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

ANNUAL FINANCIAL REPORT AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2018

LAFAYETTE REGIONAL AIRPORT

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WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying basic 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, 2018, and the related notes to the financial statements, which collectively comprise the Lafayette Regional Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2019, on our consideration of the Lafayette Regional Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette Regional Airport's internal control over financial reporting and compliance.

Wright, Moore, DeHart,
Dupuis & Hutchinson

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

May 30, 2019
Lafayette, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) provides an overview of the Lafayette Regional Airport's activities and financial performance for the fiscal year ended December 31, 2018.

AIRPORT ACTIVITIES & HIGHLIGHTS

- LFT's 2018 enplanements were a respectable 226,803, a 10% increase over 2017, with deplanements being 224,740, a 9.25% increase. In addition, Cargo operations at the airport were steady at 25,079,938 pounds passing through the airport during 2018.

- As for flight loads, Delta flights to Atlanta lead the way with 85.8% of outgoing seats filled, followed by American Eagle flights to Dallas with over 80%, United flights to Houston with an average of 75.3%, and Frontier Air flights recording 72.5% load factor in 2018. In addition, the Airport continues to work with other carriers to bring additional service to the Lafayette area.

- As noted above, Frontier Air began weekly operations at LFT in October 2018. Frontier Air offers regional customers two separate flight plans, one to Orlando, FL and another to Denver, CO. Public response and use has been quite positive with solid and steady load factor numbers and customer satisfaction.

- In December of 2014, the voters of Lafayette Parish approved a unique 1% Sales Tax that was collected for eight months in 2015 and dedicated to the construction of a new Airport Terminal. The tax and interest generated just over $34,000,000 as of the end of 2018. The Project Design and Management teams, as well as the final Terminal design was determined and approved in 2016 and the Construction Manager at Risk (CMAR) was chosen at the end of 2017. November of 2018 saw the actual formal Groundbreaking ceremony and the foundation of the New Terminal was being laid as of the end of 2018.

- In accordance with Federal Aviation Regulations (FAR 139), Lafayette Regional Airport conducted a full-scale emergency plan exercise in March 2018. This disaster drill is scheduled every three years. There were multiple agencies involved in this successful exercise, including local fire and police departments, Office of Emergency Preparedness, Red Cross, local hospitals and victim volunteers.

- In October of 2018, the Commission held its 29th Annual Aviation Fun Day at the Airport's Aircraft Rescue and Fire Fighting (ARFF) Facility. There were over 150 children and adults that attended and enjoyed a tour of the airport grounds, a great lunch and numerous contests with prizes. A goody bag filled with Airport and airline industry items from many sponsors was provided for each attending child in an effort to promote the Aviation industry.

- Major projects that were completed in 2018 include Phase III of the North General Aviation Apron Improvements, the RW Safety Area construction on 4R/22L Phase V, and the installation of the RWY 29 East end Engineered Material Arresting System (EMAS). Also completed were seal coating of all taxiways, as well as a Wildlife Hazard Management Plan.

- Several projects still in progress at the end of 2018 include aspects of the New LFT Terminal's Infrastructure and Environmental Design and the final design for the new Rental Car Quick Turn Around (QTA). Also ongoing is the rehabilitation of RWY 11/29, RWY 11 West End EMAS construction, the relocation of the Remote Transmit & Receive (RTR) Cable, and upgrades to the T-Hangars. These projects are designed to enhance overall safety, as well as to help determine future growth and capacity of Lafayette Regional Airport.

- Several projects are in the design phase and scheduled to begin in 2019, such as the Realignment and Widening of Taxiway Foxtrot North End. More projects also planned for the upcoming year including subsequent phases of the New LFT Terminal. Another significant LAC project planned for 2019 includes development of additional infrastructure near the NGA Apron to accommodate a General Aviation Subdivision Plan. These projects are also designed to improve the overall safety and the capacity of the airport.

FINANCIAL HIGHLIGHTS

- Operating Revenues rose 3.7% in 2018 from 2017 going from $8.91 million to $9.23 million. Parking Revenues rose by 9.4%, and Terminal Rents/Charges and Landing Fees revenue increased by 5.6% and 3.8% respectively due largely to higher enplanement numbers. The rise of approximately $840K in Passenger Facility charges is the resumption of these charges for the entire year of 2018 compared to less than a quarter year in 2017. (Table 3)

- Operating Expenses also slightly increased from 2017 changing from $14.3 million to $14.9 million due primarily to increases in Professional and Admin Fees as well as an increase in Insurance costs and is mostly due to the New Terminal activity and the small decreases in other categories as not being enough to offset the increase in Depreciation. (Table 4)

- Non-Operating Income (Expenses), excluding capital grants reported as income and the 1% Airport Tax, changed from a net income of $4,667,242 in 2017 to a net income of $6,999,522 in 2018. This category also reported a 63% increase in Interest Income earned over 2017.

- Net position of our business-type activity for 2018 increased by $16 million or 8.4%, compared to a 7% increase in 2017. The increase for 2018 is due to increases in Capital Assets and Restricted PFC and CFC Funds. (Table 1)

- Additional funding for Airport operations is received through ad valorem tax revenue. In 2018 the Airport received approximately $3.49 million in revenues which is a slight increase from the $3.45 million in 2017.

