

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED
GOVERNMENT OF LAFAYETTE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED
GOVERNMENT OF LAFAYETTE, LOUISIANA**

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OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lafayette Regional Airport
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana (the Airport), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Airport'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, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport'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 auditors' report that includes our opinions. 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 Airport'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 Airport'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, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The remaining supplementary information as listed in the table of contents is presented for purposes of additional analysis and is also not a required part of the financial statements. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and is also not a required part of the basic financial statements.

The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplemental information and the schedule of expenditures of federal awards 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 26, 2025, on our consideration of the Lafayette Regional Airport'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 Lafayette Regional Airport'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 Lafayette Regional Airport's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

June 26, 2025
Lafayette, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the Lafayette Regional Airport's activities and financial performance for the fiscal year ended December 31, 2024.

AIRPORT ACTIVITIES & HIGHLIGHTS

- ➔ Lafayette Regional Airport's 2024 enplanement numbers soared to 268,159, which was a 14.5% increase over the year 2023. Deplanements were 264,652 which was a 14.4% increase from the prior year. LFT's Cargo operations slipped just more than 5% from the previous year to 26,207,854 pounds that passed through the airport in 2024.
- ➔ As for flight loads, Delta flights to Atlanta led the way with a recorded 79.9% load factor, followed by United flights to Houston with 74.6%, and American Eagle flights to both Dallas and Charlotte with a 71.2% of outgoing seats filled in 2024. In addition, the Airport continues to work with these and other carriers to bring additional service to the Lafayette area.
- ➔ January 20, 2024, marked the second anniversary for flights and passengers departing LFT from the new state of the art 120,000 square foot Terminal. The project was largely completed in 2022 under budget, on time, and debt free.
- ➔ In accordance with Federal Aviation Regulations (FAR 139), Lafayette Regional Airport conducted their full-scale Tri-Annual Emergency plan exercise in March 2024. There were multiple agencies involved in this successful exercise, including local fire and police departments, Office of Emergency Preparedness, Red Cross, local hospitals & victim volunteers.
- ➔ In October of 2024, the Commission held its Annual Aviation Fun Day at the Airport's Aircraft Rescue and Fire Fighting (ARFF) Facility. With the largest ever response, there were over 450 children and adults that attended and enjoyed a tour of the airport grounds, a great lunch and numerous contests with prizes. A goody bag filled with Airport and airline industry items from many sponsors was given to each attending child in an effort to promote the Aviation industry.
- ➔ In 2024, Steven Picou, AAE, LFT's Executive Director served as President of the South Central Chapter of the American Association of Airport Executives (SCCAAAE). SCCAAAE encompasses the states of Kansas, Louisiana, Oklahoma, New Mexico, and Texas. In addition, Mr. Picou served as the Regional Director at Large for AAE. These leadership roles reflect well for LFT's enhanced visibility and influence, provided access to resources and best practices, and stronger advocacy for regional airports, professional development, and credibility.
- ➔ In 2024, The Lafayette Airport Commission completed the construction of the Cell Phone Waiting Area. This area is designed for persons coming to the airport to pick up passengers to have an area where they can wait for the call that the passenger has arrived and is ready and out front for pickup. This prevents circling the airport driveway, illegally parking along the roadway and having to use the pay parking lots for short wait times.
- ➔ Major projects put into service in 2024 include the first Phase of Twy Foxtrot from Rwy 11 29 to the North end of Twy Lima. In addition, the pavement repair of Twy Juliette was also completed. Another major addition is the purchase of a new state-of-the-art Sweeper for Runways and Taxiways that will replace a 1982 Timco Sweeper (one that we were told was the oldest working sweeper still in use in the US). All of these are designed to enhance overall safety and facilitate future growth of Lafayette Regional Airport.

- ➔ Several projects still in progress at the end of 2024 include the final Phase of Twy Foxtrot from Rwy 11 29 to the North end of Twy Lima as well as the partial realignment project on Twy Bravo. In addition, the T-Hangar asphalt reconstruction project continues.
- ➔ The main projects in the design phase and scheduled to begin in 2025 are the Airfield Electrical Energy Efficiency Improvements and Perimeter Erosion Slope Stabilization work north of RW 22L. In addition, plans are being finalized to complete the security fencing from the Cargo Ramp area on Hwy 90 to Perimeter Road. These projects are designed to improve efficiency and overall safety of the airport while enhancing the passenger's experience.

FINANCIAL HIGHLIGHTS

- ➔ Operating Revenues grew by 1.0% in 2024 from 2023 going from \$11.44 million to \$11.45 million. This is in part due to Terminal Rents increasing by 16.8% and Parking Revenues increasing by 14.1% while the Non-Terminal Facilities revenues decreased by 21%. The decrease from Capital Grants revenues of \$10.4 million is a result of the ending of various funding source reimbursements for the concluding LFT Terminal project. (Table 3)
- ➔ Operating Expenses increased from 2023 changing from \$22.2 million to \$27.6 million due primarily to increases in Professional Fees and Administrative Costs for the New Terminal, as well as in Depreciation costs. It should be noted that there was a 9.2% decrease in Security costs. (Table 4)
- ➔ Non-Operating Income (Expenses), excluding Capital Grants and the 1% Airport Tax, changed from a net income of \$9,164,971 in 2023 to a net income of \$10,070,882 in 2024. This category also reported an 4.8% increase in Interest Income earned over 2023 as interest rates remained high in 2024.
- ➔ Net position of our business-type activity for 2024 decreased slightly by just over \$837K or 2.4%, compared to a 4.5% increase in 2023. The decrease for 2024 is largely due to decreases in our Construction In Progress Accounts and Liabilities. (Table 1)
- ➔ Additional funding for Airport operations is received through ad valorem tax revenue. In 2024 the Airport received approximately \$4.63 million in revenues which is a slight increase from the \$4.31 million in 2023. (Table 3)
- ➔ Capital Grants and Contributions received in 2024 were \$5,864,813 compared to \$16,343,407 in 2023. These grants are directly related to the construction of the new terminal and the various Airport Improvement Program grants which are funded at the federal and state level and fluctuate from year-to-year dependent upon the funding and schedules of the Airport's capital projects. (Table 2)
- ➔ 2024 is the third LAC audit year for implementation of the Governmental Accounting Standards Board (GASB) 87 Leases which requires governmental entities to recognize lease assets and liabilities in order to better meet the information needs of governmental financial statement users. Since GASB 87 became effective for reporting periods after June 15, 2021, this report contains results of the comparative information for 2021 through 2024. See footnote (I) of the Notes to the Financial Statements.

USING THIS REPORT

Reporting the Airport as a Whole

The Statement of Net Position reports information about the Airport as a whole and its activities in a way that helps answer the question “Is the Airport as a whole better or worse off as a result of the year’s activities?” This statement includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

This statement reports the Airport’s net assets and changes in them. Net assets (the difference between assets and liabilities) are one way to measure the Airport’s financial health, or financial position. Over time, increases or decreases in the Airport’s net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Airport’s property tax base and millage rates, as well as capital grant awards, to assess the overall health of the Airport.

In the Statement of Net Position, we report the Airport by activity. The Airport’s only operation is that of Airport Services which represents the fees charged to customers to help cover most of the cost of the services provided. The property tax revenue is also reported in this fund since it is dedicated to the operations and maintenance of the Airport.

Reporting the Airport’s Significant Funds

At the recommendation of the Louisiana Legislative Auditor’s Office, the Airport dissolved the General Fund in the 2007 fiscal year. The revenues and expenditures that were previously reported within the General Fund are now included in the Proprietary Fund financial statements. Following is a description of the Proprietary Fund:

- ➔ Proprietary Fund - When the Airport charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The Airport’s proprietary fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

THE AIRPORT AS A WHOLE

The Airport’s total assets decreased just over 2.2% in the current year, from \$359 million to \$351 million. The decrease is due to the completion of the new Terminal project and removal of all old terminal Assets. Our following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Airport’s business-type activities. Table 2 reflects collections from Passenger Facility Charges and Customer Facility Charges, even though these are not operating revenues.

CAPITAL ASSET AND LONG-TERM DEBT

Capital Assets

At the end of December 31, 2024, the Airport had \$268 million invested in capital assets, net of related debt, including all equipment, land and buildings. This represents a net decrease of \$11.9 million, or 4.3%, over the 2023 amount of \$280 million.

During 2024, the airport expended \$4.35 million on capital activities. These expenditures included funds spent for any airport construction and improvement projects previously listed in this report under Airport Activities and Highlights - including the completion of the construction of a new Terminal designed to enhance overall safety, as well as to help with future growth and capacity of Lafayette Regional Airport.

Debt

The Lafayette Airport Commission in 2018 received approval from the State Bond Commission to use Bonds in the financing of the New Terminal Project if necessary. However, no bonds were needed or issued. In addition, there were two lines of credit opened: one backed by the CFC Funds for the construction in 2020 of the Rental Car Quick Turn Around Facility and the second by the PFC Fund for multiple portions of the New LFT Terminal. As of the end of 2022, these lines of credit had been closed and the Lafayette Airport Commission currently has no debt.

ECONOMIC FACTORS

The business-type activities will see changes due to economic factors as well as continued capital improvements funded by various grants. Several of the economic factors considered in the budgetary process were:

- ➔ The economic environment of the airline industry as a whole including continued increases in the cost of fuel and security.
- ➔ Consumer price index adjustments, which allows for modifications in rental changes to tenants of the Airport Commission.
- ➔ Escalating costs of operations including Insurance, Repairs and Maintenance, Utilities, Professional, Security and other contractual services.

