LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY
LAFAYETTE, LOUISIANA

Financial Report

Year Ended December 31, 2020

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Chairman of the Board
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, (the Authority) as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the Authority'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 opinions 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 from 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana as of December 31, 2020, and the respective changes in financial position 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, budgetary comparison information, and the schedules of employer's share of net pension liability and employer contributions on pages 4 through 9 and 40 through 42 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 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 Authority's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC

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

June 3, 2021
Lafayette, Louisiana

Management's Discussion and Analysis

As management of the Lafayette Economic Development Authority, we offer readers of the Lafayette Economic Development Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the Lafayette Economic Development Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended December 31, 2020 by $16,575,149 *(net position)*. Of this amount, $11,439,520 *(unrestricted)* may be used to meet the Authority's ongoing obligations to creditors.
- The Authority's total net position decreased by $26,676.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of $12,995,303, a decrease of $1,495,572 in comparison with the prior year.
- At the end of the current fiscal year, *unassigned fund balance* for the general fund was $5,109,339. This amount is available for future general government expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Lafayette Economic Development Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. *The Government-wide Financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's *net position* changed during the most recent fiscal year. All changes in *net position* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the *Government-wide Financial Statements* distinguish functions of the Lafayette Economic Development Authority that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through charges *(business-type activities)*. The *governmental activities* of the Authority include general government expenses incurred in the Authority's mission of facilitating economic growth in

Lafayette parish and the sale of land in the four industrial parks owned by the Authority. The Authority had no *business-type activities* to report.

The *Government-wide Financial Statements* can be found on pages 12 and 13 of this report. The *Governmental Fund Financial Statements* can be found on pages 15, 16, 17 and 18 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lafayette Economic Development Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Authority are *governmental funds.*

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *Government-wide Financial Statements.* However, unlike the *Government-wide Financial Statements, Governmental Fund Financial Statements* focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the *Government-wide Financial Statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the *Government-wide Financial Statements.* By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Authority maintains three individual *governmental funds*. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, the capital projects (Parks, Business or Community Development) fund, and the capital projects (Building Maintenance) fund. The general fund is considered by the Authority to be its major fund.

The Lafayette Economic Development Authority adopts an annual budget its general fund. A budgetary comparative statement has been provided for the general fund to demonstrate compliance with this budget.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the *Government-wide* and *Fund Financial Statements.* The notes to the financial statements can be found on pages 19 through 38 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Lafayette Economic Development Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16,575,149 at the close of the most recent fiscal year.

In 2020, the largest portion of the Authority's net position (57 percent) was its Cash held in the bank.

Lafayette Economic Development Authority
Net Position

	Government Activities	
	2019	2020
Current and other assets	13,251,453	12,650,549
Noncurrent assets	3,768,564	5,135,629
Total assets	17,020,017	17,786,178
Deferred outflows of resources as restated	806,782	349,525
Current liabilities	175,106	930,000
Noncurrent liabilities as restated	986,977	142,975
Total liabilities as restated	1,162,083	1,072,975
Deferred inflow of resources	62,891	487,579
Net assets:		
Invested in capital assets	2,269,236	3,771,400
Restricted for inventory of land for resale	1,499,328	1,364,229
Unrestricted	12,833,261	11,439,520
Total net position	16,601,825	16,575,149

At the end of the current fiscal year, the Authority is able to report a positive balance in net position. The same is true for the prior fiscal year.

Governmental Activities. Governmental activities decreased the Authority's net position by $26,676. Key elements of this decrease are as follows:

Lafayette Economic Development Authority
Changes in Net Position

	Government Activities	
	2019	2020
Revenues:		
Program Revenues:		
General Government	16,235	167,697
Land sales	0	367,250
General Revenues:		
Ad valorem taxes	3,871,478	3,657,824
Revenue sharing	107,181	102,942
Unrestricted investment earnings	244,522	92,126
Gain (loss) on sale of fixed assets	(507)	5,794
Miscellaneous	39,784	158,895
Non-employer pension contributions	15,255	17,853
Total General Revenues	4,277,713	4,035,434
Expenses:		
General Government	4,718,548	4,460,872
Cost of land sold and asset disposals	0	136,185
Total expenses	4,718,548	4,597,057
Increase (decrease) in net position	(424,600)	(26,676)
Net assets – beginning as restated	17,026,425	16,601,825
Net assets – ending	16,601,825	16,575,149

- General Government expenses decreased by $257,676.

Financial Analysis of Government's Funds

As noted earlier, the Lafayette Economic Development Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements.