- Capital grants, funds, and contributions received in 2018 were $15,209,748 compared to $12,958,421 in 2017. These grants are directly related to the various Airport Improvement Program grants which are funded at the federal and state level and fluctuate from year to year dependent upon the funding and schedules of the Airport's capital projects.

USING THIS REPORT

Reporting the Airport as a Whole

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

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

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

Reporting the Airport's Significant Funds

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

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

THE AIRPORT AS A WHOLE

The Airport's total assets increased just over 11% in the current year, from $194.5 million to $216.0 million. The increase is due to the growth in Capital Assets of $11.6M and in Current Assets of $7.4M. Our following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Airport's business-type activities. Table 2 does not reflect collections from Passenger Facility Charges or Customer Facility Charges, as these are not operating revenues.

CAPITAL ASSET AND LONG-TERM DEBT

Capital Assets

At the end of December 31, 2018, the Airport had $132.4 million invested in capital assets, net of related debt, including all equipment, land and buildings. This represents a net increase of $11.6 million, or 10%, over the 2017 amount of $120.7 million.

During 2018, the airport expended $15.4 million on capital activities. This included funds spent for the many airport construction and improvement projects previously listed in this report under Airport Activities and Highlights, that are designed to enhance overall safety, as well as the help determine future growth and capacity of Lafayette Regional Airport.

Debt

In 2018, the Lafayette Airport Commission received approval from the State Bond Commission to issue three bond series. These Series will be utilized in the financing of the New Terminal Project. Two of these bond series are structured as current open lines of credit backed by pledged revenue. The first series is backed by the Customer Facility Charge (CFC Revenues) for the construction in 2019 of the Rental Car Quick Turn Around Facility, and the second series is backed by the Passenger Facility Charge Revenue for projects within the New Terminal Project. As of the end of 2018, only interest payments have been made on this debt.

ECONOMIC FACTORS

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

- The economic environment of the airline industry as a whole including continued increases in the cost of fuel and security.
- Consumer price index adjustments, which allows for increases in rental charges to tenants of the Airport.
- Escalating costs of operations including repairs and maintenance, employee health insurance, professional and other contractual services.

REQUEST FOR INFORMATION

This financial report is written to provide a general overview of the Lafayette Regional Airport's financial position for all interested parties and to show the Airport's accountability for the money it receives. Questions concerning any of the information in the report should be addressed in writing to the Financial Comptroller, Lafayette Regional Airport, 222 Jet Ranger X Drive, Lafayette, LA 70508.

Table 1

NET POSITION

	Business-type Activities		Total Primary Government	
	2018	2017	2018	2017
ASSETS:				
Current Assets	$ 46,658,420	$ 39,241,028	$ 46,658,420	$ 39,241,028
Capital Assets	132,417,216	120,755,997	132,417,216	120,755,997
Non-Current Assets	37,013,018	34,535,168	37,013,018	34,535,168
TOTAL ASSETS	$ 216,088,654	$ 194,532,193	$ 216,088,654	$ 194,532,193
Deferred Outflows	$ 181,387	$ 380,873	$ 181,387	$ 380,873
LIABILITIES:				
Current Liabilities	$ 7,606,236	$ 2,482,522	$ 7,606,236	$ 2,482,522
Non-Current Liabilities	372,658	472,600	372,658	472,600
Total Liabilities	$ 7,978,894	$ 2,955,122	$ 7,978,894	$ 2,955,122
Deferred Inflows	$ 868,188	$ 420,219	$ 868,188	$ 420,219
NET POSITION:				
Net Investment in Capital Assets	$ 132,417,216	$ 120,755,997	$ 132,417,216	$ 120,755,997
Restricted - PFC	1,497,478	574,913	1,497,478	574,913
Restricted - CFC	1,398,784	459,157	1,398,784	459,157
Restricted - New Terminal	34,116,756	33,501,098	34,116,756	33,501,098
Unrestricted	38,140,761	36,267,725	38,140,761	36,267,725
Total Net Position	$ 207,570,995	$ 191,558,890	$ 207,570,995	$ 191,558,890

