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

ANNUAL FINANCIAL REPORT AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

LAFAYETTE REGIONAL AIRPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Lafayette Regional Airport (the Airport), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of December 31, 2022, 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.

Emphasis of a Matter

As described in Note R to the financial statements, the Airport adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022. The adoption of GASB 87 required the Airport to report leases receivable and deferred inflows for leases which were previously accounting for as operating leases. The Airport recorded a cumulative effect for a change in accounting principle which decreased net position by $46,454. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

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

In our opinion, the supplemental information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2023, 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 15, 2023
Lafayette, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the Lafayette Regional Airport's activities and financial performance for the fiscal year ended December 31, 2022.

AIRPORT ACTIVITIES & HIGHLIGHTS

- Lafayette Regional Airport's 2022 enplanement numbers reached 231,029, which was an 9.0% increase over the 2021 year. Deplanements were 226,011 which was an 8.7% increase from the prior year. In addition, Cargo operations continued to grow showing that a record 28,766,171 pounds passed through the airport in 2022 which was slightly more than the amount in 2021.

- As for flight loads, Delta flights to Atlanta recorded a 77.9% load factor, followed closely by United flights to Houston with 77.6%, and American Eagle flights to both Dallas and Charlotte with a 71.1% of outgoing seats filled in 2022. In addition, the Airport continues to work with these and other carriers to bring additional service to the Lafayette area.

- In 2014, Lafayette Parish voters approved a 1% Sales Tax that was collected only in 2015, and dedicated for a new Airport Terminal. The tax and interest generated over $35,000,000. Substantial Completion of the new 120,000 sf LFT Terminal was issued in November of 2021 allowing the Commission staff to move into the completed state of the art facility and to prepare for a Grand Opening. The project was completed on budget, on time, and debt free. On January 20, 2022, the first flights and passengers departed LFT from the new Terminal.

- In 2021, The Lafayette Airport Commission approved the purchase of the adjacent Lafayette Parish School Board property located at 113 Chaplain Dr. The deal was finalized in May of 2022 and included the 10.706 acres and all buildings located on the property. The LPSS will continue to rent the facility from the LAC until their new location is ready for occupancy.

- LAC was the host of the 2022 Annual LAMA (Louisiana Airport Managers Association) Conference for the first time in over a decade. There were nearly 200 participants representing over 30 LA airports in attendance. This three-day event included a tour of the new LFT Terminal and raised over $28,000 for LAMA.

- In October of 2022, the Commission held its Annual Aviation Fun Day at the Airport's Aircraft Rescue and Fire Fighting (ARFF) Facility. There were over 125 children and adults that attended and enjoyed a tour of the airport grounds, a great lunch and numerous contests with prizes. A goody bag filled with Airport and airline industry items from many sponsors was provided for each attending child in an effort to promote the Aviation industry.

- Major projects besides the new LFT Terminal being put into service in 2022 include the realignment and widening of TWY F North which improves access to Air Carrier and General Aviation ramps, and the completion of new perimeter fence from Borman Dr. to Tower Dr. These projects are designed to enhance overall safety and facilitate future growth of Lafayette Regional Airport.

- Several projects still in progress at the end of 2022 include Phase III of Twy Foxtrot from Rwy 11 29 to the North end of Twy Lima. In addition, work continues on the infrastructure needed for a redesign of Borman Dr. and the future airport employee parking areas, additional expansion and enhancements of the airport long term public parking lots, and an additional section of new perimeter fencing from Tower Dr. to the southeast corner of Hwy 90.

- Projects in the design phase and scheduled to begin in 2023 are the demolition of 113 Borman Dr. that will make way for the construction of a cell phone waiting area as well as other additional tenant parking lot improvements. These projects are all designed to improve efficiency and overall safety of the airport while enhancing the passenger's experience.

FINANCIAL HIGHLIGHTS

- Operating Revenues grew by 11.1% in 2022 from 2021 going from $10.0 million to $10.8 million. Terminal Revenues increased by 39.8% while Parking Revenues grew by 16.5%, and Rental Car revenues decreased by 3.7%. The decreases from Capital Grants revenues of $23.3 million is a result of the reimbursements through various funding sources for the New LFT Terminal project winding down. (Table 3)

- Operating Expenses increased from 2021 changing from $17.8 million to $21.4 million due primarily to increases in Utilities and Insurance Costs for the New Terminal, as well as in Depreciation costs. It should be noted that there was a decrease in Professional Fees also credited to the winding down of the New Terminal Project. (Table 4)

- Non-Operating Income (Expenses), excluding Capital Grants and the 1% Airport Tax, changed from a net income of $6,929,968 in 2021 to a net income of $6,236,866 in 2022. This category also reported an 89.9% increase in Interest Income earned over 2021 as interest rates rose. In addition, the $$699,086 figure for the Proceeds from the Sale of Assets largely reflects the removal of some of the old Terminal Assets.

- Net position of our business-type activity for 2022 increased by $11.1 million or 3.5%, compared to a 13.5% increase in 2021. The increase for 2022 is largely due to increases in our Capital Assets. (Table 1)

- Additional funding for Airport operations is received through ad valorem tax revenue. In 2022 the Airport received approximately $3.98 million in revenues which is a slight increase from the $3.77 million in 2021.

- Capital Grants and Contributions received in 2022 were $15,210,254 compared to $38,396,662 in 2021. 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.

- 2022 is the first LAC audit year for implementation of the Governmental Accounting Standards Board (GASB) 87 Leases which requires governmental entities to recognize lease assets and liabilities in order to better meet the information needs of governmental financial statement users. Since GASB 87 became effective for reporting periods after June 15, 2021, this report contains results of the comparative information for 2021 through 2022. See footnotes (I) and (R) of the Notes to the Financial Statements.

