AUDUBON COMMISSION

Audits of Financial Statements

December 31, 2023 and 2022

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

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Independent Auditor's Report

To the Board of Directors of
Audubon Commission

Report on the Audits 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, 2023 and 2022, 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 business-type activities of the Commission as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the year 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 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 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 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 10, 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 GAAS, 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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the schedule of expenditure of federal awards 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 20, 2024, 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.

LaPorte

A Professional Accounting Corporation

Metairie, LA
June 20, 2024

Management's Discussion and Analysis

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, 2023 and 2022. It should be read in conjunction with the financial statements in this report.

Overview of Financial Statements
This annual report consists of six components - Management's Discussion and Analysis (this section), Independent Auditor's Report, Financial Statements, Uniform Guidance section, and Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, and Other Supplementary Information.

The *Financial Statements* of the Commission present the financial position of the Commission, the results of its operations and its cash flows. The *Financial Statements* are prepared on the accrual basis of accounting.

The *Statements of Net Position* include all of the Commission's assets and liabilities and provide 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
Audubon Commission (the Commission) owns, controls, and manages the Audubon Facilities. The Audubon Nature Institute, Inc. (the Institute), a nonprofit organization incorporated exclusively for educational purposes, operates, and manages the Audubon Facilities pursuant to a Management and Cooperative Endeavor Agreement (Agreement) between the Institute and Commission. Per the Agreement prior to January 1, 2022, 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, the Agreement was amended and restated. The Institute continues to undertake complete operation, management, and control, subject to the reserved rights and responsibilities of the Commission. As part of the implementation of the amended and restated Agreement, on the effective date the Commission transferred certain assets and liabilities related to the operations and management of Audubon Facilities as further described in Note 1 of these statements.

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

	Year Ended December 31,			Change	Change
	2023	2022	2021	2022 to 2023	2021 to 2022
Operating Revenues	$ 816,178	$ 1,010,665	$ 29,703,683	$ (194,487)	$ (28,693,018)
Operating Expenses	13,818,469	13,206,803	47,474,589	611,666	(34,267,786)
Operating Loss	(13,002,291)	(12,196,138)	(17,770,906)	(806,153)	5,574,768
Nonoperating Revenues, Net	18,646,578	14,843,734	17,015,524	3,802,844	(2,171,790)
Change in Net Position	5,644,287	2,647,596	(755,382)	2,996,691	3,402,978
Beginning Net Position	114,069,323	111,421,727	112,038,801	2,647,596	(617,074)
Restatement of Net Position	-	-	138,308	-	(138,308)
Ending Net Position	$ 119,713,610	$ 114,069,323	$ 111,421,727	$ 5,644,287	$ 2,647,596

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

Operating Revenues

Operating revenues decreased by $194,487 in 2023 compared to 2022 due to a reduction in lease revenue. Operating revenues decreased by $28,693,018, or 96%, in 2022 compared to 2021 due to Earned Revenue and Other Revenues, as described in Note 1, now being recorded in the Institute's financial statements, in accordance with the amended and restated Agreement. The Commission revenues mainly consisted of real estate lease income.

Operating Expenses

Contractual services, materials, and supplies increased by $611,666, due to the timing of capital project expenditures. In 2022, contractual services, materials, and supplies decreased by $15,476,381, or 83%, compared to 2021 due to applicable expenses being recorded in the Institute's financial statements. The Commission's operating expenses mainly consisted of depreciation and amortization and contractual services, materials, supplies, and other.

In 2022 salaries and benefits decreased by $18,719,785, or 100%, compared to 2021 as all related expenses are now included in the Institute's financial statements.

Nonoperating Revenues

Nonoperating revenues increased overall by $3,802,844, in 2023 compared to 2022. There was an increase in intergovernmental grants of $10,146,491 due to reimbursements for capital project expenditures and also due to hurricane related FEMA reimbursements for repairs to the facilities. Other revenue increased due to investment income on certain capital project restricted accounts and due to insurance reimbursements related to Hurricane Ida damage. There was a reduction of $9,098,677 in 2023 compared to 2022 due to the net transfer of certain assets and liabilities to the Institute per the Agreement.

Net Capital Assets

	Aquarium and Riverfront Park	Zoo and Audubon Park	Species Survival Center/ Research Center	Louisiana Nature Center	Total
Balance December 31, 2021	$ 37,783,353	$ 68,460,570	$ 13,936,704	$ 9,965,183	$ 130,145,810
Additions	21,674,067	2,045,491	344,494	58,722	24,122,774
Depreciation/Disposals/Retirement	(3,784,821)	(4,441,936)	(1,109,059)	(608,322)	(9,944,138)
Transfer to Audubon Nature Institute, Inc.	(151,372)	(213,079)	(80,066)	(9,370)	(453,887)
Internal Transfers, Net of Accumulated Depreciation	-	-	-	-	-
Balance December 31, 2022	55,521,227	65,851,046	13,092,073	9,406,213	143,870,559
Additions	20,245,950	4,725,765	319,401	246,818	25,537,934
Depreciation/Disposals/Retirement	(4,480,275)	(4,487,032)	(1,090,956)	(610,284)	(10,668,547)
Balance December 31, 2023	$ 71,286,902	$ 66,089,779	$ 12,320,518	$ 9,042,747	$ 158,739,946