REQUEST FOR INFORMATION

This financial report is written to provide a general overview of the Lafayette Regional Airport's financial position for all interested parties and to show the Airport's accountability for the money it receives. Questions concerning any of the information in the report should be addressed in writing to the Financial Comptroller, Lafayette Regional Airport, 200 Terminal Drive, Suite 200, Lafayette, Louisiana 70508.

Table 1
NET POSITION

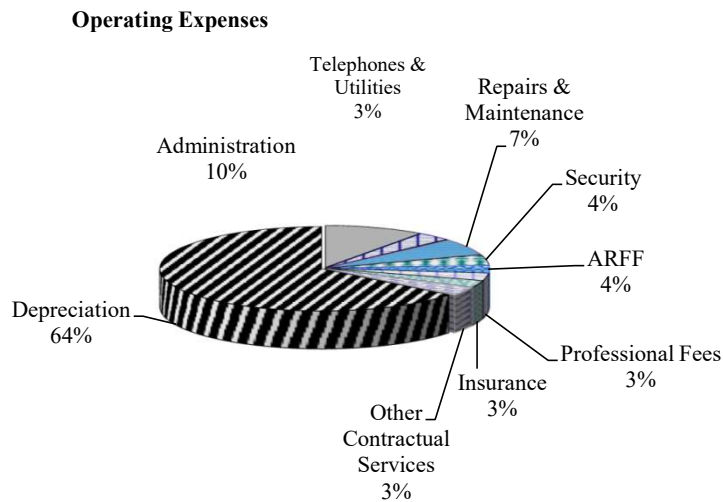
| | Business-type Activities | | Total Primary Government | |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| ASSETS: | | | | |
| Current Assets | \$ 78,643,396 | \$ 69,348,390 | \$ 78,643,396 | \$ 69,348,390 |
| Capital Assets | 268,700,234 | 280,692,122 | 268,700,234 | 280,692,122 |
| Non-Current Assets | <u>3,900,158</u> | <u>8,975,347</u> | <u>3,900,158</u> | <u>8,975,347</u> |
| TOTAL ASSETS | <u><u>\$ 351,243,788</u></u> | <u><u>\$ 359,015,859</u></u> | <u><u>\$ 351,243,788</u></u> | <u><u>\$ 359,015,859</u></u> |
| Deferred Outflows | <u><u>\$ 476,635</u></u> | <u><u>\$ 1,096,981</u></u> | <u><u>\$ 476,635</u></u> | <u><u>\$ 1,096,981</u></u> |
| LIABILITIES: | | | | |
| Current Liabilities | \$ 3,211,956 | \$ 6,869,401 | \$ 3,211,956 | \$ 6,869,401 |
| Non-Current Liabilities | <u>847,493</u> | <u>1,385,927</u> | <u>847,493</u> | <u>1,385,927</u> |
| Total Liabilities | <u><u>\$ 4,059,449</u></u> | <u><u>\$ 8,255,328</u></u> | <u><u>\$ 4,059,449</u></u> | <u><u>\$ 8,255,328</u></u> |
| Deferred Inflows | <u><u>\$ 6,525,798</u></u> | <u><u>\$ 8,621,523</u></u> | <u><u>\$ 6,525,798</u></u> | <u><u>\$ 8,621,523</u></u> |
| NET POSITION: | | | | |
| Net Investment in Capital Assets | \$ 268,700,234 | \$ 280,692,122 | \$ 268,700,234 | \$ 280,692,122 |
| Restricted - PFC | 210,007 | 1,353,136 | 210,007 | 1,353,136 |
| Restricted - CFC | 1,377,240 | 334,282 | 1,377,240 | 334,282 |
| Restricted - New Terminal | - | 16,178 | - | 16,178 |
| Unrestricted | <u>72,110,753</u> | <u>60,840,271</u> | <u>72,110,753</u> | <u>60,840,271</u> |
| Total Net Position | <u><u>\$ 342,398,234</u></u> | <u><u>\$ 343,235,989</u></u> | <u><u>\$ 342,398,234</u></u> | <u><u>\$ 343,235,989</u></u> |

Table 2
CHANGES IN NET POSITION

| | Business-type Activities | | Total Primary Government | |
|----------------------------------|-----------------------------|----------------------|-----------------------------|----------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Revenues | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 11,651,978 | \$ 11,640,630 | \$ 11,651,978 | \$ 11,640,630 |
| Operating Grants | - | 109,500 | - | 109,500 |
| Capital Grants and Contributions | 5,864,813 | 16,343,407 | 5,864,813 | 16,343,407 |
| Passenger Facility Charges | 1,115,945 | 948,470 | 1,115,945 | 948,470 |
| Customer Facility Charges | 1,105,664 | 1,031,126 | 1,105,664 | 1,031,126 |
| General Revenues: | | | | |
| Property Taxes | 4,589,269 | 4,264,561 | 4,589,269 | 4,264,561 |
| Other Revenue | 211,617 | 146,701 | 211,617 | 146,701 |
| State Revenue Sharing | 48,736 | 48,736 | 48,736 | 48,736 |
| 1% Airport Tax | 57,182 | 1,549 | 57,182 | 1,549 |
| Land & Bldg Lease Rev (GASB 87) | (193,838) | (305,424) | (193,838) | (305,424) |
| Pension Related | 129,726 | 23,080 | 129,726 | 23,080 |
| Investment Earnings | 2,831,111 | 2,701,323 | 2,831,111 | 2,701,323 |
| Gain on Sale of Assets | 37,839 | - | 37,839 | - |
| Total Revenues | <u>27,450,042</u> | <u>36,953,659</u> | <u>27,450,042</u> | <u>36,953,659</u> |
| Program Expenses | | | | |
| Administration | 2,753,017 | 2,482,964 | 2,753,017 | 2,482,964 |
| Telephones & Utilities | 908,751 | 947,660 | 908,751 | 947,660 |
| Supplies & Materials | 51,958 | 52,883 | 51,958 | 52,883 |
| Repairs & Maintenance | 1,772,760 | 1,631,952 | 1,772,760 | 1,631,952 |
| Security | 1,127,235 | 1,241,866 | 1,127,235 | 1,241,866 |
| ARFF | 795,583 | 760,377 | 795,583 | 760,377 |
| Professional Fees | 778,223 | 620,092 | 778,223 | 620,092 |
| Insurance | 756,944 | 723,729 | 756,944 | 723,729 |
| Contractual Services | 909,314 | 963,151 | 909,314 | 963,151 |
| Depreciation | 17,796,424 | 12,777,384 | 17,796,424 | 12,777,384 |
| Pension Related | 106,499 | 193,343 | 106,499 | 193,343 |
| Bond Expense | - | - | - | - |
| Total Expenses | <u>27,756,707</u> | <u>22,395,401</u> | <u>27,756,707</u> | <u>22,395,401</u> |
| Increase in Net Position | <u>\$ (306,665)</u> | <u>\$ 14,558,258</u> | <u>\$ (306,663)</u> | <u>\$ 14,558,259</u> |

Table 4
EXPENSES

The following chart shows the major sources and percentage of operating revenues of the proprietary fund for the years ended December 31, 2024 and December 31, 2023:



Operating Expenses:

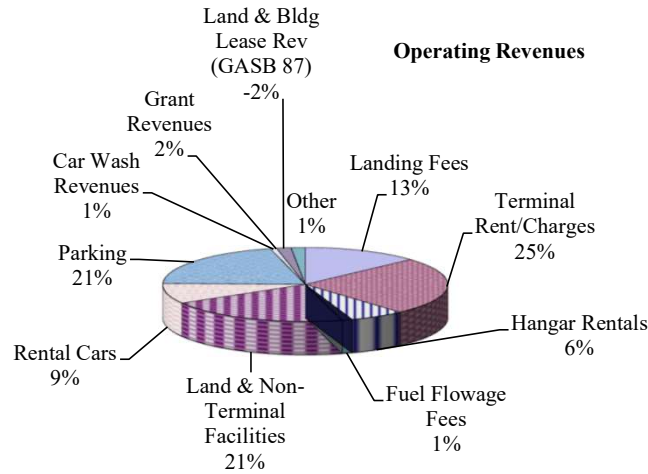
| | 2024 | 2023 | Increase (Decrease) from 2023 | Percent Increase (Decrease) |
|---------------------------------|-------------------|-------------------|-------------------------------------|-----------------------------------|
| Administration | \$ 2,753,017 | \$ 2,482,964 | \$ 270,053 | 10.9% |
| Telephones & Utilities | 908,751 | 947,660 | (38,909) | -4.1% |
| Supplies & Materials | 51,958 | 52,883 | (925) | -1.7% |
| Repairs & Maintenance | 1,772,760 | 1,631,952 | 140,808 | 8.6% |
| Security | 1,127,235 | 1,241,866 | (114,631) | -9.2% |
| ARFF | 795,583 | 760,377 | 35,206 | 4.6% |
| Professional Fees | 778,223 | 620,092 | 158,131 | 25.5% |
| Insurance | 756,944 | 723,729 | 33,215 | 4.6% |
| Other Contractual Services | 909,314 | 963,151 | (53,837) | -5.6% |
| Depreciation | 17,796,424 | 12,777,384 | 5,019,040 | 39.3% |
| Total Operating Expenses | 27,650,208 | 22,202,058 | 5,448,151 | 24.5% |