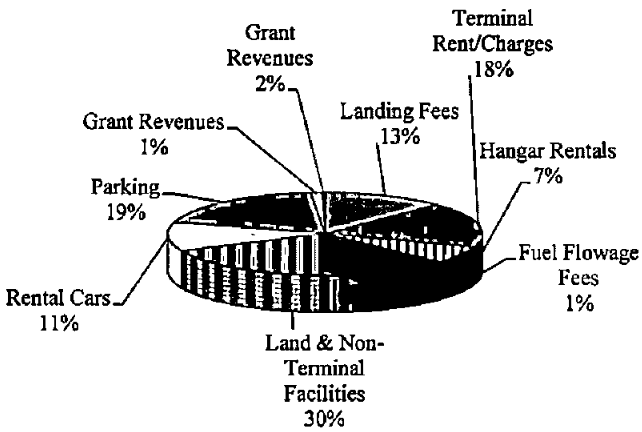
Table 2
CHANGES IN NET POSITION

	Business-type Activities		Total Primary Government	
	2018	2017	2018	2017
Revenues				
Program Revenues:				
Charges for Services	$ 9,129,941	$ 8,801,827	$ 9,129,941	$ 8,801,827
Operating Grants	108,910	109,030	108,910	109,030
Capital Grants and Contributions	15,209,748	12,958,422	15,209,748	12,958,422
Passenger Facility Charges	922,552	82,501	922,552	82,501
Customer Facility Charges	952,714	450,817	952,714	450,817
General Revenues:				
Property Taxes	3,446,981	3,410,980	3,446,981	3,410,980
Other Revenue	188,705	101,881	188,705	101,881
State Revenue Sharing	45,854	45,854	45,854	45,854
1% Airport Tax	174,277	153,363	174,277	153,363
Pension Related	14,827	14,104	14,827	14,104
Investment Earnings	906,729	555,680	906,729	555,680
Gain on Sale of Assets	21,292	5,429	21,292	5,429
Total Revenues	31,122,530	26,689,887	31,122,530	26,689,887
Program Expenses				
Administration	1,815,016	1,677,602	1,815,016	1,677,602
Telephones & Utilities	433,844	454,415	433,844	454,415
Supplies & Materials	47,432	51,250	47,432	51,250
Repairs & Maintenance	1,193,344	1,224,040	1,193,344	1,224,040
Security	852,325	833,274	852,325	833,274
ARFF	667,821	667,336	667,821	667,336
Professional Fees	714,507	575,915	714,507	575,915
Insurance	357,134	326,286	357,134	326,286
Contractual Services	847,321	815,670	847,321	815,670
Depreciation	7,992,106	7,687,220	7,992,106	7,687,220
Pension Related	41,453	-	41,453	-
Total Expenses	14,962,303	14,313,008	14,962,303	14,313,008
Increase in Net Position	$ 16,160,229	$ 12,376,879	$ 16,160,229	$ 12,376,879

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, 2018 and December 31, 2017:

Operating Revenues

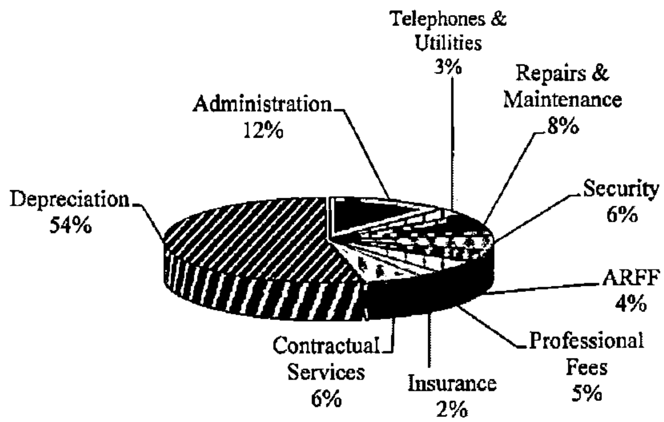


Operating Revenues:	2018	2017	Increase (Decrease) from 2017	Percent Increase (Decrease)
Landing Fees	$ 1,151,128	$ 1,109,142	$ 41,986	3.8%
Terminal Rent/Charges	1,643,683	1,556,549	87,134	5.6%
Hangar Rentals	634,268	613,644	20,624	3.4%
Fuel Flowage Fees	126,902	125,029	1,873	1.5%
Land & Non-Terminal Facilities	2,738,068	2,712,644	25,424	0.9%
Rental Cars	1,052,951	1,038,261	14,690	1.4%
Parking	1,755,445	1,605,144	150,301	9.4%
Grant Revenues	108,910	109,030	(120)	-0.1%
Other	27,496	41,413	(13,917)	-33.6%
Total Operating Revenues	9,238,851.33	8,910,857	327,995	3.7%
Non-Operating Revenues:				
Interest Income	906,729	555,680	351,049	63.2%
Other Revenue	188,705	101,881	86,824	85.2%
Proceeds from Sale of Assets	21,292	5,429	15,864	0.0%
Pension Related	14,827	14,104	-	0.0%
Operation & Maintenance Tax	3,492,835	3,456,834	36,001	1.0%
Passenger Facility Charges	922,552	82,501	840,051	1018.2%
Customer Facility Charges	952,714	450,817	501,896	0.0%
1% Airport Tax	174,277	153,363	20,914	13.6%
Capital Grants and Contributions	15,209,748	12,958,422	2,251,326	17.4%
Total Non-Operating Revenues	21,883,678	17,779,030	4,103,925	23.1%
TOTAL REVENUES	$ 31,122,530	$ 26,689,887	$ 4,431,920	16.6%

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, 2018 and December 31, 2017:

Operating Expenses



Operating Expenses:	2018	2017	Increase (Decrease) from 2017	Percent Increase (Decrease)
Administration	$ 1,815,016	$ 1,677,602	$ 137,414	8.2%
Telephones & Utilities	433,844	454,415	(20,571)	-4.5%
Supplies & Materials	47,432	51,250	(3,818)	-7.4%
Repairs & Maintenance	1,193,344	1,224,040	(30,696)	-2.5%
Security	852,325	833,274	19,051	2.3%
ARFF	667,821	667,336	485	0.1%
Professional Fees	714,507	575,915	138,592	24.1%
Insurance	357,134	326,286	30,848	9.5%
Contractual Services	847,321	815,670	31,651	3.9%
Depreciation	7,992,106	7,687,220	304,886	4.0%
Total Operating Expenses	14,920,850	14,313,008	607,842	4.2%
Non-Operating Expenses:				
Pension Related	40,886	54,205	(13,319)	-24.6%
Bond Related	567	-	567	-
Total Non-Operating Expenses	41,453	54,205	(12,752)	-
TOTAL EXPENSES	$ 14,962,303	$ 14,367,213	$ 595,090	4.1%