Condensed Statements of Net Position

	2023	2022	2021	Change 2022 to 2023	Change 2021 to 2022
Assets					
Cash and Cash Equivalents	$ 1,013,524	$ 861,121	$ 1,572,511	$ 152,403	$ (711,390)
Accounts Receivable, Net	38,906	29,742	144,797	9,164	(115,055)
Inventory	-	-	642,967	-	(642,967)
Prepaid Expenses	4,500	4,500	410,380	-	(405,880)
Lease Receivable	2,330,720	2,968,586	3,552,872	(637,866)	(584,286)
Interest Receivable	5,747	7,320	8,765	(1,573)	(1,445)
Restricted Assets	32,944,099	44,178,786	62,216,019	(11,234,687)	(18,037,233)
Nondepreciable Capital Assets	5,982,766	33,376,659	10,702,654	(27,393,893)	22,674,005
Depreciable Capital Assets, Net	152,757,180	110,493,900	119,443,156	42,263,280	(8,949,256)
Right-of-Use Asset	585,058	235,909	306,740	349,149	(70,831)
Other Assets, Nonrestricted	7,294,723	7,410,512	7,526,301	(115,789)	(115,789)
Total Assets	202,957,223	199,567,035	206,527,162	3,390,188	(6,960,127)
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 202,957,223	$ 199,567,035	$ 206,527,162	$ 3,390,188	$ (6,960,127)
Liabilities					
Unrestricted Current Liabilities	$ 1,810,183	$ 1,627,792	$ 11,446,603	$ 182,391	$ (9,818,811)
Payables from Restricted Assets	7,891,728	7,388,901	4,203,885	502,827	3,185,016
Noncurrent Liabilities	71,475,162	73,736,927	76,033,304	(2,261,765)	(2,296,377)
Total Liabilities	81,177,073	82,753,620	91,683,792	(1,576,547)	(8,930,172)
Deferred Inflows of Resources	2,066,540	2,744,092	3,421,643	(677,552)	-
Net Position					
Net Investment in Capital Assets	91,559,343	73,670,011	51,526,648	17,889,332	22,143,363
Restricted	22,395,077	33,489,415	60,905,244	(11,094,338)	(27,415,829)
Unrestricted	5,759,190	6,909,897	(1,010,165)	(1,150,707)	7,920,062
Total Net Position	119,713,610	114,069,323	111,421,727	5,644,287	2,647,596
Total Liabilities and Net Position	$ 202,957,223	$ 199,567,035	$ 206,527,162	$ 3,390,188	$ (6,282,576)

Comments on Condensed Statements of Net Position

Restricted assets decreased due to the drawdown of bond funds to cover the costs for constructing and improving the parks, recreational, and wildlife conservation facilities of the Commission. The net increase between non-depreciable and depreciable capital assets of $14,869,387 was mainly due to the completion of capital projects at the Aquarium, Insectarium, and the Zoo Tropical Bird House Exhibit.

Liabilities payable from restricted assets had an increase of $502,827 due to increase in construction payables. Non-current liabilities decreased by $2,254,502 due to debt service payments on bonds and other debt.

Condensed Statements of Cash Flows

	2023	2022	2021	Change 2022 to 2023	Change 2021 to 2022
Net Cash Used in Operating Activities	$ (2,040,574)	$ (1,100,019)	$ (11,947,249)	$ (940,555)	$ 10,847,230
Net Cash (Used in) Provided by Capital and Related Financing Activities	(14,061,555)	(19,587,090)	48,160,197	5,525,535	(67,747,287)
Net (Decrease) Increase in Cash and Cash Equivalents	(16,102,129)	(20,687,109)	36,212,948	4,584,980	(56,900,057)
Cash and Cash Equivalents Beginning of Year	43,036,802	63,723,911	27,510,963	(20,687,109)	36,212,948
End of Year	$ 26,934,673	$ 43,036,802	$ 63,723,911	$ (16,102,129)	$ (20,687,109)

Comments on Condensed Statements of Cash Flows

There was a change of $940,555 in cash used in operating activities in 2023 compared to 2022. The decrease in cash provided from capital and related financing activities was due to the payments for construction purchases.

General Overview and Major Achievements in 2023

The highlights below include activities that took place on Commission facilities, but they were recorded on the financial statements of the Institute due to the amended and restated Agreement between the organizations.

2023 was a celebratory year with significant capital improvements, increased staffing levels, diversified earned revenue streams, and generous support from government sources, organizations, and individual donors.

Below are some highlights of Audubon's work in 2023 to continue rebuilding better than ever before.

- **Audubon completed significant renovations to its downtown campus**, encompassing Audubon Aquarium, Audubon Insectarium, and Woldenberg Riverfront Park. The new complex reopened in June 2023 and involved collaborations with local partners, including the RTA, to create a revitalized walkable downtown area and an unparalleled destination celebrating New Orleans' connection with the Mississippi River.

- Audubon continued **planning efforts for Riverfront for All,** a visionary project that will forever change the Mississippi Riverfront in downtown New Orleans, creating uninterrupted pedestrian and bicycle access across 2.25 miles of contiguous riverfront.

- **Wings of the World took flight at Audubon Zoo** when it opened in March. Wings of the World is the largest and most immersive experience of its kind regionally, with new exhibitry, a free-flight aviary, and more than 60 birds from around the world.

- **The reimagined planetarium reopened at Audubon Louisiana Nature Center**, taking guests from bayous to black holes in one afternoon.

- USA Today readers voted for their favorite North American AZA-accredited zoos and aquariums-facilities that excel in the fields of animal care and enrichment, while also facilitating meaningful interactions between animals and human visitors. The **Aquarium ranked #5 and the Zoo ranked #7** among 20 nominees.