Non-Operating Expenses:

| | | | | |
|-------------------------------------|----------------------|----------------------|---------------------|--------------|
| Pension Related | 106,499 | 193,343 | (86,844) | 44.9% |
| Bond Related | - | - | - | #DIV/0! |
| Total Non-Operating Expenses | 106,499 | 193,343 | (86,844) | - |
| TOTAL EXPENSES | \$ 27,756,707 | \$ 22,395,401 | \$ 5,361,307 | 23.9% |

**Table 3
REVENUES**

The following chart shows the major sources and percentage of operating revenues of the proprietary fund for the years ended December 31, 2024 and December 31, 2023:



Operating Revenues:

| | 2024 | 2023 | Increase (Decrease) from 2023 | Percent Increase (Decrease) |
|---------------------------------|-------------------|-------------------|-------------------------------------|-----------------------------------|
| Landing Fees | \$ 1,565,996 | \$ 1,494,339 | \$ 71,656 | 4.8% |
| Terminal Rent/Charges | 2,993,231 | 2,562,390 | 430,842 | 16.8% |
| Hangar Rentals | 732,197 | 707,944 | 24,253 | 3.4% |
| Fuel Flowage Fees | 137,015 | 139,750 | (2,735) | -2.0% |
| Land & Non-Terminal Facilities | 2,457,300 | 3,109,088 | (651,787) | -21.0% |
| Rental Cars | 1,040,522 | 1,251,257 | (210,735) | -16.8% |
| Parking | 2,449,720 | 2,146,700 | 303,020 | 14.1% |
| Car Wash Revenues | 85,935 | 72,852 | 13,083 | 18.0% |
| Grant Revenues | - | 109,500 | (109,500) | -100.0% |
| Land & Bldg Lease Rev (GASB 87) | (193,838) | (305,424) | 111,586 | -36.5% |
| Other | 189,088 | 155,337 | 33,751 | 21.7% |
| Total Operating Revenues | 11,457,165 | 11,443,732 | 13,434 | 0.1% |

Non-Operating Revenues:

| | | | | |
|-------------------------------------|-------------------|-------------------|--------------------|---------------|
| Interest Income | 2,831,111 | 2,701,323 | 129,788 | 4.8% |
| Other Revenue | 212,591 | 147,675 | 64,916 | 44.0% |
| Proceeds from Sale of Assets | 37,839 | - | 37,839 | #DIV/0! |
| Pension Related | 129,726 | 23,080 | 106,646 | 462.1% |
| Operation & Maintenance Tax | 4,638,005 | 4,313,297 | 324,708 | 7.5% |
| Passenger Facility Charges | 1,115,945 | 948,470 | 167,475 | 17.7% |
| Customer Facility Charges | 1,105,664 | 1,031,126 | 74,538 | 7.2% |
| 1% Airport Tax | 57,182 | 1,549 | 55,633 | 3591.2% |
| Capital Grants and Contributions | 5,864,813 | 16,343,407 | (10,478,594) | -64.1% |
| Total Non-Operating Revenues | 15,992,877 | 25,509,927 | (9,517,051) | -37.3% |

| | | | | |
|-----------------------|----------------------|----------------------|-----------------------|---------------|
| TOTAL REVENUES | \$ 27,450,042 | \$ 36,953,659 | \$ (9,503,617) | -25.7% |
|-----------------------|----------------------|----------------------|-----------------------|---------------|

BASIC FINANCIAL STATEMENTS

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2024**

ASSETS

CURRENT ASSETS

| | |
|--------------------------------|-------------------|
| Cash and Cash Equivalents | \$ 57,195,828 |
| Accounts Receivable | 929,124 |
| Ad Valorem Tax Receivable | 1,927,926 |
| Due From Sheriff | 2,755,062 |
| Grant Funds Receivable | 12,797,136 |
| Leases Receivable - Short-Term | 2,218,513 |
| Prepays | <u>819,807</u> |
| Total Current Assets | <u>78,643,396</u> |

RESTRICTED ASSETS

| | |
|-------------------------|------------------|
| Cash | |
| Grant Funds | 58,230 |
| PFC Funds | 210,007 |
| CFC Funds | <u>1,377,240</u> |
| Total Restricted Assets | <u>1,645,477</u> |

NON-CURRENT ASSETS

PROPERTY AND EQUIPMENT

| | |
|--------------------------------|----------------------|
| Property and Equipment | 409,544,941 |
| Land | 6,191,076 |
| Construction in Progress | <u>14,094,287</u> |
| Total | 429,830,304 |
| Less: Accumulated Depreciation | <u>(161,130,070)</u> |
| Net Property and Equipment | <u>268,700,234</u> |

NON-CURRENT ASSETS

| | |
|-------------------------------|------------------|
| Leases Receivable - Long-Term | 3,830,435 |
| Security Deposits | <u>69,723</u> |
| Total Non-Current Assets | <u>3,900,158</u> |

| | |
|--------------|------------------------------|
| TOTAL ASSETS | <u><u>\$ 352,889,265</u></u> |
|--------------|------------------------------|

DEFERRED OUTFLOWS OF RESOURCES

| | |
|-----------------|--------------------------|
| Pension Related | <u><u>\$ 476,635</u></u> |
|-----------------|--------------------------|

The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2024

LIABILITIES

CURRENT LIABILITIES

| | |
|---------------------------|------------------|
| Accounts Payable | \$ 3,132,930 |
| Accrued Expenses | 66,901 |
| Unearned Revenue | <u>12,125</u> |
| Total Current Liabilities | <u>3,211,956</u> |

NON-CURRENT LIABILITIES

| | |
|-------------------------------|----------------|
| Security Deposits | 344,997 |
| Accrued Compensated Absences | 278,859 |
| Net Pension Liability | <u>223,637</u> |
| Total Non-Current Liabilities | <u>847,493</u> |

| | |
|--------------------------|----------------------------|
| TOTAL LIABILITIES | <u>\$ 4,059,449</u> |
|--------------------------|----------------------------|

DEFERRED INFLOWS OF RESOURCES

| | |
|--|----------------------------|
| Pension Related | \$ 112,979 |
| Leases | 6,031,667 |
| Property Taxes | <u>381,152</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>\$ 6,525,798</u> |

NET POSITION

| | |
|----------------------------------|------------------------------|
| Net Investment in Capital Assets | \$ 268,700,234 |
| Expendable: | |
| Restricted for PFC Projects | 210,007 |
| Restricted for CFC Projects | 1,377,240 |
| Unrestricted | <u>72,493,172</u> |
| TOTAL NET POSITION | <u>\$ 342,780,653</u> |

The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES

| | |
|--------------------------|-------------------|
| Rentals | \$ 7,029,412 |
| Commissions | 137,015 |
| Landing Fees | 1,565,996 |
| Parking Tolls | 2,449,720 |
| Grant Revenues | 40,260 |
| Car Wash Revenues | 85,935 |
| Miscellaneous | 148,828 |
| Total Operating Revenues | <u>11,457,166</u> |

OPERATING EXPENSES

| | |
|----------------------------------|-------------------|
| Salaries and Costs of Employment | 2,318,803 |
| Supplies | 51,958 |
| Other Services and Charges | 7,483,024 |
| Depreciation | <u>17,796,424</u> |
| Total Operating Expenses | <u>27,650,209</u> |

OPERATING LOSS (16,193,043)

NON-OPERATING REVENUES (EXPENSES)

| | |
|---|-------------------|
| Interest Income | 2,831,111 |
| Other Revenue | 212,591 |
| Capital Grant Revenue | 5,864,813 |
| Ad Valorem Tax Revenue | 4,588,886 |
| State Revenue Sharing | 49,119 |
| 1% Airport Tax | 57,182 |
| Non-Employer Pension Contribution | 23,227 |
| Passenger Facility Charges | 1,115,945 |
| Customer Facility Charges | 1,105,664 |
| Gain (Loss) on Disposal of Fixed Assets | <u>37,839</u> |
| Total Non-Operating Revenues (Expenses) | <u>15,886,377</u> |

INCREASE (DECREASE) IN NET POSITION (306,666)

NET POSITION, BEGINNING (AS RESTATED, SEE NOTE R) 343,087,319

NET POSITION, ENDING \$ 342,780,653

The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---------------------------------------|--------------------|
| Cash Received From Providing Services | \$ 10,984,342 |
| Received from Other Sources | 250,430 |
| Cash Paid to Suppliers | (11,159,869) |
| Cash Paid to Employees | <u>(2,124,258)</u> |

| | |
|---|----------------|
| Net Cash (Used In) Operating Activities | \$ (2,049,355) |
|---|----------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|------------------------------|------------------|
| Investment Interest Received | <u>2,831,111</u> |
|------------------------------|------------------|

| | |
|---|-----------|
| Net Cash Provided By Investing Activities | 2,831,111 |
|---|-----------|

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

| | |
|------------------------|------------------|
| Ad Valorem Tax Revenue | <u>4,535,202</u> |
|------------------------|------------------|

| | |
|---|-----------|
| Net Cash Provided By Non-Capital Financing Activities | 4,535,202 |
|---|-----------|

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

| | |
|--|------------------|
| Capital Grants Received | 5,706,241 |
| Acquisition and Construction of Fixed Assets | (6,165,244) |
| 1% Tax Revenue | 57,182 |
| Other Funds Received | <u>2,221,609</u> |

| | |
|---|------------------|
| Net Cash Provided By Capital and Financing Activities | <u>1,819,788</u> |
|---|------------------|

NET INCREASE IN CASH AND CASH EQUIVALENTS

7,136,746

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

(including \$3,399,690 in restricted cash)

51,704,559

CASH AND CASH EQUIVALENTS, END OF YEAR

(including \$1,645,477 in restricted cash)

\$ 58,841,305

The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

STATEMENT OF CASH FLOWS - continued
YEAR ENDED DECEMBER 31, 2024

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES:**

| | | |
|---|-----------------|-----------------------|
| Operating Loss | \$ (16,193,043) | |
| Adjustments to Reconcile Loss From Operations to Net Cash | | |
| Provided By Operating Activities: | | |
| Gain on Sale of Property and Equipment | 37,839 | |
| Depreciation | 17,796,424 | |
| Other Revenue | 212,591 | |
| Provision for Net Pension Liability, Net | (106,499) | |
| Changes in Assets and Liabilities: | | |
| Accounts Receivable | (399,197) | |
| Leases Receivable | (29,570) | |
| Prepaid Expenses | (50,351) | |
| Accounts Payable | (2,271,467) | |
| Accrued Expenses | (1,341,921) | |
| Unearned Revenue | (44,057) | |
| Security Deposits | 38,852 | |
| Accrued Compensated Absences | <u>301,044</u> | |
| Net Cash (Used In) Operating Activities | | <u>\$ (2,049,355)</u> |

The Accompanying Notes are an Integral Part of These Statements.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity - Lafayette Regional Airport is a municipally owned, non-hub airport located on U. S. Highway 90 East in the City of Lafayette. The Airport provides passenger service through three regional carriers. The major source of revenue for the Airport is rentals on buildings, hangars, land, and terminal space.

