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

ANNUAL FINANCIAL REPORT AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

LAFAYETTE REGIONAL AIRPORT

TABLE OF CONTENTS

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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, 2020, 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, 2020, 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 11 and 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 June 21, 2021, on our consideration of the Lafayette Regional Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lafayette Regional Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette Regional Airport's internal control over financial reporting and compliance.

Wright, Moore, DeHart, Dupuis & Hutchinson

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

June 21, 2021
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, 2020.

AIRPORT ACTIVITIES & HIGHLIGHTS

- March of 2020 saw the first effects of the global spread of the COVID-19 virus that hit the aviation industry hard. The subsequent pandemic caused national and global travel restrictions that resulted in a huge slump in flight demand that continued throughout the year. LFT's passenger numbers were affected as were other LFT events throughout 2020.

- Lafayette Regional Airport's 2020 enplanement numbers reached 120,877, but was a 45% decrease over a record setting 2019 year. Deplanements were 118,657 which was also a 45% decrease from the prior year. However, Cargo operations remained strong showing that 26,549,984 pounds passed through the airport in 2020 which was only 3.8% less than 2019.

- As for flight loads, American Eagle flights to Dallas recorded a 61.1% load factor, followed by United flights to Houston with over 54.6%, and Delta flights to Atlanta had 52.0% of outgoing seats filled in 2020. In addition, the Airport continues to work with these and 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 only in 2015 and dedicated to the construction of a new Airport Terminal. The tax and interest have generated over $35,000,000 as of the end of 2020. Since the November 2018 groundbreaking, New Terminal construction has been ongoing. Progress continues and the project is still on schedule to be completed in late 2021.

- The new QTA (Quick Turn Around) Facility, located just north of the new Terminal site, was completed in 2020. This facility was designed and built for all of the Rental Car companies servicing LFT to share use. The facility houses the car wash, vacuum system, and filling station functions, as well as additional vehicle inventory parking areas for all of the Rental Car companies. These tenants moved into their new spaces at the facility in May 2020 once all of the equipment was installed and operable.

- Major projects that were completed in 2020 include the fore mentioned Rental Car Quick Turn Around (QTA), the infrastructure for LFT's GA Subdivision Plan, as well as the construction of the new building housing the Remote Transmit & Receive (RTR) Cable system. Also completed was the TSA Security Line Expansion in the current terminal which will allow more passengers to be checked through during higher traffic time periods.

  Several projects still in progress at the end of 2020 include the Realignment and Widening of Taxiway Foxtrot North and South Ends and the Rehab of RWY 11/29. Also ongoing is the construction of a Detention Pond. In addition, work continues on subsequent phases of the new LFT Terminal such as new terminal passenger parking areas as well as the Ready Return Lot for Rental Car returns. These projects are designed to enhance overall safety, as well as to facilitate future growth and capacity of Lafayette Regional Airport.

- As stated, the new Terminal is still on schedule to open in the 4th quarter of 2021 along with TWY F North, which will improve access to both the Air Carrier and General Aviation ramps as well as address pavement issues at the intersection of TWY J and RWY 22L. The LAC will also make improvements to the FAA equipment which will have a direct, positive impact to the National Airspace System (NAS). In the summer of 2021, the airport will receive new jet bridges to be attached to the new terminal and several other smaller projects associated with the new terminal will come to a close. These projects are designed to improve the overall safety of the airport while enhancing the passenger's experience.

FINANCIAL HIGHLIGHTS

- Operating Revenues fell in total by 16.7% in 2020 from 2019 going from \$9.9 million to \$8.2 million. Parking Revenues fell by 54.9%, and Rental Car and Landing Fee revenues also fell by 30.2% and 23.6%, respectively due to the effects of a global pandemic on aviation which impacted all airport business. The effects of COVID-19 also impacted the collection of PFC's by 45.8% from 2019. The rise of approximately \$4.3 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 decreased from 2019 changing from \$15.5 million to \$15.4 million due primarily to increases in Security and Insurance costs that countered Administrative and Utility expense savings. (Table 4)

- Non-Operating Income (Expenses), excluding Capital Grants and the 1% Airport Tax, changed from a net income of \$7,548,240 in 2019 to a net income of \$6,344,689 in 2020. This category also reported a 17.5% decrease in Interest Income earned over 2019 as funds restricted for the construction of the new terminal are being expended for ongoing work.