- **Audubon's Coastal Wildlife Network (CWN)** is Louisiana's primary marine mammal and sea turtle stranding responder and the State's only permitted marine mammal and sea turtle rehabilitation facility. CWN responded to 59 strandings, including 4 live dolphins and 3 sea turtles. CWN also conducted stranding surveys in the stranding hotspots of Grand Isle and Southwest Louisiana. Coupled with public reporting, these surveys are important in gathering data to determine the most realistic picture of strandings in Louisiana.

- **Audubon's Gulf United for Lasting Fisheries (GULF)** partnered with Certified Seafood Collaborative (CSC) Responsible Fisheries Management (RFM) to transition the GULF RFM Scheme and continued its Chef Council and Restaurants Partnership. In May, the Gulf shrimp fishery entered into sustainability assessments under the Marine Stewardship Council (MSC) and CSC RFM certifications-two of the world's leading fisheries sustainability schemes. GULF also developed a partnership with Aramark, including training chefs about Louisiana and Gulf seafood species and sustainability and identifying ways to source more local seafood with their supply chain.

- **Freeport-McMoRan Audubon Species Survival Center** continued successful recovery efforts, including working with partners to add four whooping cranes to White Lake Wetlands Conservation Area as part of an ongoing effort to protect this endangered species from extinction. Three of the juvenile whooping cranes were hatched and reared at Audubon and the fourth crane came from Dallas Zoo. This release increased the Louisiana population to 85 cranes.

- **More than 170 births** occurred throughout the year, including black and white ruffed lemur twins, an African penguin, and a magpie shrike.

- Audubon Education continued offering **outreach programs** for children across Louisiana. Thanks to Chevron's support, **Audubon was able to offer free virtual programming to Title 1 schools in Louisiana**.

- Audubon's **Youth Volunteer Program** grew to more than 90 volunteers. They earned 9,542 volunteer hours through two programs: Counselor-in-Training (CIT) and Conservation Krewe. Audubon's **youth volunteer program transitioned to Conservation Krewe**. CITs assist with camps and the Nature at Night series. Conservation Krewe assists with guest interpretation. Thanks to the Trumbull Family Foundation's generosity, four CITs and three Conservation Krewe received scholarships. Any youth who qualifies for a free or reduced lunch at school and/or receives SNAP benefits is eligible to apply for a scholarship.

- **Audubon launched Wild Encounters**, a new behind-the-scenes experience at Audubon Zoo, Audubon Aquarium, and Audubon Insectarium. Wild Encounters include Penguin Party, Maya Snorkel, Butterfly First Flight, Orangutan Family Fun, and Sea Lion Splash. During these unique encounters, guests learn directly from animal staff, including insights on the animals' specific needs, enrichment activities, food preferences, conservation status, and more.

- Audubon completed educational video content and resources for **Harry's Big Adventure in partnership with Terminix.** Videos featuring Audubon Insectarium experts discussed topics like insect anatomy and spiders.

- **Audubon continued its Community Connect access initiative in 2023**, which involves three components. Orleans Parish Appreciation Days offers free admission for Orleans Parish residents on a rotating schedule; the Audubon SNAP Program provides free admission for SNAP benefit recipients and their families; and the Audubon Museum Culture Pass allows Orleans Parish Public Library cardholders to check out admission passes. **In 2023, Community Connect made it possible for more than 70,000 community members to visit Audubon attractions.**

- Through the **Taylor Student Awards Program**, more than 240,000 high-achieving students in grades 6 through 12 statewide received free Audubon Memberships as part of the ongoing initiative established by the Patrick F. Taylor Foundation to reward Louisiana students' hard work.

- After a four-year hiatus, **Scales & Ales returned** in October as the premier fundraiser for Audubon Aquarium and Audubon Insectarium.

- Audubon has continued to strengthen its **social media initiatives**, adding fans, friends, and followers daily. At year end, Audubon's social media network included 674,848 followers and more than 20 million engagements on Facebook, Twitter, Instagram, LinkedIn, and TikTok.

Economic Factors and Next Year's Budget
Economic factors impacting the Commission's economic condition include continued recovery from the effects of COVID-19 pandemic, inflationary impact on costs, and local economic factors such as tourism levels and property tax collections. The actual 2023 Commission revenues and expenditures are forecast to be in line with the Operating and Capital Projects budget for the year.

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, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	$ 1,013,524	$ 861,121
Accounts Receivable, Net	38,906	29,742
Lease Receivable	689,460	637,868
Interest Receivable	5,747	7,320
Prepaid Expenses	4,500	4,500
Total Current Assets	1,752,137	1,540,551
Noncurrent Assets		
Capital Assets		
Land	800,000	800,000
Buildings and Fixed Exhibitory	329,131,752	277,449,984
Equipment	18,203,542	17,022,225
Construction in Progress	5,182,766	32,576,659
Less: Accumulated Depreciation	(194,578,114)	(183,978,309)
Net Capital Assets	158,739,946	143,870,559
Right-of-Use Asset, Net	585,058	235,909
Other Assets		
Lease Receivable	1,641,260	2,330,718
Prepaid Lease - Dock Board	7,294,723	7,410,512
Cash with Fiscal Agent Restricted for Capital Projects	25,921,149	42,175,681
Receivables Restricted for Capital Improvements	7,022,950	2,003,105
Total Other Assets	41,880,082	53,920,016
Total Assets	$ 202,957,223	$ 199,567,035

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

AUDUBON COMMISSION
Statements of Net Position (Continued)
December 31, 2023 and 2022