The Lafayette Regional Airport is a component unit, jointly reaffirmed by ordinances from both the Lafayette City Council and the Lafayette Parish Council in 2020. The Airport constitutes a legal entity separate and apart from these Councils which were previously recognized as a Consolidated Government. The Airport continues to be governed by a seven-member, non-elected commission. Three members are appointed by the Lafayette City Council, two members are appointed by the Lafayette Parish Council, one member is appointed by the Mayor-President, and one member is appointed by the mayors of the various municipalities surrounding Lafayette.

The financial information contained in these statements is only that of the Lafayette Regional Airport and includes all funds over which the Airport exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Basis of Presentation - The Lafayette Regional Airport, reported in these statements as a proprietary fund, prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles. FASB ASC Section 2100 – Defining the Financial Reporting Entity established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Lafayette Regional Airport is considered to be a component unit of the Consolidated Government of Lafayette, Louisiana. The accompanying statements present only transactions of the Airport, a component unit of the Consolidated Government of Lafayette, Louisiana.

Basis of Accounting - The Airport maintains its books and records using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The accounts of the Airport are in conformity with generally accepted accounting principles (GAAP). Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statute 24:517 and to the guidelines set forth in the Louisiana Governmental Audit Guide.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are charges to customers for rental of facilities, sales and services. Operating expenses include the cost of leasing, sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Airport’s policy to use restricted resources first, then unrestricted resources as they are needed.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Net Position - In the financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted - This component of net position consists of constraints placed on net asset 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 net position - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Revenue Recognition - Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

Landing and airfield fees, terminal building, rental building, and leased areas rentals are recorded as revenues during the year in which earned.

Property and Equipment - Depreciation of all exhaustible fixed assets is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of fixed assets are as follows:

| | <u>Years</u> |
|------------------------------|--------------|
| Hangars and Buildings | 10 - 40 |
| Runways and Navigation Aids | 10 - 20 |
| Service Roads and Parking | 10 - 20 |
| Other Permanent Improvements | 10 - 20 |
| Equipment | 3 - 10 |
| Lease Purchase Equipment | 5 |

Land and other capital improvements acquired by the Airport prior to October 31, 1971, are stated at replacement cost as of that date, as historical cost information was not maintained prior to this time. Land acquisitions, which occurred prior to October 31, 1971, are stated at an estimated replacement cost of \$4,834,560, which approximates \$2,600 per acre. All capital improvements acquired prior to this date are fully depreciated, and, as such, have no remaining book value at the balance sheet date. All subsequent asset purchases are stated at cost. The Airport has a policy in place which requires the capitalization of all asset purchases of \$1,000 or greater. No asset values have been recorded for various improvements constructed by tenants at their own expense, which improvements will revert to the Airport at the expiration of the applicable leases.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Prepaid Items - Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items.

Restricted Assets - Proceeds from certain resources of the Airport are classified as restricted assets on the Statement of Net Position because their use is limited by grant agreements or ordinances.

Compensated Absences - Employees of the Airport earn annual leave in amounts from 8 to 12 hours per month based on years of service. Annual leave may be carried forward provided the amount carried forward does not exceed two years of an employee's earned annual leave. Unused annual leave (in excess of what can be carried forward) shall be used or surrendered. Upon termination, employees are paid for all accumulated annual leave.

Sick leave is credited to all classified employees at the rate of eight hours per month. All unused sick leave is carried forward from year to year. No payments are due for such accumulated sick leave upon termination or retirement.

The Airport's recognition and measurement criteria for compensated absences follows GASB Statement No. 101. Estimated accrued compensated absences resulting from unused vacation and sick leave at the end of the fiscal year are recorded as long-term liabilities in the financial statements. This policy resulted in an accrual for compensated absences of \$278,859 at December 31, 2024.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Airport considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Airport had no cash equivalents at December 31, 2024. Restricted cash is also included in the cash balances for purposes of the statement of cash flows.

Investments - Under State law, the Airport may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost.

Custodial Credit Risk - Deposits and Investments - The Airport is exposed to custodial credit risk as it relates to their deposits and investments with financial institutions. The Airport's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Airport's name. Accordingly, the Airport had no custodial credit risk related to its deposits at December 31, 2024.

Deferred Outflows of Resources and Deferred Inflows of Resources - In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues in a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Leases Receivable - The Airport leases property to commercial airlines, car rental companies, concessionaires, fixed based operators who service the airline industry, the FAA, and others. A significant portion of these leases are non-cancelable operating leases.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Airport implemented GASB Statement No. 87, *Leases*, for the year ended December 31, 2022. Under this statement, the lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The leases receivable is measured at the present value of lease payments expected to be received during the lease term discounted using an incremental borrowing rate of the Airport which ranged from 2.03% to 3.23%.

Pensions - The Airport funds all of its accrued pension cost at the time of contribution, for its contributory pension plan which covers substantially all of its employees. Annual costs are actuarially computed using the entry age normal cost method.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Long-term Debt - Long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains/losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. As of December 31, 2024, the Airport has no outstanding debt.

Post-Employment Benefits - The Airport does not offer any of these types of benefits to employees and therefore has no liability.

Federal Financial Assistance - The Airport receives financial assistance for costs of construction and improvements to airport facilities through grants from the Federal Aviation Administration. The Airport is on the reimbursement basis for funds received for financial assistance.

New Accounting Pronouncements - GASB has released Statement No. 101, *Compensated Absences* (Statement 101), which replaces GASB Statement No. 16, *Accounting for Compensated Absences*. Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under the new Statement a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered; (b) the leave has accumulated; and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. The Statement also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave, and other specific types of compensated balances. The Statement is effective for fiscal years beginning after December 15, 2023. The adoption of this standard resulted in a prior period adjustment which reduced net position in the proprietary fund by \$148,672 as of December 31, 2023.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(B) CASH AND INVESTMENTS

State laws authorize the government to invest in obligations of the U.S. Treasury, obligations guaranteed by the United States or any agency thereof, and bonds of this state or any subdivision of this state.

All bank balances of deposits and investments as of the Statement of Net Position date are entirely insured or collateralized by securities held by the government's agent in the government's name.

Interest Rate Risk - As a means of limiting its exposure to fair-value losses arising from rising interest rates, the Airport's investment policy limits the investment portfolio to maturities of less than one year.

Credit Risk/Concentration of Credit Risk - Because the Airport currently has no investments, there is no credit risk or concentration of credit risk.

Cash included in the Statement of Cash Flows at December 31 is as follows:

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Petty Cash | \$ 400 | \$ 400 |
| Operating Account | 4,500,897 | 6,104,006 |
| Operating Reserve | 42,117,850 | 32,125,703 |
| PFC Account | 210,007 | 1,353,136 |
| CFC Account | 1,377,240 | 334,282 |
| Airport and Terminal Projects Fund Account | 10,576,681 | 10,074,761 |
| 1% Airport Tax Account | - | 16,178 |
| Grant Account | 58,230 | 1,696,094 |
| Cash Per Statement of Cash Flows | <u>\$ 58,841,305</u> | <u>\$ 51,704,559</u> |

(C) AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Government in early fall and are actually billed to the taxpayers by the Assessor in October or November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Lafayette Parish Sheriff. The taxes are remitted to the Airport net of a deduction for Assessor's Pension Fund contributions.

That portion of the ad valorem taxes dedicated to operations and maintenance of the Airport was assessed to property owners in Lafayette Parish at 1.71 mills on property with assessed valuations totaling \$3,308,688,683 less exemptions of \$457,902,723 for 2024.