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 35,438,035
Accounts Receivable	804,929
Ad Valorem Tax Receivable	1,359,137
Due From Sheriff	1,782,937
Grant Funds Receivable	6,812,255
Prepaids	461,127
Total Current Assets	46,658,420
RESTRICTED ASSETS	
Cash	
PFC Funds	1,497,478
CFC Funds	1,398,784
1% Airport Tax	34,116,756
Total Restricted Assets	37,013,018
PROPERTY AND EQUIPMENT	
Property and Equipment	210,657,013
Land	5,491,076
Construction in Progress	37,016,301
Total	253,164,390
Less: Accumulated Depreciation	(120,747,174)
Net Property and Equipment	132,417,216
NON-CURRENT ASSET	
Net Pension Asset	148,036
TOTAL ASSETS	$ 216,236,690

DEFERRED OUTFLOWS OF RESOURCES

Pension Related	$ 181,387

The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
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OF LAFAYETTE, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2018

LIABILITIES

CURRENT LIABILITIES	
Accounts Payable	$ 6,561,826
Accrued Expenses	983,329
Unearned Revenue	61,081
Total Current Liabilities	7,606,236
NON-CURRENT LIABILITIES	
Bonds Payable, Less Current Maturities	129,800
Security Deposits	154,754
Accrued Compensated Absences	88,104
Total Non-Current Liabilities	372,658
TOTAL LIABILITIES	$ 7,978,894

DEFERRED INFLOWS OF RESOURCES

Pension Related	$ 438,717
Property Taxes	429,471
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 868,188

NET POSITION

Net Investment in Capital Assets	$ 132,417,216
Expendable:	
Restricted for PFC Projects	1,497,478
Restricted for New Commercial Terminal	34,116,756
Restricted for CFC Projects	1,398,784
Unrestricted	38,140,761
TOTAL NET POSITION	$ 207,570,995

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, 2018

OPERATING REVENUES	
Rentals	$ 6,067,170
Commissions	113,877
Landing Fees	1,151,128
Parking Tolls	1,755,445
Passenger Facility Charges	922,552
Customer Facility Charges	952,714
Grant Revenues	108,910
Miscellaneous	42,321
Total Operating Revenues	11,114,117
OPERATING EXPENSES	
Salaries and Costs of Employment	1,862,202
Supplies	47,432
Other Services and Charges	5,060,563
Depreciation	7,992,106
Other	17,776
Total Operating Expenses	14,980,079
OPERATING LOSS	(3,865,962)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	906,729
Other Revenue	188,708
Capital Grant Revenue	15,209,748
Ad Valorem Tax Revenue	3,445,508
State Revenue Sharing	47,327
1% Airport Tax	174,277
Non-Employer Pension Contribution	14,827
Interest Expense	(567)
Bond Issuance Fees	(129,782)
Gain on Disposal of Fixed Assets	21,292
Total Non-Operating Revenues (Expenses)	19,878,067
INCREASE IN NET POSITION	16,012,105
NET POSITION, BEGINNING	191,558,890
NET POSITION, ENDING	$ 207,570,995

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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Providing Services	$10,878,457	
Received from Other Sources	297,618	
Cash Paid to Suppliers	(282,611)	
Cash Paid to Employees	(1,812,581)	
Net Cash Provided By Operating Activities		$ 9,080,883
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Interest Received	906,729	
Net Cash Provided By Investing Activities		906,729
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad Valorem Tax Revenue	3,957,570	
Net Cash Provided By Non-Capital Financing Activities		3,957,570
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Capital Grants Received	10,511,729	
Acquisition and Construction of Fixed Assets	(19,653,769)	
1% Tax Revenue	174,277	
Proceeds From Disposal of Fixed Assets	21,733	
Proceeds From Long-Term Debt	129,800	
Bond Issuance Costs	(129,782)	
Interest Paid	(567)	
Net Cash Used In Capital and Financing Activities		(8,946,579)
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,998,603
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (including $34,535,168 in restricted cash)		67,452,450
CASH AND CASH EQUIVALENTS, END OF YEAR (including $37,013,018 in restricted cash)		$ 72,451,053

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, 2018

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

Operating Loss	$(3,865,962)	
Adjustments to Reconcile Loss From Operations to Net Cash Provided By Operating Activities:		
Depreciation	7,992,106	
Other Revenue	188,708	
Provision for Net Pension Liability, Net	40,886	
Changes in Assets and Liabilities:		
Accounts Receivable	(191,920)	
Prepaid Expenses	(370,138)	
Accounts Payable	4,271,053	
Accrued Expenses	942,245	
Unearned Revenue	45,738	
Security Deposits	19,432	
Accrued Compensated Absences	8,735	
Net Cash Provided By Operating Activities		$ 9,080,883

The Accompanying Notes are an Integral Part of These Statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

(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 four regional carriers. The major source of revenue for the Airport is rentals on buildings, hangars, land, and terminal space.