	2023	2022
Current Liabilities Payable from Unrestricted Assets		
Accounts Payable and Other Accrued Liabilities	$ 426,789	$ 1,209,738
Due to Audubon Nature Institute, Inc.	1,038,309	175,577
Lease Liability	345,085	242,477
Total Current Liabilities Payable from Unrestricted Assets	1,810,183	1,627,792
Current Liabilities Payable from Restricted Assets		
Accrued Interest	535,740	554,523
Limited Tax Bonds, Current Portion	1,155,000	1,035,000
Gulf Opportunity Zone Loan, Current Portion	600,000	575,000
Construction Payables	5,600,988	5,224,378
Total Current Liabilities Payable from Restricted Assets	7,891,728	7,388,901
Total Current Liabilities	9,701,911	9,016,693
Noncurrent Liabilities		
Limited Tax Bonds	47,480,367	49,079,263
Gulf Opportunity Zone Loan	9,641,326	10,241,326
Deferred Revenue	10,549,022	10,689,371
Lease Liability	3,804,447	3,726,967
Total Noncurrent Liabilities	71,475,162	73,736,927
Total Liabilities	81,177,073	82,753,620
Deferred Inflows of Resources		
Deferred Amounts Related to Leases	2,066,540	2,744,092
Total Deferred Inflows of Resources	2,066,540	2,744,092
Net Position		
Net Investment in Capital Assets	91,559,343	73,670,011
Restricted	22,395,077	33,489,415
Unrestricted	5,759,190	6,909,897
Total Net Position	119,713,610	114,069,323
Total Liabilities and Net Position	$ 202,957,223	$ 199,567,035

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, 2023 and 2022

	2023	2022
Operating Revenues		
Lease Income	**$ 816,178**	$ 1,010,665
Total Operating Revenues	**816,178**	1,010,665
Operating Expenses		
Contractual Services, Materials, Supplies, and Other	**2,936,906**	3,076,045
Depreciation and Amortization	**10,881,563**	10,130,758
Total Operating Expenses	**13,818,469**	13,206,803
Operating Loss	**(13,002,291)**	(12,196,138)
Nonoperating Revenues (Expenses)		
Support for Capital Projects, Education, and Operating Support from Audubon Nature Institute, Inc.	**1,201,626**	499,236
Dedicated Tax Revenues	**8,917,858**	7,813,180
Intergovernmental Grants	**13,281,107**	3,134,616
Loss on Disposal of Assets	**-**	(2,298)
Other Revenue	**3,146,573**	1,996,811
Interest Expense	**(1,726,078)**	(1,803,928)
Transfer to Audubon Nature Institute, Inc. for Operations	**(6,174,508)**	(5,892,560)
Nonoperating Revenues, Net Before Special Item	**18,646,578**	5,745,057
Special Items		
Net Transfer of Certain Assets and Liabilities to Audubon Nature Institute, Inc. per Management Agreement	**-**	9,098,677
Total Nonoperating Revenues, Net	**18,646,578**	14,843,734
Change in Net Position	**5,644,287**	2,647,596
Net Position, Beginning of Year	**114,069,323**	111,421,727
Net Position, End of Year	**$ 119,713,610**	$ 114,069,323

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

AUDUBON COMMISSION
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Cash Received from Lessees and Customers	$ 816,549	$ 887,658
Cash Paid for Supplies and Services	(2,857,123)	(1,987,677)
Net Cash Used in Operating Activities	(2,040,574)	(1,100,019)
Cash Flows from Capital and Related Financing Activities		
Support for Capital Projects, Education, and Operating Support from Audubon Nature Institute, Inc.	1,201,626	414,649
Payments for Design, Construction, and Equipment Purchases	(25,301,679)	(21,069,736)
Dedicated Tax Revenues	8,917,858	7,813,180
Interest Paid	(1,744,861)	(1,973,146)
Payment of Bond Principal and GO Zone Loan	(2,053,896)	(1,755,000)
Payment of Lease Liabilities	(306,339)	(318,871)
Contributions to Facilities Managed by Audubon Nature Institute, Inc.	(6,174,508)	(5,892,560)
Intergovernmental and Other Grants	8,252,098	1,196,130
Interest Income	1,406,541	607,199
Cash Received from Insurance Proceeds and Other	1,741,605	1,391,065
Net Cash Used in Capital and Related Financing Activities	(14,061,555)	(19,587,090)
Net Decrease in Cash and Cash Equivalents	(16,102,129)	(20,687,109)
Cash and Cash Equivalents, Beginning of Year	43,036,802	63,723,911
Cash and Cash Equivalents, End of Year	$ 26,934,673	$ 43,036,802
Reconciliation to Statement of Net Position		
Cash and Cash Equivalents	$ 1,013,524	$ 861,121
Cash with Fiscal Agent Restricted for Capital Projects	25,921,149	42,175,681
Total Cash and Cash Equivalents	$ 26,934,673	$ 43,036,802

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

AUDUBON COMMISSION
Statements of Cash Flows (Continued)
For the Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities		
Operating Loss	**$ (13,002,291)**	$ (12,196,138)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities		
Depreciation and Amortization	**10,881,563**	10,130,758
Decrease in Receivables and Other Current Assets	**677,923**	554,544
Increase in Accounts Payable and Other Current Liabilities	**79,783**	1,088,368
Decrease in Deferred Inflows of Resources	**(677,552)**	(677,551)
Net Cash Used in Operating Activities	**$ (2,040,574)**	$ (1,100,019)
Non-Cash Items		
Purchases for Design, Construction, and Equipment in Accounts Payable and Other Current Liabilities	**$ 4,541,517**	$ 5,224,378
Net Transfer of Certain Noncash Assets and Liabilities to Audubon Nature Institute, Inc. per Management Agreement	**$ -**	$ 9,014,094

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

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).