(D) RESTRICTED ASSETS

Assets required to be held and/or used as specified in bond resolutions, grant agreements, or other contractual agreements have been reported as Restricted Assets.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(E) GRANT FUNDS RECEIVABLE

The Airport is in the process of performing various airfield improvement projects, including construction of a new terminal, with the assistance of federal and state funds. Grant funds receivable at December 31, 2024, consisted of the following:

| | |
|-------------------------------------|----------------------|
| State Department of Transportation | \$ 2,871,633 |
| Economic Development Administration | 533,059 |
| FAA – AIP Project 45 | 91,967 |
| FAA – AIP Project 47 | 470,228 |
| FAA – AIP Project 51 | 95,281 |
| FAA – AIP Project 52 | 1,000,000 |
| FAA – AIP Project 53 | 733,559 |
| FAA – AIP Project 54 | 462,794 |
| FAA – AIP Project 55 | 779,234 |
| FAA – AIP Project 57 | 549,999 |
| FAA – AIP Project 58 | 1,053,651 |
| FAA – AIP Project 59 | 956,476 |
| FAA – AIP Project 60 | 240,101 |
| FAA – AIP Project 62 | 56,876 |
| FAA – AIP Project 66 | 1,325,963 |
| FAA – AIP Project 69 | 233,435 |
| FAA – AIP Project 70 | 348,247 |
| FAA – AIP Project 71 | 416 |
| FAA – AIP TBD | 611,798 |
| Total Grant Funds Receivable | <u>\$ 12,414,717</u> |

(F) PASSENGER FACILITY CHARGE

During the 2016 fiscal year, the Airport submitted an application to the Federal Aviation Administration (FAA) to impose a Passenger Facility Charge (PFC) at the Lafayette Regional Airport. Approval of this application occurred in June 2017. The FAA approved the collection and use of PFC revenues for the new passenger terminal project commencing October 1, 2017. Under the terms of the agreement with the FAA, the Airport is allowed to charge \$4.50 PFC per passenger, to generate maximum net cumulative revenues of \$21,139,375. In 2021, the Airport submitted an amendment to this application to reduce the maximum net cumulative PFC revenue to \$10,453,982 of which \$6,375,158 has been cumulatively collected. The FAA estimates that the charge expiration date will be August 1, 2029. The use of this revenue is restricted by the FAA for specific approved projects. At December 31, 2024, \$210,007 had not been disbursed and is reported as restricted cash in the Statement of Net Position.

(G) CUSTOMER FACILITY CHARGE

Effective June 1, 2017, the Airport began collecting a Customer Facility Charge (CFC), which is collected for each rental car transaction day at a rate of \$5.50 per transaction day. The revenues generated will be used to fund and finance the new Rental Car Facility in association with the New Terminal Development Project. The Airport has been approved to initially collect enough CFC funds to cover planning, design, project management costs and construction of the project. For the year ended December 31, 2024, the remaining CFC revenue collected and available to fund the project was \$1,377,240 and is reported on the face of the Statement of Net Position as Restricted.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(H) PROPERTY AND EQUIPMENT

The following is a summary of changes in property and equipment:

| | Beginning Balance (Restated) 12/31/2023 | Additions | Disposals/ Transfers | Ending Balance 12/31/2024 |
|---|--|-----------------------|-------------------------|---------------------------------|
| Hangers and Buildings | \$ 83,563,772 | \$ 110,432,938 | \$ - | \$ 193,996,710 |
| Runways and Navigation Aids | | 25,795,945 | - | |
| | 117,506,370 | | | 143,302,3145 |
| Service Roads and Parking | 18,895,967 | 6,268,605 | - | 25,164,572 |
| Other Permanent Improvements | 24,317,241 | 919,837 | (2,488,657) | 22,748,421 |
| Equipment | 22,667,700 | 574,400 | (197,481) | 23,044,619 |
| Furniture and Fixtures | 1,362,855 | - | (74,551) | 1,288,3054 |
| | <u>\$ 268,313,905</u> | <u>\$ 143,991,725</u> | <u>\$ (2,760,689)</u> | <u>\$409,544,941</u> |
| Less: Accumulated Depreciation and Amortization | <u>(146,094,335)</u> | <u>(17,796,424)</u> | <u>2,760,689</u> | <u>(161,130,070)</u> |
| Net Property and Equipment | <u>\$ 122,219,570</u> | <u>\$ 126,195,301</u> | <u>\$ -</u> | <u>\$ 248,414,871</u> |
| Land | <u>\$ 6,191,076</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,191,076</u> |
| Construction in Progress | <u>\$ 151,935,168</u> | <u>\$ 5,467,492</u> | <u>\$(143,308,373)</u> | <u>\$ 14,094,287</u> |

Depreciation expense for the year ended December 31, 2024, was \$17,796,424.

The Airport leases its property to various commercial and governmental operations, with a significant portion of these leases being non-cancellable. The cost of leased building property and improvements is \$190,470,005, and the amount of accumulated depreciation as of December 31, 2024 is \$43,212,968.

(I) LEASES RECEIVABLE

In accordance with GASB 87 – *Leases*, a lessor is required to recognize a lease receivable and a deferred inflow of resources on leases that meet the criteria of the standard. Excluded from these calculations are all regulated leases, which are defined as aeronautical for airport purposes, and any short-term leases. The leases receivable is measured at the present value of lease payments expected to be received during the lease term discounted using the incremental borrowing rate which ranged from 2.03% to 3.23% at time of implementation and continues to be used for any new leasing agreements.

The Airport’s leasing operations consist of the leasing of office and terminal space to airlines, cargo carriers, rental car companies and other tenants in the aviation industry, as well as other non-aviation tenants. Lease terms are set by the Airport based on pre-set calculations for rates and charges based on several factors.

Significant lease agreements are described below:

In January 2022, the Airport entered into a restaurant/bar/news and gift shop concession agreement with Oakwells Commuter Rail, LLC for a term of three (3) years commencing January 20, 2022, with two (2) one-year option terms through January 19, 2027. The agreement contains a minimum annual guarantee (MAG) of \$60,000 paid monthly. The concessionaire shall make monthly payments to the Airport for a percentage of gross receipts from all sales based on a tiered system for calculation and annually will pay the greater of this

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calculation or the MAG.

(I) LEASES RECEIVABLE - continued

The Airport has entered into agreements with four (4) rental car companies for the use of certain Airport facilities for parking and rental car administration. The terms of these agreements include a set monthly amount for terminal floor rent, ready return parking rent, Quick Turnaround Facility rent as well as a fixed minimum annual guaranteed (MAG) payments. The agreements also outline additional contingent payments based on each company's annual sales volume of business. These leases commenced on January 20, 2022, with a term of 3 years, with two options to renew for additional one-year term. Each lease agreement outlines the annual amounts due for each type of payment due. The first option for renewal was exercised by all rental car companies in December 2024.

Minimum Annual Guaranteed payments for each company are as follows:

| <u>Rental Car Company Name</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> |
|------------------------------------|-------------|-------------|-------------|
| Avis Budget Car Rental, LLC | \$284,296 | \$287,139 | \$290,011 |
| The Hertz Corporation | \$205,468 | \$220,056 | \$235,680 |
| EAN Holdings, LLC - Enterprise | \$173,433 | \$173,434 | \$173,435 |
| EAN Holdings, LLC – Alamo/National | \$173,434 | \$173,435 | \$173,433 |

The Airport entered into three (3) land leases with a local automobile dealership for expansion of the dealership. The terms of these leases are as follows:

- A ten (10) year lease beginning April 1, 2017 through March 31, 2027 with an initial lease payment of \$40,122 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of January. At December 31, 2024, the annual lease payment is \$51,012, paid monthly.
- An eighteen (18) year lease beginning April 1, 2008 through March 31, 2026 with an initial lease payment of \$35,794 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of March. At December 31, 2024, the annual lease payment is \$52,675, paid monthly.
- A fifteen (15) year lease beginning December 1, 2011 through March 31, 2026 with an initial lease payment of \$28,967 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of November. At December 31, 2024, the annual lease payment is \$40,465, paid monthly.

In September 2007, the Airport entered into a ten (10) year land lease with a third party. This lease was extended in 2017 for an additional ten (10) years, now expiring August 31, 2027. Lease payments were set at \$55,200 per year, paid monthly for the first five (5) years of the lease term, with the second five (5) years of the lease term being increased to \$63,480 per year, paid monthly. Beginning with the extension period, the lease payments will be adjusted by the average consumer price index (CPI) for the previous (5) years using the month of July. At December 31, 2024, the annual lease payment is \$343,377, paid monthly.

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(I) LEASES RECEIVABLE - continued

The Airport has entered into two (2) leases with a helicopter transportation company to contract and operate in a facility.

- In July 2005, the Airport entered into a sixteen (16) year land lease with a third party to build a facility. This lease also contains three (3) five (5) year options. The initial term of the lease expired on June 30, 2021, at which time, the first option was exercised on July 1, 2021 and is through June 30, 2026. Lease payments were originally set at \$48,000 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of February. At December 31, 2024, the annual lease payment is \$79,938, paid monthly.
- In October 2023, the Airport entered into a five-year lease with this third party for use a helicopter, transportation, maintenance and repair office facility. The lease also contains two (2) five (5) year options. The initial term of the lease expires on October 28, 2028. Lease payments were originally set at \$625,000 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of July. At December 31, 2024, the annual lease payment is \$643,125, paid monthly.

In May 2022, the Airport purchased improved real estate, including all buildings, structures, improvements, fixtures etc. located adjacent to the Airport, from the Lafayette Parish School Board. This purchase will provide the Airport with additional property for future expansion. At the time of sale, the Airport and the School Board entered into a lease agreement to lease portions of the property purchased. The lease term is from May 16, 2022, through May 15, 2027. Phase 1 of the lease is from May 16, 2022, through May 15, 2024, with an annual rent of \$273,207, paid monthly and includes building, improvements, fixture, etc. Phase 2 of the lease is from May 16, 2024, through May 15, 2027, with an annual rent of \$51,440, paid monthly and is denoted as lease of the “warehouse premises” only.

