

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

**ANNUAL FINANCIAL REPORT  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/18/11

# 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](http://www.wmddh.com)

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

\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY

JOE D. HUTCHINSON, CPA \* +  
M. TROY MOORE, CPA \* +  
MICHAEL G. DEHART, CPA, CVA, MBA \* +

+ RETIRED



STEPHANIE A. BLANK, CPA  
ROBERT T. DUCHARME, II, CPA  
JUDITH FAULK, CPA  
STUART FLEMING, CPA  
MARY PATRICIA KEELEY, CPA  
JOAN MARTIN, CPA, CVA, CFR, DABFA  
TANYA L. MIGUES, CPA  
WENDY ORTEGO, CPA  
ROBIN G. STOCKTON, CPA  
BRIDGET B. TILLEY, CPA, MT  
ABBY T. TRAHAN, CPA, MS  
TINA B. VIATOR, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Lafayette Airport Commission  
Lafayette, Louisiana

We have audited the accompanying basic 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, 2010, as listed in the table of contents. These financial statements are the responsibility of the Lafayette Regional Airport's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred above present fairly, in all material respects, the financial position of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of December 31, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2011, 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* and should be considered in assessing the results of our audit.

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.

Our audit was performed 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 relate 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 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 financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

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

April 18, 2011  
Lafayette, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) provides an overview of the Lafayette Regional Airport's activities and financial performance for the fiscal year ended December 31, 2010.

### AIRPORT ACTIVITIES & HIGHLIGHTS

- Lafayette Regional Airport had its best year on record. In 2010 the Lafayette Regional Airport's enplanements were 225,762 and deplanements were 223,278. Cargo operations also remained strong with over 24,936,865 lbs passing through the airport during 2010. Despite the trend of declines in overall national airline travel due to the recognized recession over the last two years, Lafayette Regional Airport's numbers defy the national trend and modestly grow for another year.
- The Commission continues to work with current carriers to improve air service. Since 2009, all carriers are using Jet service to fly between Lafayette and individual hubs. As for flight loads, Continental flights to Houston lead the way with 90.7% of outgoing seats filled, followed closely by Delta/Atlanta flights with 89.1%. American Eagle flights to Dallas have a 79.8% load factor and Delta/Memphis reported 77.4% in 2010. In addition, the Airport continues to work with other carriers in an attempt to bring additional jet service to the Lafayette area from new destinations.
- In October of 2010, the Lafayette Airport Commission held its 20<sup>th</sup> Annual Aviation Fun Day. There were over 400 people that attended and enjoyed great weather for a tour of the airport grounds as well as a great lunch. In addition there were numerous contests and many prizes given out, as well as a goodie bag filled with Lafayette Regional Airport and airline industry goodies provided by numerous sponsors for each attending child.
- Projects that were completed in 2010 include the preliminary design and environmental study for EMAS on Runway 4R/22L, roof replacements for both Rental Car Facilities on Chaplain Dr. as well as a new roof on a LAC Building at 310 Shepard Dr. Also, significant projects completed in 2010 were the replacement of the Precision Approach Path Indicators and the Borrow Pit which was cleaned and backfilled to mitigate wildlife hazards. These projects will enhance the future safety area of the cargo apron taxi lane. In addition, the improvements on the North General Aviation Apron were substantially completed. Several of these projects were funded through federal grants and passenger facility charges collected by the Airport.
- Several projects that were in still in progress at the end of 2010 include upgrades for the Terminal elevator, escalator, and exterior doors; Final design of the EMAS for Runway 4R/22L; the overlay of Runway 4L/22R; the mapping of the Storm Water Drain system, and the construction of the Cargo Apron and connecting Taxiways. Other ongoing projects include a Part 150 Noise Impact Study and future terminal expansion. These projects are designed to enhance the overall safety and the capacity of the airport.

- Several projects that were in the design phase and scheduled to begin in 2011 include the construction of a Cargo Facility, Phase II of NGA Apron Improvements; a Security System upgrade, and the purchase and installation of a new Passenger Loading Bridge. These projects too are designed to improve the overall safety and the capacity of the airport.