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. The Insectarium was incorporated into Phase II of the Aquarium as part of a major transformation of Audubon's downtown campus that was completed in June 2023.

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 the Revised and Restated Management and Cooperative Endeavor Agreement (the Agreement) discussed below 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 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, 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 effective implementation date was January 1, 2022 and the Agreement terminates on December 31, 2028, unless extended by the parties. As part of the implementation of the Agreement, on the effective date, the Commission transferred certain assets and liabilities related to operations and management of the Audubon Facilities netting to $9,098,677. The following are the main amendments to the Agreement with financial reporting impacts.

Note 1. Organization (Continued)

General Information (Continued)

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 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.

Specific grants received by the Commission from the Institute consist of donations received and grants obtained by the Institute for 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 to the Institute 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.

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.

Environmental Risks

The Commission is insured for natural disasters and has property damage insurance and business interruption insurance limits of up to $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 statement of net position. The statements of revenues, expenses, and changes in net position present increases (revenues) and decreases (expenses) in net position. The Commission maintains one proprietary fund type - the enterprise fund.

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

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U. S. GAAP) 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".

Note 2. Summary of Significant Accounting Policies (Continued)

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.

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
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 9) are recorded as unearned revenue until earned.

Leases
Lessor
The Commission is a lessor for multiple noncancellable leases of land and property. The Commission's leases receivable are measured at the present value of lease payments expected to be received during the lease terms adjusted for the Consumer Price Index at the beginning to the lease, if applicable. Under the lease agreements, the Commission may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Note 2. Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Lessor (Continued)

The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue on a straight-line basis over the term of the lease and are included in rental income on the statement of revenues, expenses and changes in net position. The Commission uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. See Note 8 for more information on lessor leases.

Lessee

Under GASB 87, leases are categorized into three categories: short-term leases, leases that transfer ownership, and all other leases. For short-term leases, payments will be recorded as expenses as incurred by the lessee and revenue as received by the lessor. For leases that transfer ownership at the end of the lease, the Commission classifies these leases as finance leases. The Commission has one finance lease agreement as lessee. For all other leases, a lessee is required to recognize a lease liability and an intangible right to use lease asset. The Commission uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. See Note 8 for more information on lessee leases.

The Commission also leases property through an agreement wherein the lease was prepaid. See Note 4 for more information on this lease.

Budgeting

Operating and capital expenditure budgets are presented to the Commission by the Institute and are prepared on a basis consistent with U. S. GAAP. Budget information is utilized for analytical purposes, and the budget process is a key component of the Commission's management control environment.

Recent Accounting and Reporting Standards

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*. The objective of this Statement is to better meet the information needs of financial statements users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Commission adopted this Statement during the year ended December 31, 2023 with no material impact.

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting and Reporting Standards (Continued)

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirement for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years ending after June 15, 2023. The Commission adopted this Statement during the year ended December 31, 2023 with no material impact.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of GASB 96 is to better meet the information needs of the financial statement users by establishing uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITA); improving the comparability of financial statements among governments that have entered into SBITAs; and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset), and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The implementation of this standard had no impact on beginning net position of the Commission.

The GASB issued Statement 99, *Omnibus 2022*, which addresses various accounting and financial reporting issues, including classification and reporting of derivative instruments; clarification of provisions in GASB Statement 34, GASB Statement 87, as amended, GASB Statement 94, and GASB Statement 96; period for which LIBOR is an appropriate benchmark interest rate; accounting for SNAP distributions; nonmonetary transaction disclosures; pledged revenue transactions; and terminology updates to GASB Statement 53 and GASB Statement 63. The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The implementation of GASB 99 did not result in a material impact to the Commission’s financial statements.

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting and Reporting Standards (Continued)

The GASB issued Statement 100 which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The standard is effective for fiscal years beginning after June 15, 2023.

Note 3. Cash and Cash Equivalents

Cash on Deposit

The Commission's deposits at financial institutions at December 31, 2023 and 2022 were $9,290,948 and $1,819,832, 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, 2023, the Commission had approximately $9,025,000 of deposits in excess of the FDIC insured limit which were secured from risk by $14,041,894 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, 2023, and 2022, no funds were exposed to custodial credit risk.

Restricted Cash

As of December 31, 2023 and 2022, restricted cash included cash held with several fiscal agents totaling $25,921,149 and $42,175,681, respectively, for various capital projects (see Note 9). 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. Prepaid Lease - 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 for the use of property under the control of the Port, which the Commission funded through its Aquarium Revenue Bonds, Series 1992 A.

Note 4. Prepaid Lease - Dock Board (Continued)

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 net position and is being amortized on a straight-line basis over the term of the Riverfront Agreement. Amortization expense for the years ended December 31, 2023 and 2022 was $115,789, respectively.

Note 5. Capital Assets

Capital assets are summarized as follows by major classification at December 31, 2023:

	Balance 1/1/2023	Additions/ Increases	Transfers	Disposals/ Retirements	Transfer to the Institute	Balance 12/31/2023
Capital Assets Not Depreciated						
Land	**$ 800,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 800,000**
Construction in Progress	**32,576,659**	**25,055,320**	**(52,449,213)**	**-**	**-**	**5,182,766**
Total Capital Assets Not Depreciated	**33,376,659**	**25,055,320**	**(52,449,213)**	**-**	**-**	**5,982,766**
Capital Assets Being Depreciated						
Buildings and Fixed Exhibitory	**277,449,984**	**-**	**51,681,768**		**-**	**329,131,752**
Equipment	**17,022,225**	**482,617**	**767,445**	**(68,745)**	**-**	**18,203,542**
Total Capital Assets Being Depreciated	**294,472,209**	**482,617**	**52,449,213**	**(68,745)**	**-**	**347,335,294**
Less: Accumulated Depreciation	**(183,978,309)**	**(10,668,550)**	**-**	**68,745**	**-**	**(194,578,114)**
Total Capital Assets, Net	**$ 143,870,559**	**$ 14,869,387**	**$ -**	**$ -**	**$ -**	**$ 158,739,946**