The Lafayette Regional Airport is a component unit of the Consolidated Government of Lafayette, Louisiana (the Consolidated Government). The Airport constitutes a legal entity separate and apart from the Consolidated Government. The Airport is governed by a seven-member, non-elected commission. Five members are appointed by the Lafayette Consolidated Government, one member is appointed by the Parish President, and one member is appointed by the mayors of the various municipalities surrounding Lafayette.

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

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

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

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

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting - continued

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

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

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

Restricted - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

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

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

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment – continued

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

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

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

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

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

The Airport's recognition and measurement criteria for compensated absences follows GASB Statement No. 16. Estimated accrued compensated absences resulting from unused vacation at the end of the fiscal year are recorded as long-term liabilities in the financial statements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This policy resulted in an accrual for compensated absences of $88,104 at December 31, 2018.

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, 2018.

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, 2018.

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

Long-term Debt – Long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains/losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

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

(B) CASH AND INVESTMENTS

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

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

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

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

(B) CASH AND INVESTMENTS - continued

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

	2018	2017
Petty Cash	$ 400	$ 400
Operating Account	2,959,235	4,563,666
Operating Reserve	25,277,675	22,097,373
PFC Account	1,497,478	574,913
CFC Account	1,398,784	459,157
Terminal Development Funds Account	7,000,498	6,000,055
1% Airport Tax Account	34,116,756	33,501,098
Grant Account	200,227	255,788
Cash Per Statement of Cash Flows	$ 72,451,053	$ 67,452,450

(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 1.58 mills on property with assessed valuations totaling $2,680,216,083 less homestead exemptions of $394,049,555 for 2018.

(D) PASSENGER FACILITY CHARGE

During the 2016 fiscal year, the Airport submitted an application to the Federal Aviation Administration (FAA) to impose a Passenger Facility Charge (PFC) at the Lafayette Regional Airport. Approval of this application occurred in June 2017. The FAA approved the collection and use of PFC revenues for the new passenger terminal project commencing October 1, 2017. Under the terms of the agreement with the FAA, the Airport is allowed to charge a $4.50 PFC per passenger, to generate maximum net cumulative revenues of $21,139,375 of PFC revenues of which $1,497,478 has been collected and is reported as restricted in the Statement of Net Position. PFC revenues are pledged to secure up to $10,000,000 of Passenger Facility Charge Revenue Bonds that were approved in December 2018 but have not yet been issued. The FAA estimates that the charge expiration date will be January 1, 2041. The use of this revenue is restricted by the FAA for specific approved projects in the amount of $21,139,375.

(E) CUSTOMER FACILITY CHARGE

Effective June 1, 2017, the Airport began collecting a Customer Facility Charge (CFC), which is collected for each rental car transaction day at a rate of $5.00 per transaction day. The revenues generated will be used to fund and finance the new Rental Car Facility in association with the New Terminal Development Project. The Airport has approved to initially collect enough CFC funds to cover planning, design, project management costs and construction of the project. These CFC revenues have been pledged to secure $10,000,000 of Taxable Customer Facility Charge Revenue Bonds, Series 2018 issued in November 2018. For the year ended December 31, 2018, the CFC revenues collected and available to fund the project was $1,398,784 and is reported on the face of the Statement of Net Position as Restricted.

(F) GRANT FUNDS RECEIVABLE

The Airport is in the process of performing various airfield improvement projects with the assistance of federal and state funds. Grant funds receivable at December 31, 2018 consisted of the following:

State Department of Transportation	$	1,958,106
Louisiana Facilities Planning		68,771
FAA – AIP Project 45		6,515
FAA – AIP Project 46		80,515
FAA – AIP Project 47		942,431
FAA – AIP Project 48		52,371
FAA – AIP Project 49		249,559
FAA – AIP Project 50		228,952
FAA – AIP Project 51		2,989,885
FAA – AIP Project 52		232,009
Other Grants		3,141
Total Grant Funds Receivable	$	6,812,255

(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.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

(H) PROPERTY AND EQUIPMENT

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

	Beginning Balance 12/31/17	Additions	Disposals/ Transfers	Ending Balance 12/31/2018
Hangers and Buildings	$ 56,908,991	$ -	$ (350,000)	$ 56,558,991
Runways and Navigation Aids	98,918,635	14,834,503	-	113,753,138
Service Roads and Parking	10,535,818	-	-	10,535,818
Other Permanent Improvements	19,406,285	230,060	-	19,636,343
Equipment	8,346,272	325,463	(86,951)	8,584,786
Furniture and Fixtures	1,585,317	2,620	-	1,587,937
	$195,701,318	$ 15,392,646	$ (436,951)	$210,657,013
Less: Accumulated Depreciation and Amortization	(113,191,580)	(7,992,106)	436,512	(120,747,174)
Net Property and Equipment	$ 82,509,738	$ 7,400,540	$ (439)	$ 89,909,839
Land	$ 5,491,076	$ -	$ -	$ 5,491,076
Construction in Progress	$ 32,755,183	$ 19,344,486	$ (15,083,368)	$ 37,016,301

Depreciation expense for the year ended December 31, 2018 was $7,992,106.