- Net position of our business-type activity for 2020 increased by \$29.2 million or 7.0%, compared to a 13.1% increase in 2019. The increase for 2020 is largely due to increases in our Capital Assets. (Table 1)

- Additional funding for Airport operations is received through ad valorem tax revenue. In 2020, the Airport received approximately \$3.64 million in revenues which is a slight decrease from the \$3.85 million in 2019.

- Capital Grants and Contributions received in 2020 were \$30,024,097 compared to \$25,633,207 in 2019. These grants are directly related to the construction of the new terminal and the various Airport Improvement Program grants which are funded at the federal and state level and fluctuate from year-to-year dependent upon the funding and schedules of the Airport's capital projects.

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 13% in the current year, from \$249.1 million to \$283.0 million. The increase is due to the growth in Capital Assets of \$45.8M. Our following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Airport's business-type activities. Table 2 reflects collections from Passenger Facility Charges and Customer Facility Charges, even though these are not operating revenues.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

At the end of December 31, 2020, the Airport had $207.5 million invested in capital assets, net of related debt, including all equipment, land and buildings. This represents a net increase of $40.8 million, or 24.6%, over the 2019 amount of $166.9 million.

During 2020, the airport expended $51.9 million on capital activities. This included funds spent for any 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 2020, 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, security and other contractual services.
- The Lafayette Airport Commission is well aware that as of the writing of this report, that COVID-19 may continue to be a key economic factor in 2021 as the airline/airport industry continues to be 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 2020	Business-type Activities 2019	Total Primary Government 2020	Total Primary Government 2019
ASSETS:				
Current Assets	$ 44,293,783	$ 55,054,279	$ 44,293,783	$ 55,054,279
Capital Assets	212,734,410	166,920,646	212,734,410	166,920,646
Non-Current Assets	26,002,844	27,155,179	26,002,844	27,155,179
TOTAL ASSETS	$ 283,031,037	$ 249,130,104	$ 283,031,037	$ 249,130,104
Deferred Outflows	$ 162,308	$ 678,714	$ 162,308	$ 678,714
LIABILITIES:				
Current Liabilities	$ 12,889,192	$ 13,196,550	$ 12,889,192	$ 13,196,550
Non-Current Liabilities	5,531,200	1,436,381	5,531,200	1,436,381
Total Liabilities	$ 18,420,392	$ 14,632,931	$ 18,420,392	$ 14,632,931
Deferred Inflows	$ 782,478	$ 392,309	$ 782,478	$ 392,309
NET POSITION:				
Net Investment in Capital Assets	$ 207,524,810	$ 166,920,646	$ 207,524,810	$ 166,920,646
Restricted - PFC	324,458	649,020	324,458	649,020
Restricted - CFC	551,580	1,624,624	551,580	1,624,624
Restricted - New Terminal	17,488,852	24,881,535	17,488,852	24,881,535
Unrestricted	38,100,775	40,707,753	38,100,775	40,707,753
Total Net Position	$ 263,990,475	$ 234,783,578	$ 263,990,475	$ 234,783,578

Table 2
CHANGES IN NET POSITION

	Business-type Activities		Total Primary Government	
	2020	2019	2020	2019
Revenues				
Program Revenues:				
Charges for Services	$ 8,194,081	$ 9,856,261	$ 8,194,081	$ 9,856,261
Operating Grants	102,005	108,099	102,005	108,099
Capital Grants and Contributions	30,024,097	25,633,207	30,024,097	25,633,207
Passenger Facility Charges	606,528	1,119,928	606,528	1,119,928
Customer Facility Charges	862,845	1,098,080	862,845	1,098,080
General Revenues:				
Property Taxes	3,591,179	3,808,971	3,591,179	3,808,971
Other Revenue	107,639	88,329	107,639	88,329
State Revenue Sharing	49,124	45,854	49,124	45,854
1% Airport Tax	60,503	(93,666)	60,503	(93,666)
Pension Related	17,521	15,843	17,521	15,843
Investment Earnings	1,109,756	1,345,787	1,109,756	1,345,787
Gain on Sale of Assets	99	25,449	99	25,449
Total Revenues	44,725,377	43,052,141	44,725,377	43,052,141
Program Expenses				
Administration	1,891,876	1,960,786	1,891,876	1,960,786
Telephones & Utilities	427,520	454,506	427,520	454,506
Supplies & Materials	31,873	51,348	31,873	51,348
Repairs & Maintenance	1,193,586	1,198,702	1,193,586	1,198,702
Security	1,064,051	873,680	1,064,051	873,680
ARFF	709,866	698,332	709,866	698,332
Professional Fees	609,962	619,126	609,962	619,126
Insurance	375,155	333,422	375,155	333,422
Contractual Services	965,696	964,357	965,696	964,357
Depreciation	8,106,315	8,346,791	8,106,315	8,346,791
Pension Related	42,034	204,199	42,034	204,199
Bond Expense	100,545	134,310	100,545	134,310
Total Expenses	15,518,480	15,839,559	15,518,480	15,839,559
Increase in Net Position	$ 29,206,897	$ 27,212,583	$ 29,206,897	$ 27,212,583