Capital assets are summarized as follows by major classification at December 31, 2022:

	Balance 1/1/2022	Additions/ Increases	Transfers	Disposals/ Retirements	Transfer to the Institute	Balance 12/31/2022
Capital Assets Not Depreciated						
Land	$ 800,000	$ -	$ -	$ -	$ -	$ 800,000
Construction in Progress	9,902,654	23,838,773	(1,164,768)	-	-	32,576,659
Total Capital Assets Not Depreciated	10,702,654	23,838,773	(1,164,768)	-	-	33,376,659
Capital Assets Being Depreciated						
Buildings and Fixed Exhibitory	276,682,466	-	1,164,768	(397,250)	-	277,449,984
Equipment	23,522,915	284,001	17,907	(2,772,686)	(4,029,912)	17,022,225
Total Capital Assets Being Depreciated	300,205,381	284,001	1,182,675	(3,169,936)	(4,029,912)	294,472,209
Less: Accumulated Depreciation	(180,762,225)	(9,944,138)	(17,907)	3,169,936	3,576,025	(183,978,309)
Total Capital Assets, Net	$ 130,145,810	$ 14,178,636	$ -	$ -	$ (453,887)	$ 143,870,559

Depreciation expense for the years ended December 31, 2023 and 2022, related to these assets amounted to approximately $10,767,000 and $9,900,000, respectively.

Note 6. Long-Term Debt

Bonds and other debt payable at December 31, 2023 and 2022 were comprised of the following:

	2023	2022
Limited Tax Bonds		
Audubon Commission Limited Tax Bonds Series 2020, due in annual installments of $345,000 to $735,000 from October 2022 through October 2040; 4.205%.	**$ 8,790,000**	$ 9,155,000
Audubon Commission Limited Tax Bonds Series 2021, due in annual installments of $860,000 to $3,525,000 from October 2022 through October 2040; 4.076%.	**32,330,000**	33,000,000
Other Debt		
State of Louisiana, Office of Community Development Gulf Opportunity Zone Act Loan	**10,241,326**	10,816,326
Total Bonds Payable and Other Debt	**51,361,326**	52,971,326
Plus: Unamortized Premium, Net	**7,515,367**	7,959,263
Total	**58,876,693**	60,930,589
Less: Current Maturities	**(1,755,000)**	(1,610,000)
Bonds Payable and Other Debt, Noncurrent	**$ 57,121,693**	$ 59,320,589

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).

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 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%.

Note 6. Long-Term Debt (Continued)

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.

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 2023 and 2022 are as follows:

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2023	**$ 42,155,000**	**$ 10,816,326**	**$ 52,971,326**
Additions	**-**	**-**	**-**
Reductions	**(1,035,000)**	**(575,000)**	**(1,610,000)**
Balance December 31, 2023	**$ 41,120,000**	**$ 10,241,326**	**$ 51,361,326**
Due within One Year	**$ 1,155,000**	**$ 600,000**	**$ 1,755,000**

	Limited Tax Bonds	Gulf Opportunity Zone Loan	Total
Balance January 1, 2022	$ 43,360,000	$ 11,366,326	$ 54,726,326
Additions	-	-	-
Reductions	(1,205,000)	(550,000)	(1,755,000)
Balance December 31, 2022	$ 42,155,000	$ 10,816,326	$ 52,971,326
Due within One Year	$ 1,035,000	$ 575,000	$ 1,610,000

Note 6. Long-Term Debt (Continued)

Expected debt service requirements on all debt outstanding as of December 31, 2023 are as follows:

Year Ending	Limited Tax Bonds		Gulf Opportunity Zone Loan		Total	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
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	1,055,000	1,582,350	1,150,000	175,468	2,205,000	1,757,818
2028	1,190,000	1,529,600	1,175,000	147,103	2,365,000	1,676,703
2029 - 2033	9,405,000	6,713,150	5,091,326	265,020	14,496,326	6,978,170
2034 - 2038	18,230,000	3,916,000	-	-	18,230,000	3,916,000
2039 - 2040	8,355,000	504,600	-	-	8,355,000	504,600
Total	$ 41,120,000	$ 19,269,750	$ 10,241,326	$ 1,266,495	$ 51,361,326	$ 20,536,245

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 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 is 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.

At December 31, 2023 and 2022, 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, 2023 and 2022, the amount due to the Institute from the Commission totaled $1,038,309 and $175,577, respectively.

The Institute has provided support to the Commission to fund certain capital projects and operational support. For the years ended December 31, 2023 and 2022, those amounts totaled $1,201,626 and $499,236, respectively.

Note 8. Leases

Lessor Leases

The Commission participates in numerous leases where it serves as the lessor.

The Commission leases land for a parking area which has a term of 10 years which began June 1, 2017 and ends May 31, 2027. The lease calls for an annual payment of $480,000 paid monthly with an annual CPI adjustment. The interest rate for this lease is 3%. As of December 31, 2023 and 2022, this lease resulted in a lease receivable of $2,124,011 and $2,630,985, respectively, and deferred inflows of resources of $1,873,084 and $2,421,305, respectively.

