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

ANNUAL FINANCIAL REPORT AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

LAFAYETTE REGIONAL AIRPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying 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, 2019, and the related notes to the financial statements, which collectively comprise the Lafayette Regional Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Regional 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 May 8, 2020, 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 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 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.

Wright, Moore, DeHart,
Dupuis & Hutchinson

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

May 8, 2020
Lafayette, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management 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, 2019.

AIRPORT ACTIVITIES & HIGHLIGHTS

- Lafayette Regional Airport had a record-breaking year in 2019. 2019 enplanements reached 267,100, a 17.7% increase over 2018, with deplanements being 263,401, a 17.2% increase. In addition, Cargo operations also set a record with 27,601,388 pounds passing through the airport during 2019.

- As for flight loads, Delta flights to Atlanta lead the way with 86.5% of outgoing seats filled, followed by United flights to Houston with over 74.5%, Frontier Air flights with an average of 71.8%, and American Eagle flights to Dallas recording a 70.5% load factor in 2019. In addition, the Airport continues to work with other carriers to bring additional service to the Lafayette area.

- In December of 2014, Lafayette Parish voters approved a unique 1% Sales Tax that was collected in 2015 and dedicated to the construction of a new Airport Terminal. The tax and interest generated over $34,000,000 as of the end of 2019. In November of 2018 the formal Groundbreaking ceremony and the foundation of the New Terminal was laid. Progress continues and the project is on schedule to be completed in late 2021.

- A new private investment corporate hangar began construction in 2019 and will be completed in mid-2020 as the first in the new General Aviation subdivision area near the NGA Apron at LFT.

- In October of 2019, the Commission held its 30th Annual Aviation Fun Day at the Airport's Aircraft Rescue and Fire Fighting (ARFF) Facility. There were over 200 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 provided for each attending child in an effort to promote the Aviation industry.

- Major projects that were completed in 2019 include the New LFT Terminal's Infrastructure and Environmental Design and the final design for the new Rental Car Quick Turn Around (QTA). In addition, the rehabilitation of LFT's RWY 11/29, RWY 11 West End EMAS construction, the relocation of the Remote Transmit & Receive (RTR) Cable, and upgrades to the T-Hangars were also completed.

- Several projects still in progress at the end of 2019 include the Realignment and Widening of Taxiway Foxtrot North End and the Rental Car Quick Turn Around (QTA). Also ongoing are subsequent phases of the new LFT Terminal as well as additional infrastructure near the NGA Apron to accommodate the General Aviation Subdivision Plan. These projects are designed to enhance overall safety, as well as to help determine future growth and capacity of Lafayette Regional Airport.

- Projects in the design phase and scheduled to begin in 2020 are the complete Realignment and Widening of TWY Foxtrot South End and the RWY 11/29 Rehabilitation. In addition, several projects also planned for the upcoming year include scheduled phases of the new Terminal project that include weather proofing, erecting the canopy in front of the new Terminal, installing foundations for the jet bridges, and installing ground support equipment (GSE) pavement areas. These projects are also designed to improve the overall safety and the capacity of the airport.

FINANCIAL HIGHLIGHTS

- Operating Revenues rose 7.9% in 2019 from 2018 going from $9.2 million to $9.9 million. Parking Revenues rose by 12.4%, and Landing Fee revenue and Terminal Rents/Charges increased by 20.0% and 8.8% respectively due largely to higher enplanement numbers and the inclusion of Frontier Air. The rise of approximately $10.4 million in Capital Grants revenues is a result of reimbursements through various funding sources for the New LFT Terminal under construction. (Table 3)

- Operating Expenses only slightly increased from 2018 changing from $14.9 million to $15.5 million due primarily to increases in Contractual Services and Supplies and Materials as well as an increase in Depreciation. (Table 4)

- Non-Operating Income (Expenses), excluding capital grants reported as income and the 1% Airport Tax, changed from a net income of $6,499,522 in 2018 to a net income of $7,548,240 in 2019. This category also reported a 48% increase in Interest Income earned over 2018.

- Net position of our business-type activity for 2019 increased by $27 million or 13.1%, compared to a 8.4% increase in 2018. The increase for 2019 is largely due to increases in our Capital Assets. (Table 1)

- Additional funding for Airport operations is received through ad valorem tax revenue. In 2019 the Airport received approximately $3.85 million in revenues which is an increase from the $3.45 million in 2018.

- Capital Grants and Contributions received in 2019 were $25,633,207 compared to $15,209,748 in 2018. These grants are directly related to 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.

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 at the beginning of 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 increased just over 15% in the current year, from $216.0 million to $249.1 million. The increase is due to the growth in Capital Assets of $34.5M and in Current Assets of $8.3M. 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 does not reflect collections from Passenger Facility Charges or Customer Facility Charges, as these are not operating revenues.