Table 3
REVENUES

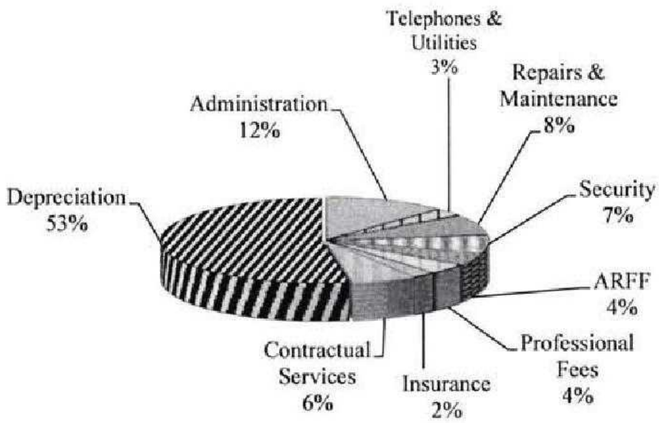
The following chart shows the major sources and percentages of operating revenues of the proprietary fund for the years ended December 31, 2020, and December 31, 2019:

Operating Revenues:	2020	2019	Increase (Decrease) from 2019	Percent Increase (Decrease)
Landing Fees	$ 1,054,840	$ 1,381,047	$ (326,207)	-23.6%
Terminal Rent/Charges	1,670,750	1,788,498	(117,748)	-6.6%
Hangar Rentals	683,639	650,684	32,955	5.1%
Fuel Flowage Fees	113,968	134,659	(20,691)	-15.4%
Land & Non-Terminal Facilities	2,933,612	2,767,261	166,351	6.0%
Rental Cars	791,005	1,134,047	(343,042)	-30.2%
Parking	889,809	1,972,898	(1,083,089)	-54.9%
Car Wash Revenues	27,425	-	27,425	0.0%
Grant Revenues	102,005	108,099	(6,094)	-5.6%
Other	29,033	27,167	1,866	6.9%
Total Operating Revenues	8,296,086	9,964,360	(1,668,274)	-16.7%
Non-Operating Revenues:				
Interest Income	1,109,756	1,345,787	(236,031)	-17.5%
Other Revenue	107,638	88,329	19,309	21.9%
Proceeds from Sale of Assets	99	25,449	(25,350)	0.0%
Pension Related	17,521	15,843	-	0.0%
Operation & Maintenance Tax	3,640,304	3,854,825	(214,521)	-5.6%
Passenger Facility Charges	606,528	1,119,928	(513,400)	-45.8%
Customer Facility Charges	862,845	1,098,080	(235,235)	0.0%
1% Airport Tax	60,503	(93,666)	154,169	-164.6%
Capital Grants and Contributions	30,024,097	25,633,207	4,390,890	17.1%
Total Non-Operating Revenues	36,429,291	33,087,782	3,339,831	10.1%
TOTAL REVENUES	$ 44,725,377	$ 43,052,141	$ 1,671,558	3.9%

Table 4
EXPENSES

The following chart shows the major sources and percentages of operating expenses of the proprietary fund for the years ended December 31, 2020, and December 31, 2019:

Operating Expenses



	2020	2019	Increase (Decrease) from 2019	Percent Increase (Decrease)
Operating Expenses:				
Administration	$ 1,891,876	$ 1,960,786	$ (68,910)	-3.5%
Telephones & Utilities	427,520	454,506	(26,986)	-5.9%
Supplies & Materials	31,873	51,348	(19,475)	-37.9%
Repairs & Maintenance	1,193,586	1,198,702	(5,116)	-0.4%
Security	1,064,051	873,680	190,371	21.8%
ARFF	709,866	698,332	11,534	1.7%
Professional Fees	609,962	619,126	(9,164)	-1.5%
Insurance	375,155	333,422	41,733	12.5%
Contractual Services	965,696	964,357	1,339	0.1%
Depreciation	8,106,315	8,346,791	(240,476)	-2.9%
Total Operating Expenses	15,375,901	15,501,050	(125,149)	-0.8%
Non-Operating Expenses:				
Pension Related	42,034	204,199	(162,165)	-79.4%
Bond Related	100,545	134,310	(33,764)	-25.1%
Total Non-Operating Expenses	142,579	338,509	(195,929)	-
TOTAL EXPENSES	$ 15,518,480	$ 15,839,559	$ (321,079)	-2.0%

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 27,107,686
Accounts Receivable	1,049,990
Ad Valorem Tax Receivable	1,101,502
Due From Sheriff	2,505,620
Grant Funds Receivable	12,132,821
Prepaids	396,164
Total Current Assets	44,293,783
RESTRICTED ASSETS	
Cash	
Grant Funds	7,632,254
PFC Funds	324,458
CFC Funds	551,580
1% Airport Tax	17,488,852
Total Restricted Assets	25,997,144
PROPERTY AND EQUIPMENT	
Property and Equipment	219,970,968
Land	5,491,076
Construction in Progress	119,326,790
Total	344,788,834
Less: Accumulated Depreciation	(132,054,424)
Net Property and Equipment	212,734,410
NON-CURRENT ASSET	
Security Deposits	5,700
TOTAL ASSETS	$ 283,031,037

DEFERRED OUTFLOWS OF RESOURCES

Pension Related	$ 162,308

The Accompanying Notes are an Integral Part of These Statements.

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

STATEMENT OF NET POSITION
DECEMBER 31, 2020

LIABILITIES

CURRENT LIABILITIES	
Accounts Payable	$ 8,220,111
Accrued Expenses	4,636,389
Unearned Revenue	32,692
Total Current Liabilities	12,889,192
NON-CURRENT LIABILITIES	
Bonds Payable, Less Current Maturities	5,209,600
Security Deposits	205,075
Accrued Compensated Absences	106,333
Net Pension Liability	10,192
Total Non-Current Liabilities	5,531,200
TOTAL LIABILITIES	$ 18,420,392

DEFERRED INFLOWS OF RESOURCES

Pension Related	$ 473,305
Property Taxes	309,173
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 782,478

NET POSITION

Net Investment in Capital Assets	$ 207,524,810
Expendable:	
Restricted for PFC Projects	324,458
Restricted for New Commercial Terminal	17,488,852
Restricted for CFC Projects	551,580
Unrestricted	38,100,775
TOTAL NET POSITION	$ 263,990,475

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, 2020

OPERATING REVENUES	
Rentals	$ 6,077,205
Commissions	108,860
Landing Fees	1,054,841
Parking Tolls	889,809
Grant Revenues	102,005
Car Wash Revenues	27,425
Miscellaneous	35,941
Total Operating Revenues	8,296,086
OPERATING EXPENSES	
Salaries and Costs of Employment	1,972,827
Supplies	31,873
Other Services and Charges	5,306,920
Depreciation	8,106,315
Total Operating Expenses	15,417,935
OPERATING LOSS	(7,121,849)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	1,109,756
Other Revenue	107,639
Capital Grant Revenue	30,024,097
Ad Valorem Tax Revenue	3,591,179
State Revenue Sharing	49,124
1% Airport Tax	60,503
Non-Employer Pension Contribution	17,521
Passenger Facility Charges	606,528
Customer Facility Charges	862,845
Interest Expense	(100,545)
Gain on Disposal of Fixed Assets	99
Total Non-Operating Revenues (Expenses)	36,328,746
INCREASE IN NET POSITION	29,206,897
NET POSITION, BEGINNING	234,783,578
NET POSITION, ENDING	$ 263,990,475