As of the end of the current fiscal year, the Lafayette Economic Development Authority's *Governmental Funds* reported combined ending fund balances of $12,995,303 which is a decrease of $1,495,572 in comparison with the prior year.

Approximately thirty-nine percent of the amount, $5,109,339, constitutes unassigned fund balance, which have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The remainder of fund balance is 1) non-spendable funds because they are either not spendable in form or legally or contractually required to be maintained intact; 2) restricted funds that are restricted by external sources or by constitutional provisions or enabling legislation; and 3) committed funds that can only be used for specific purposes.

The fund balance of the Lafayette Economic Development Authority's general fund decreased by $2,854,220 during the current fiscal year. Key factors for the change are as follows:

- Ad valorem taxes as computed under GASB 65 decreased by $230,767 due to decreases in the taxable property valuation in 2020 by the Lafayette Parish Assessor.
- Intergovernmental revenues decreased by $17,844.
- Miscellaneous revenues decreased by $90,310.
- General government expenditures decreased by $147,339.
- Transfers in decreased by $135,792.
- Transfers out increased by $3,040,000.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be summarized as follows:

- $245,000 decrease in Tax Revenue
- $15,250 decrease in Intergovernmental Revenue
- $14,650 decrease in Miscellaneous Revenue
- $312,400 decrease in General Government Expenditures
- $21,000 decrease in Capital Outlay
- $58,500 decrease in Interest Earned

Capital Asset and Debt Administration

Capital Assets. The Lafayette Economic Development Authority's investment in capital assets for its governmental activities as of December 31, 2020 amounts to $3,771,400 (net of accumulated depreciation). This investment in capital assets includes a building, furniture, fixtures located in the building, and manufacturing equipment. The total increase in the Authority's investment in capital assets (net of accumulated depreciation) for the current fiscal year was $1,502,164.

Major capital asset events during the current fiscal year included the following:

- Acquisitions of Furniture, Fixtures and Equipment were $65,482 during 2020.
- Depreciation expense for 2020 was $144,578.
- Construction in Progress was $1,582,754 during 2020.

Additional information on the Lafayette Economic Development Authority's capital assets can be found in Note D on page 25 of this report.

Liabilities

The Authority's total liabilities decreased by $89,108 during the current fiscal year. The key factors in this decrease were an increase in compensated balances of $31,642, a decrease in Net Pension Liabilities of $875,644 and an increase in Current Liabilities of $754,894, as well as the changes in noncurrent liabilities.

Additional information on the Authority's long-term debt can be found in Note E on page 26 of this report.

Economic Factors and Next Year's Budget

- The unemployment rate for the Lafayette Parish in October 2020 was 6.1 percent, which is an increase from a rate of 4.5 percent a year ago. This compares to the state's average unemployment rate for the month of October 2020 of 7.5 percent. The national average rate for October 2020 was 6.9 percent.

These factors were considered in preparing the Lafayette Economic Development Authority's budget for the 2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Lafayette Economic Development Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gregg Gothreaux, President and CEO, Lafayette Economic Development Authority, 211 East Devalcourt Street, Lafayette, Louisiana, 70506.

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS		
Current assets:		
Cash	$	9,517,194
Other receivables		168,070
Prepaid expenses		86,938
Deposits		100
Receivables - taxes (net of allowance for uncollectibles)		2,878,247
Total current assets		12,650,549
Noncurrent assets:		
Inventory of land held for resale		1,364,229
Capital assets, net of accumulated depreciation		3,771,400
Total noncurrent assets		5,135,629
Total assets	$	17,786,178
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	$	349,525
LIABILITIES		
Current liabilities:		
Accounts payable	$	774,826
Retainage payable		66,703
Other accrued liabilities		88,471
Total current liabilities		930,000
Noncurrent liabilities:		
Compensated absences		132,589
Net pension liability		10,386
Total noncurrent liabilities		142,975
Total liabilities	$	1,072,975
DEFERRED INFLOWS OF RESOURCES		
Pension related	$	487,579
NET POSITION		
Net investment in capital assets	$	3,771,400
Restricted		
Inventory of land for resale		1,364,229
Unrestricted		11,439,520
Total net position	$	16,575,149

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Government Activities:					
General government	$ 4,460,872	$ -	$ -	$ 167,697	$ (4,293,175)
Cost of land sold and asset disposals	136,185	367,250	-	-	231,065
Total governmental activities	$ 4,597,057	$ 367,250	$ -	$ 167,697	(4,062,110)
General revenues:					
Ad valorem taxes					3,657,824
State revenue sharing					102,942
Unrestricted investment earnings					92,126
Gain on sale of fixed assets					5,794
Miscellaneous					158,895
Non-employer pension contribution					17,853
Total general revenues					4,035,434
Change in net position					(26,676)
Net position-beginning					16,601,825
Net position-ending					$ 16,575,149