## **FINANCIAL HIGHLIGHTS**

- Operating Revenues rose modestly by nearly 5% going from \$7.28 million to \$7.64 million. There was a decrease of 10% from Rental Car Revenues countered by a 23.8% increase in Terminal Rent/Charges and a 14% increase in PFC Revenues.
- Operating Expenses increased by 4.7% from \$10.1 million to \$10.5 million due primarily to increases in Repairs and Maintenance and Contract Services.
- Non-Operating Income (Expenses), excluding capital grants reported as income, changed from a net income of \$4,008,104 in 2009 to a net income of \$2,754,970 in 2010. This category reports a small increase in ad valorem taxes collected over 2009, while the 2009 amount also included a one-time gain on the sale of land for the future construction of Interstate 49.
- Net assets of our business-type activity increased by approximately \$8.7 million or 10.0%.
- Additional funding for Airport operations is received through ad valorem tax revenue. In 2010 the Airport received approximately \$2.70 million in revenues which is a slight increase over the \$2.65 million in 2009.
- Capital grants, funds, and contributions received in 2010 were \$8,932,408 compared to \$1,294,292 in 2009. 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 Assets reports information about the Airport as a whole and about 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 of the current year's 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 Assets, 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 net assets increased in the current year, from \$83.1 million to \$91.8 million. This increase is due to the business-type activities, which accounts for the operations of the Airport. The increase is due to the growth in the invested capital assets net of related debt category of \$7,338,081 as well as the increase in unrestricted net assets of \$639,496. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Airport's business-type activities.

### **CAPITAL ASSET AND LONG-TERM DEBT**

#### **Capital Assets**

At the end of December 31, 2010, the Airport had \$74.1 million invested in capital assets, net of related debt, including all equipment, land and buildings. This represents a significant net increase of \$7,338,081 million, or 11%, over last year.

During 2010, the airport expended \$11.5 million on capital activities. This included \$10.6 million toward capital projects in progress: the Cargo Apron and connecting taxiways, the NGA Ramp improvements, the final design EMAS for Runway 4R/22L, as well as upgrades for the Terminal elevator, escalator, and exterior doors.

Other improvements and acquisitions for 2010 included the following: the preliminary design and environmental study for EMAS on Runway 4R/22L, roof replacements for both of the Rental Car Facilities on Chaplain Dr. as well as a new roof on a LAC Building on 310 Shepard Dr; the replacement of the Precision Approach Path Indicators and the completion of the Borrow Pit area. Capital acquisitions include a maintenance vehicle and an administrative vehicle.

Acquisitions and improvements are generally funded using a variety of financing methods, including Federal grants with matching State grants, passenger facility charges, debt issuance, and Airport revenues.

#### **Debt**

At the end of 2010, the Airport had \$317,043 in taxable and nontaxable bonds outstanding. Scheduled bond payments for the year consisted of principal payments of \$315,000 and interest payments of \$2,043.

#### **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 the continued increase in the cost of fuel.
- Consumer price index adjustments, which allows for increases in rental charges to tenants of the Airport.
- Escalating costs of operations including insurance, security, and other contractual services.

#### **REQUEST FOR INFORMATION**

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

Table 1  
NET ASSETS

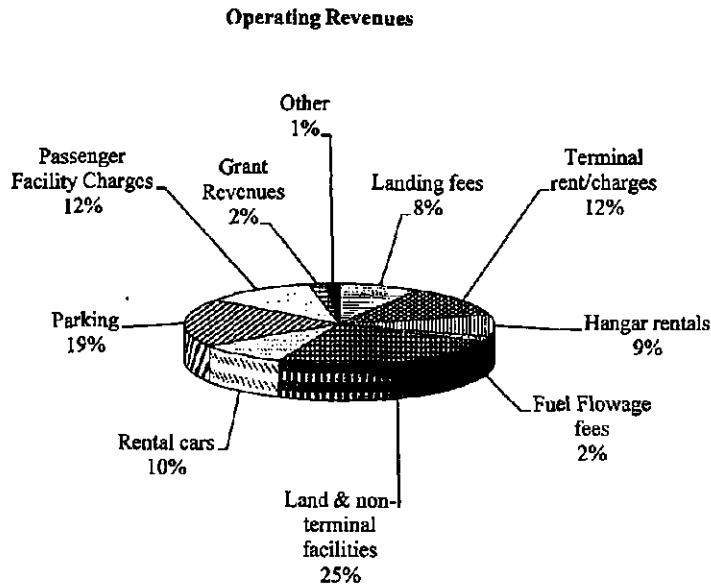
	Business-type Activities		Total Primary Government	
	2010	2009	2010	2009
<b>ASSETS:</b>				
Current assets	\$ 19,122,834	\$ 16,412,712	\$ 19,122,834	\$ 16,412,712
Capital assets	74,425,269	67,656,984	74,425,269	67,656,984
Non-current assets	2,142,194	1,372,789	2,142,194	1,372,789
<b>TOTAL ASSETS</b>	<b>\$ 95,690,297</b>	<b>\$ 85,442,485</b>	<b>\$ 95,690,297</b>	<b>\$ 85,442,485</b>
<b>LIABILITIES:</b>				
Long-Term Debt Outstanding	\$ -	\$ 307,500	\$ -	\$ 307,500
Other Liabilities	3,877,317	2,021,904	3,877,317	2,021,904
<b>Total Liabilities</b>	<b>3,877,317</b>	<b>2,329,404</b>	<b>3,877,317</b>	<b>2,329,404</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of debt	74,193,112	66,855,031	74,193,112	66,855,031
Restricted	1,719,358	997,036	1,719,358	997,036
Unrestricted	15,900,510	15,261,014	15,900,510	15,261,014
<b>Total Net Assets</b>	<b>91,812,980</b>	<b>83,113,081</b>	<b>91,812,980</b>	<b>83,113,081</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 95,690,297</b>	<b>\$ 85,442,485</b>	<b>\$ 95,690,297</b>	<b>\$ 85,442,485</b>