USING THIS REPORT

Reporting the Airport as a Whole

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

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

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

Reporting the Airport's Significant Funds

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

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

THE AIRPORT AS A WHOLE

The Airport's total assets increased just over 5.1% in the current year, from $329 million to $346 million. The increase is due to the growth in Capital Assets of $16.9M. Our following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Airport's business-type activities. Table 2 reflects collections from Passenger Facility Charges and Customer Facility Charges, even though these are not operating revenues.

CAPITAL ASSET AND LONG-TERM DEBT

Capital Assets

At the end of December 31, 2022, the Airport had $269.6 million invested in capital assets, net of related debt, including all equipment, land and buildings. This represents a net increase of $11.5 million, or 4%, over the 2021 amount of $258.1 million (restated).

During 2022, the airport expended $30.5 million on capital activities. This expenditure 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

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

ECONOMIC FACTORS

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

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

REQUEST FOR INFORMATION

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

Table 1
NET POSITION

	Business-type Activities 2022	Business-type Activities 2021	Total Primary Government 2022	Total Primary Government 2021
ASSETS:				
Current Assets	$ 58,286,804	$ 53,073,503	$ 58,286,804	$ 53,073,503
Capital Assets	269,635,005	258,134,236	269,635,005	258,134,236
Non-Current Assets	18,443,087	18,249,529	18,443,087	18,249,529
TOTAL ASSETS	$ 346,364,896	$ 329,457,268	$ 346,364,896	$ 329,457,268
Deferred Outflows	$ 132,342	$ 222,815	$ 132,342	$ 222,815
LIABILITIES:				
Current Liabilities	$ 9,727,476	$ 11,087,796	$ 9,727,476	$ 11,087,796
Non-Current Liabilities	400,539	347,208	400,539	347,208
Total Liabilities	$ 10,128,015	$ 11,435,004	$ 10,128,015	$ 11,435,004
Deferred Inflows	$ 7,893,388	$ 948,149	$ 7,893,388	$ 948,149
NET POSITION:				
Net Investment in Capital Assets	$ 269,635,005	$ 258,134,236	$ 269,635,005	$ 258,134,236
Restricted - PFC	635,252	233,242	635,252	233,242
Restricted - CFC	478,964	232,912	478,964	232,912
Restricted - New Terminal	4,540,527	8,494,918	4,540,527	8,494,918
Unrestricted	53,186,087	50,201,622	53,186,087	50,201,622
Total Net Position	$ 328,475,835	$ 317,296,930	$ 328,475,835	$ 317,296,930

Table 2
CHANGES IN NET POSITION

	Business-type Activities		Total Primary Government	
	2022	2021	2022	2021
Revenues				
Program Revenues:				
Charges for Services	$ 11,035,097	$ 9,918,426	$ 11,035,097	$ 9,918,426
Operating Grants	109,500	109,500	109,500	109,500
Capital Grants and Contributions	15,210,254	38,396,634	15,210,254	38,396,634
Passenger Facility Charges	921,094	842,868	921,094	842,868
Customer Facility Charges	949,830	1,017,632	949,830	1,017,632
General Revenues:				
Property Taxes	3,941,796	3,725,965	3,941,796	3,725,965
Other Revenue	292,662	875,492	292,662	875,492
State Revenue Sharing	45,854	45,854	45,854	45,854
1% Airport Tax	29,063	84,529	29,063	84,529
Land & Bldg Lease Rev (GASB 87)	(283,241)	-	(283,241)	-
Pension Related	17,684	(117,174)	17,684	(117,174)
Investment Earnings	766,059	403,439	766,059	403,439
Gain on Sale of Assets	(699,086)	1,115	(699,086)	1,115
Total Revenues	32,336,565	55,304,280	32,336,565	55,304,280
Program Expenses				
Administration	2,236,416	2,014,344	2,236,416	2,014,344
Telephones & Utilities	1,089,030	605,372	1,089,030	605,372
Supplies & Materials	46,983	35,245	46,983	35,245
Repairs & Maintenance	1,468,429	1,300,245	1,468,429	1,300,245
Security	1,169,614	1,123,109	1,169,614	1,123,109
ARFF	734,351	705,172	734,351	705,172
Professional Fees	519,536	761,539	519,536	761,539
Insurance	620,410	390,538	620,410	390,538
Contractual Services	994,540	979,515	994,540	979,515
Depreciation	12,565,527	9,911,450	12,565,527	9,911,450
Pension Related	(333,631)	(133,802)	(333,631)	(133,802)
Bond Expense	-	(25,455)	-	(25,455)
Total Expenses	21,111,205	17,667,272	21,111,205	17,667,272
Increase in Net Position	$ 11,225,360	$ 37,637,008	$ 11,225,362	$ 37,637,008

Table 3
REVENUES

The following chart shows the major sources and percentage of operating revenues of the proprietary fund for the years ended December 31, 2022 and December 31, 2021:

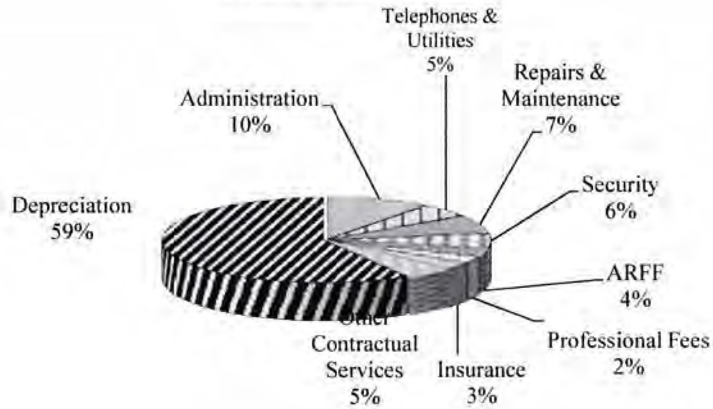
Operating Revenues

Operating Revenues:	2022	2021	Increase (Decrease) from 2021	Percent Increase (Decrease)
Landing Fees	$ 1,503,548	$ 1,435,934	$ 67,615	4.7%
Terminal Rent/Charges	2,458,228	1,758,637	699,591	39.8%
Hangar Rentals	764,974	707,746	57,229	8.1%
Fuel Flowage Fees	146,624	145,334	1,290	0.9%
Land & Non-Terminal Facilities	2,948,442	2,935,563	12,879	0.4%
Rental Cars	1,177,273	1,222,989	(45,716)	-3.7%
Parking	1,893,963	1,626,260	267,703	16.5%
Car Wash Revenues	58,737	53,082	5,655	0.0%
Grant Revenues	109,500	109,500	-	0.0%
Land & Bldg Lease Rev (GASB 87)	(283,241)	-	(283,241)	0.0%
Other	82,333	31,907	50,425	158.0%
Total Operating Revenues	10,860,381	10,026,952	833,430	8.3%
Non-Operating Revenues:				
Interest Income	766,059	403,439	362,620	89.9%
Other Revenue	293,636	876,466	(582,830)	-66.5%
Proceeds from Sale of Assets	(699,086)	1,115	(700,201)	-62798.3%
Pension Related	17,684	16,628	1,056	6.4%
Operation & Maintenance Tax	3,987,650	3,771,819	215,830	5.7%
Passenger Facility Charges	921,094	842,868	78,226	9.3%
Customer Facility Charges	949,830	1,017,632	(67,803)	-6.7%
1% Airport Tax	29,063	84,529	(55,465)	-65.6%
Capital Grants and Contributions	15,210,254	38,396,634	(23,186,380)	-60.4%
Total Non-Operating Revenues	21,476,184	45,411,130	(23,934,947)	-52.7%
TOTAL REVENUES	$ 32,336,565	$ 55,438,082	$ (23,101,517)	-41.7%

Table 4
EXPENSES

The following chart shows the major sources and percentage of operating revenues of the proprietary fund for the years ended December 31, 2022 and December 31, 2021:

Operating Expenses



Operating Expenses:	2022	2021	Increase (Decrease) from 2021	Percent Increase (Decrease)
Administration	$ 2,236,416	$ 2,014,344	$ 222,072	11.0%
Telephones & Utilities	1,089,030	605,372	483,658	79.9%
Supplies & Materials	46,983	35,245	11,738	33.3%
Repairs & Maintenance	1,468,429	1,300,245	168,184	12.9%
Security	1,169,614	1,123,109	46,505	4.1%
ARFF	734,351	705,172	29,179	4.1%
Professional Fees	519,536	761,539	(242,003)	-31.8%
Insurance	620,410	390,538	229,872	58.9%
Other Contractual Services	994,540	979,515	15,025	1.5%
Depreciation	12,565,527	9,911,450	2,654,077	26.8%
Total Operating Expenses	21,444,836	17,826,529	3,618,307	20.3%
Non-Operating Expenses:				
Pension Related	(333,631)	(133,802)	(199,829)	149.3%
Bond Related	-	108,347	(108,347)	-100.0%
Total Non-Operating Expenses	(333,631)	(25,455)	(308,176)	-
TOTAL EXPENSES	$ 21,111,205	$ 17,801,074	$ 3,310,131	18.6%

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	36,269,189
Accounts Receivable		529,927
Ad Valorem Tax Receivable		1,205,794
Due From Sheriff		2,051,282
Grant Funds Receivable		15,795,761
Leases Receivable - Short-Term		1,703,190
Prepaids		731,661
Total Current Assets		58,286,804
RESTRICTED ASSETS		
Cash		
Grant Funds		6,832,012
PFC Funds		635,252
CFC Funds		478,964
1% Airport Tax		4,540,527
Total Restricted Assets		12,486,755
NON-CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
Property and Equipment		266,477,136
Land		6,191,076
Construction in Progress		139,744,407
Total		412,412,619
Less: Accumulated Depreciation		(142,777,614)
Net Property and Equipment		269,635,005
NON-CURRENT ASSETS		
Net Pension Asset		1,006,954
Leases Receivable - Long-Term		4,879,655
Security Deposits		69,723
Total Non-Current Assets		5,956,332
TOTAL ASSETS	$	346,364,896

DEFERRED OUTFLOWS OF RESOURCES

Pension Related	$	132,342

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, 2022

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable	$	7,207,552
Accrued Expenses		2,464,376
Unearned Revenue		55,548
Total Current Liabilities		9,727,476
NON-CURRENT LIABILITIES		
Security Deposits		267,700
Accrued Compensated Absences		132,839
Total Non-Current Liabilities		400,539
TOTAL LIABILITIES	$	10,128,015

DEFERRED INFLOWS OF RESOURCES

Pension Related	$	958,740
Leases		6,705,436
Property Taxes		229,212
TOTAL DEFERRED INFLOWS OF RESOURCES	$	7,893,388

NET POSITION

Net Investment in Capital Assets	$	269,635,005
Expendable:		
Restricted for PFC Projects		635,252
Restricted for New Commercial Terminal		4,540,527
Restricted for CFC Projects		478,964
Unrestricted		53,186,087
TOTAL NET POSITION	$	328,475,835