(I) DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

(I) DEFINED BENEFIT PENSION PLAN - continued

Eligibility Requirements

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

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits

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

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

Disability Benefits

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

(I) DEFINED BENEFIT PENSION PLAN - continued

Disability Benefits - continued

Upon retirement caused by disability, a member of the Plan shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Deferred Retirement Option Plan

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

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

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

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

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

Cost of Living Increases

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

(I) DEFINED BENEFIT PENSION PLAN - continued

Cost of Living Increases - continued

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

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2017, the actually determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017 was 12.5% for Plan A.

The total contributions for the years ended December 31, 2018, 2017 and 2016 were $146,279, $152,798 and $146,239 respectively.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities.

Schedule of Employer Allocations

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required projected 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, 2017 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2017.

(I) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions

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

The components of the net pension liability of the System's employers as of December 31, 2017 are as follows:

	PLAN A
Total Pension Liability	$ 3,754,795,626
Plan Fiduciary Net Position	3,829,020,281
Total Net Pension Liability	$ (74,224,655)

The Airport's allocation is .199443% of the Total Net Pension Liability.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Mortality Rates:	RP - 2000 Employee Sex Distinct Table for Employees RP - 2000 Healthy Annuitant Sex Distinct Table for Annuitants RP - 2000 Disabled Lives Mortality Tables for Disabled Annuitants
Expected Remaining Service Lives	4 years for Plan A
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

(I) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions - continued

The discount rate used to measure the total pension liability was 6.75% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

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, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables.

(I) DEFINED BENEFIT PENSION PLAN – continued

Sensitivity to Changes in Discount Rate

The following presents the net pension liability/(asset) of the participating employers calculated using the discount rate of 6.75%, 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 5.75%, or one percentage point higher 7.75% than the current rate.

	Plan A		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	$ 729,871	$ (148,036)	$ (929,754)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2017 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 $95,827 for the year ended December 31, 2018.

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 $342,006 for the year ended of December 31, 2018.

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 $186,843 for the year ended of December 31, 2018.

(I) DEFINED BENEFIT PENSION PLAN – continued

Change in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of December 31, 2018.

Contributions – Proportionate Share

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

Retirement System Audit Report

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. 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, 2018, the Airport reported an asset of $148,036 for its proportionate share of the Net Pension Asset of the Plan.

The Net Pension Asset was measured as of December 31, 2017 and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The Airport's proportion of the Net Pension Asset was based on a projection of the Airport's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Airport's proportion was 0.199443%, which was an increase of .008509% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Airport recognized pension expense of $186,865 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $568.

(I) DEFINED BENEFIT PENSION PLAN – continued

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

At December 31, 2018, the Airport 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	$ -	$ 95,827
Changes of Assumptions	186,843	-
Net difference between projected and actual earnings on pension plan investments	-	342,006
Change in proportion and differences between employer contributions and proportionate share of contributions	1,363	884
Employer contributions subsequent to measurement date-Prior	(152,798)	-
Employer contributions subsequent to the measurement date- Current	145,979	-
Total	$ 181,387	$ 438,717

Deferred outflows of resources of $145,979 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, 2019.

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	
12/31/2018	$ 21,868
12/31/2019	$ (22,397)
12/31/2020	$(114,429)
12/31/2021	$(135,552)

(J) BONDS PAYABLE

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

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

(K) OPERATING LEASES

The Airport leases buildings, hangars, land and terminal space to a number of tenants. Due to the nature of those leases, they are all classified as operating leases. The following is a schedule by years of minimum future rentals on non-cancelable operating leases as of December 31, 2018:

Year Ending December 31	
2019	2,788,249
2020	2,783,063
2021	2,179,314
2022	1,337,276
2023	1,263,188
Thereafter	5,878,960
Total Minimum Future Rentals	$ 16,230,050

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. Those annual adjustments could not be determined. Therefore, the 2018 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, 2018, there are several ongoing projects for which contracts have been entered and work is in progress. The majority of the costs of these projects are being funded by Airport Improvement Program Grants through the Federal Aviation Administration and the State of Louisiana, Department of Transportation.

At December 31, 2018, the Airport has filed several lawsuits against contractors on these construction contracts for substandard work and lack of completion. In one instance, the contractor has filed a counter-suit for lack of payment. These suits are currently early in the litigation process and no amounts are recorded in these financial statements.

The Airport participates in a number of federal financial assistance programs. Although the grant programs have been audited through December 31, 2018 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 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, 2018:

Purpose	Amount
Salary	$ 146,382
Benefits – Insurance	$ 18,225
Benefits – Retirement	$ 16,834
Reimbursements- Phone	$ 1,200
Travel	$ 4,964
Registration Fees	$ 200
Conference Travel	$ 1,607
Vehicle Usage	$ 699

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

In November 2014, the citizens of Lafayette Parish approved the collection of a one percent sales tax dedicated to the construction of a new terminal at the Lafayette Regional Airport. Revenues from this tax totaled $174,277 for the year ended December 31, 2018. Total collections of this dedicated tax as of December 31, 2018 are $34,116,756 and is reported as restricted cash and restricted net position in these financial statements.

(R) SUBSEQUENT EVENTS

The Airport has evaluated subsequent events through May 30, 2019, the date the financial statements were available to be issued.