Table 2  
CHANGES IN NET ASSETS

	Business-type Activities		Total Primary Government	
	2010	2009	2010	2009
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 7,501,761	\$ 7,135,017	\$ 7,501,761	\$ 7,135,017
Operating grants	138,906	148,418	138,906	148,418
Capital grants and Contributions	8,932,408	1,294,292	8,932,408	1,294,292
General revenues:				
Property taxes	2,686,413	2,610,448	2,686,413	2,610,448
State revenue sharing	15,707	43,053	15,707	43,053
Investment earnings	34,452	35,271	34,452	35,271
Gain on sale of assets	18,398	1,319,332	18,398	1,319,332
Total revenues	<u>19,328,045</u>	<u>12,585,831</u>	<u>19,328,045</u>	<u>12,585,831</u>
<b>Program expenses</b>				
Administration	1,403,895	1,540,646	1,403,895	1,540,646
Telephones & Utilities	373,950	354,019	373,950	354,019
Supplies & Materials	74,325	100,936	74,325	100,936
Repairs & Maintenance	1,221,525	941,641	1,221,525	941,641
Security	727,274	788,339	727,274	788,339
ARFF	615,402	615,184	615,402	615,184
Professional Fees	355,532	362,386	355,532	362,386
Insurance	359,619	374,640	359,619	374,640
Contractual Services	721,229	686,911	721,229	686,911
Depreciation	4,726,661	4,338,823	4,726,661	4,338,823
Interest Expense	36,654	48,862	36,654	48,862
Bad Debt Expense	12,080	-	12,080	-
Total expenses	<u>10,628,147</u>	<u>10,152,387</u>	<u>10,628,147</u>	<u>10,152,387</u>
Increase in Net Assets	\$ 8,699,899	\$ 2,433,444	\$ 8,699,899	\$ 2,433,444