In April 2008, the Airport entered into a ten (10) year land lease with the local university. The lease also contains three (3) ten (10) year options. The initial term of the lease expired on March 31, 2018, at which time, the first option was exercised through March 30, 2028. The initial lease payment was \$86,000 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of March. At December 31, 2024, the annual lease payment is \$138,890, paid monthly.

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(I) LEASES RECEIVABLE - continued

Lease receivable, lease revenue and lease interest revenue related to these long-term leases are as follows:

| <u>Property</u> | <u>Lease Date</u> | <u>Lease Receivable</u> | <u>Lease Revenue</u> | <u>Interest</u> |
|--------------------------------|-----------------------|-----------------------------|--------------------------|-------------------|
| Oakwells Commuter Rail, LLC | 1/20/22 | \$ 120,729 | \$ 56,305 | \$ 4,485 |
| Rental Car Companies (4) | 1/20/2022 | 2,531,442 | 1,165,436 | 97,158 |
| Moss Motors, Inc. | various | 220,546 | 125,782 | 9,243 |
| Brenton Investment Corporation | 9/1/2017 | 175,248 | 61,144 | 6,769 |
| PHI Aviation, LLC | 7/1/2005 | 2,308,181 | 641,333 | 81,243 |
| Lafayette Parish School Board | 5/16/2022 | 117,450 | 133,569 | 5,254 |
| ULL Marine Survival | 4/1/2008 | 413,493 | 115,820 | 15,488 |
| Other Leases | various | <u>161,858</u> | <u>21,009</u> | <u>3,128</u> |
| Total | | <u>\$ 6,048,948</u> | <u>\$ 2,320,398</u> | <u>\$ 223,408</u> |

Future payments due to the Airport under these agreements are as follows:

| <u>Year Ending December 31</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|---------------------|-------------------|
| 2025 | \$ 2,218,513 | \$ 157,963 |
| 2026 | 2,218,262 | 85,922 |
| 2027 | 966,140 | 33,229 |
| 2028 | 601,999 | 9,475 |
| 2029 | 33,304 | 763 |
| 2030 and beyond | <u>10,730</u> | <u>175</u> |
| Total | <u>\$ 6,048,948</u> | <u>\$ 287,527</u> |

(J) DEFINED BENEFIT PENSION PLAN

Plan Description

All full-time employees of Lafayette Regional Airport participate in the Parochial Employees' Retirement System (PERS) of Louisiana, a multiple-employer, cost-sharing public employee retirement plan that was established by the Louisiana Legislature as of January 1, 1953, by Act 205 of 1952. The PERS was revised by Act 765 of 1979, revised by Act 584 of 2006.

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system, and which elects to become members of the System.

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(J) DEFINED BENEFIT PENSION PLAN - continued

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements

All Airport employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- a) Thirty years of creditable service regardless of age.
- b) Twenty-five years of creditable service at age 55.
- c) Ten years of creditable service at age 60.
- d) Seven years of creditable service at age 65.

For employees hired after January 1, 2007:

- a) Thirty years of creditable service at age 55.
- b) Ten years of creditable service at age 62.
- c) Seven years of creditable service at age 67.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the Plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

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(J) DEFINED BENEFIT PENSION PLAN – continued

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has a least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board.

Upon retirement caused by disability, a member of the Plan shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2007, and to age sixty-two for those members who are enrolled January 1, 2007, and later.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account (IRA).

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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(J) DEFINED BENEFIT PENSION PLAN - continued

Cost of Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2023, the actually determined contribution rate was 7.49% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2023, was 11.50% for Plan A.

The total contributions for the years ended December 31, 2024, 2023 and 2022 were \$199,898, \$195,542, and \$180,789, respectively. As of December 31, 2024, the Airport has a \$98,796 fourth quarter pension contribution liability.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Schedule of Employer Allocations

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contributions to the plan during the fiscal year ended December 31, 2023, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2023.

Schedule of Pension Amounts by Employer

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the Schedule of Employer Allocations.

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(J) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions

The net pension liability/(asset) was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability/(asset) of the System's employers determined in accordance with GASB No. 67 as of December 31, 2023 are as follows:

| | <u>PLAN A</u> |
|------------------------------------|----------------------|
| Total Pension Liability | \$ 4,847,819,779 |
| Plan Fiduciary Net Position | <u>4,752,547,557</u> |
| Total Net Pension Liability(Asset) | <u>\$ 95,272,222</u> |

The Airport's allocation is 0.234735% of the Total Net Pension Liability.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023, are as follows:

| | |
|----------------------------------|---|
| Valuation Date | December 31, 2023 |
| Actuarial Cost Method | Entry Age Normal Cost |
| Investment Rate of Return | 6.40%, net of pension plan investment expense, including inflation |
| Projected Salary Increases | 4.75% |
| Mortality Rates: | Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants. |
| Expected Remaining Service Lives | 4 years for Plan A |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |
| Inflation Rate | 2.30% |

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(J) DEFINED BENEFIT PENSION PLAN - continued

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023, are summarized in the following table:

| Asset Class | Target Asset Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------------|--------------------------------|---|
| Fixed Income | 33% | 1.12% |
| Equity | 51% | 3.20% |
| Alternatives | 14% | 0.67% |
| Real Assets | 2% | 0.11% |
| Totals | 100% | 5.10% |
| Inflation | | 2.40% |
| Expected Arithmetic Nominal Return | | 7.50% |

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2018, through December 31, 2022. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

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(J) DEFINED BENEFIT PENSION PLAN - continued

Sensitivity to Changes in Discount Rate

The following presents the net pension liability/(asset) of the participating employers as of December 31, 2023 calculated using the discount rate of 6.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.40%), or one percentage point higher (7.40%), than the current rate.

| | Plan A | | |
|-------------------------------|-------------------------|--------------------------------------|-------------------------|
| | 1% Decrease 5.40% | Current Discount Rate 6.40% | 1% Increase 7.40% |
| Net Pension Liability/(Asset) | <u>\$ 1,595,692</u> | <u>\$ 223,637</u> | <u>\$ (928,067)</u> |

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2024, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$60,029 and a deferred outflow of resources in the amount of \$105,899 for the year ended December 31, 2024.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$360,424 for the year ended December 31, 2024.

Changes of Assumptions

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions resulted in deferred inflows of resources in the amount of \$947,584 for the year ended December 31, 2024.

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(J) DEFINED BENEFIT PENSION PLAN - continued

Change in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion resulted in deferred outflows of resources in the amount of \$4,046 and deferred inflows of resources in the amount of \$197,149 for the year ended December 31, 2024.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2023. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Airport reported Net Pension Liability/(Asset) of \$223,637 for its proportionate share of the Net Pension Liability of the Plan.

The Net Pension Liability/(Asset) was measured as of December 31, 2023, and the total pension liability used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date. The Airport's proportion of the Net Pension Liability/(Asset) was based on a projection of the Airport's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At December 31, 2023, the Airport's proportion was 0.234735%, which was a decrease of 0.01295% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2024, the Airport recognized pension expense of \$95,309 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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(J) DEFINED BENEFIT PENSION PLAN - continued

At December 31, 2024, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between expected and actual experiences | \$ 105,899 | \$ 60,029 |
| Changes of Assumptions | - | 38,962 |
| Net difference between projected and actual earnings on pension plan investments | 360,424 | - |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 4,046 | 13,988 |
| Employer contributions subsequent to measurement date - Prior | (195,542) | - |
| Employer contributions subsequent to the measurement date - Current | <u>201,808</u> | <u>-</u> |
| Total | <u>\$ 476,635</u> | <u>\$ 112,979</u> |

Deferred outflows of resources of \$201,808 related to pensions resulting from the Airport's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability/(Asset) in the fiscal year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ended</u> | |
|---|--------------|
| 12/31/2024 | \$ 26,811 |
| 12/31/2025 | \$ 173,525 |
| 12/31/2026 | \$ 303,553 |
| 12/31/2027 | \$ (146,499) |

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(K) OPERATING LEASES AND AGREEMENTS

In January 2022, the Airport entered into new lease agreements with the three (3) passenger airlines serving the Airport. The lease term under each of these agreements is for an initial term of three (3) years with one (1) additional option term of two (2) years, to be mutually agreed upon by the parties.

As part of these new lease agreements, a revised rates and charges schedule was agreed upon for use of preferential use space, common use space, fees for baggage claim belts, passenger loading bridge use, public address system access points, and landing fees. Additional charges for telephone, cable, internet and wifi services are also outlined. The rates are applied to the individual airlines based on the prior year enplanements and deplanements.

The following is a schedule by year of minimum future lease payments for preferential and common use space from airlines as of December 31, 2024:

| | |
|------------------------------|---------------------|
| Year Ending December 31, | |
| 2025 | \$ 2,296,336 |
| 2026 | 2,365,391 |
| Total Minimum Future Rentals | <u>\$ 4,661,727</u> |

The Airport also leases buildings, hangars, land and terminal space to a number of other tenants. Due to the nature of those leases, they are all classified as operating leases.

The following is a schedule by year of minimum future rentals on non-cancellable operating leases as of December 31, 2024:

| | |
|------------------------------|---------------------|
| Year Ending December 31, | |
| 2025 | \$ 2,140,005 |
| 2026 | 1,929,971 |
| 2027 | 1,240,735 |
| 2028 | 1,117,228 |
| 2029 | 492,228 |
| Thereafter | 2,182,044 |
| Total Minimum Future Rentals | <u>\$ 9,102,211</u> |

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. Those annual adjustments could not be determined. Therefore, the 2024 rents were used for all years.