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, 2022

OPERATING REVENUES	
Rentals	$ 7,065,527
Commissions	153,712
Landing Fees	1,503,548
Parking Tolls	1,893,963
Grant Revenues	109,500
Car Wash Revenues	58,737
Miscellaneous	75,395
Total Operating Revenues	10,860,382
OPERATING EXPENSES	
Salaries and Costs of Employment	1,898,814
Supplies	46,983
Other Services and Charges	6,599,883
Depreciation	12,565,527
Total Operating Expenses	21,111,207
OPERATING LOSS	(10,250,825)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	766,059
Other Revenue	293,636
Capital Grant Revenue	15,210,254
Ad Valorem Tax Revenue	3,939,395
State Revenue Sharing	48,255
1% Airport Tax	29,063
Non-Employer Pension Contribution	17,684
Passenger Facility Charges	921,094
Customer Facility Charges	949,830
Loss on Disposal of Fixed Assets	(699,086)
Total Non-Operating Revenues (Expenses)	21,476,184
INCREASE IN NET POSITION	11,225,359
NET POSITION, BEGINNING (AS RESTATED, SEE NOTE R)	317,250,476
NET POSITION, ENDING	$ 328,475,835

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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Providing Services	$ 11,064,251	
Received from Other Sources	293,636	
Cash Paid to Suppliers	(8,192,999)	
Cash Paid to Employees	(2,213,323)	
Net Cash Provided By Operating Activities		$ 951,565
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Interest Received	766,059	
Net Cash Provided By Investing Activities		766,059
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad Valorem Tax Revenue	3,953,240	
Net Cash Provided By Non-Capital Financing Activities		3,953,240
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Capital Grants Received	14,525,974	
Acquisition and Construction of Fixed Assets	(24,797,573)	
1% Tax Revenue	29,063	
Proceeds From Disposal of Fixed Assets	32,190	
Net Cash (Used In) Capital and Financing Activities		(10,210,346)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,539,482)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (including $17,897,041 in restricted cash)		53,295,426
CASH AND CASH EQUIVALENTS, END OF YEAR (including $12,486,755 in restricted cash)		$ 48,755,944

The Accompanying Notes are an Integral Part of These Statements.

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

STATEMENT OF CASH FLOWS - continued
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Operating Loss	$ (10,250,825)	
Adjustments to Reconcile Loss From Operations to Net Cash		
Provided By Operating Activities:		
Prior Period Adjustment	(46,454)	
Depreciation	12,565,527	
Other Revenue	293,636	
Provision for Net Pension Liability, Net	(333,630)	
Changes in Assets and Liabilities:		
Accounts Receivable	109,792	
Leases Receivable	122,591	
Prepaid Expenses	(138,060)	
Accounts Payable	1,814,595	
Accrued Expenses	(3,158,645)	
Unearned Revenue	(16,269)	
Security Deposits	(29,815)	
Accrued Compensated Absences	19,122	
Net Cash Provided By Operating Activities		$ 951,565

The Accompanying Notes are an Integral Part of These Statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

(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."

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

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

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

	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 $132,839 at December 31, 2022.

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, 2022. 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, 2022.

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

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

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

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

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

Long-term Debt - Long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains/losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. As of December 31, 2022, the Airport has no outstanding debt.

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

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

(B) CASH AND INVESTMENTS

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

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

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

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

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

	2022		2021	
Petty Cash	$	400	$	400
Operating Account		2,620,070		2,190,890
Operating Reserve		25,462,039		25,130,879
PFC Account		635,252		233,242
CFC Account		478,964		232,912
Terminal Development Funds Account		8,186,680		8,076,216
1% Airport Tax Account		4,540,527		8,494,918
Grant Account		6,832,012		8,935,969
Cash Per Statement of Cash Flows	$	48,755,944	$	53,295,426

(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 $2,832,029,624 less homestead exemptions of $425,874,196 for 2022.

(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. In 2021, the Airport submitted an amendment to this application to reduce the maximum net cumulative PFC revenue to $10,453,982 of which $4,427,282 has been cumulatively collected. The FAA estimates that the charge expiration date will be August 1, 2029. The use of this revenue is restricted by the FAA for specific approved projects. At December 31, 2022, $635,252 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. For the year ended December 31, 2022, the remaining CFC revenue collected and available to fund the project was $478,964 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, 2022, consisted of the following:

State Department of Transportation	$	1,982,146
Louisiana Facilities Planning		542,852
Economic Development Administration		249,291
FAA – AIP Project 44		687,600
FAA – AIP Project 45		8,623
FAA – AIP Project 47		755,672
FAA – AIP Project 51		739,098
FAA – AIP Project 52		850,039
FAA – AIP Project 53		516,347
FAA – AIP Project 54		553,805
FAA – AIP Project 55		1,136,672
FAA – AIP Project 57		370,890
FAA – AIP Project 58		1,957,673
FAA – AIP Project 59		1,324,411
FAA – AIP Project 60		213,978
FAA – AIP Project 62		56,876
FAA – AIP Project 63		3,613,321
FAA – AIP Project 66		236,467
Total Grant Funds Receivable	$	15,795,761

(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 12/31/2021	Additions	Disposals/ Transfers	Ending Balance 12/31/2022
Hangers and Buildings	$ 84,217,204	$ 7,082,232	$ (6,829,906)	$ 84,469,530
Runways and Navigation Aids	122,492,322	2,141,301	-	124,633,623
Service Roads and Parking	10,485,471	-	(990,224)	9,495,247
Other Permanent Improvements	26,995,361	-	(2,331,708)	24,663,653
Equipment	10,938,177	14,558,653	(3,722,286)	21,774,544
Furniture and Fixtures	1,587,938	1,282,068	(1,429,467)	1,440,539
	$ 256,716,473	$ 25,064,254	$ (15,303,591)	$266,477,136
Less: Accumulated Depreciation and Amortization	(144,784,402)	(12,565,527)	14,572,315	(142,777,614)
Net Property and Equipment	$ 111,932,071	$ 12,498,727	$ (731,276)	$ 123,699,522
Land	$ 5,491,076	$ 700,000	$ -	$ 6,191,076
Construction in Progress	$ 140,711,092	$ 25,871,601	$ (26,838,286)	$ 139,744,407

Depreciation expense for the year ended December 31, 2021, was $12,565,527.