The Commission leases land for a stable facility which has a term of 10 years which began October 1, 2014 and ends September 30, 2024. The lease calls for a monthly base rent with a CPI adjustment annually. In addition, there is a percentage rate rent of 3% of gross sales, with allowance for base rent paid which is to be made in arrears quarterly. Any overpayments would be credited against the base rent for the next month. The 2023 monthly base rent was $1,650. The interest rate for this lease is 3%. As of December 31, 2023 and 2022, this lease resulted in a lease receivable of $16,136 and $35,140, respectively, and deferred inflows of resources of $13,624 and $31,786, respectively.

The Commission leases a baseball complex, soccer field, and Avenger Field located in Audubon Park for a term of 5 years which began December 1, 2020 and ends November 30, 2025. The lease calls for monthly payments of $4,000. The interest rate for this lease is 3%. As of December 31, 2023 and 2022, this lease resulted in a lease receivable of $89,292 and $133,886, respectively, and deferred inflows of resources of $85,654 and $130,343, respectively.

The Commission leases wharves and certain adjacent land for a term of 5 years with automatic renewals for five consecutive 5-year periods which began June 1, 2000, and with extensions, ends May 31, 2025. The lease calls for a monthly base rent with a CPI adjustment annually. The 2023 monthly base rent was approximately $6,100. The interest rate for this lease is 3%. As of December 31, 2023 and 2022, this lease resulted in a lease receivable of $101,281 and $168,575, respectively, and deferred inflows of resources of $94,178 and $160,658, respectively.

For the years ended December 31, 2023 and 2022, lease revenue and interest income relating to these leases totaled $743,879 and $774,821, respectively.

Note 8. Leases (Continued)

Lessor Leases (Continued)
Annual principal receipts on the receivable and related interest on these leases are as follows:

Year Ending December 31,	Principal	Interest
2024	$ 689,460	$ 59,039
2025	683,699	38,003
2026	666,903	18,093
2027	290,658	1,461
Total	$ 2,330,720	$ 116,596

Lessee Lease - Finance
The Commission entered into a finance purchase agreement to finance 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. Under the terms of the contract, title of the equipment transfers at the end of the lease term. The term of the initial lease agreement expires in August 2038. The equipment under capital lease as of December 31, 2023 had a cost of $4,166,465 and accumulated amortization of $624,970 and is included in capital assets.

Future payments for the finance lease agreement as of December 31, 2023 are as follows:

Year Ending December 31,	Principal	Interest
2024	$ 178,053	$ 134,247
2025	186,111	127,289
2026	194,177	120,023
2027	202,558	112,442
2028	211,365	104,534
2029 - 2033	1,203,393	391,407
2034 - 2038	1,384,893	135,574
Total	$ 3,560,550	$ 1,125,516

Note 8. Leases (Continued)

Lessee Leases - Other

The Commission leases various equipment for terms of 60 months ending between April 2026 and October 2028. The minimum monthly payments on the leases range from $575 to $6,303 with an interest rate of 2%. As of December 31, 2023 and 2022, the balance of the right of use asset, net of amortization was $585,058 and $70,831, respectively, and the lease liability was $588,982 and $238,104, respectively.

Future lease payments required under this lease is as follows:

Year Ending December 31,	Principal	Interest
2024	$ 167,032	$ 9,777
2025	170,306	6,501
2026	116,518	3,559
2027	99,567	1,600
2028	35,559	188
Total	$ 588,982	$ 21,625

A summary of the lease liabilities during 2023 and 2022 is as follows:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Amounts Due Within One Year
Finance Lease Liability	$ 3,731,340	$ -	$ (170,790)	$ 3,560,550	$ 178,053
Other Lease Liabilities	238,104	486,427	(135,549)	588,982	167,032
	$ 3,969,444	$ 486,427	$ (306,339)	$ 4,149,532	$ 345,085

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due Within One Year
Finance Lease Liability	$ 3,894,235	$ -	$ (162,895)	$ 3,731,340	$ 170,790
Other Lease Liabilities	394,074	-	(155,970)	238,104	71,687
	$ 4,288,309	$ -	$ (318,865)	$ 3,969,444	$ 242,477

Note 9. Commitments and Contingencies

Construction in Progress

As of December 31, 2023, the Commission has approximately $9,200,000 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.

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 statements of net position. The unearned portion is included in unearned revenue in the statements of net position.

Pursuant to the Wharves Agreement, public input has been collected through the project website 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. Design and public outreach efforts were renewed in 2023, and the project is staying on track for a groundbreaking in August 2024.

Note 10. Litigation

Certain claims and suits have been filed against the Commission. The majority of these claims are covered by insurance and, based on all available information and consultation with the Commission's legal counsel; management does not believe the ultimate resolution of these matters will have a significant effect on the Commission's financial position, results of operations, or cash flows.

Note 11. 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, 2023, there were six tax abatements under the Restoration Tax Abatement Program with exemptions. During the fiscal year ended December 31, 2023, ad valorem taxes abated applicable to the Commission totaled $3,126.

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

Independent Auditor's Report

To the Board of Directors of
Audubon Commission

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Audubon Commission's (the Commission), 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 each of the Commission's major federal programs for the year ended December 31, 2023. The Commission'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 Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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 responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission 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 each major federal program. Our audit does not provide a legal determination of the Commission's 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 Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but 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 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 Commission's compliance with the requirements of each 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 Commission'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 Commission'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 Commission'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.