**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, 2010 and December 31, 2009:

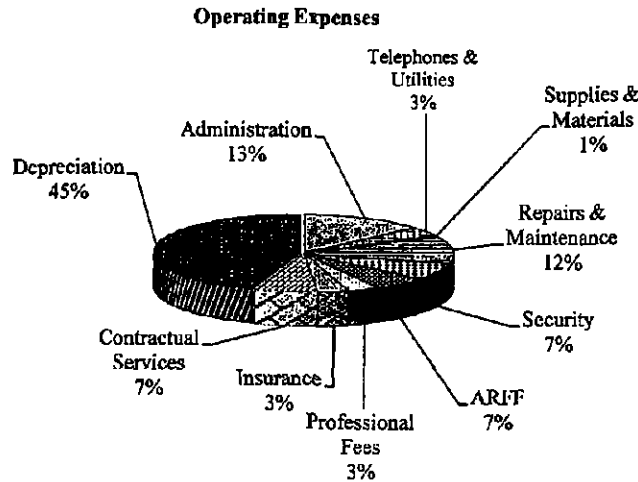


**Operating Revenues:**

	2010	2009	Increase (Decrease) from 2009	Percent Increase (Decrease)
Landing fees	\$ 636,936	\$ 594,428	\$ 42,508	7.2%
Terminal rent/charges	939,832	759,058	180,774	23.8%
Hangar rentals	673,665	665,926	7,738	1.2%
Fuel Flowage fees	149,807	135,912	13,895	10.2%
Land & non-terminal facilities	1,903,025	1,887,185	15,840	0.8%
Rental cars	724,335	804,561	(80,226)	-10.0%
Parking	1,476,338	1,403,814	72,524	5.2%
Passenger Facility Charges	891,075	781,600	109,475	14.0%
Grant Revenues	138,906	148,418	(9,512)	-6.4%
Other	106,749	102,533	4,216	4.1%
<b>Total Operating Revenues</b>	<b>7,640,667</b>	<b>7,283,435</b>	<b>357,232</b>	<b>4.9%</b>
<b>Non-Operating Revenues:</b>				
Interest Income	34,452	35,271	(819)	-2.3%
Proceeds from Sale of Assets	18,398	1,319,332	(1,300,934)	-98.6%
Operation & Maintenance Tax	2,702,120	2,653,501	48,619	1.8%
Capital Grants and Contributions	8,932,408	1,294,292	7,638,116	590.1%
<b>Total Non-Operating Revenues</b>	<b>11,687,378</b>	<b>5,302,396</b>	<b>6,384,982</b>	<b>120.4%</b>
<b>TOTAL REVENUES</b>	<b>\$ 19,328,045</b>	<b>\$ 12,585,831</b>	<b>\$ 6,742,214</b>	

**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, 2010 and December 31, 2009:



**Operating Expenses:**

	2010	2009	Increase (Decrease) from 2009	Percent Increase (Decrease)
Administration	\$ 1,403,895	\$ 1,540,646	\$ (136,751)	-8.9%
Telephones & Utilities	373,950	354,019	19,931	5.6%
Supplies & Materials	74,325	100,936	(26,611)	-26.4%
Repairs & Maintenance	1,221,525	941,641	279,884	29.7%
Security	727,274	788,339	(61,065)	-7.7%
Arff	615,402	615,184	218	0.0%
Professional Fees	355,532	362,386	(6,854)	-1.9%
Insurance	359,619	374,640	(15,021)	-4.0%
Contractual Services	721,229	686,911	34,318	5.0%
Depreciation	4,726,661	4,338,823	387,838	8.9%
<b>Total Operating Expenses</b>	<b>10,579,413</b>	<b>10,103,525</b>	<b>475,888</b>	<b>4.7%</b>
<b>Non-Operating Expenses:</b>				
Interest expense	36,654	48,862	(12,208)	-25.0%
Bad debt expense	12,080	-	12,080	0.0%
Assessor's pension	-	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>48,733</b>	<b>48,862</b>	<b>(129)</b>	<b>-0.3%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 10,628,147</b>	<b>\$ 10,152,387</b>	<b>\$ 475,760</b>	

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

**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$11,648,031
Accounts Receivable	217,404
Ad Valorem Tax Receivable	1,117,167
Due From Sheriff	1,448,395
Grant Funds Receivable	4,413,282
Prepays	<u>278,555</u>

Total Current Assets 19,122,834

**RESTRICTED ASSETS**

Cash	
Grant Funds	399,961
PFC Funds	<u>1,719,358</u>

Total Restricted Assets 2,119,319

**PROPERTY AND EQUIPMENT**

Property and Equipment	126,978,322
Land	5,491,076
Construction in Progress	<u>14,197,262</u>
Total	146,666,660
Less: Accumulated Depreciation	<u>(72,241,391)</u>

Net Property and Equipment 74,425,269

**OTHER ASSETS**

Unamortized Debt Expense	<u>22,875</u>
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TOTAL ASSETS \$95,690,297

The Accompanying Notes are an Integral Part of These Statements.

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

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2010**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 3,169,942
Accrued Expenses	36,405
Deferred Tax Revenue	251,915
Deferred Revenue	23,857
Current Portion of Bonds Payable	<u>315,000</u>
Total Current Liabilities	<u>3,797,119</u>

**CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Security Deposits	<u>15,021</u>
Total Current Liabilities Payable From Restricted Assets	<u>15,021</u>

**NON-CURRENT LIABILITIES**

Accrued Compensated Absences	<u>65,177</u>
Total Non-Current Liabilities	<u>65,177</u>

**TOTAL LIABILITIES**

3,877,317

**NET ASSETS**

Invested in Capital Assets, Net of Related Debt	74,193,112
Restricted for:	
PFC Projects	1,719,358
Unrestricted	<u>15,900,510</u>
TOTAL NET ASSETS	<u>91,812,980</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$95,690,297

The Accompanying Notes are an Integral Part of These Statements.