CAPITAL ASSET AND LONG-TERM DEBT

Capital Assets

At the end of December 31, 2019, the Airport had $166.9 million invested in capital assets, net of related debt, including all equipment, land and buildings. This represents a net increase of $34.5 million, or 26%, over the 2018 amount of $132.4 million.

During 2019, the airport expended $42.8 million on capital activities. This included funds spent for many airport construction and improvement projects previously listed in this report under Airport Activities and Highlights-including the construction of a new Terminal-designed to enhance overall safety, as well as the help determine future growth and capacity of Lafayette Regional Airport.

Debt

During 2011, the Airport completely paid out all taxable and nontaxable bonds outstanding. The Lafayette Airport Commission, in 2018, received approval from the State Bond Commission and has plans to use Bonds in the financing of the New Terminal Project. In addition, there are two current open lines of credit: one backed by the CFC Fund 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 2019, only interest payments have been made on this 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 increases in rental charges to tenants of the Airport.
- ✈ Escalating costs of operations including repairs and maintenance, employee health insurance, professional and other contractual services.
- ✈ The Lafayette Airport Commission is well aware that as of the writing of this report, that COVID-19 will be a major economic factor in 2020 as the airline/airport industry has been significantly affected.

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, 222 Jet Ranger X Drive, Lafayette, LA 70508.

Table 1
NET POSITION

	Business-type Activities 2019	Business-type Activities 2018	Total Primary Government 2019	Total Primary Government 2018
ASSETS:				
Current Assets	$ 55,054,279	$ 46,658,420	$ 55,054,279	$ 46,658,420
Capital Assets	166,920,646	132,417,216	166,920,646	132,417,216
Non-Current Assets	27,155,179	37,013,018	27,155,179	37,013,018
TOTAL ASSETS	$ 249,130,104	$ 216,088,654	$ 249,130,104	$ 216,088,654
Deferred Outflows	$ 678,714	$ 181,387	$ 678,714	$ 181,387
LIABILITIES:				
Current Liabilities	$ 13,196,550	$ 7,606,236	$ 13,196,550	$ 7,606,236
Non-Current Liabilities	1,436,381	372,658	1,436,381	372,658
Total Liabilities	$ 14,632,931	$ 7,978,894	$ 14,632,931	$ 7,978,894
Deferred Inflows	$ 392,309	$ 868,188	$ 392,309	$ 868,188
NET POSITION:				
Net Investment in Capital Assets	$ 166,920,646	$ 132,417,216	$ 166,920,646	$ 132,417,216
Restricted - PFC	649,020	1,497,478	649,020	1,497,478
Restricted - CFC	1,624,624	1,398,784	1,624,624	1,398,784
Restricted - New Terminal	24,881,535	34,116,756	24,881,535	34,116,756
Unrestricted	40,707,753	38,140,761	40,707,753	38,140,761
Total Net Position	$ 234,783,578	$ 207,570,995	$ 234,783,578	$ 207,570,995