(L) RISK MANAGEMENT

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Airport is insured to reduce the exposure to these risks.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(M) COMMITMENTS AND CONTINGENCIES

On a continuing basis, the Airport enters into construction contracts for improvements to the Airport. At December 31, 2024, there are several ongoing projects for which contracts have been entered and work is in progress. The majority of the costs of these projects are being funded by Airport Improvement Program Grants through the Federal Aviation Administration and the State of Louisiana, Department of Transportation.

The Airport participates in a number of federal financial assistance programs. Although the grant programs have been audited through December 31, 2024, in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), these programs are still subject to financial and compliance audits by governmental agencies. Such audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

(N) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Airport has items relating to pension that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Airport has items relating to pension, leases and property taxes that qualify for reporting in this category.

(O) COMPENSATION OF COMMISSION MEMBERS

The Airport Commission is comprised of a seven (7) member board who serve without compensation.

(P) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to the Executive Director, Steven Picou, for the year ended December 31, 2024:

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------------|---------------|
| Salary and Related Benefits | \$ 214,854 |
| Benefits - Insurance | \$ 22,037 |
| Benefits - Retirement | \$ 22,479 |
| Reimbursements - Phone | \$ 1,200 |
| Travel | \$ - |
| Registration Fees | \$ 2,540 |
| Conference Travel | \$ 14,018 |
| Vehicle Usage | \$ 816 |

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

(Q) DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SALES TAX

In November 2014, a one percent sales tax was approved by the voters to be collected for a period of eight months, dedicated to the construction of a new terminal at the Airport. Total collections not yet expended as of December 31, 2024 are \$-0- based on all funds being expended for the intended purpose.

(R) ACCOUNTING CHANGES/PRIOR YEAR RESTATEMENT

The Airport adopted the provisions of GASB Statement No. 101, *Compensated Absences*. GASB 101 changes the criteria for the accrual of compensated absences. This standard requires compensated absences to be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means.

The implementation of GASB Statement 101 resulted in a restatement of previously reported net position as follows:

| | |
|--|-----------------------|
| January 1, 2024 net position, as previously reported | \$ 343,235,991 |
| Net effect of accounting change | (148,672) |
| January 1, 2024 net position, as restated | <u>\$ 343,087,319</u> |

(S) NEW ACCOUNTING PRONOUNCEMENTS

As of December 31, 2024, the Governmental Accounting Standards Board has issued statements not yet implemented by the Authority. The statements that may impact the Authority are as follows:

GASB Statement 102, *Certain Risk Disclosures*

The primary objective of the Statement is to enhance accounting and financial reporting by requiring state and local governments to disclose information about certain risks related to vulnerabilities due to concentrations or constraints. The Statement is effective for fiscal years beginning after June 30, 2024.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2025.

(T) SUBSEQUENT EVENTS

The Airport has evaluated subsequent events through June 26, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2024

| | Administrative | General Maintenance | Contractual Services | Total |
|---|---------------------|------------------------|-------------------------|---------------------|
| SALARIES AND COSTS OF EMPLOYMENT | | | | |
| Salaries | \$ 1,191,473 | \$ 560,340 | \$ - | \$ 1,751,813 |
| Payroll Taxes | 19,706 | 9,291 | - | 28,997 |
| Group Insurance | 236,761 | 169,917 | - | 406,678 |
| Worker's Compensation | 8,326 | 27,680 | - | 36,006 |
| Retirement Contributions | 30,919 | 64,390 | - | 95,309 |
| Total Salaries and Costs of Employment | <u>\$ 1,487,185</u> | <u>\$ 831,618</u> | <u>\$ -</u> | <u>\$ 2,318,803</u> |
| SUPPLIES | | | | |
| Supplies and Minor Equipment | <u>\$ 28,197</u> | <u>\$ 11,597</u> | <u>\$ 12,164</u> | <u>\$ 51,958</u> |
| OTHER SERVICES AND CHARGES | | | | |
| Advertising | \$ 434,214 | \$ - | \$ - | \$ 434,214 |
| Postage and Freight | 3,173 | - | - | 3,173 |
| Dues and Publications | 10,402 | - | - | 10,402 |
| ID Card System | 19,883 | - | - | 19,883 |
| Environmental Expenses | 220,220 | - | - | 220,220 |
| Fuel and Oil | - | 27,293 | 9,887 | 37,180 |
| Fly Lafayette Campaign/Public Relations | 21,058 | - | - | 21,058 |
| Insurance | 388,444 | 368,500 | - | 756,944 |
| Miscellaneous | 561 | - | - | 561 |
| Terminal Building Equipment Contract | - | - | 205,807 | 205,807 |
| Professional Fees | 778,223 | - | - | 778,223 |
| Repairs and Maintenance | 15,630 | 527,094 | 148,833 | 691,557 |
| Repairs and Maintenance - Leased Facilities | - | 122,663 | - | 122,663 |
| Telephone | 114,282 | 2,120 | - | 116,402 |
| Training | 11,848 | 2,729 | - | 14,577 |
| Travel | 33,794 | - | - | 33,794 |
| Tri-Annual Drill Expenses | 178 | - | - | 178 |
| Uniforms | 2,308 | 7,110 | - | 9,418 |
| Utilities | - | 792,349 | - | 792,349 |
| Parking Fee Management | 469,952 | - | - | 469,952 |
| Contracted Services - | | | | |
| Grounds Maintenance | - | 155,200 | - | 155,200 |
| Janitorial | - | - | 666,451 | 666,451 |
| ARFF Services | - | - | 795,583 | 795,583 |
| Security | - | - | 1,127,235 | 1,127,235 |
| Total Other Services and Charges | <u>\$ 2,524,170</u> | <u>\$ 2,005,058</u> | <u>\$ 2,953,796</u> | <u>\$ 7,483,024</u> |

See Independent Auditor's Report.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

| Federal Grantor Program Title | Assistance Listing Number | Grant Number | Federal Expenditures | Amount to Subrecipients |
|---|---------------------------------|----------------------|-------------------------|----------------------------|
| U.S. Department of Transportation | | | | |
| Federal Aviation Administration | | | | |
| Airport Improvement Projects | 20.106 | * 3-22-0025-045-2014 | \$ 79,386 | \$ - |
| Airport Improvement Projects | | 3-22-0025-047-2016 | 73,027 | - |
| Airport Improvement Projects | | 3-22-0025-051-2018 | (346,307) | - |
| Airport Improvement Projects | | 3-22-0025-053-2019 | 71 | - |
| Airport Improvement Projects | | 3-22-0025-058-2020 | 4,229 | - |
| Airport Improvement Projects | | 3-22-0025-060-2021 | 51,030 | - |
| COVID - 19 - Airport Improvement Projects | | 3-22-0025-060-2021 | 5,670 | - |
| Airport Improvement Projects | | 3-22-0025-066-2022 | 3,172,656 | - |
| Airport Improvement Projects | | 3-22-0025-069-2024 | 233,435 | - |
| Airport Improvement Projects | | 3-22-0025-070-2024 | 348,247 | - |
| Airport Improvement Projects | | 3-22-0025-071-2025 | 416 | - |
| Airport Improvement Projects-not yet numbered | | n/a | <u>611,798</u> | <u>-</u> |
| Subtotal Airport Improvement Projects | | | 4,233,658 | - |
| U.S. Department of Commerce: | | | | |
| Passed Through Acadiana Planning Commission | | | | |
| Investments for Public Works and Economic | | | | |
| Development Facilities | 11.300 | N/A | <u>489,997</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 4,723,655</u> | <u>\$ -</u> |

* - denotes a major program.

NOTE:

The above Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

(A) BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Lafayette Regional Airport under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Government.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported in accordance with accounting principles generally accepted in the United States of America as applied to governmental units, which is described in Note A to the basic financial statements for the year ended December 31, 2024. Such expenditures are recognized following the cost principle contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(C) INDIRECT COST RATE

Lafayette Regional Airport has elected not to use the 10% de minimis indirect cost rate for the year ended December 31, 2024.

(D) REFUND OF PRIOR YEAR FEDERAL EXPENDITURES

The Airport received notification, in early 2025, of a reimbursement due from the Federal Aviation Administration (FAA) in the amount of \$346,007 related to an overpayment under a Reimbursable Agreement previously charged as eligible costs under the Airport Improvement Program (AIP) Grant No. 51, Assistance Listing 21.106. The original costs were reported as federal expenditures in prior years' Schedules of Expenditures of Federal Awards. In accordance with 2 CFR Section 200.406, the refund has been reported as negative expense (credit) in the current year SEFA, reducing current year federal expenditures under the AIP program and is recorded as a receivable from the FAA at December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
YEAR ENDED DECEMBER 31, 2024

| Year ended December 31 | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------------------------------|---|--|----------------------------------|--|--|
| 2015 | 0.184399% | \$ 50,416 | \$ 1,144,263 | 4.41% | 99.15% |
| 2016 | 0.199408% | \$ 524,899 | \$ 1,174,682 | 44.68% | 92.23% |
| 2017 | 0.190934% | \$ 393,231 | \$ 1,161,126 | 33.87% | 94.15% |
| 2018 | 0.019944% | \$ (148,036) | \$ 1,241,196 | -11.93% | 101.98% |
| 2019 | 0.207326% | \$ 920,187 | \$ 1,293,976 | 71.11% | 88.86% |
| 2020 | 0.216515% | \$ 10,192 | \$ 1,441,679 | 0.71% | 99.89% |
| 2021 | 0.197779% | \$ (346,788) | \$ 1,320,970 | -26.25% | 104.00% |
| 2022 | 0.213771% | \$ (1,006,954) | \$ 1,408,444 | -71.49% | 110.46% |
| 2023 | 0.247687% | \$ 953,295 | \$ 1,565,741 | 60.88% | 91.74% |
| 2024 | 0.234735% | \$ 223,637 | \$ 1,701,291 | 13.15% | 98.03% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2024