**LAFAYETTE REGIONAL AIRPORT  
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OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>OPERATING REVENUES</b>	
Rentals	\$ 4,240,856
Commissions	149,807
Landing Fees	636,936
Parking Tolls	1,476,338
Passenger Facility Charges	891,075
Grant Revenues	138,906
Miscellaneous	106,749
Total Operating Revenues	<u>7,640,667</u>
<b>OPERATING EXPENSES</b>	
Salaries and Costs of Employment	1,289,598
Supplies	74,325
Other Services and Charges	4,488,828
Depreciation	4,726,661
Total Operating Expenses	<u>10,579,412</u>
OPERATING LOSS	<u>(2,938,745)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Income	34,452
Ad Valorem Tax Revenue	2,656,707
State Revenue Sharing	45,413
Interest Expense	(36,654)
Bad Debt Expense	(12,080)
Gain on Disposal of Fixed Assets	18,398
Total Non-Operating Revenues (Expenses)	<u>2,706,236</u>
Loss before Contributions and Transfers	(232,509)
Capital Contributions	<u>8,932,408</u>
INCREASE IN NET ASSETS	8,699,899
NET ASSETS, BEGINNING	<u>83,113,081</u>
NET ASSETS, ENDING	<u>\$ 91,812,980</u>

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, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received From Providing Services	\$ 7,897,329
Cash Paid to Suppliers	(2,445,084)
Cash Paid to Employees	<u>(1,293,507)</u>

Net Cash Provided by Operating Activities \$ 4,158,738

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment Interest Received	<u>34,452</u>
------------------------------	---------------

Net Cash Provided By Investing Activities 34,452

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Ad Valorem Tax Revenue	<u>2,277,668</u>
------------------------	------------------

Net Cash Provided By Non-Capital Financing Activities 2,277,668

**CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES**

Capital Grants Received	5,269,567
Acquisition and Construction of Fixed Assets	(11,495,293)
Proceeds From Disposal of Fixed Assets	18,745
Principal Payments on Long-Term Debt	(577,500)
Interest Paid	<u>(28,804)</u>

Net Cash Used In Capital and Financing Activities (6,813,285)

**NET INCREASE IN CASH AND CASH EQUIVALENTS** (342,427)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**

(including \$1,342,064 in restricted cash) 14,109,777

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

(including \$2,119,319 in restricted cash) \$ 13,767,350

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, 2010**

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

Operating Loss	\$ (2,938,745)	
Adjustments to Reconcile Loss From Operations to Net Cash Provided By Operating Activities:		
Depreciation	4,726,661	
Changes in Assets and Liabilities:		
Accounts Receivable	246,995	
Prepaid Expenses	(897)	
Accounts Payable	2,116,156	
Accrued Expenses	2,810	
Deferred Revenue	(2,404)	
Security Deposits	12,071	
Accrued Compensated Absences	<u>(3,909)</u>	
Net Cash Provided By Operating Activities		<u>\$ 4,158,738</u>

The Accompanying Notes are an Integral Part of These Statements.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(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. GASB Statement No. 14 has defined the governmental reporting entity to be 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 and have been prepared in conformity with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

**Basis of Accounting** - Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Airport has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), issued on or before November 30, 1989 (when applicable) except for those that conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Airport are discussed below.

The Airport maintains its books and records on the full accrual basis of accounting and on the flow of economic resources measurement focus. The Airport applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

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.

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.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Equity Classifications** – In the financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net assets 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 assets - This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**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 deferred 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 Balance Sheet. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of fixed assets are as follows:

	<u>Years</u>
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

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 dates. 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.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Property and Equipment - continued**

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 grant awards are classified as restricted assets on the Balance Sheet because their use is limited to capital acquisition and construction. The Airport records the liability for acting as trustee for security and bid deposits.

**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. This policy resulted in an accrual for compensated absences of \$65,177 at December 31, 2010.

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. Therefore, no liability has been accrued in these financial statements.

**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.

**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.

**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, 2010.

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Post-Employment Benefits** – As a component unit of the Consolidated Government of Lafayette, Louisiana, the Airport was required to implement GASB Statement No. 43 – Financial Reporting for Postemployment Benefit Plans Other Than Pensions for the year beginning January 1, 2006. The Airport does not offer any of these types of benefits to employees and therefore has no liability in relation to the implementation of the new statement.

**(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 Balance Sheet date are entirely insured or collateralized by securities held by the government's agent in the government's name.