The Airport leases its property to various commercial and governmental operations, with a significant portion of these leases being non-cancellable. The cost of leased building property and improvements is $79,375,940, and the amount of accumulated depreciation as of December 31, 2022 is $45,031,403.

(I) LEASES RECEIVABLE

The Airport implemented GASB 87 – *Leases* for the year ended December 31, 2022. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources on leases that meet the criteria of the standard. Excluded from these calculations are all regulated leases, which are defined as aeronautical for airport purposes, and any short-term leases. The leases receivable is measured at the present value of lease payments expected to be received during the lease term discounted using the incremental borrowing rate which ranged from 2.03% to 3.23% as of December 31, 2022.

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

(I) LEASES RECEIVABLE - continued

Significant lease agreements are described below:

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

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

Minimum Annual Guaranteed payments for each company are as follows:

Rental Car Company Name	2022	2023	2024	2025	2026
Avis Budget Car Rental, LLC	$267,977	$276,016	$284,296	$287,139	$290,011
The Hertz Corporation	$170,986	$191,845	$205,468	$220,056	$235,680
EAN Holdings, LLC - Enterprise	$173,431	$173,432	$173,433	$173,434	$173,435
EAN Holdings, LLC – Alamo/National	$173,432	$173,433	$173,434	$173,435	$173,433

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

- A ten (10) year lease beginning April 1, 2017 through March 31, 2027 with an initial lease payment of $40,122 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of January. At December 31, 2022, the annual lease payment is $43,258, paid monthly.
- An eighteen (18) year lease beginning April 1, 2008 through March 31, 2026 with an initial lease payment of $35,794 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of March. At December 31, 2022, the annual lease payment is $54,467, paid monthly.
- A ten (10) year lease beginning December 1, 2011 through March 31, 2026 with an initial lease payment of $28,967 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of November. At December 31, 2022, the annual lease payment is $38,142, paid monthly.

In September 2007, the Airport entered into a ten (10) year land lease with a third party. This lease was extended in 2017 for an additional ten (10) years, now expiring August 31, 2027. Lease payments were set at $55,200 per year, paid monthly for the first five (5) years of the lease term, with the second five (5) years of the lease term being increased to $63,480 per year, paid monthly. Beginning with the extension period, the lease payments will be adjusted by the average consumer price index (CPI) for the previous (5) years using the month of July. At December 31, 2022, the annual lease payment is $343,377, paid monthly.

(I) LEASES RECEIVABLE - continued

In July 2005, the Airport entered into a sixteen (16) year land lease with a third party to build a facility. This lease also contains three (3) five (5) year options. The initial term of the lease expired on June 30, 2021, at which time, the first option was exercised on July 1, 2021 and is through June 30, 2026. Lease payments were originally set at $48,000 per year, paid monthly with annual consumer price index (CPI) adjustments using the month of February. At December 31, 2022, the annual lease payment is $71,247, paid monthly.

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

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

Property	Lease Date	Lease Receivable	Lease Revenue	Interest
Oakwells Commuter Rail, LLC	1/20/22	$ 229,223	$ 53,429	$ 7,545
Rental Car Companies (4)	1/20/2022	4,789,136	1,105,911	148,541
Moss Motors, Inc.	various	480,834	126,139	17,618
Brenton Investment Corporation	9/1/2017	297,118	61,249	10,597
PHI Aviation, LLC	7/1/2005	218,235	61,056	8,068
Lafayette Parish School Board	5/16/2022	507,447	83,660	10,353
Other Leases	various	60,852	50,693	4,382
Total		$ 6,582,845	$ 1,542,139	$ 207,104

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

Year Ending December 31	Principal	Interest
2023	$ 1,561,671	$ 164,371
2024	1,621,668	130,212
2025	1,603,024	80,780
2026	1,586,303	30,897
2027	210,179	981
Total	$ 6,582,845	$ 407,241

(J) DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

Eligibility Requirements

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

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits

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

(J) DEFINED BENEFIT PENSION PLAN – continued

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

Disability Benefits

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

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

Deferred Retirement Option Plan

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

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

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

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

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

(J) DEFINED BENEFIT PENSION PLAN - continued

Cost of Living Increases

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

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

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2021, the actually determined contribution rate was 10.38% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2021, was 12.25% for Plan A.

The total contributions for the years ended December 31, 2022, 2021 and 2020 were $180,789, $175,696, and $161,819, respectively. As of December 31, 2022, the Airport has the fourth quarter pension contribution liability in the amount of $79,085, included in accounts payable.

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, 2021, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2021.

(J) DEFINED BENEFIT PENSION PLAN - continued

Schedule of Pension Amounts by Employer

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

Actuarial Methods and Assumptions

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

The components of the net pension liability/(asset) of the System's employers as of December 31, 2021, are as follows:

	PLAN A
Total Pension Liability	$ 4,504,994,211
Plan Fiduciary Net Position	4,976,037,622
Total Net Pension Liability(Asset)	$ (471,043,411)

The Airport's allocation is 0.213771% of the Total Net Pension Liability.

(J) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions - continued

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021, are as follows:

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Projected Salary Increases	4.75%
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.
Inflation Rate	2.30%

The discount rate used to measure the total pension liability/(asset) was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates, 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.