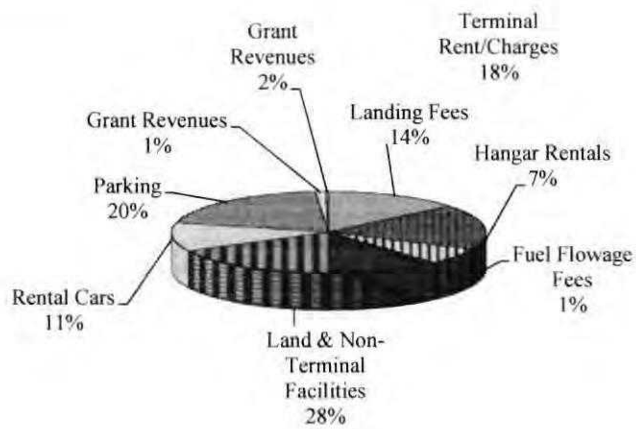
Table 2
CHANGES IN NET POSITION

	Business-type Activities		Total Primary Government	
	2019	2018	2019	2018
Revenues				
Program Revenues:				
Charges for Services	$ 9,856,261	$ 9,129,941	$ 9,856,261	$ 9,129,941
Operating Grants	108,099	108,910	108,099	108,910
Capital Grants and Contributions	25,633,207	15,209,748	25,633,207	15,209,748
Passenger Facility Charges	1,119,928	922,552	1,119,928	922,552
Customer Facility Charges	1,098,080	952,714	1,098,080	952,714
General Revenues:				
Property Taxes	3,808,971	3,446,981	3,808,971	3,446,981
Other Revenue	88,329	188,705	88,329	188,705
State Revenue Sharing	45,854	45,854	45,854	45,854
1% Airport Tax	(93,666)	174,277	(93,666)	174,277
Pension Related	15,843	14,827	15,843	14,827
Investment Earnings	1,345,787	906,729	1,345,787	906,729
Gain on Sale of Assets	25,449	21,292	25,449	21,292
Total Revenues	43,052,141	31,122,530	43,052,141	31,122,530
Program Expenses				
Administration	1,960,786	1,815,016	1,960,786	1,815,016
Telephones & Utilities	454,506	433,844	454,506	433,844
Supplies & Materials	51,348	47,432	51,348	47,432
Repairs & Maintenance	1,198,702	1,193,344	1,198,702	1,193,344
Security	873,680	852,325	873,680	852,325
ARFF	698,332	667,821	698,332	667,821
Professional Fees	619,126	714,507	619,126	714,507
Insurance	333,422	357,134	333,422	357,134
Contractual Services	964,357	847,321	964,357	847,321
Depreciation	8,346,791	7,992,106	8,346,791	7,992,106
Pension Related	212,536	41,453	212,536	41,453
Total Expenses	15,713,586	14,962,303	15,713,586	14,962,303
Increase in Net Position	$ 27,338,558	$ 16,160,227	$ 27,338,558	$ 16,160,227

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, 2019 and December 31, 2018:

Operating Revenues

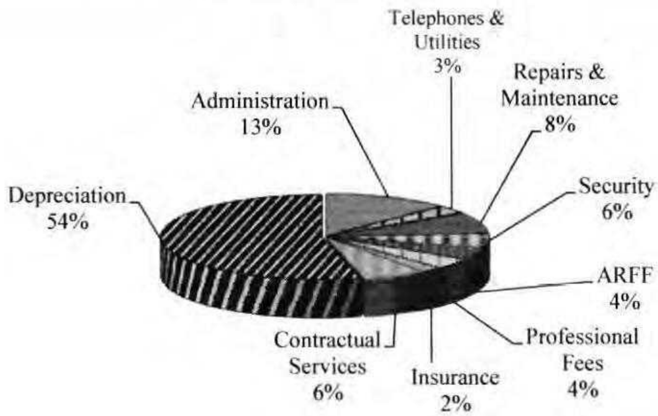


Operating Revenues:	2019	2018	Increase (Decrease) from 2018	Percent Increase (Decrease)
Landing Fees	$ 1,381,047	$ 1,151,128	$ 229,919	20.0%
Terminal Rent/Charges	1,788,498	1,643,683	144,815	8.8%
Hangar Rentals	650,684	634,268	16,416	2.6%
Fuel Flowage Fees	134,659	126,902	7,757	6.1%
Land & Non-Terminal Facilities	2,767,261	2,738,068	29,193	1.1%
Rental Cars	1,134,047	1,052,951	81,096	7.7%
Parking	1,972,898	1,755,445	217,453	12.4%
Grant Revenues	108,099	108,910	(812)	-0.7%
Other	27,167	27,496	(329)	-1.2%
Total Operating Revenues	9,964,359.53	9,238,851	725,508	7.9%
Non-Operating Revenues:				
Interest Income	1,345,787	906,729	439,058	48.4%
Other Revenue	88,329	188,705	(100,375)	-53.2%
Proceeds from Sale of Assets	25,449	21,292	4,156	0.0%
Pension Related	15,843	14,827	-	0.0%
Operation & Maintenance Tax	3,854,825	3,492,835	361,990	10.4%
Passenger Facility Charges	1,119,928	922,552	197,376	21.4%
Customer Facility Charges	1,098,080	952,714	145,366	0.0%
1% Airport Tax	(93,666)	174,277	(267,943)	-153.7%
Capital Grants and Contributions	25,633,207	15,209,748	10,423,459	68.5%
Total Non-Operating Revenues	33,087,782	21,883,678	11,203,087	51.2%
TOTAL REVENUES	$ 43,052,141	$ 31,122,530	$ 11,928,596	38.3%

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, 2019 and December 31, 2018:

Operating Expenses



Operating Expenses:	2019	2018	Increase (Decrease) from 2018	Percent Increase (Decrease)
Administration	$ 1,960,786	$ 1,815,016	$ 145,770	8.0%
Telephones & Utilities	454,506	433,844	20,662	4.8%
Supplies & Materials	51,348	47,432	3,916	8.3%
Repairs & Maintenance	1,198,702	1,193,344	5,358	0.4%
Security	873,680	852,325	21,355	2.5%
ARFF	698,332	667,821	30,511	4.6%
Professional Fees	619,126	714,507	(95,381)	-13.3%
Insurance	333,422	357,134	(23,712)	-6.6%
Contractual Services	964,357	847,321	117,036	13.8%
Depreciation	8,346,791	7,992,106	354,685	4.4%
Total Operating Expenses	15,501,050	14,920,850	580,200	3.9%
Non-Operating Expenses:				
Pension Related	204,199	40,886	163,313	399.4%
Bond Related	8,337	567	7,769	1370.2%
Total Non-Operating Expenses	212,536	41,453	171,082	-
TOTAL EXPENSES	$ 15,713,586	$ 14,962,303	$ 751,282	5.0%