On December 13, 2018, the Louisiana Bond Commission approved the issuance of up to $10,000,000 of Passenger Facility Charge Revenue Bonds, bearing interest at a fixed rate not to exceed eight (8) percent per annum, and to mature no later than 15 years from date of issuance, for constructing and acquiring airport facilities and additions and improvements, including necessary furniture, machinery and equipment. As of December 31, 2018, these bonds had not been 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, 2018

	Administrative	General Maintenance	Contractual Services	Total
SALARIES AND COSTS OF EMPLOYMENT				
Salaries	$ 871,260	$ 422,716	$ -	$ 1,293,976
Payroll Taxes	12,040	6,360	-	18,400
Group Insurance	191,299	151,104	-	342,403
Worker's Compensation	2,056	18,502	-	20,558
Retirement Contributions	140,622	46,243	-	186,865
Total Personal Services	$ 1,217,277	$ 644,925	$ -	$ 1,862,202
SUPPLIES				
Supplies and Minor Equipment	$ 34,282	$ 12,971	$ 179	$ 47,432
OTHER SERVICES AND CHARGES				
Advertising	$ 402,916	$ -	$ -	$ 402,916
Postage and Freight	1,730	-	-	1,730
Dues and Publications	43,387	-	-	43,387
ID Card System	7,091	-	-	7,091
Environmental Expenses	139,755	-	-	139,755
Fuel and Oil	288	31,710	11,868	43,866
Fly Lafayette Campaign/Public Relations	23,527	-	-	23,527
Insurance	181,134	176,000	-	357,134
Miscellaneous	1,137	-	-	1,137
Terminal Building Equipment Contract	-	-	148,138	148,138
Professional Fees	714,507	-	-	714,507
Repairs and Maintenance	24,430	323,566	71,896	419,892
Repairs and Maintenance-Leased Facilities	25,993	-	-	25,993
Telephone	49,062	24,075	-	73,137
Training	12,659	75	-	12,734
Travel	29,766	-	-	29,766
Tri-Annual Drill Expenses	6,312	-	-	6,312
Uniforms	1,697	3,883	-	5,580
Utilities	-	360,707	-	360,707
Parking Fee Management	351,926	-	-	351,926
Contracted Services -				
Grounds Maintenance	-	116,766	-	116,766
Janitorial	-	-	244,416	244,416
ARFF Services	-	-	677,821	677,821
Security	-	-	852,325	852,325
Total Other Services and Charges	$ 2,017,317	$ 1,036,782	$ 2,006,464	$ 5,060,563

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, 2018

Federal Grantor Program Title	Federal CFDA Number		Grant Number	Federal Expenditures
U.S. Department of Transportation				
Federal Aviation Administration				
Airport Improvement Projects	20.106	*	#45	$ 8,206
			#46	5,629
			#47	3,269,211
			#48	505,310
			#49	249,740
			#50	314,548
			#51	6,458,217
			#52	232,009
Subtotal Airport Improvement Projects				11,042,870
U.S. Environmental Protection Agency:				
Passed Through South Central Planning and Development Commission - South Louisiana Brownsfields Coalition Revolving Loan Fund:				
Brownsfields Assessment and Cleanup Grant Program	66.818		N/A	104,449
Total Expenditures of Federal Awards				$ 11,147,319

* - 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, 2018

(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, 2018. The information in this schedule is presented in accordance with requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

(C) INDIRECT COST RATE

Lafayette Regional Airport has elected not to use the 10% de minimis indirect cost rate for the year ended December 31, 2018.

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, 2018

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	4.4%	99.15%
2016	0.199408%	$ 524,899	$ 1,138,140	46.1%	92.23%
2017	0.190934%	$ 393,231	$ 1,161,126	33.9%	94.15%
2018	0.019944%	$ (148,036)	$ 1,241,196	-11.9%	101.98%

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, 2018

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%

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

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

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

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

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Lafayette Regional Airport's basic financial statements, and have issued our report thereon dated May 30, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wright, Moore, DeHart,
Dupuis & Hutchinson

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

May 30, 2019
Lafayette, Louisiana

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

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

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

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Airport's major federal program for the year ended December 31, 2018. Lafayette Regional Airport's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Lafayette Regional Airport's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lafayette Regional Airport' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Lafayette Regional Airport complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lafayette Regional Airport's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's internal control over compliance.

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

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

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

Wright, Moore, DeHart,
Dupuis & Hutchinson

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

May 30, 2019
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, 2018

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, 2018, and have issued our report thereon dated May 30, 2019. 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, 2018 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, 2018, had one major program: Department of Transportation: Federal Aviation Administration-Airport Improvement Projects: CFDA Number 20.106.

Low-Risk Auditee

The Lafayette Regional Airport is considered a low-risk auditee for the year ended December 31, 2018.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is $750,000 for the year ended December 31, 2018.

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, 2018.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018

C. FEDERAL AWARDS - continued

Control Deficiencies - Major Program

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

Compliance Finding Related to Major Program

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

Section II - Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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

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

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

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

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for the Passenger Facility Charge Program

We have audited the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana's compliance with the types of 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, 2018. Lafayette Regional Airport's passenger facility charge program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of Lafayette Regional Airport's passenger facility programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation Administration. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred.