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

FUND FINANCIAL STATEMENTS

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Capital Projects (Parks, Business and Community Development)	Capital Projects (Building Maintenance)	Total Governmental Funds
ASSETS				
Cash	$ 2,474,566	$ 6,897,545	$ 145,083	$ 9,517,194
Other receivables	375	167,695	-	168,070
Prepaid expenses	64,179	22,759	-	86,938
Deposit	-	100	-	100
Receivables - taxes (net of allowance for uncollectibles)	2,878,247	-	-	2,878,247
Inventory of land held for resale	-	1,364,229	-	1,364,229
Total assets	$ 5,417,367	$ 8,452,328	$ 145,083	$ 14,014,778
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 65,903	$ 707,639	$ 1,284	$ 774,826
Retainage Payable	-	66,703	-	66,703
Other accrued liabilities	88,471	-	-	88,471
Total liabilities	154,374	774,342	1,284	930,000
Deferred inflows of resources:				
Ad valorem taxes	89,475	-	-	89,475
Fund balances:				
Nonspendable	64,179	1,386,988	-	1,451,167
Committed	-	6,290,998	143,799	6,434,797
Unassigned	5,109,339	-	-	5,109,339
Total fund balances	5,173,518	7,677,986	143,799	12,995,303
Total liabilities, deferred inflows of resources and fund balances	$ 5,417,367	$ 8,452,328	$ 145,083	$ 14,014,778

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2020

Total fund balance for the governmental funds as of December 31, 2020	$ 12,995,303
Amounts reported for governmental activities in the Statement of Net Position are different because:	
The deferred outflows of contributions for the retirement system are not available resources, and therefore, are not reported in the funds.	349,525
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,771,400
The deferred inflows of contributions for the retirement system are not payable from current expendable resources, and therefore, are not reported in the funds.	(487,579)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(142,975)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the governmental funds.	89,475
Total net position of governmental activities at December 31, 2020	$ 16,575,149

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Capital Projects (Parks, Business and Community Development)	Capital Projects (Building Maintenance)	Total Governmental Funds
Revenues:				
Taxes - ad valorem	$ 3,653,149	$ -	$ -	$ 3,653,149
Intergovernmental	105,574	167,697	-	273,271
Sale of land	-	367,250	-	367,250
Miscellaneous	79,106	175,719	852	255,677
Total revenues	3,837,829	710,666	852	4,549,347
Expenditures:				
Current:				
General government	3,400,914	857,738	1,846	4,260,498
Capital outlay	61,135	1,584,703	2,398	1,648,236
Cost of land sold	-	136,185	-	136,185
Total expenditures	3,462,049	2,578,626	4,244	6,044,919
Excess (deficiency) of revenues over expenditures	375,780	(1,867,960)	(3,392)	(1,495,572)
Other financing sources (uses):				
Transfers in	-	3,200,000	30,000	3,230,000
Transfers out	(3,230,000)	-	-	(3,230,000)
Total other financing sources (uses)	(3,230,000)	3,200,000	30,000	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,854,220)	1,332,040	26,608	(1,495,572)
Fund balances, beginning	8,027,738	6,345,946	117,191	14,490,875
Fund balances, ending	$ 5,173,518	$ 7,677,986	$ 143,799	$ 12,995,303

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balances-total governmental funds	$ (1,495,572)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period as follows:	
Depreciation Expense	(144,578)
Capital Outlay Expense	1,648,236
In the Statement of Activities, only the gain (loss) on sale or transfer of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference.	(1,494)
Revenues in the Statement of Activities that do not provide available current financial resources are not reported as revenues in the governmental funds.	4,675
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(31,642)
Non-employer contributions to cost-sharing pension plan.	17,853
Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.	(24,154)
Changes in net position of governmental activities	$ (26,676)

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafayette Economic Development Authority (Authority/LEDA) is a political subdivision of the State of Louisiana created under Louisiana Revised Statute 34:291-34:302. It was originally formed under the name of Lafayette Harbor, Terminal, and Industrial Development District. The Authority is governed by a board of commissioners consisting of twelve appointed members. The Authority is authorized to construct or acquire industrial parks and industrial plant buildings, including sites and other necessary property and appurtenances, and to acquire, construct, improve, operate, maintain, and provide improvements and services necessary. It is also authorized to sell, lease, or otherwise dispose of, by suitable and appropriate contract, to any enterprise locating or existing within the parish, all or any part of an industrial plant site, industrial plant building, or other property owned by the Authority.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, as well as any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; and the Louisiana Governmental Audit Guide.