(J) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions – continued

The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

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, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real Assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

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.

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 6.40%, 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 5.40%, or one percentage point higher 7.40% than the current rate.

	Plan A		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability/(Asset)	$ 179,521	$ (1,006,954)	$ (2,000,844)

(J) DEFINED BENEFIT PENSION PLAN - continued

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2021, 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 $72,981 and a deferred outflow of resources in the amount of $60,839 for the year ended December 31, 2022.

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 $870,998 for the year ended of December 31, 2022.

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 $52,515 for the year ended of December 31, 2022.

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 $13,896 for the year ended of December 31, 2022.

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.

(J) DEFINED BENEFIT PENSION PLAN - continued

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, 2021. 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, 2022, the Airport reported Net Pension Liability/Asset of $(1,006,954) for its proportionate share of the Net Pension Liability/(Asset) of the Plan.

The Net Pension Liability/(Asset) was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date. The Airport's proportion of the Net Pension Liability/(Asset) was based on a projection of the Airport's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

At December 31, 2021, the Airport's proportion was 0.213771%, which was an increase of 0.015992% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Airport recognized pension expense of $(152,842) adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $15.

(J) DEFINED BENEFIT PENSION PLAN - continued

At December 31, 2022, 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	$ 60,839	$ 72,981
Changes of Assumptions	52,515	-
Net difference between projected and actual earnings on pension plan investments	-	870,998
Change in proportion and differences between employer contributions and proportionate share of contributions	13,896	14,761
Employer contributions subsequent to measurement date - Prior	(175,697)	-
Employer contributions subsequent to the measurement date - Current	180,789	-
Total	$ 132,342	$ 958,740

Deferred outflows of resources of $180,789 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, 2022.

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	
12/31/2022	$ (164,206)
12/31/2023	$ (347,238)
12/31/2024	$ (226,703)
12/31/2025	$ (93,405)

(K) OPERATING LEASES AND AGREEMENTS

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

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

The following is a schedule by year of minimum future lease payments for preferential and common use space from airlines as of December 31, 2022:

Year Ending December 31,	
2023	$ 2,164,730
2024	2,229,782
2025	2,296,336
2026	2,365,391
Total Minimum Future Rentals	$ 9,056,239

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

The following is a schedule by year of minimum future rentals on non-cancelable operating leases as of December 31, 2022:

Year Ending December 31,	
2023	$ 1,307,626
2024	1,314,583
2025	1,324,666
2026	1,198,239
2027	567,928
Thereafter	2,688,562
Total Minimum Future Rentals	$ 8,401,604

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. Those annual adjustments could not be determined. Therefore, the 2022 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, 2022, there are several ongoing projects for which contracts have been entered and work is in progress. The majority of the costs of these projects are being funded by Airport Improvement Program Grants through the Federal Aviation Administration and the State of Louisiana, Department of Transportation.

The Airport participates in a number of federal financial assistance programs. Although the grant programs have been audited through December 31, 2022, 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.

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

(O) COMPENSATION OF COMMISSION MEMBERS

The Airport Commission 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, 2022:

Purpose	Amount
Salary and Related Benefits	$ 190,385
Benefits - Insurance	$ 19,569
Benefits - Retirement	$ 21,894
Reimbursements - Phone	$ 1,200
Travel	$ -
Registration Fees	$ 960
Conference Travel	$ 4,018
Vehicle Usage	$ 537

(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, 2022, are $4,540,527 and are reported as restricted cash and restricted net position in these financial statements.

(R) CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

For 2022, the Airport implemented Governmental Accounting Standards Board (GASB) Statement No. 87 – *Leases*. With this statement, a lessor is required to recognize a lease receivable and deferred inflow of resources. This change was incorporated in the Airport's 2022 financial statements and had the following effect on net position as reported at December 31, 2022:

Net Position December 31, 2021	$317,296,930
Adjustments:	
Leases Receivable	1,424,417
Deferred Inflows - Leases	(1,470,871)
Restated Net Position, December 31, 2021	$317,250,476

(S) NEW ACCOUNTING PRONOUNCEMENTS

As of December 31, 2022, the Governmental Accounting Standards Board has issued several statements not yet implemented by the Authority. The statements that may impact the Authority are as follows:

GASB Statement 92, *Omnibus 2020*
This Statement addresses a variety of topics to enhance the comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement 95, *Postponements of Effective Dates of Certain Authoritative Guidance*
This Statement was issued to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. See references to GASB Statement No. 95 within the various pronouncements above to determine the impact on each individual statement. The requirements of this Statement are effective immediately.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*
This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022.

GASB Statement 100, *Accounting Changes and Error Corrections*
This primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023.

(S) NEW ACCOUNTING PRONOUNCEMENTS - continued

GASB Statement 101, *Compensated Absences*
This Statement updates the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2023.