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

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

Opinion on the Passenger Facility Charge Program

In our opinion, Lafayette Regional Airport complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lafayette Regional Airport's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Report on Schedule of Revenues and Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the Airport as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements. We have issued our report thereon dated May 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of revenues and expenditures of passenger facility charges is presented for the purposes of additional analysis as required in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. This report is intended for the information of the management and Board of Commissioners of the Lafayette Regional Airport, the Federal Aviation Administration and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Wright, Moore, DeHart, Dupuis & Hutchinson

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

May 30, 2019
Lafayette, Louisiana

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

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2018

	Beginning Program Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Ending Program Total
Revenue:						
Collections	$ 12,288,649	$ 197,562	$ 241,510	$ 220,908	$ 248,028	$ 13,196,657
Interest	517,923	1,815	2,429	4,577	5,736	532,480
Total Revenue	12,806,572	199,377	243,939	225,485	253,764	13,729,137
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	-	-	-	-	-	-
Total Disbursements	12,231,659	-	-	-	-	12,231,659
Net PFC Revenue	-	199,377	243,939	225,485	253,764	-
PFC Account Balance	$ 574,913	$ 774,290	$ 1,018,229	$ 1,243,714	$ 1,497,478	$ 1,497,478

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
Basis of Accounting - The above schedule was prepared on the cash basis of accounting which is not materially different from the accrual basis of accounting which is required by Generally Accepted Accounting Principles (GAAP).

See Independent Auditors' Report.

LAFAYETTE REGIONAL AIRPORT
PASSENGER FACILITY CHARGE PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018

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, 2018

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

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

JOHN W. WRIGHT, CPA *
JAMES H. DUPUIS, CPA, CFP *
JAN H. COWEN, CPA *
LANCE E. CRAPPELL, CPA, CGMA *
MICAH R. VIDRINE, CPA *
TRAVIS M. BRINSKO, CPA *
RICK L. STUTES, CPA, CVA/ABV, APA, CFF/MAFF*
CHRISTINE R. DUNN, CPA**
DAMIAN H. SPIESS, CPA, CFP **
JOAN MARTIN, CPA, CVA, CFF, FABFA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

WMDDH

ANDRE' D. BROUSSARD, CPA
DANIELLE M. CASTILLE, CPA
ALEXANDRA DARDAR, CPA, MBA
ROBERT T. DUCHARME, II, CPA
GREG HARBOURT, CPA
STEFAN HAWKINS, CPA
JENA L. JOHNS, CPA
MARY PATRICIA KEELEY, CPA
CORITA K. KUON, CPA, CVA
JOSEPH LACOMBE, CPA
WENDY ORTEGO, CPA, CVA
STEPHANIE A. RAWLINSON, CPA
KEITH SIBILLE, CPA
ROBIN G. STOCKTON, CPA
TINA B. VIATOR, CPA
STEPHANIE L. WEST, CPA, MBA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of Lafayette Regional Airport and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Lafayette Regional Airport's compliance with certain laws, regulations and best practices during the year ended December 31, 2018. Management of Lafayette Regional Airport is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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.

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

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

d) ***Receipts***, including receiving, recording, and preparing deposits

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

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

f) ***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.

g) ***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.

h) ***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.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

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

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

Debt issued this year and no exceptions were noted.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
   a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

   This was not required to be tested in the fiscal year.

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 and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.1 Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

This was not required to be tested in the fiscal year.

c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

This was not required to be tested in the fiscal year.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period 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 selected each account, and observe that:

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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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.

This was not required to be tested in the fiscal year.

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).

   This was not required to be tested in the fiscal year.

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.

      This was not required to be tested in the fiscal year.

   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.

      This was not required to be tested in the fiscal year.

   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.

      This was not required to be tested in the fiscal year.

   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 verifies the reconciliation.

      This was not required to be tested in the fiscal year.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

   This was not required to be tested in the fiscal year.

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.

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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).

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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).

   This was not required to be tested in the fiscal year.

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.

   This was not required to be tested in the fiscal year.

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

   This was not required to be tested in the fiscal year.

   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.

   This was not required to be tested in the fiscal year.

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.

This was not required to be tested in the fiscal year

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 invoice/billing statement.

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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), 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.

This was not required to be tested in the fiscal year.

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, 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.)]

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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).

This was not required to be tested in the fiscal year.

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:

    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).

    This was not required to be tested in the fiscal year.

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

    This was not required to be tested in the fiscal year.

    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).

    This was not required to be tested in the fiscal year.

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

    This was not required to be tested in the fiscal year.

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.

    This was not required to be tested in the fiscal year.

    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).

This was not required to be tested in the fiscal year.

c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

This was not required to be tested in the fiscal year.

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.

This was not required to be tested in the fiscal year.

Payroll and Personnel

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

This was not required to be tested in the fiscal year.

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.)

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

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

This was not required to be tested in the fiscal year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

    This was not required to be tested in the fiscal year.

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.

       This was not required to be tested in the fiscal year.

    b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

       This was not required to be tested in the fiscal year.

Debt Service (excluding nonprofits)

21. 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.

    No exceptions noted.

22. 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.

    No exceptions noted.

Other

23. 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.

24. 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.

    This was not required to be tested in the fiscal year.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Lafayette Regional Airport and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC

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

Lafayette, Louisiana
April 15, 2019