| <u>Year ended December 31,</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractual Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|------------------------------------|--|---|---|---|---|
| 2015 | \$ 183,082 | \$ 183,082 | \$ - | \$ 1,144,263 | 16.00% |
| 2016 | \$ 170,329 | \$ 167,130 | \$ 3,199 | \$ 1,174,682 | 14.23% |
| 2017 | \$ 150,946 | \$ 146,239 | \$ 4,707 | \$ 1,161,126 | 12.59% |
| 2018 | \$ 155,150 | \$ 152,798 | \$ 2,352 | \$ 1,241,196 | 12.31% |
| 2019 | \$ 148,807 | \$ 145,979 | \$ 2,828 | \$ 1,293,976 | 11.28% |
| 2020 | \$ 165,793 | \$ 158,339 | \$ 7,454 | \$ 1,441,679 | 10.98% |
| 2021 | \$ 161,819 | \$ 161,819 | \$ - | \$ 1,320,970 | 12.25% |
| 2022 | \$ 172,534 | \$ 175,697 | \$ (3,163) | \$ 1,408,444 | 12.47% |
| 2023 | \$ 180,060 | \$ 180,789 | \$ (729) | \$ 1,565,741 | 11.55% |
| 2024 | \$ 195,648 | \$ 195,648 | \$ - | \$ 1,701,291 | 11.50% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

INTERNAL CONTROL, COMPLIANCE AND OTHER INFORMATION



**INDEPENDENT AUDITOR'S 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**

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Lafayette Regional Airport's basic financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette Regional Airport's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafayette Regional Airport's financial statements are free of 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

June 26, 2025

Lafayette, Louisiana



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE***

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana's 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 Lafayette Regional Airport's major federal programs for the year ended December 31, 2024. Lafayette Regional Airport's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lafayette Regional Airport complied, in all material respects, with the types of 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Lafayette Regional Airport 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 Lafayette Regional Airport's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lafayette Regional Airport's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 Lafayette Regional Airport's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Lafayette Regional Airport'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 Lafayette Regional Airport'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 Lafayette Regional Airport'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.

This report is intended for the information of management and the Board of Commissioners of the Lafayette Regional Airport and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record, and its distribution is not limited.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

June 26, 2025

Lafayette, Louisiana

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

We have audited the financial statements of the Lafayette Regional Airport, a component unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2024, and have issued our report thereon dated June 26, 2025. We conducted our audit 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 Comptroller General of the United States. Our audit of the financial statements as of December 31, 2024, resulted in an unmodified opinion.

Section I - Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Control Deficiencies

☐ Yes ☒ No

Material Weakness

☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements

☐ Yes ☒ No

B. Management Letter

Was a management letter issued?

☐ Yes ☒ No

C. FEDERAL AWARDS

Major Program Identification

The Lafayette Regional Airport at December 31, 2024, had one major program: Department of Transportation: Federal Aviation Administration - Airport Improvement Projects: Assistance Listing Number 20.106.

Low-Risk Auditee

The Lafayette Regional Airport is considered a low-risk auditee for the year ended December 31, 2024.

Major Program - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended December 31, 2024.

Auditor's Report - Major Program

An unmodified opinion has been issued on the Lafayette Regional Airport's compliance for its major program as of and for the year ended December 31, 2024.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

C. FEDERAL AWARDS - continued

Control Deficiencies - Major Program

There were no control deficiencies noted during the audit of the major federal program.

Compliance Finding Related to Major Program

The audit did not disclose any material noncompliance or questioned costs relative to its federal program.

Section II - Financial Statement Findings

There were no control deficiencies or instances of material noncompliance noted during the audit.

Section III – Federal Award Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2024**

There were no prior year findings.



OTHER LOCATIONS:

Eunice Morgan City Abbeville

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana's compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its Passenger Facility Charge Program for the year ended December 31, 2024.

In our opinion, Lafayette Regional Airport complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2024.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lafayette Regional Airport's Passenger Facility Charge Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lafayette Regional Airport's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, 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 Lafayette Regional Airport's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, 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 Lafayette Regional Airport'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 Lafayette Regional Airport'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 *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, but not for the purpose of expressing an opinion on the effectiveness of Lafayette Regional Airport'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 the Passenger Facility Charge 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 the Passenger Facility Charge 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 the Passenger Facility Charge 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 Guide. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of the management and Board of Commissioners of the Lafayette Regional Airport, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record, and its distribution is not limited.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

June 26, 2025

Lafayette, Louisiana

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED AND NOTES THERETO
YEAR ENDED DECEMBER 31, 2024**

| | <u>Beginning Program Total</u> | <u>First Quarter</u> | <u>Second Quarter</u> | <u>Third Quarter</u> | <u>Fourth Quarter</u> | <u>Ending Program Total</u> |
|--|------------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|---------------------------------|
| Revenue: | | | | | | |
| Collections | \$ 17,539,874 | \$ 232,973 | \$ 267,186 | \$ 263,877 | \$ 282,086 | \$ 18,585,996 |
| Interest | <u>628,151</u> | <u>18,730</u> | <u>22,010</u> | <u>20,167</u> | <u>8,916</u> | <u>697,974</u> |
| Total Revenue | <u>18,168,025</u> | <u>251,703</u> | <u>289,196</u> | <u>284,044</u> | <u>291,002</u> | <u>19,283,970</u> |
| Disbursements: | | | | | | |
| Application 95-01-C-03-LFT (Closed) | 933,024 | - | - | - | - | 933,024 |
| Application 98-02-U-00-LFT (Closed) | 150,000 | - | - | - | - | 150,000 |
| Application 01-03-C-00-LFT (Closed) | 2,273,692 | - | - | - | - | 2,273,692 |
| Application 05-04-C-00-LFT (Closed) | 2,677,464 | - | - | - | - | 2,677,464 |
| Application 06-05-C-00-LFT (Closed) | 756,165 | - | - | - | - | 756,165 |
| Application 08-06-C-00-LFT (Closed) | 3,748,286 | - | - | - | - | 3,748,286 |
| Application 11-07-C-00-LFT (Closed) | 1,693,028 | - | - | - | - | 1,693,028 |
| Application 17-08-I-00-LFT/18-09-U-00-LFT: Project - New Passenger Terminal | <u>2,614,844</u> | <u>-</u> | <u>606,647</u> | <u>-</u> | <u>1,652,427</u> | <u>4,873,918</u> |
| Total Disbursements | <u>14,846,503</u> | <u>-</u> | <u>606,647</u> | <u>-</u> | <u>1,652,427</u> | <u>17,105,577</u> |
| Net PFC Revenue | <u>-</u> | <u>251,703</u> | <u>(317,451)</u> | <u>284,044</u> | <u>(1,361,425)</u> | <u>-</u> |
| PFC Account Balance | <u>\$ 1,353,136</u> | <u>\$ 1,604,839</u> | <u>\$ 1,287,388</u> | <u>\$ 1,571,432</u> | <u>\$ 210,007</u> | <u>\$ 210,007</u> |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting - The above schedule presents the revenues received from the PFC and expenditures incurred on approved Projects. The schedule has been prepared on the cash basis of accounting which is not materially different from the accrual basis of accounting which is required by Generally Accepted Accounting Principles (GAAP).

See Independent Auditor's Report.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**PASSENGER FACILITY CHARGE PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

A. SUMMARY OF AUDIT RESULTS

1. No material weaknesses were identified during the audit of the Passenger Facility Charge Program.
2. The auditor's report on compliance for the Passenger Facility Charge Program expresses an unmodified opinion.
3. There were no audit findings related to the Passenger Facility Charge Program.

B. FINDINGS AND QUESTIONED COSTS

None.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**PASSENGER FACILITY CHARGE PROGRAM
AUDIT SUMMARY
YEAR ENDED DECEMBER 31, 2024**

- | | | |
|--|-------------------------|-----------------------|
| 1. Type of report issued on PFC financial statements. | <u> X </u> Unmodified | <u> </u> Qualified |
| 2. Type of report on PFC compliance. | <u> X </u> Unmodified | <u> </u> Qualified |
| 3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts. | <u> X </u> Yes | <u> </u> No |
| 4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127. | <u> X </u> Yes | <u> </u> No |
| 5. The Public Agency maintains a separate financial accounting record for each application. | <u> X </u> Yes | <u> </u> No |
| 6. Funds disbursed were for PFC eligible items as identified in the FAA Decision to pay only for the allowable costs of the projects. | <u> X </u> Yes | <u> </u> No |
| 7. Monthly carrier receipts were reconciled with quarterly carrier reports. | <u> X </u> Yes | <u> </u> No |
| 8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <u> X </u> Yes | <u> </u> No |
| 9. Serving carriers were notified of PFC program actions/changes approved by the FAA. | <u> X </u> Yes | <u> </u> No |
| 10. Quarterly Reports were transmitted (or available via website) to remitting carriers. | <u> X </u> Yes | <u> </u> No |
| 11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8. | <u> X </u> Yes | <u> </u> No |
| 12. Project design and implementation is carried out in accordance with Assurance 9. | <u> X </u> Yes | <u> </u> No |
| 13. Program administration is carried out in accordance with Assurance 10. | <u> X </u> Yes | <u> </u> No |
| 14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence. | <u> X </u> Yes | <u> </u> No |