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 42,600,282
Accounts Receivable	659,692
Ad Valorem Tax Receivable	1,287,096
Due From Sheriff	2,261,512
Grant Funds Receivable	7,837,945
Prepaids	407,752
Total Current Assets	55,054,279
RESTRICTED ASSETS	
Cash	
PFC Funds	649,020
CFC Funds	1,624,624
1% Airport Tax	24,881,535
Total Restricted Assets	27,155,179
PROPERTY AND EQUIPMENT	
Property and Equipment	210,625,314
Land	5,491,076
Construction in Progress	78,829,164
Total	294,945,554
Less: Accumulated Depreciation	(128,024,908)
Net Property and Equipment	166,920,646
TOTAL ASSETS	$ 249,130,104

DEFERRED OUTFLOWS OF RESOURCES

Pension Related	$ 678,714

The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
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OF LAFAYETTE, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2019

LIABILITIES

CURRENT LIABILITIES	
Accounts Payable	$ 13,124,501
Accrued Expenses	39,381
Unearned Revenue	32,668
Total Current Liabilities	13,196,550
NON-CURRENT LIABILITIES	
Bonds Payable, Less Current Maturities	259,600
Security Deposits	173,485
Accrued Compensated Absences	83,109
Net Pension Liability	920,187
Total Non-Current Liabilities	1,436,381
TOTAL LIABILITIES	$ 14,632,931

DEFERRED INFLOWS OF RESOURCES

Pension Related	$ 56,177
Property Taxes	336,132
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 392,309

NET POSITION

Net Investment in Capital Assets	$ 166,920,646
Expendable:	
Restricted for PFC Projects	649,020
Restricted for New Commercial Terminal	24,881,535
Restricted for CFC Projects	1,624,624
Unrestricted	40,707,753
TOTAL NET POSITION	$ 234,783,578

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
FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATING REVENUES	
Rentals	$ 6,338,690
Commissions	119,257
Landing Fees	1,381,047
Parking Tolls	1,972,898
Passenger Facility Charges	1,119,928
Customer Facility Charges	1,098,080
Grant Revenues	108,099
Miscellaneous	44,369
Total Operating Revenues	12,182,368
OPERATING EXPENSES	
Salaries and Costs of Employment	2,178,840
Supplies	51,348
Other Services and Charges	5,128,273
Depreciation	8,346,791
Other	-
Total Operating Expenses	15,705,252
OPERATING LOSS	(3,522,884)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	1,345,787
Other Revenue	88,332
Capital Grant Revenue	25,633,207
Ad Valorem Tax Revenue	3,806,553
State Revenue Sharing	48,272
1% Airport Tax	(93,666)
Non-Employer Pension Contribution	15,843
Interest Expense	(8,337)
Bond Issuance Fees	(125,973)
Gain on Disposal of Fixed Assets	25,449
Total Non-Operating Revenues (Expenses)	30,735,467
INCREASE IN NET POSITION	27,212,583
NET POSITION, BEGINNING	207,570,995
NET POSITION, ENDING	$ 234,783,578

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
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Providing Services	$ 12,209,014	
Received from Other Sources	197,239	
Cash Paid to Suppliers	492,480	
Cash Paid to Employees	(2,072,975)	
Net Cash Provided By Operating Activities		$ 10,825,758
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Interest Received	1,345,787	
Net Cash Provided By Investing Activities		1,345,787
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad Valorem Tax Revenue	3,448,295	
Net Cash Provided By Non-Capital Financing Activities		3,448,295
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Capital Grants Received	24,607,517	
Acquisition and Construction of Fixed Assets	(42,850,222)	
1% Tax Revenue/Expense	(93,666)	
Proceeds From Disposal of Fixed Assets	25,448	
Proceeds From Long-Term Debt	129,800	
Bond Issuance Costs	(125,972)	
Interest Paid	(8,337)	
Net Cash (Used In) Capital and Financing Activities		(18,315,432)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,695,592)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (including $37,013,018 in restricted cash)		72,451,053
CASH AND CASH EQUIVALENTS, END OF YEAR (including $27,155,179 in restricted cash)		$ 69,755,461

The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
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OF LAFAYETTE, LOUISIANA

STATEMENT OF CASH FLOWS - continued
FOR THE YEAR ENDED DECEMBER 31, 2019

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating Loss	$(3,522,884)	
Adjustments to Reconcile Loss From Operations to Net Cash Provided By Operating Activities:		
Depreciation	8,346,791	
Other Revenue	88,332	
Provision for Net Pension Liability, Net	110,860	
Changes in Assets and Liabilities:		
Accounts Receivable	145,235	
Prepaid Expenses	53,374	
Accounts Payable	6,562,675	
Accrued Expenses	(943,948)	
Unearned Revenue	(28,413)	
Security Deposits	18,731	
Accrued Compensated Absences	(4,995)	
Net Cash Provided By Operating Activities		$ 10,825,758

The Accompanying Notes are an Integral Part of These 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 of the Consolidated Government of Lafayette, Louisiana (the Consolidated Government). The Airport constitutes a legal entity separate and apart from the Consolidated Government. The Airport is governed by a seven-member, non-elected commission. Five members are appointed by the Lafayette Consolidated Government, one member is appointed by the Parish 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 Fund 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 sales and services. Operating expenses include the cost of 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.