Financial Reporting Entity - FASB ASC Section 2100 – Defining the Financial Reporting Entity - This report includes all funds, account groups, and component units, which are controlled by or dependent on the Lafayette Economic Development Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, or other general oversight responsibility. At December 31, 2020, there were no entities that met the criteria to be considered a component unit of the Authority.

The following is a summary of certain significant accounting policies:

Government-Wide and Fund Financial Statements - The statement of net position and statement of activities display information about the reporting entity of the government as a whole. Eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include proceeds received from the sale of land inventory. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" the transactions are recorded, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are awarded.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Amounts reported as program revenues include proceeds from the sale of land inventory. General revenues include all taxes.

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

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Donated assets are immaterial.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	39
Building improvements	10
Office equipment	5-7
Computer equipment	3-5

Inventory of Land Held-for-Resale - The inventory of land held-for-resale is valued at cost. The cost is recorded as an expenditure at the time the land is sold. The inventory of land held for resale at year-end is equally offset by a fund balance reserve to indicate that it does not constitute "available expendable resources," even though it is a component of net position.

Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The ad valorem tax receivable is shown net of an allowance for uncollectible taxes of $82,064 as of December 31, 2020 which is equal to approximately 2.22% of levied ad valorem taxes at December 31, 2020.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Deferred Outflows of Resources and Deferred Inflows of Resources – In addition to assets, the Statement of Net Position and/or Balance Sheet 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 (s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

In addition to liabilities, the Statement of Net Positions and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Vacation, Sick Leave, and Pension Plan - Vacation varies with longevity as follows:

Serving Time	Vacation
After six months up to two years	Five (5) days
From two years to seven years	Ten (10) days
From seven years to fifteen years	Fifteen (15) days
After fifteen years	Twenty-five (25) days

No more than thirty days of allowed vacation time may be accrued and be carried over into the next calendar year and paid upon termination. Vacation pay is accrued when incurred in the government-wide financial statements.

Sick leave accrues at the rate of ½ day per month beginning after 3 months of service with a 30-day maximum per year. Sick leave is available for carryover. Upon termination, either voluntary or involuntary, all accrued sick time will be forfeited. Sick leave is not recorded in these financial statements except for $14,467, which is included in the balance of $132,589. This amount is attributable to one employee who is grandfathered under an old sick leave policy.

For the years beginning January 1, 2004, LEDA employees are eligible participants of the Parochial Employees' Retirement System; a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. This retirement system provides retirement, disability, and death benefits to plan members and their beneficiaries.

Post-Employment Benefits - LEDA does not offer any of these types of benefits to employees.

Equity Classifications - In the government-wide statements, equity is classified as net position and displayed in three components:

Net investment in capital assets– 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 that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Equity Classifications – continued

In the fund statements, governmental fund equity is classified as fund balance. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2020, by LEDA are nonspendable in form. LEDA has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Commission who has the highest level of decision-making authority. Commitments may be modified or rescinded only through actions of the Commission.

Assigned – includes amounts that LEDA intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Commission may assign amounts to this classification.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. LEDA reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, LEDA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, LEDA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless LEDA has provided otherwise in its commitment or assignment actions.

Budgets and Budgetary Accounting - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital projects funds. The budget is formally adopted by the Authority, prior to the beginning of the fiscal year. Notices of its completion and availability are published. After its adoption, any adjustments to the budget must follow the same process. All annual appropriations lapse at year-end.

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 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.

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Transfers - Permanent reallocation of resources between funds of the Authority are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

(B) CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the Authority has cash and interest-bearing deposits (book balances) totaling $9,517,194.

Custodial Credit Risk Relating to Deposits - Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits might not be recovered. The Authority does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances), must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2020 are as follows:

Bank Balances	$ 9,973,517

At December 31, 2020 the deposits are secured as follows:

Federal Deposit Insurance	$ 250,000
Pledged Securities (Category 3)	9,723,517
Total	$ 9,973,517

Pledged securities in Category 3 are comprised of uninsured and unregistered investments with securities held by the pledging institution, or by its trust department or agent, but not in the Authority's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

(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 June and are actually billed to the taxpayers by the Assessor in October. Billed taxes are due by December 31, becoming delinquent on January 1, of the following year.

Ad valorem taxes are budgeted and recorded in the year levied and billed. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted net of deductions for Assessor's compensation and pension fund contributions.