(T) SUBSEQUENT EVENTS

The Airport has evaluated subsequent events through June 15, 2022, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Administrative	General Maintenance	Contractual Services	Total
SALARIES AND COSTS OF EMPLOYMENT				
Salaries	$ 1,085,852	$ 519,499	$ -	$ 1,605,351
Payroll Taxes	14,547	8,886	-	23,433
Group Insurance	222,760	166,687	-	389,447
Worker's Compensation	8,554	24,871	-	33,425
Retirement Contributions	(211,357)	58,515	-	(152,842)
Total Salaries and Costs of Employment	$ 1,120,356	$ 778,458	$ -	$ 1,898,814
SUPPLIES				
Supplies and Minor Equipment	$ 29,635	$ 11,669	$ 5,679	$ 46,983
OTHER SERVICES AND CHARGES				
Advertising	$ 416,383	$ -	$ -	$ 416,383
Postage and Freight	3,661	-	-	3,661
Dues and Publications	13,981	-	-	13,981
ID Card System	6,403	-	-	6,403
Environmental Expenses	185,167	-	-	185,167
Fuel and Oil	-	40,048	19,905	59,953
Fly Lafayette Campaign/Public Relations	26,064	-	-	26,064
Insurance	306,922	313,488	-	620,410
Miscellaneous	2,530	41	-	2,571
Terminal Building Equipment Contract	-	-	67,603	67,603
Professional Fees	519,536	-	-	519,536
Repairs and Maintenance	19,121	466,801	107,960	593,882
Repairs and Maintenance - Leased Facilities	-	94,456	-	94,456
Telephone	116,592	6,102	-	122,694
Training	11,489	1,010	-	12,499
Travel	18,779	-	-	18,779
Uniforms	1,031	3,464	-	4,495
Utilities	-	966,336	-	966,336
Parking Fee Management	375,474	-	-	375,474
Contracted Services -				
Grounds Maintenance	-	95,820	-	95,820
Janitorial	-	-	489,751	489,751
ARFF Services	-	-	734,351	734,351
Security	-	-	1,169,614	1,169,614
Total Other Services and Charges	$ 2,023,133	$ 1,987,566	$ 2,589,184	$ 6,599,883

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, 2022

Federal Grantor Program Title	Assistance Listing Number		Grant Number	Federal Expenditures	Amount to Subrecipients
U.S. Department of Transportation					
Federal Aviation Administration					
Airport Improvement Projects	20.106	*	#47	$ 693,915	$ -
Airport Improvement Projects			#51	327,997	-
Airport Improvement Projects			#52	467,543	-
Airport Improvement Projects			#53	688,285	-
Airport Improvement Projects			#54	273,075	-
Airport Improvement Projects			#55	1,031,148	-
COVID - 19 - Airport Improvement Projects			#55	114,572	-
Airport Improvement Projects			#57	321,826	-
Airport Improvement Projects			#58	4,604,644	-
Airport Improvement Projects			#59	1,796,634	-
COVID - 19 - Airport Improvement Projects			#59	199,626	-
Airport Improvement Projects			#60	101,190	-
COVID - 19 - Airport Improvement Projects			#60	11,243	-
COVID - 19 - Airport Improvement Projects			#63	3,613,321	-
Airport Improvement Projects			#66	236,467	-
Subtotal Airport Improvement Projects				14,481,486	-
U.S. Department of Commerce:					
Passed Through Acadiana Planning Commission					
Investments for Public Works and Economic Development Facilities	11.300		N/A	177,256	-
Total Expenditures of Federal Awards				$ 14,658,742	$ -

* - 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, 2022

(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, 2022. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of Government, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Government.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported in accordance with accounting principles generally accepted in the United States of America as applied to governmental units, which is described in Note A to the basic financial statements for the year ended December 31, 2022. Such expenditures are recognized following the cost principle contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(C) INDIRECT COST RATE

Lafayette Regional Airport has elected not to use the 10% de minimis indirect cost rate for the year ended December 31, 2022.

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, 2022

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%
2021	0.197779%	$ (346,788)	$ 1,320,970	-26.25%	104.00%
2022	0.213771%	$ (1,006,954)	$ 1,408,444	-71.49%	110.46%

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, 2022

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%
2021	$ 161,819	$ 161,819	$ -	$ 1,320,970	12.25%
2022	$ 172,534	$ 175,697	$ (3,163)	$ 1,408,444	12.47%

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

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

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2022, 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 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Wright, Moore, DeHart,
Dupuis & Hutchinson

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

June 15, 2023
Lafayette, Louisiana

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

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

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lafayette Regional Airport's major federal programs for the year ended December 31, 2022. Lafayette Regional Airport's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lafayette Regional Airport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lafayette Regional Airport's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lafayette Regional Airport's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lafayette Regional Airport's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Lafayette Regional Airport's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lafayette Regional Airport's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Wright, Moore, DeHart,
Dupuis & Hutchinson

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

June 15, 2023
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, 2022

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, 2022, and have issued our report thereon dated June 15, 2023. 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, 2022, 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, 2022, had one major program: Department of Transportation: Federal Aviation Administration - Airport Improvement Projects: Assistance Listing Number 20.106.

Low-Risk Auditee

The Lafayette Regional Airport is considered a low-risk auditee for the year ended December 31, 2022.

Major Program - Threshold

The dollar threshold to distinguish between Type A and Type B programs is $750,000 for the year ended December 31, 2022.

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, 2022.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

C. FEDERAL AWARDS - continued

Control Deficiencies - Major Program

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

Compliance Finding Related to Major Program

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

Section II - Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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

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

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana's compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its Passenger Facility Charge Program for the year ended December 31, 2022.

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, 2022.