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting - continued

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.

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."

Revenues - 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.

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:

	Years
Hangars and Buildings	10 - 30
Runways and Navigation Aids	10 - 20
Service Roads and Parking	10 - 20
Other Permanent Improvements	10 - 20
Equipment	3 - 10
Lease Purchase Equipment	5

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment – continued

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.

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. 16. Estimated accrued compensated absences resulting from unused vacation at the end of the fiscal year are recorded as long-term liabilities in the financial statements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This policy resulted in an accrual for compensated absences of $83,109 at December 31, 2019.

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, 2019.

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.

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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, 2019.

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.

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.

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.

(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.

(B) CASH AND INVESTMENTS - continued

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:

		2019		2018
Petty Cash	$400		$	400
Operating Account		8,614,126		2,959,235
Operating Reserve		25,775,872		25,277,675
PFC Account		649,020		1,497,478
CFC Account		1,624,624		1,398,784
Terminal Development Funds Account		8,001,492		7,000,498
1% Airport Tax Account		24,881,535		34,116,756
Grant Account		208,392		200,227
Cash Per Statement of Cash Flows	$	69,755,461	$	72,451,053

(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 $2,750,982,374 less homestead exemptions of $400,989,722 for 2019.

(D) 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 a $4.50 PFC per passenger, to generate maximum net cumulative revenues of $21,139,375 of PFC revenues of which $1,968,385 has been cumulatively collected. The FAA estimates that the charge expiration date will be January 1, 2041. The PFC revenues have been pledged to secure $10,000,000 of Passenger Facility Charge Revenue Bonds, Series 2019 issued in January 2019. The use of this revenue is restricted by the FAA for specific approved projects in the amount of $21,139,375. At December 31, 2019, $649,020 had not been disbursed and is reported as restricted cash in the Statement of Net Position.

(E) 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 $5.00 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. These CFC revenues have been pledged to secure $10,000,000 of Taxable Customer Facility Charge Revenue Bonds, Series 2018 issued in November 2018. For the year ended December 31, 2019, the remaining CFC revenue collected and available to fund the project was $1,624,624 and is reported on the face of the Statement of Net Position as Restricted.

(F) GRANT FUNDS RECEIVABLE

The Airport is in the process of performing various airfield improvement projects with the assistance of federal and state funds. Grant funds receivable at December 31, 2019 consisted of the following:

State Department of Transportation	$	2,332,073
Louisiana Facilities Planning		772,465
FAA – AIP Project 45		8,623
FAA – AIP Project 46		133,799
FAA – AIP Project 47		52,926
FAA – AIP Project 48		153,938
FAA – AIP Project 50		40,040
FAA – AIP Project 51		616,202
FAA – AIP Project 52		940,349
FAA – AIP Project 53		1,371,468
FAA – AIP Project 54		844,353
FAA – AIP Project 58		571,709
Total Grant Funds Receivable	$	7,837,945

(G) 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.

(H) PROPERTY AND EQUIPMENT

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

	Beginning Balance 12/31/2018	Additions	Disposals/ Transfers	Ending Balance 12/31/2019
Hangers and Buildings	$ 56,558,991	$ 947,563	$ (238,899)	$ 57,267,655
Runways and Navigation Aids	113,753,138	-	(286,792)	113,466,346
Service Roads and Parking	10,535,818	-	-	10,535,818
Other Permanent Improvements	19,636,342	24,169	(473,331)	19,187,180
Equipment	8,584,786	65,626	(70,035)	8,580,377
Furniture and Fixtures	1,587,938	-	-	1,587,938
	$ 210,657,013	$ 1,037,358	$ (1,069,057)	$ 210,625,314
Less: Accumulated Depreciation and Amortization	(120,747,174)	(8,346,791)	1,069,057	(128,024,908)
Net Property and Equipment	$ 89,909,839	$ (7,309,433)	$ -	$ 82,600,406
Land	$ 5,491,076	$ -	$ -	$ 5,491,076
Construction in Progress	$ 37,016,301	$ 42,760,426	$ (947,563)	$ 78,829,164

Depreciation expense for the year ended December 31, 2019 was $8,346,791.

(I) 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.

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.

(I) DEFINED BENEFIT PENSION PLAN - continued

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.

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.