For the years ended December 31, 2020, taxes were levied at the rate of 1.68 mills for general corporate purposes on property with assessed valuations totaling $2,610,448,358 less homestead exemptions of $408,396,210.

The allowance for uncollectible receivables at December 31, 2020 is $82,064.

Net revenues from ad valorem taxes represent 95% of total general fund revenues, excluding other financing sources, at December 31, 2020.

(D) CAPITAL ASSETS

A summary of general fixed assets follows:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Capital assets, being depreciated:				
Buildings	$ 2,976,824	$ -	$ 100,000	$ 2,876,824
Equipment and furniture	990,770	65,482	91,291	964,961
Manufacturing equipment	83,523	-	-	83,523
Total capital assets	4,051,117	65,482	191,291	3,925,308
Less: accumulated depreciation for:				
Buildings	874,465	93,930	100,000	868,395
Equipment and furniture	823,893	50,648	89,797	784,744
Manufacturing equipment	83,523	-	-	83,523
Total accumulated depreciation	1,781,881	144,578	189,797	1,736,662
Total capital assets being depreciated, net	2,269,236	(79,096)	1,494	2,188,646
Construction in progess	-	1,582,754	-	1,582,754
Total capital assets	$ 2,269,236	$ 1,503,658	$ 1,494	$ 3,771,400

(E) LONG-TERM DEBT

A summary of changes in general long-term debt follows:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Compensated Absences	$ 100,947	$ 122,894	$ 91,252	$ 132,589
Net Pension Liability	886,030	-	875,644	10,386
Total	$ 986,977	$ 122,894	$ 966,896	$ 142,975

(F) OPERATING TRANSFERS IN/OUT

	Transfers In	Transfers Out
General Fund	$ -	$ 3,230,000
Capital Projects Funds	3,230,000	-
	$ 3,230,000	$ 3,230,000

(G) DEFINED BENEFIT PENSION PLAN

Plan Description

All full-time employees of Lafayette Economic Development Authority 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.

Eligibility Requirements

All permanent 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.

(G) DEFINED BENEFIT PENSION PLAN

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 services 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.

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.

(G) DEFINED BENEFIT PENSION PLAN - continued

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.

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, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2019 was 11.50% for Plan A.

(G) DEFINED BENEFIT PENSION PLAN - continued

The total contributions for the years ended December 31, 2020, 2019, and 2018 were $181,277, $160,872, and $141,133, 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 additional employer contributions and are considered support from non-employer contributing entities.

Schedule of Employer Allocations

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts. The allocation method used in determining each employer's proportion was based on the employer's contributions to the plan during the fiscal year ended December 31, 2019 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2019.

Schedule of Pension Amounts by Employer

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

Actuarial Methods and Assumptions

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

The components of the net pension liability/(asset) of the System's employers as of December 31, 2019 are as follows:

	PLAN A
Total Pension Liability	$ 4,096,496,036
Plan Fiduciary Net Position	4,091,788,575
Total Net Pension Liability/(Asset)	$ 4,707,461

(G) DEFINED BENEFIT PENSION PLAN – continued

Actuarial Methods and Assumptions – continued

LEDA's allocation is 0.220618% of the Total Net Pension Liability.

A summary of the actuarial methods and assumptions used in determining the total pension liability/(asset) as of December 31, 2019 are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	4.75%
Mortality Rates:	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplies by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants
Inflation Rate	2.40%
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.

The discount rate used to measure the total pension liability/(asset) 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 and non-employer contributing entities will be made at the actuarially determined contributions 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.

(G) DEFINED BENEFIT PENSION PLAN – continued

Actuarial Methods and Assumptions – continued

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/(asset).

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 weighting 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 7.18% for the year ended December 31, 2019.

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, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real Assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

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. 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.

(G) DEFINED BENEFIT PENSION PLAN – continued

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 (Asset) Liability	$ 1,122,481	$ 10,386	$ (921,529)

Change in Net Pension Liability (Asset)

The changes in the net pension liability/(asset) for the year ended December 31, 2019 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/(asset) 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 $487,579 for the year ended December 31, 2020.

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 net deferred outflow of resources in the amount of $389,302 for the year ended December 31, 2020.

Change in 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 or other inputs resulted in deferred outflows of resources in the amount of $145,046 for the year ended December 31, 2020.

(G) DEFINED BENEFIT PENSION PLAN – continued

Change in Proportion

Changes in the employer's proportionate share of the collective net pension liability(asset) 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 change in proportion resulted in a deferred outflow of resources in the amount of $23,202 and a deferred inflow in the amount of $5,304 for the year ended December 31, 2020.