Investments consist of Certificates of Deposit with maturity dates of greater than one year. For the year ended December 31, 2010, the Airport held no investments in Certificates of Deposit.

*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 all investments of the Airport are time certificates of deposit, there is no credit risk or concentration of credit risk.

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

	2010	2009
Petty Cash	\$ 400	\$ 400
Operating Account	10,402,714	11,525,393
PFC Account	1,719,358	997,036
Cargo Apron Development Funds Account	1,184,949	1,182,104
Reserve for Future Projects Account	59,968	59,816
Grant Account	399,961	345,028
Cash per Statment of Cash Flows	\$ 13,767,350	\$ 14,109,777

**(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.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(C) AD VALOREM TAXES**

The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Lafayette Parish Sheriff. The taxes are remitted to the Airport net of a deduction for Assessor's Pension Fund contributions.

That portion of the ad valorem taxes dedicated to operations and maintenance of the Airport was assessed to property owners in Lafayette Parish at 1.71 mills for 2009. On November 17, 2001, voters of Lafayette Parish approved renewal of the ad valorem tax through expiration of the tax in 2012.

**(D) PASSENGER FACILITY CHARGE**

During the 2008 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 May 2008. The FAA approved the collection and use of PFC revenues for specific projects commencing August 1, 2008. 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 \$3,950,000. The FAA estimates that the charge expiration date will be May 1, 2012. The use of this revenue is restricted by the FAA for specific approved projects in the amount of \$3,950,000.

Additional projects to be funded by uncommitted PFC revenues will require FAA approval. The Airport has reserved a portion of its retained earnings for undisbursed PFC revenues. PFC revenues available to fund the specific projects were \$1,719,358 at December 31, 2010. This amount is shown on the face of the Statement of Net Assets as Restricted.

**(E) 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, 2010 consisted of the following:

Transportation Safety Administration- Security	\$ 34,106
State Department of Transportation	1,201,506
State of Louisiana	398,574
FAA - AIP Project 35	114,960
FAA - AIP Project 36	665
FAA - AIP Project 37	645,848
FAA - AIP Project 38	166
FAA - AIP Project 39	3,986
FAA - AIP Project 40	13,471
EDA	<u>2,000,000</u>
Total Grant Funds Receivable	<u>\$ 4,413,282</u>

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(F) 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. Restricted Assets at December 31, 2010, consisted of the following:

	Cash
Grant Funds	\$ 399,961
PFC Accounts	1,719,258
Total Restricted Assets	\$ 2,119,219

**(G) PROPERTY AND EQUIPMENT**

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

	Beginning Balance 12/31/2009	Additions	Deletions	Ending Balance 12/31/2010
Hangers and Buildings	\$ 46,519,786	\$ 331,769	\$ (2,314)	\$ 46,849,241
Runways and Navigation Aids	53,868,959	151,163	-	54,020,122
Service Roads and Parking	6,186,926	-	-	6,186,926
Other Permanent Improvements	12,363,417	267,818	(49,230)	12,582,005
Equipment	5,903,611	146,252	(171,228)	5,878,635
Furniture and Fixtures	1,453,014	11,246	(2,867)	1,461,393
	126,295,713	908,248	(225,639)	126,978,322
Less: Accumulated Depreciation and Amortization	(67,740,022)	(4,726,661)	225,292	(72,241,391)
Net Property and Equipment	\$ 58,555,691	\$ (3,818,413)	\$ (347)	\$ 54,736,931
Land	\$ 5,490,076	\$ -	\$ -	\$ 5,490,076
Construction Work in Progress	\$ 3,610,217	\$ 11,328,800	\$ (741,755)	\$ 14,197,262

Depreciation expense for the year ended December 31, 2010 was \$4,726,661.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(H) DEFINED BENEFIT PENSION PLAN**

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. The payroll for Airport employees covered by the PERS for the year ended December 31, 2010, was \$927,285.

All full-time Airport employees who work at least 28 hours a week and are under 60 years of age are members of the plan. Airport commissioners may enroll at their option. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with ten years of service at age 60.

Benefit rates are one percent of final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) plus \$2.00 per month for each year of service credited prior to January 1, 1980, and three percent of final compensation for each year of service after January 1, 1980.

The System also provides disability and survivor benefits. Benefits are established by State statute.