Basis for Opinion on the Passenger Facility Charge Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lafayette Regional Airport's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation Administration, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lafayette Regional Airport's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation Administration, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lafayette Regional Airport's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Lafayette Regional Airport's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation Administration, but not for the purpose of expressing an opinion on the effectiveness of Lafayette Regional Airport's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

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

Wright, Moore, DeHart,
Dupuis & Hutchinson

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

June 15, 2023
Lafayette, Louisiana

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

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED AND NOTES THERETO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Beginning Program Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Ending Program Total
Revenue:						
Collections	$ 15,719,658	$ 203,138	$ 240,599	$ 235,885	$ 238,840	$ 16,638,120
Interest	578,805	261	398	207	1,751	581,422
Total Revenue	16,298,463	203,399	240,997	236,092	240,591	17,219,542
Disbursements:						
Application 95-01-C-03-LFT (Closed)	933,024	-	-	-	-	933,024
Application 98-02-U-00-LFT (Closed)	150,000	-	-	-	-	150,000
Application 01-03-C-00-LFT (Closed)	2,273,692	-	-	-	-	2,273,692
Application 05-04-C-00-LFT (Closed)	2,677,464	-	-	-	-	2,677,464
Application 06-05-C-00-LFT (Closed)	756,165	-	-	-	-	756,165
Application 08-06-C-00-LFT (Closed)	3,748,286	-	-	-	-	3,748,286
Application 11-07-C-00-LFT (Closed)	1,693,028	-	-	-	-	1,693,028
Application 17-08-I-00-LFT/18-09-U-00-LFT: Project - New Passenger Terminal	1,865,176	-	207,962	136,390	174,717	2,384,245
Total Disbursements	14,096,835	-	207,962	136,390	174,717	14,615,904
Net PFC Revenue	-	203,399	33,035	99,702	65,874	-
PFC Account Balance	$ 233,242	$ 436,641	$ 469,676	$ 569,378	$ 635,252	$ 635,252

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, 2022

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, 2022

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

LAFAYETTE AIRPORT COMMISSION
Lafayette, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2022

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners and Management
Lafayette Airport Commission
Lafayette, Louisiana

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022, through December 31, 2022. Lafayette Regional Airport's management is responsible for those control and compliance areas identified in the SAUPs.

The Lafayette Regional Airport has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Control and Compliance areas identified in LLA's SAUPs for the fiscal period Janurary 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

      Written policies and procedures were obtained and address the functions noted above.

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

      Written policies and procedures were obtained and address the functions noted above.

a) ***Disbursements***, including processing, reviewing, and approving

Written policies and procedures were obtained and address the functions noted above.

b) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type o revenue or agency fund additions.

Written policies and procedures were obtained and address the functions noted above.

c) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

e) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

Written policies and procedures were obtained and address the functions noted above.

f) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and address the functions noted above.

g) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

i) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds and semi-annual budget to-actual, at a minimum, on all special revenue funds.

No exceptions were found as a result of this procedure.

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable no negative unassigned balanced.

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

Not applicable not prior year findings.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   Obtained a cash account listing and management's representation that the listing is complete.

   a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

      No exceptions were found as a result of this procedure.

   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

      No exceptions were found as a result of this procedure.

   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

      No exceptions were found as a result of this procedure.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

   Obtained listing of deposit sites and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

      No exceptions were found as a result of this procedure.

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

      No exceptions were found as a result of this procedure.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

   No exceptions were found as a result of this procedure.

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

   No exceptions were found as a result of this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

   No exceptions were found as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

   No exceptions were found as a result of this procedure.

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

   No exceptions were found as a result of this procedure.

c) Trace the deposit slip total to the actual deposit per the bank statement.

   No exceptions were found as a result of this procedure.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

   No exceptions were found as a result of this procedure.

e) Trace the actual deposit per the bank statement to the general ledger.

   No exceptions were found as a result of this procedure.

Non-Payroll Disbursements (excluding card purchase/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

   Obtained a listing of locations that process payments, and management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

      No exceptions were found as a result of this procedure.

   b) At least two employees are involved in processing and approving payments to vendors.

      No exceptions were found as a result of this procedure.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

      No exceptions were found as a result of this procedure.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

      No exceptions were found as a result of this procedure.

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

      No exceptions were found as a result of this procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

       No exceptions were found as a result of this procedure.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

    Obtained a listing of all active credit cards for the fiscal year and management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

    No exceptions were found as a result of this procedure.

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

    No exceptions were found as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

    No exceptions were found as a result of this procedure.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained a listing of all travel and expense reimbursements for the fiscal year and management's representation that the listing is complete.

a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

    No exceptions were found as a result of this procedure.

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

    No exceptions were found as a result of this procedure.

    c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

    No exceptions were found as a result of this procedure.

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

    Obtained listing of employees and management's representation that the listing is complete. Randomly selected five employees and obtained paid salaries, and personal files. No exceptions were found as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

    No exceptions were found as a result of this procedure.

    b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

    No exceptions were found as a result of this procedure.

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

    No exceptions were found as a result of this procedure.

    d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

    No exceptions were found as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Obtained listing of employees that obtained termination benefits during the fiscal year, and management's representation that the listing is complete. No exceptions were found as a result of this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

    Obtained management's representation's that the employer and employee portions along with reporting forms were submitted to applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

       No exceptions were found as a result of this procedure.

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

       No exceptions were found as a result of this procedure.

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

    No exceptions were found as a result of this procedure.

Debt Service (excluding nonprofits)

22. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

    Obtained management's representation that no bonds/notes were issued or outstanding during the fiscal year.

23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

    No exceptions were found as a result of this procedure.

Fraud Notice

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

    Management has asserted that the entity did not have any misappropriations of public funds or assets.

25. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

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

    a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

       We performed the procedure and discussed the results with management.

    b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

       We performed the procedure and discussed the results with management.

    c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

       We performed the procedure and discussed the results with management.

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

    We performed the procedure and discussed the results with management.

Sexual Harassment

28. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

29. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

    No exceptions were found as a result of this procedure.

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

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

       No exceptions were found as a result of this procedure.

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

       No exceptions were found as a result of this procedure.

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

       No exceptions were found as a result of this procedure.

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

       No exceptions were found as a result of this procedure.

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

       No exceptions were found as a result of this procedure.

We were engaged by the Lafayette Regional Airport to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those Control and Compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Lafayette Regional Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those Control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC

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

Lafayette, Louisiana
April 16, 2023