Contributions – Proportionate Share

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

Retirement System Audit Report

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. 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, 2020, LEDA reported a liability of $10,386 for its proportionate share of the Net Pension Liability.

The Net Pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. LEDA's proportion of the Net Pension Liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, LEDA's proportion was 0.220618%, which was an increase of 0.020988% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, LEDA recognized pension expense of $205,431 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $42.

(G) DEFINED BENEFIT PENSION PLAN – continued

At December 31, 2020, LEDA 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	$ -	$ 92,973
Change in Assumptions	145,046	-
Net difference between projected and actual earnings on pension plan investments		389,302
Change in proportion and differences between employer contributions and proportionate share of contributions	23,202	5,304
Employer contributions subsequent to the measurement date	181,277	-
Total	$ 349,525	$ 487,579

Deferred outflows of resources of $181,277 related to pensions resulting from LEDA's contributions subsequent to the measurement date will be recognized as a reduction/(increase) of the Net Pension Liability (Asset) in the year ended December 31, 2021.

Pension Liabilities, 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	
12/31/2020	$ (70,709)
12/31/2021	$ (91,330)
12/31/2022	$ 17,717
12/31/2023	$ (175,306)

(H) OPERATING LEASES

On January 1, 1999, the Authority entered into an agreement under a non-cancelable operating lease. The 30-year lease provides for two renewal options at the end of the lease, each for a ten-year period. The agreement calls for an irrevocable transfer of property owned by the Authority, as well as annual payments of $22,000 per year during the primary term of the lease.

Future minimum lease payments for the lease are as follows:

December 31,	
2021	$ 22,000
2022	22,000
2023	22,000
2024	22,000
2025	22,000
Thereafter	66,000
	$176,000

On February 27, 2020, LEDA entered into an Act of Lease with Louisiana Capital Certified Development Company, Inc. for property at 318 Jefferson Street in Lafayette, Louisiana. The term of the lease is two (2) years. The lease payments on this lease are that LEDA agrees to incur the cost of resurfacing the entire parking portion of the property. Simultaneously, LEDA also entered into an Agreement to Purchase the same piece of property on or before February 27, 2022 for an amount equal to the lessor of $180,000 or the appraised value. A deposit of $100 was made during the year to secure this purchase.

(I) COMMITMENTS

In January 2014, LEDA entered into a Cooperative Endeavor Agreement with Perficient, Inc. to provide certain inducements to Perficient in exchange for the Company beginning, maintaining and expanding its operations of business in Lafayette Parish to create and maintain certain "required jobs and required payroll" as outlined in the agreement for a ten year period. LEDA's obligation under this agreement is to provide funding of up to $750,000 for the project costs. The agreement calls for structured payments based on certain job creation goals being met, with the deadline for job creation amended to December 31, 2021. The maximum amount will only be paid when the Company has created 245 jobs. As of December 31, 2020, LEDA has paid $98,952 of the total amount of this obligation, of which $-0- was paid in the current year. The agreement also contains claw-back provisions if the requirement elements are not met.

(I) COMMITMENTS - continued

In April 2014, LEDA entered into a Cooperative Endeavor Agreement with the State of Louisiana, the Louisiana Department of Economic Development, the University of Louisiana at Lafayette, Ragin' Cajun Facilities, Inc. and CGI Federal, Inc. to provide certain inducements to CGI to establish and operate a Technology Center in Lafayette, Louisiana. This Agreement has been amended multiple times in the last several years with the total contract amount being $5,350,000. LEDA's obligation under this agreement is to provide the Company with occupancy of a temporary facility and any remaining balance after payment of such costs shall be available for relocation costs, furniture and equipment to be reimbursed to the Company by LEDA. As of December 31, 2020, LEDA has paid $2,500,775 of the total amount of these obligations, of which $528,183 was expended in the current year. The agreement contains numerous requirements including job creation for a ten-year period. The agreement also contains claw-back provisions if the requirement elements are not met.

In October 2014, LEDA entered into a Cooperative Endeavor Agreement with Enquero, Inc. to provide certain inducements to Enquero in exchange for the Company beginning, maintaining and expanding its operations of business in Lafayette Parish to create and maintain certain "required jobs and required payroll" as outlined in the agreement for a ten-year period. LEDA's obligation under this agreement is to provide funding of up to $750,000 for the project costs. The agreement calls for structured payments based on certain job creation goals being met, with the deadline for job creation set at September 30, 2024. The maximum amount will only be paid when the Company has created 275 jobs. As of December 31, 2020, LEDA has paid $150,000 of the total amount of this obligation, of which $-0- was expended in the current year. The agreement also contains claw-back provisions if the requirement elements are not met. On January 20, 2020 Enquero provided LEDA with a 60-day notice of termination of the agreement which included an estimated claw-back calculation in the amount of $140,494.