Covered employees are required to contribute 9.5 percent of their earnings to the plan. The Airport contributed 15.75 percent to the plan. The total contribution for the year ended December 31, 2010 was \$234,140, which consisted of \$146,047 from the Airport and \$88,093 from its employees. For the year ended December 31, 2009 the total contribution was \$205,751, which consisted of \$116,167 from the Airport and \$89,585 from its employees. For the year ended December 31, 2008 the total contribution was \$177,611, which consisted of \$101,790 from the Airport and \$75,821 from its employees. Contributions are also established by State statute.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers.

The total PERS pension benefit obligation was \$2,285,990,750 and the total PERS net assets available for benefits were \$2,135,230,590 as of December 31, 2009.

The PERS also publishes an annual financial report. The latest report for the year ended December 31, 2008 is available from Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898-4619.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(I) 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, 2010:

Year Ending December 31

2011	\$	2,088,629
2012		1,969,396
2013		1,747,860
2014		1,723,518
2015		1,723,518
Thereafter		<u>11,956,935</u>
Total Minimum Future Rentals	\$	<u>21,209,856</u>

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. Those annual adjustments could not be determined. Therefore, the 2010 rents were used for all years.

**(J) LONG-TERM DEBT**

In November 2003, the Airport issued Louisiana Public Facilities Authority Equipment and Capital Facilities Pooled Loan Program Revenue Bonds, Series 2003C, dated November 11, 2003, due December 1, 2003 through July 1, 2011. The bonds are payable in monthly installments with fixed principal payments ranging from \$28,750 to \$40,417, bearing interest at a rate determined by the Remarketing Agent on a weekly basis, currently 2.26 percent per annum, secured by future revenues.

In December 2003, the Airport issued Louisiana Public Facilities Authority Equipment and Capital Facilities Pooled Loan Program Revenue Bonds, Series 2003B, dated December 18, 2003, due January 1, 2004 through July 1, 2011. The bonds are payable in monthly installments with fixed principal payments ranging from \$6,250 to \$9,167, bearing interest at a rate determined by the Remarketing Agent on a weekly basis, currently 2.05 percent per annum, secured by future revenues.

A summary of this debt is as follows:

	Balance			Balance	Due
	<u>12/31/2009</u>	<u>Additions</u>	<u>Repayments</u>	<u>12/31/2010</u>	<u>Within</u>
					<u>One Year</u>
Bond Payable-Series 2003C	\$ 730,000	\$ -	\$ 470,000	\$ 260,000	\$ 260,000
Bond Payable-Series 2003B	<u>162,500</u>	<u>-</u>	<u>107,500</u>	<u>55,000</u>	<u>55,000</u>
	<u>\$ 892,500</u>	<u>\$ -</u>	<u>\$ 577,500</u>	<u>\$ 315,000</u>	<u>\$ 315,000</u>

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**(J) LONG-TERM DEBT - continued**

Maturities of long-term debt are as follows:

2011	<u>\$ 315,000</u>	<u>\$ 2,043</u>	<u>\$ 317,043</u>
------	-------------------	-----------------	-------------------

**(K) 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.

**(L) COMMITMENTS**

On a continuing basis, the Airport enters into construction contracts for improvements to the Airport. At December 31, 2010, 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 as well through Passenger Facility Charge Programs.

**SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Administrative	General Maintenance	Contractual Services	Total
<b>SALARIES AND COSTS OF EMPLOYMENT</b>				
Salaries	\$ 569,947	\$ 374,229	\$ -	\$ 944,176
Payroll Taxes	8,264	5,235	-	13,499
Group Insurance	103,856	82,020	-	185,876
Retirement Contributions	91,727	54,320	-	146,047
Total Personal Services	<u>\$ 773,794</u>	<u>\$ 515,804</u>	<u>\$ -</u>	<u>\$ 1,289,598</u>
<b>SUPPLIES</b>				
Supplies and Minor Equipment	<u>\$ 45,611</u>	<u>\$ 28,714</u>	<u>\$ -</u>	<u>\$ 74,325</u>
<b>OTHER SERVICES AND CHARGES</b>				
Advertising	\$ 5,461	\$ -	\$ -	\$ 5,461
Dues and Publications	30,087	-	-	30,087
Environmental Expenses	200,648	-	-	200,648
Fuel and Oil	48	34,788	8,934	43,770
Fly Lafayette Campaign/Public Relations	362,541	-	-	362,541
Grant Program Expenses	15,795	-	-	15,795
Insurance	166,940	192,679	-	359,619
Miscellaneous	385	-	-	385
Terminal Building Equipment Contract	-	-	85,623	85,623
Professional Fees	355,532	-	-	355,532
Repairs and Maintenance	27,643	390,596	83,826	502,065
Repairs and Maintenance-Leased Facilities	-	38,465	-	38,465
Telephone	36,567	16,149	-	52,716
Training	14,625	2,761	-	17,386
Travel	29,428	-	-	29,428
Public Relations	23,782	-	-	23,782
Uniforms	385	5,243	-	5,628
Utilities	-	321,234	-	321,234
Obstruction Clearing	-	135,520	-	135,520
Contracted Services -				
Janitorial	-	-	237,026	237,026
ARFF Services	-	-	615,402	615,402
Security	-	-	727,274	727,274
Parking Lot Management	-	-	305,820	305,820
ID Card System	1,998	-	-	1,998
Fuel Tank Maintenance Plan	-	15,623	-	15,623
Total Other Services and Charges	<u>\$ 1,271,865</u>	<u>\$ 1,153,058</u>	<u>\$ 2,063,905</u>	<u>\$ 4,488,828</u>