(I) DEFINED BENEFIT PENSION PLAN - continued

Disability Benefits - continued

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.

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.

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.

(I) DEFINED BENEFIT PENSION PLAN - continued

Cost of Living Increases - continued

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, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2018, the actually determined contribution rate was 9.99% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2018 was 11.50% for Plan A.

The total contributions for the years ended December 31, 2019, 2018 and 2017 were $158,339, $145,979, and $152,798, respectively.

According to state statute, the System also receives ¼ 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 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, 2018 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2018.

(I) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions

The net pension liability 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 of the System's employers as of December 31, 2018 are as follows:

	PLAN A
Total Pension Liability	$ 3,984,796,378
Plan Fiduciary Net Position	3,540,960,468
Total Net Pension Liability	$ 443,835,910

The Airport's allocation is 0.207326% 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, 2018 are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	4.75% (2.40% Inflation)
Mortality Rates:	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees Pub-2010 Public Retirement Plans Mortality Table for General Employees Pub-2010 Public Retirement Plans Mortality Table for General Employees
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.

(I) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions - continued

The discount rate used to measure the total pension liability was 6.50% 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 will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and 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 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

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, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then 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 MP2018 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 MP2018 scale.

(I) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions - continued

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.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability/(asset) of the participating employers calculated using the discount rate of 6.50%, as well as what the employers net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower 5.50%, or one percentage point higher 7.50% than the current rate.

	Plan A		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	$ 1,954,231	$ 920,187	$ 55,816

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2018 were recognized in the current reporting period 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 $56,060 for the year ended December 31, 2019.

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 $440,497 for the year ended of December 31, 2019.

(I) DEFINED BENEFIT PENSION PLAN – continued

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 outflows of resources in the amount of $230,077 for the year ended of December 31, 2019.

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 are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of December 31, 2019.

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

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. 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.lla.state.la.us.

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

At December 31, 2019, the Airport reported a liability of $920,187 for its proportionate share of the Net Pension Liability of the Plan.

The Net Pension Liability was measured as of December 31, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Airport's proportion of the Net Pension Liability 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.

(I) DEFINED BENEFIT PENSION PLAN – continued

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

At December 31, 2018, the Airport's proportion was 0.207326%, which was an increase of 0.007883% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Airport recognized pension expense of $362,538 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $(4,220).

At December 31, 2019, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ -	$ 56,060
Changes of Assumptions	230,077	-
Net difference between projected and actual earnings on pension plan investments	440,497	-
Change in proportion and differences between employer contributions and proportionate share of contributions	(4,220)	117
Employer contributions subsequent to measurement date-Prior	(145,979)	-
Employer contributions subsequent to the measurement date- Current	158,339	-
Total	$ 678,714	$ 56,177

Deferred outflows of resources of $158,339 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, 2020.

(I) DEFINED BENEFIT PENSION PLAN – continued

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

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

Fiscal Year Ended	
12/31/2019	$ 209,157
12/31/2020	$ 113,466
12/31/2021	$ 94,774
12/31/2022	$ 194,591

(J) BONDS PAYABLE

On January 22, 2018, the Louisiana Bond Commission approved the issuance of up to $60,000,000 in Excess Revenue Bonds, in one or more series, not exceeding 12 percent and not exceeding 15 years for constructing and acquiring airport facilities and additions and improvements, including necessary furniture, machinery and equipment. As of December 31, 2019, these bonds have not yet been issued.

In November 2018, the Airport issued $10,000,000 Taxable Customer Facility Charge Revenue Bonds, Series 2018. The proceeds of these bonds will be used 1) to fund the construction of the Rental Car Quick Turn-Around (QTA) Facility and 2) to pay the cost of issuing the Series 2018 Bonds. The purchase price of the bonds will be advanced to the Airport on an as-needed basis and the CFC revenues are pledged to the short-term financing debt. After completion of the Project, all outstanding short-term debt will be combined into one bond issuance. As of December 31, 2019, the only funds drawn on these bonds were the costs of issuance in the amount of $129,800. The short-term borrowings are being repaid with interest only payments at a current rate of 3.85%.

In January 2019, the Airport issued $10,000,000 Taxable Passenger Facility Charge Revenue Bonds, Series 2019. The proceeds of these bonds will be used 1) for the construction and acquiring of airport facilities, additions and improvements and 2) to pay the cost of issuing the Series 2019 Bonds. The purchase price of the bonds will be advanced to the Airport on an as-needed basis and the PFC revenues are pledged to the short-term financing debt. After completion of the Project, all outstanding short-term debt will be combined into one bond issuance. As of December 31, 2019, the only funds drawn on these bonds were the costs of issuance in the amount of $129,800. The short-term borrowings are being repaid with interest only payments at a current rate of 2.42%.