In September 2016, LEDA entered into a Cooperative Endeavor Agreement with WAITR Incorporated to provide certain inducements to WAITR in exchange for the Company beginning, maintaining and expanding its operations of business in Lafayette Parish to create and maintain certain "required jobs and required payroll" as outlined in the agreement for a six-year period. LEDA's obligation under this agreement is to provide funding of up to $187,500 for the project costs. The agreement calls for structured payments based on certain job creation goals being met, with the deadline for job creation set at October 31, 2022. The maximum amount will only be paid when the Company has created 100 jobs. In 2018, the agreement was modified and LEDA has agreed to pay up to $600,000 for project costs. The amendment also extended the employment period to June 30, 2032 and requires WAITR to have 270 jobs to receive the maximum amount. As of December 31, 2020, LEDA has paid $122,445 of the total amount of this obligation, of which $-0- was paid in the current year. The agreement also contains claw-back provisions if the requirement elements are not met.

(I) COMMITMENTS - continued

Effective January 1, 2018, LEDA entered into a Memorandum of Understanding (MOU) with Opportunity Machine, Inc. (OM), a not for profit entity whose mission is to provide tools to its members that will accelerate their businesses resulting in job growth and economic development. As part of this MOU, LEDA committed to provide working capital and support services in exchange for OM's commitment to fund entrepreneurial recruitment projects and regional marking efforts that will include Lafayette Parish. LEDA shall transfer up to \$340,000 prior to December 31, 2020 to be used for operational expenses, lease payments and other expenses. LEDA also agrees to employ an executive director, program administrator and up to four interns on behalf of OM. LEDA will also provide accounting services and support. In addition, LEDA will sublease operational space, which shall count towards the \$340,000 commitment. For the year ended December 31, 2020, LEDA funded \$340,000 under this MOU and also paid \$195,276 in salaries and benefits for the above referenced employees. This MOU was renewed for 2021 in the amount of \$215,000.

On June 25, 2020, LEDA entered into a construction contract with R S Bernard & Associates, Inc. for the renovations to the building acquired at 314 Jefferson Street, Lafayette, Louisiana in the amount of \$3,088,996.72. As of December 31, 2020, LEDA had paid or accrued costs totaling \$1,334,062.33, including \$66,703.12 in retainage payable.

In June 2020, the Community Foundation of Acadiana, LEDA and the Lafayette Consolidated Government established the Lafayette Business Recovery Program which is designed to stabilize local businesses and retain and create jobs in response to the COVID-19 pandemic. The Program was established at Community Foundation who is responsible for its function. During the year ended December 31, 2020, LEDA contributed \$200,000 to this fund.

On December 22, 2020, LEDA entered into a Cooperative Endeavor Agreement with the State of Louisiana, the Louisiana Department of Economic Development (LED), the City of Carencro, Louisiana. and Amazon.com Services, LLC whereas, the parties agree that in consideration of the investment by State, City, LEDA, Amazon will make capital expenditures in order to design, construct and furnish a new fulfillment center in Carencro, Louisiana. The agreement calls for the LED and LEDA to reimburse the City and the Company by way of a Public Infrastructure Grant for up to \$3.25 million in documented expenses. LEDA's obligation under this agreement is to reimburse no more than \$250,000. As of December 31, 2020, LEDA has not expended any funds under this agreement. The agreement contains numerous requirements including job creation for a five-year period. The agreement also contains claw-back provisions if the requirement elements are not met.

(J) LITIGATION

There was no litigation pending against the Authority as of December 31, 2020.

(K) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE PRESIDENT/CEO

A detail of compensation, benefits, and other payments paid to Gregg Gothreaux, President and CEO for the year ended December 31, 2020:

Purpose	
Salary	$ 299,000
Revenue Sharing	$ 83,405
Benefits – Insurance	$ 10,921
Benefits - Retirement	$ 34,912
Government Provided Vehicle	$ 1,559
Reimbursements	$ 6,759
Travel	$ 12,198
Registration Fees	$ 700