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Metairie, LA
June 20, 2024

AUDUBON COMMISSION
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor or Pass-Trough Grantor and Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures Incurred During the Year Ended December 31, 2023
U.S. Department of Homeland Security				
Passed through Louisiana Military Department,				
Office of Homeland Security and Emergency Preparedness				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4611-DR-LA	$ -	$ 1,704,006
Total U.S. Department of Homeland Security			-	1,704,006
U.S. Department of Commerce Economic Development Administration				
Passed through State of Louisiana, Department of Administration				
Economic Adjustment Assistance	11.307	08-79-05577	-	3,580,057
Total U.S. Department of Commerce Economic Development Administration			-	3,580,057
Total			$ -	$ 5,284,063

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Audubon Commission (the Commission) for the year ended December 31, 2023. 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 Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Commission has met the qualifications for the respective grants.

Note 3. Indirect Cost Rate

The Commission uses an indirect cost rate which has been established by the Federal Emergency Organization for managing the Public Assistance awards, and has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Reconciliation to the Financial Statements

Total expenditures per the Schedule and total federal grant revenues included in intergovernmental grants per the statement of revenues, expenses and changes in net position are $5,284,063 for the year ended December 31, 2023.

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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 (*Government Auditing Standards*), the financial statements of the business-type activities of Audubon Commission (the Commission) for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2024.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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A Professional Accounting Corporation

Metairie, LA
June 20, 2024

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance Material to Financial Statements Noted?	No

<u>Federal Awards</u>

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:

AL Number	Name of Federal Program
11.307	Economic Adjustment Assistance

Dollar threshold used to distinguish Type A and Type B Programs:	$750,000
Auditee qualified as low-risk auditee?	No

Part II - Financial Statement Audit Findings

No matters were reported.

Part III - Findings and Questioned Costs for Major Federal Award Programs Audit

No matters were reported.

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.

AUDUBON COMMISSION
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2023

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

See independent auditor's report.

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AGREED-UPON PROCEDURES REPORT

Audubon Commission

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2023 - December 31, 2023

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

We have performed the procedures enumerated below on the Audubon Commission's (the Commission) 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, 2023 through December 31, 2023. Audubon Commission's (the Commission) management is responsible for those C/C areas identified in the SAUPs.

The 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, 2023 through December 31, 2023. 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) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   ii. ***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.

   iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***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).

v. ***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 rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).

ix. ***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.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

xi. ***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.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of these procedures.

2) Board or Finance Committee

A. 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:

i. 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.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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.*

iii. 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.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of these procedures.

3) 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: We noted in procedure #3A(i) two instances in which the bank reconciliations were not prepared within two months of the related statement closing date.

4) Collections (excluding electronic funds transfers)

A. 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).

B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:

   i. Employees responsible for cash collections do not share cash drawers/registers;

   ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

   iii. Each employee responsible for collecting cash is not also 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; and

   iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

C. 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 in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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

   i. Observe that receipts are sequentially pre-numbered.

   ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   iii. Trace the deposit slip total to the actual deposit per the bank statement.

   iv. 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).

v. Trace the actual deposit per the bank statement to the general ledger.

Not applicable.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

A. 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).

B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

   ii. At least two employees are involved in processing and approving payments to vendors;

   iii. 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;

   iv. 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; and

   v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

   [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A 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:

   i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

   ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Results: No exceptions were found as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

B. 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:

   i. Observe whether 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

   ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe 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 found as a result of these procedures.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. 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 and 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:

   i. 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);

   ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

   iii. 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 Policies and Procedures procedure #1A(vii); and

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

   Results: No exceptions were found as a result of these procedures.

8) Contracts

A. 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. *Alternatively, 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, <u>excluding the practitioner's contract</u>, and:

   i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

   ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

   iii. 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, the documented approval); and

   iv. 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 found as a result of these procedures.

9) Payroll and Personnel

A. 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.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

   i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

   ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

   iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

   iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. 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 two employees or officials and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. 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.

10) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

   i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

   ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: We noted in procedure #10A(a) one instance in which the official did not complete one hour of ethics training during the calendar year as required by R.S. 42:1170.

11) Debt Service

A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

B. 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 found as a result of these procedures.

12) Fraud Notice

A. 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 as required by R.S. 24:523.

B. 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 found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

   i. 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.

ii. 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.

iii. 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.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 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.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.

B. 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).

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

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Results: We noted in procedure #14A one instance in which we were not able to obtain and observe sexual harassment training documentation from management, demonstrating the official had completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Commission 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 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.

LaPorte

A Professional Accounting Corporation

Metairie, LA
June 20, 2024

AC

Audubon Commission

6500 Magazine St., New Orleans, LA 70118

June 27, 2024

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

The 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, 2023.

Bank Reconciliations:
Response:
A number of factors were at play that made it difficult to complete all bank reconciliations within a two-month time frame: changes in personnel, staff shortages, and additional bank accounts. Several new bank accounts had to be set up in order to satisfy the requirements of the amended and restated Management Agreement between Audubon Nature Institute and Audubon Commission. In addition to the new bank accounts that had to be reconciled, additional accounting procedures and processes had to be put in place due to the changes in the Management Agreement. All bank reconciliations were completed without errors before the year-end close. We will make every effort to complete all bank reconciliations in a timely manner in 2024.

Ethics:
Response:
Audubon Administration sends email communications regarding Ethics Training to the Commissioners at least three times each year. All certificates received from the Commissioners are retained by Audubon Administration.

Sexual Harassment:
Response:
Audubon Administration sends email communications regarding Sexual Harassment Training to the Commissioners at least three times each year. All certificates received from the Commissioners are retained by Audubon Administration.

The external auditors discussed the above exceptions and Audubon's responses with the Commissioners at the Joint Executive/Finance/Audit Committee meeting on June 19, 2024.

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