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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Providing Services	$ 7,828,490	
Received from Other Sources	216,550	
Cash Paid to Suppliers	(5,640,286)	
Cash Paid to Employees	(1,935,503)	
Net Cash Provided By Operating Activities		$ 469,251
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Interest Received	1,109,756	
Net Cash Provided By Investing Activities		1,109,756
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad Valorem Tax Revenue	3,581,789	
Net Cash Provided By Non-Capital Financing Activities		3,581,789
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Capital Grants Received	25,729,222	
Acquisition and Construction of Fixed Assets	(53,919,980)	
1% Tax Revenue	60,503	
Other Funds Received	1,469,374	
Proceeds From Long-Term Debt	4,950,000	
Interest Paid	(100,545)	
Net Cash (Used In) Capital and Financing Activities		(21,811,426)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(16,650,630)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (including $27,155,179 in restricted cash)		69,755,460
CASH AND CASH EQUIVALENTS, END OF YEAR (including $25,997,144 in restricted cash)		$ 53,104,830

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

STATEMENT OF CASH FLOWS - continued
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Operating Loss	$(7,121,849)	
Adjustments to Reconcile Loss From Operations to Net Cash		
Provided By Operating Activities:		
Depreciation	8,106,315	
Other Revenue	107,639	
Provision for Net Pension Liability, Net	14,101	
Changes in Assets and Liabilities:		
Accounts Receivable	(390,299)	
Prepaid Expenses	11,588	
Accounts Payable	(4,904,389)	
Accrued Expenses	4,597,008	
Unearned Revenue	24	
Security Deposits	25,890	
Accrued Compensated Absences	23,223	
Net Cash Provided By Operating Activities		$ 469,251

The Accompanying Notes are an Integral Part of These Statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for 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 $106,333 at December 31, 2020.

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, 2020. Restricted cash is also included in the cash balances for purposes of the statement of cash flows.

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

(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, 2020.

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:

	2020		2019	
Petty Cash	$400		$	400
Operating Account		1,222,143		8,614,126
Operating Reserve		19,441,674		25,775,872
PFC Account		324,458		649,020
CFC Account		551,580		1,624,624
Terminal Development Funds Account		6,443,469		8,001,492
1% Airport Tax Account		17,488,852		24,881,535
Grant Account		7,632,254		208,392
Cash Per Statement of Cash Flows	$	53,104,830	$	69,755,461

(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 $2,610,448,358 less homestead exemptions of $408,395,210 for 2020.

(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 $14,880,000 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, 2020, $324,458 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 $5.50 per transaction day. The revenues generated will be used to fund and finance the new Rental Car Facility in association with the New Terminal Development Project. The Airport has been approved to initially collect enough CFC funds to cover planning, design, project management costs and construction of the project. 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, 2020, the remaining CFC revenue collected and available to fund the project was $551,580 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, including construction of a new terminal, with the assistance of federal and state funds. Grant funds receivable at December 31, 2020, consisted of the following:

State Department of Transportation	$	2,987,410
Louisiana Facilities Planning		704,546
Economic Development Administration		909,816
FAA – AIP Project 44		687,600
FAA – AIP Project 45		8,623
FAA – AIP Project 46		165,903
FAA – AIP Project 47		61,757
FAA – AIP Project 48		(1,774)
FAA – AIP Project 50		2,750
FAA – AIP Project 51		381,122
FAA – AIP Project 52		301,866
FAA – AIP Project 53		313,589
FAA – AIP Project 54		352,602
FAA – AIP Project 55		1,076,185
FAA – AIP Project 57		354,133
FAA – AIP Project 58		859,346
FAA – AIP Project 59		1,028,279
Various Sources - Retainage - Unallocated until Billed		1,939,068
Total Grant Funds Receivable	$	12,132,821

(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 12/31/2019	Additions	Disposals/ Transfers	Ending Balance 12/31/2020
Hangers and Buildings	$ 57,267,655	$ 8,244,698	$ (98,485)	$ 65,413,868
Runways and Navigation Aids	113,466,346	35,480	(3,692,316)	109,809,510
Service Roads and Parking	10,535,818	-	-	10,535,818
Other Permanent Improvements	19,187,180	5,111,837	(36,158)	24,262,859
Equipment	8,580,377	30,438	(249,840)	8,360,975
Furniture and Fixtures	1,587,938	-	-	1,587,938
	$ 210,625,314	$ 13,422,453	$ (4,076,799)	$ 219,970,968
Less: Accumulated Depreciation and Amortization	(128,024,908)	(8,106,315)	4,076,799	(132,054,424)
Net Property and Equipment	$ 82,600,406	$ 5,316,138	$ -	$ 87,916,544
Land	$ 5,491,076	$ -	$ -	$ 5,491,076
Construction in Progress	$ 78,829,164	$ 53,624,097	$ (13,126,471)	$ 119,326,790

Depreciation expense for the year ended December 31, 2020, was $8,106,315.