(K) OPERATING LEASES

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

(K) OPERATING LEASES - continued

The following is a schedule by years of minimum future rentals on non-cancelable operating leases as of December 31, 2019:

Year Ending December 31		
2020	$	2,967,884
2021		2,340,242
2022		1,490,521
2023		1,415,100
2024		1,175,087
Thereafter		5,248,063
Total Minimum Future Rentals	$	14,636,897

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. Those annual adjustments could not be determined. Therefore, the 2019 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.

(M) COMMITMENTS AND CONTIGENCIES

On a continuing basis, the Airport enters into construction contracts for improvements to the Airport. At December 31, 2019, 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.

At December 31, 2019, the Airport is the defendant in two lawsuits with contractors on these construction contracts for various reasons. These suits are currently early in the litigation process and no amounts are recorded in these financial statements.

The Airport participates in a number of federal financial assistance programs. Although the grant programs have been audited through December 31, 2019 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.

(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.

(N) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - continued

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 and property taxes that qualify for reporting in this category.

(O) COMPENSATION OF COMMISSION MEMBERS

The Airport Commission in 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, 2019:

Purpose	Amount
Salary	$ 155,270
Benefits – Insurance	$ 18,225
Benefits – Retirement	$ 14,887
Reimbursements- Phone	$ 1,200
Travel	$ 3,559
Registration Fees	$ 3,510
Conference Travel	$ 5,379
Vehicle Usage	$ 672

(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 six months, dedicated to the construction of a new terminal at the Airport. Total collections not yet expended as of December 31, 2019 are $24,881,535 and are reported as restricted cash and restricted net position in these financial statements.

(R) SUBSEQUENT EVENTS

The Airport has evaluated subsequent events through May 8, 2020, the date the financial statements were available to be issued.

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. While the Airport does not yet know the full effect of the impact to the global economy as a whole, the effects are expected to have a large decline in all revenue related to air travel i.e. decline in enplanements/deplanements, decline in landing fees and parking revenue as well as other revenue due to decline in activity.

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Administrative	General Maintenance	Contractual Services	Total
SALARIES AND COSTS OF EMPLOYMENT				
Salaries	$ 947,488	$ 447,191	$ -	$ 1,394,679
Payroll Taxes	12,614	6,703	-	19,317
Group Insurance	213,056	160,230	-	373,286
Worker's Compensation	3,825	25,195	-	29,020
Retirement Contributions	311,721	50,817	-	362,538
Total Personal Services	$ 1,488,704	$ 690,136	$ -	$ 2,178,840
SUPPLIES				
Supplies and Minor Equipment	$ 35,756	$ 11,901	$ 3,691	$ 51,348
OTHER SERVICES AND CHARGES				
Advertising	$ 407,456	$ -	$ -	$ 407,456
Postage and Freight	2,344	-	-	2,344
Dues and Publications	38,291	-	-	38,291
ID Card System	6,618	-	-	6,618
Environmental Expenses	156,526	-	-	156,526
Fuel and Oil	1,591	29,112	13,104	43,807
Fly Lafayette Campaign/Public Relations	18,634	-	-	18,634
Insurance	162,659	170,763	-	333,422
Miscellaneous	1,743	-	-	1,743
Terminal Building Equipment Contract	-	-	146,691	146,691
Professional Fees	619,126	-	-	619,126
Repairs and Maintenance	21,381	421,080	73,574	516,035
Repairs and Maintenance-Leased Facilities	20,421	-	-	20,421
Telephone	64,764	23,015	-	87,779
Training	16,845	75	-	16,920
Travel	38,736	-	-	38,736
Uniforms	1,726	2,271	-	3,997
Utilities	-	366,727	-	366,727
Parking Fee Management	392,778	-	-	392,778
Contracted Services -				
Grounds Maintenance	-	95,659	-	95,659
Janitorial	-	-	242,551	242,551
ARFF Services	-	-	698,332	698,332
Security	-	-	873,680	873,680
Total Other Services and Charges	$ 1,971,639	$ 1,108,702	$ 2,047,932	$ 5,128,273

See Independent Auditors' Report.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor Program Title	Federal CFDA Number		Grant Number	Federal Expenditures
U.S. Department of Transportation				
Federal Aviation Administration				
Airport Improvement Projects	20.106	*	#45	$ 2,108
			#46	53,285
			#47	92,919
			#48	294,796
			#50	371,597
			#51	4,919,479
			#52	8,520,136
			#53	1,371,468
			#54	844,353
			#58	571,709
Subtotal Airport Improvement Projects				17,041,850
U.S. Environmental Protection Agency:				
Passed Through South Central Planning and Development Commission - South Louisiana Brownsfields Coalition Revolving Loan Fund: Brownsfields Assessment and Cleanup Grant Program	66.818		N/A	180,575
Total Expenditures of Federal Awards				$ 17,222,425

* - 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, 2019

(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, 2019. The information in this schedule is presented in accordance with requirements of the 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.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- Pass-through entity identifying numbers are presented where available.