(L) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 3, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variances with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes	$ 3,870,000	$ 3,625,000	$ 3,653,149	$ 28,149
Intergovernmental	125,400	110,150	105,574	(4,576)
Miscellaneous	36,500	21,850	23,057	1,207
Total revenues	4,031,900	3,757,000	3,781,780	24,780
Expenditures:				
Current:				
General government	3,824,900	3,512,500	3,400,914	111,586
Capital outlay	89,000	68,000	61,135	6,865
Total expenditures	3,913,900	3,580,500	3,462,049	118,451
Excess of revenues over expenditures	118,000	176,500	319,731	143,231
Other financing sources (uses):				
Interest earned	112,000	53,500	56,049	2,549
Operating transfers in	-	-	-	-
Operating transfers out	(3,230,000)	(3,230,000)	(3,230,000)	-
Total other financing sources (uses)	(3,118,000)	(3,176,500)	(3,173,951)	2,549
Deficiency of revenues and other sources over expenditures and other uses	(3,000,000)	(3,000,000)	(2,854,220)	145,780
Fund balance, beginning	8,027,738	8,027,738	8,027,738	-
Fund balance, ending	$ 5,027,738	$ 5,027,738	$ 5,173,518	$ 145,780

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA PAROCHIAL RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2020

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
2020	0.220618%	$ 10,386	$ 1,479,813	0.7%	99.89%
2019	0.199630%	$ 886,030	$ 1,398,888	63.3%	88.86%
2018	0.212759%	$ (157,920)	$ 1,309,567	-12.1%	101.98%
2017	0.230539%	$ 474,798	$ 1,367,222	34.7%	94.15%
2016	0.219292%	$ 577,240	$ 1,257,334	45.9%	92.23%
2015	0.206091%	$ 56,347	$ 1,183,718	4.8%	99.15%

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 Payroll
2020	$ 181,277	$ 181,277	$ -	$ 1,479,813	12.25%
2019	$ 160,872	$ 160,872	$ -	$ 1,398,888	11.50%
2018	$ 163,696	$ 163,696	$ -	$ 1,309,567	12.50%
2017	$ 177,739	$ 177,739	$ -	$ 1,367,222	13.00%
2016	$ 182,313	$ 182,313	$ -	$ 1,257,334	14.50%
2015	$ 189,395	$ 189,395	$ -	$ 1,183,718	16.00%

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

INTERNAL CONTROL, COMPLIANCE

AND

OTHER INFORMATION

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*

Chairman of the Board
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge 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 the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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, LLC

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

June 3, 2021
Lafayette, Louisiana

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments, which are not required legally or by sound financial management to be accounted for in another fund.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			
	Final Budget	Actual	Variance - Favorable (Unfavorable)	2019 Actual
Current:				
General government:				
Salaries, taxes and benefits	$ 2,110,000	$ 2,075,091	$ 34,909	$ 1,956,581
Existing business retention/expansion	26,000	22,815	3,185	25,794
Professional development	35,000	32,802	2,198	53,815
Business recruitment	34,000	32,955	1,045	74,438
Artspark	60,000	60,000	-	60,000
Sustainable Community	2,500	2,399	101	2,367
Marketing and advertising	75,000	54,265	20,735	123,253
Office operations	185,000	185,733	(733)	142,631
Industrial property maintenance	33,000	31,189	1,811	31,224
Legal notices and audit	11,000	10,851	149	14,304
Insurance	33,000	32,167	833	32,479
Louisiana Public Retirement	145,000	132,932	12,068	141,978
Professional fees	225,000	203,268	21,732	199,811
Governmental Affairs Liaison	38,000	37,528	472	42,005
Market intelligence	23,000	18,140	4,860	36,366
Technology	22,000	20,756	1,244	25,723
Workforce Connection Programs	42,000	41,072	928	48,119
Opportunity Machine	340,000	340,000	-	350,000
Innovation Center	18,000	15,141	2,859	-
Special projects	55,000	51,810	3,190	187,365
Capital outlay:				
Equipment and furniture	68,000	61,135	6,865	64,800
Total	$ 3,580,500	$ 3,462,049	$ 118,451	$ 3,613,053

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Compensation Paid to Members of the Board of Commissioners
December 31, 2020

The commissioners of the Authority receive no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Summary of Corrective Action Taken on Prior Year Findings
December 31, 2020

There were no prior year findings.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

We have audited the financial statements of the Lafayette Economic Development Authority as of and for the year ended December 31, 2020 and have issued our report thereon dated June 3, 2021. 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. Our audit of the financial statements as of December 31, 2020 resulted in an unmodified opinion.

Section I – Summary of Auditors' Reports

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

Internal Control

Material Weaknesses	___ Yes	x No
Control Deficiency	___ Yes	x No

Compliance

Compliance Material to Financial Statements	___ Yes	x No

Section II – Financial Statement Findings

There were no current year findings.

Section III – Federal Award Findings and Questioned Costs.

This section is not applicable for the year ended December 31, 2020.