(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, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actually 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.

The total contributions for the years ended December 31, 2020, 2019 and 2018 were \$161,819, \$158,339, and \$145,979, 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, 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.

(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, 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	$ 4,707,461

The Airport's allocation is 0.216515% 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, 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% (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 Disabled 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 and non-employer contributing entities 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 7.18% 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 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	$ 1,101,605	$ 10,192	$ 904,390

Change in Net Pension Liability

The changes in the net pension liability 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 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 $91,243 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 deferred inflow of resources in the amount of $382,062 for the year ended of December 31, 2020.

(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 $142,349 for the year ended of December 31, 2020.

Change in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion resulted in deferred outflows of resources in the amount of $16,479 for the year ended of 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

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, the Airport reported a liability of $10,192 for its proportionate share of the Net Pension Liability of the Plan.

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. 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, 2019, the Airport's proportion was 0.216515%, which was an increase of 0.009189% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Airport recognized pension expense of $202,879 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $(3,367).

At December 31, 2020, 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	$ -	$ 91,243
Changes of Assumptions	142,349	-
Net difference between projected and actual earnings on pension plan investments	-	382,062
Change in proportion and differences between employer contributions and proportionate share of contributions	16,479	-
Employer contributions subsequent to measurement date - Prior	(158,339)	-
Employer contributions subsequent to the measurement date - Current	161,819	-
Total	$ 162,308	$ 473,305

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	
12/31/2020	$ (71,353)
12/31/2021	$ (94,224)
12/31/2022	$ 13,297
12/31/2023	$(172,011)

(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, 2020, 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, 2020, funds drawn on these bonds amounted to $529,800. The short-term borrowings are being repaid with interest only payments at a current rate of 4.08%.

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, 2020, funds drawn on these bonds amounted to $4,679,800. The short-term borrowings are being repaid with interest only payments at a current rate of 3.06%.

(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, 2020:

Year Ending December 31	
2021	$ 2,820,039
2022	1,747,683
2023	1,293,784
2024	1,050,891
2025	1,050,891
Thereafter	2,630,926
Total Minimum Future Rentals	$ 10,594,214

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. Those annual adjustments could not be determined. Therefore, the 2020 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, 2020, 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, 2020, the Airport is the defendant in two lawsuits with contractors on these construction contracts for various reasons. One lawsuit was settled subsequent to year end and the necessary accrual has been recorded in the financial statements. The other lawsuit is still in discovery phase 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, 2020, 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, 2020:

Purpose	Amount
Salary and Related Benefits	$ 172,312
Benefits - Insurance	$ 18,225
Benefits - Retirement	$ 21,108
Reimbursements - Phone	$ 1,200
Travel	$ 1,891
Registration Fees	$ 195
Conference Travel	$ 1,685
Vehicle Usage	$ 732

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

In November 2014, a one percent sales tax was approved by the voters to be collected for a period of eight months, dedicated to the construction of a new terminal at the Airport. Total collections not yet expended as of December 31, 2020, are $17,488,852 and are reported as restricted cash and restricted net position in these financial statements.

(R) SUBSEQUENT EVENTS

The Airport has evaluated subsequent events through June 21, 2021, the date the financial statements were available to be issued.

During April 2021, a settlement was reached in a lawsuit in which the Airport was the defendant (Note M). An accrual was made as of December 31, 2020, in the amount of $764,000. The amount is reported in the accrued expenses line item on the statement of net position. The expense has been paid and is expected to be reimbursed through the Federal Aviation Administration (FAA).