(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, 2019.

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
FOR THE YEAR ENDED DECEMBER 31, 2019

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	$ 1,138,140	46.12%	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%

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
FOR THE YEAR ENDED DECEMBER 31, 2019

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
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%

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

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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INDEPENDENT AUDITORS' 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, 2019, 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 May 8, 2020.

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) to determine the 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.

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 determination of financial statement amounts. 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.

Wright, Moore, DeHart,
Dupuis & Hutchinson

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

May 8, 2020
Lafayette, Louisiana

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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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

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 described in the *OMB Compliance Supplement* that could have a direct and material effect on the Airport's major federal program for the year ended December 31, 2019. Lafayette Regional Airport's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Lafayette Regional Airport's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lafayette Regional Airport' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lafayette Regional Airport's compliance.

Opinion on Each Major Federal Program

In our opinion, Lafayette Regional Airport complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lafayette Regional Airport's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Wright, Moore, DeHart,
Dupuis & Hutchinson

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

May 8, 2020
Lafayette, Louisiana

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019, and have issued our report thereon dated May 8, 2020. 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, 2019 resulted in an unmodified opinion.

Section I - Summary of Auditors' 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, 2019, had one major program: Department of Transportation: Federal Aviation Administration-Airport Improvement Projects: CFDA Number 20.106.

Low-Risk Auditee

The Lafayette Regional Airport is considered a low-risk auditee for the year ended December 31, 2019.

Major Program - Threshold

The dollar threshold to distinguish between Type A and Type B programs is $750,000 for the year ended December 31, 2019.

Auditors' 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, 2019.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

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

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for the Passenger Facility Charge Program

We have audited the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana 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, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Passenger Facility Charge Program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of Lafayette Regional Airport's Passenger Facility Charge Program based on our audit. 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. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program occurred.

An audit includes examining, on a test basis, evidence about Lafayette Regional Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Airport's Passenger Facility Charge Program. However, our audit does not provide a legal determination of Lafayette Regional Airport's compliance.

Opinion on the Passenger Facility Charge Program

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, 2019.

Report on Internal Control Over Compliance

Management of Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance applicable to the Passenger Facility Charge Program. In planning and performing our audit of compliance, we considered Lafayette Regional Airport's internal control over compliance with the types of requirements that could have a direct and material effect on the Passenger Facility Charge Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's 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 the Guide on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the compliance of the Guide 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 the Guide 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Report on Schedule of Revenues and Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the Airport as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements. We have issued our report thereon dated May 8, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of revenues and expenditures of passenger facility charges is presented for the purposes of additional analysis as required in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America.

In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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, 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.

Wright, Moore, DeHart,
Dupuis & Hutchinson

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

May 8, 2020
Lafayette, Louisiana

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

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2019

	Beginning Program Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Ending Program Total
Revenue:						
Collections	$ 13,196,657	$ 253,057	$ 277,366	$ 273,647	$ 283,368	$ 14,284,095
Interest	532,480	6,347	7,683	9,128	9,332	564,970
Total Revenue	13,729,137	259,404	285,049	282,775	292,700	14,849,065
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	-	-	-	-	1,968,386	1,968,386
Total Disbursements	12,231,659	-	-	-	1,968,386	14,200,045
Net PFC Revenue	-	259,404	285,049	282,775	(1,675,686)	-
PFC Account Balance	$ 1,497,478	$ 1,756,882	$ 2,041,931	$ 2,324,706	$ 649,020	$ 649,020

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).

LAFAYETTE REGIONAL AIRPORT
PASSENGER FACILITY CHARGE PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

A. SUMMARY OF AUDIT RESULTS

1. No material weaknesses were identified during the audit of the Passenger Facility Charge Program.

2. The auditors' 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, 2019

1.	Type of report issued on PFC financial statements.	X Unmodified	__ Qualified
2.	Type of report on PFC compliance.	X Unmodified	__ Qualified
3.	Quarterly Revenue and Disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts.	X Yes	__ No
4.	PFC Revenue and Interest is accurately reported on FAA Form 5100-127.	X Yes	__ No
5.	The Public Agency maintains a separate financial accounting record for each application.	X Yes	__ 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.	X Yes	__ No
7.	Monthly carrier receipts were reconciled with quarterly carrier reports.	X Yes	__ No
8.	PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	X Yes	__ No
9.	Serving carriers were notified of PFC program actions/changes approved by the FAA.	X Yes	__ No
10.	Quarterly Reports were transmitted (or available via website) to remitting carriers.	X Yes	__ No
11.	The Public Agency is in compliance with Assurances 5, 6, 7 and 8.	X Yes	__ No
12.	Project design and implementation is carried out in accordance with Assurance 9.	X Yes	__ No
13.	Program administration is carried out in accordance with Assurance 10.	X Yes	__ 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.	X Yes	__ No