A	-	1,523
Total 11.439			-	97,438
Passed Through National Fish & Wildlife Foundation				
Habitat Conservation	11.463	73320	-	127,373
Habitat Conservation	11.463	81945	-	14,220
Habitat Conservation	11.463	70648	-	49,302
Habitat Conservation	11.463	NA20NMF4630328	-	339,963
Total 11.463			-	530,858
Total U.S. Department of Commerce (DOC)			-	628,296
U.S. Department of the Interior (DOI)				
Passed Through United States Fish and Wildlife Foundation				
Endangered Species Conservation - Recovery Implementation Funds	15.657	F21AP008860-0002	-	58,385
	15.657	F21AP008860-0003	-	72,991
Total 15.657			-	131,376
U.S. Department of Transportation (DOT)				
Passed Through State of Louisiana				
FHWA Recreational Trails	20.219	H.013929	-	24,900
Total			\$ -	\$ 784,572

AUDUBON NATURE INSTITUTE, INC.
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Audubon Nature Institute, Inc. (the Institute) under programs of the federal government for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flow of Institute.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Institute uses indirect cost rates negotiated and approved by the grant awarding agencies, and has elected not to use the 10% de minimis indirect cost rate as provided for in Section 200.414 of the Uniform Guidance.

AUDUBON NATURE INSTITUTE, INC.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Part I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued on Whether the Financial Statements Audited were Prepared in Accordance with GAAP: Unmodified

Internal Control Over Financial Reporting:

- Material Weakness(es) Identified? No
- Significant Deficiency(ies) Identified? None Reported

Noncompliance Material to Financial Statements Noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program</u>
11.463	Habitat Conservation

Dollar threshold used to determine Type A Programs: \$750,000

Auditee qualified as low-risk auditee? No

Part II - Financial Statement Findings

No matters were reported.

Part III - Findings and Questioned Costs for Federal Awards

No matters were reported.

AUDUBON NATURE INSTITUTE, INC.
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

The prior year audit disclosed no significant findings, and no significant uncorrected or unresolved findings exist from prior audit.

AUDUBON NATURE INSTITUTE, INC.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2024

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: L. Ronald Forman, Chief Executive Officer of Audubon Nature Institute, Inc.

Purpose	Amount
Salary	\$1,932,682
Benefits-Insurance	\$14,469
Benefits-Retirement	\$8,625
Car Allowance	\$11,400
Cell Phone	\$1,309
Dues and Registration Fees	\$5,195
Travel - Conference	\$1,508
Special Meals	\$1,972

As discussed in Note 1, pursuant to a Management and Cooperative Endeavor Agreement (Agreement) between the Institute and the Audubon Commission (the Commission), the Institute operates and manages the Audubon Facilities for the benefit of the Commission, an independent agency of the City of New Orleans. The Institute employs individuals, including L. Ronald Forman, to operate and maintain the Commission's facilities.

AGREED-UPON PROCEDURES REPORT

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Audubon Nature Institute, Inc.

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2024 - December 31, 2024

To the Board of Directors of
Audubon Nature Institute, Inc. 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's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Audubon Nature Institute, Inc's (the Institute) management is responsible for those C/C areas identified in the SAUPs.

The Institute 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, 2024 through December 31, 2024. 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:

1) Bank Reconciliations

- A. 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:
 - i. 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);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

- iii. Management has documentation reflecting 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 found as a result of these procedures.

2) Information Technology Disaster Recovery/Business Continuity

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5). Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by Revised Statute (R.S.) 42:1267. The requirements are as follows:
 - Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedure and discussed the results with management.

We were engaged by the Institute 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 the Institute 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 R. S. 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

Metairie, LA
June 12, 2025