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Administrative	General Maintenance	Contractual Services	Total
SALARIES AND COSTS OF EMPLOYMENT				
Salaries	$ 949,405	$ 431,347	$ -	$ 1,380,752
Payroll Taxes	13,203	6,437	-	19,640
Group Insurance	212,931	123,075	-	336,006
Worker's Compensation	10,862	22,688	-	33,550
Retirement Contributions	152,609	50,270	-	202,879
Total Salaries and Costs of Employment	$ 1,339,010	$ 633,817	$ -	$ 1,972,827
SUPPLIES				
Supplies and Minor Equipment	$ 19,457	$ 10,035	$ 2,381	$ 31,873
OTHER SERVICES AND CHARGES				
Advertising	$ 396,691	$ -	$ -	$ 396,691
Postage and Freight	2,171	-	-	2,171
Dues and Publications	42,516	-	-	42,516
ID Card System	6,319	-	-	6,319
Environmental Expenses	231,211	-	-	231,211
Fuel and Oil	127	14,929	7,605	22,661
Fly Lafayette Campaign/Public Relations	7,671	-	-	7,671
Insurance	187,388	187,767	-	375,155
Litigation Expenses	193,942	-	-	193,942
Miscellaneous	2,095	-	-	2,095
Terminal Building Equipment Contract	-	-	135,433	135,433
Professional Fees	609,962	-	-	609,962
Repairs and Maintenance	14,471	401,750	55,368	471,589
Repairs and Maintenance - Leased Facilities	-	35,293	-	35,293
Telephone	80,013	33,849	-	113,862
Training	4,381	250	-	4,631
Travel	6,856	-	-	6,856
Uniforms	1,549	3,395	-	4,944
Utilities	-	313,658	-	313,658
Parking Fee Management	204,767	-	-	204,767
Contracted Services -				
Grounds Maintenance	-	94,152	-	94,152
Janitorial	-	-	257,424	257,424
ARFF Services	-	-	709,866	709,866
Security	-	-	1,064,051	1,064,051
Total Other Services and Charges	$ 1,992,130	$ 1,085,043	$ 2,229,747	$ 5,306,920

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, 2020

Federal Grantor Program Title	Federal CFDA Number		Grant Number	Federal Expenditures
U.S. Department of Transportation				
Federal Aviation Administration				
Airport Improvement Projects	20.106	*	#44	$ 687,600
Airport Improvement Projects			#46	32,104
Airport Improvement Projects			#47	27,837
Airport Improvement Projects			#48	23,522
Airport Improvement Projects			#50	26,299
Airport Improvement Projects			#51	87,400
Airport Improvement Projects			#52	977,221
Airport Improvement Projects			#53	3,820,183
Airport Improvement Projects			#54	4,565,510
COVID - 19 - Airport Improvement Projects			#55	1,176,071
COVID - 19 - Airport Improvement Projects			#56	36,587
Airport Improvement Projects			#56	329,281
Airport Improvement Projects			#57	372,768
Airport Improvement Projects			#58	287,637
COVID - 19 - Airport Improvement Projects			#59	108,408
Airport Improvement Projects			#59	975,672
Airport Improvement Projects			N/A	217
Subtotal Airport Improvement Projects				13,534,317
U.S. Department of Commerce:				
Passed Through Acadiana Planning Commission				
Investments for Public Works and Economic Development Facilities	11.300		N/A	909,816
Total Expenditures of Federal Awards				$ 14,444,133

* - 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, 2020

(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, 2020. 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, 2020.

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, 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
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%
2020	0.216515%	$ 10,192	$ 1,441,679	0.71%	99.89%

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, 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 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%
2020	$ 165,793	$ 158,339	$ 7,454	$ 1,441,679	10.98%

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.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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, 2020, and the related notes to the financial statements, which collectively comprise Lafayette Regional Airport's basic financial statements, and have issued our report thereon dated June 21, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafayette Regional Airport's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wright, Moore, DeHart,
Dupuis & Hutchinson

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

June 21, 2021
Lafayette, Louisiana

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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, 2020. 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, 2020.

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

June 21, 2021
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, 2020

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, 2020, and have issued our report thereon dated June 21, 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 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' 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, 2020, 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, 2020.

Major Program - Threshold

The dollar threshold to distinguish between Type A and Type B programs is $750,000 for the year ended December 31, 2020.

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, 2020.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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, 2020.

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, 2020.

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, 2020, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements. We have issued our report thereon dated June 21, 2021, 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 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 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

June 21, 2021
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, 2020

	Beginning Program Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Ending Program Total
Revenue:						
Collections	$ 14,284,095	$ 243,866	$ 154,258	$ 59,795	$ 137,986	$ 14,880,000
Interest	564,970	1,887	6,420	1,254	1,064	575,595
Total Revenue	14,849,065	245,753	160,678	61,049	139,050	15,455,595
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	-	496,469	251,572	183,051	-	931,092
Total Disbursements	12,231,659	496,469	251,572	183,051	-	13,162,751
Net PFC Revenue	-	(250,716)	(90,894)	(122,002)	139,050	-
PFC Account Balance	$ 649,020	$ 398,304	$ 307,410	$ 185,408	$ 324,458	$ 324,458

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, 2020

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, 2020

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