See Accountants' 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, 2010**

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
Federal Aviation Administration			
Airport Improvement Projects	20.106	#35	\$ 1,516,777
		#36	576,578
		#37	721,479
		#38	7,931
		#39	8,679
		#40	<u>18,570</u>
			<u>2,850,014</u>
<b>U.S. Department of Commerce</b>			
Economic Adjustment Assistance	11.307	* 08-79-04424	<u>2,000,000</u>
			<u>\$ 4,850,014</u>

\* - denotes a major program.

**NOTE:**

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

# 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](http://www.wmddh.com)

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

## 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

\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY

JOE D. HUTCHINSON, CPA \* +  
M. TROY MOORE, CPA \* +  
MICHAEL G. DEHART, CPA, CVA, MBA \* +

+ RETIRED

We have audited 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, 2010, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated April 18, 2011. 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.



### Internal Control Over Financial Reporting

STEPHANIE A. BLANK, CPA  
ROBERT T. DUCHARME, II, CPA  
JUDITH FAULK, CPA  
STUART FLEMING, CPA  
MARY PATRICIA KEELEY, CPA  
JOAN MARTIN, CPA, CVA, CFE, DABFA  
TANYA L. MIGUES, CPA  
WENDY ORTEGO, CPA  
ROBEN G. STOCKTON, CPA  
BRIDGET B. TILLEY, CPA, MT  
ABBEY T. TRAHAN, CPA, MS  
TINA B. VIATOR, CPA

In planning and performing our audit, we considered Lafayette Regional Airport's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's internal control over financial reporting.

*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.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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 that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management and the Board of Commissioners of Lafayette Regional Airport, the Legislative Auditor of the State of Louisiana and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these 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

April 18, 2011  
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.wmdh.com](http://www.wmdh.com)

JOHN W. WRIGHT, CPA \*  
JAMES H. DUPUIS, CPA, CFP \*  
JAN H. COWEN, CPA \*  
LANCE E. CRAPPELL, CPA \*  
MICAH R. VIDRINE, CPA \*  
TRAVIS M. BRNSKO, CPA \*  
RICK L. STUTES CPA, CVA / ABV, APA \*  
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TINA B. VIATOR, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners  
Lafayette Airport Commission  
Lafayette Parish, Louisiana

### Compliance

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's Circular A-133 Compliance Supplement* that could have a direct and material effect on the Airport's major federal program for the year ended December 31, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Lafayette Regional Airport's management. Our responsibility is to express an opinion on Lafayette Regional Airport's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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'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. Our audit does not provide a legal determination on Lafayette Regional Airport's compliance with those requirements.

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 its major federal program for the year ended December 31, 2010.

## **Internal Control Over Compliance**

Management of Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lafayette Regional Airport's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management and Board of Commissioners of the Lafayette Regional Airport, the Legislative Auditor of the State of Louisiana, and the federal awarding agency and is not intended to be and should not be used by anyone other than those specified parties. Although the intended use of this report may be limited, reports issued in connection with an OMB Circular A-133 audit are a matter of public record.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

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

April 18, 2011  
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, 2010**

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, 2010, and have issued our report thereon dated April 18, 2011. 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 of December 31, 2010 resulted in an unqualified opinion.

***Section I - Summary of Auditors' Results***

**A. FINANCIAL STATEMENTS**

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Control Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weakness	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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**B. FEDERAL AWARDS**

Major Program Identification

The Lafayette Regional Airport at December 31, 2010, had one major program: Department of Commerce: Economic Adjustment Assistance: CFDA Number 11.307.

Low-Risk Auditee

The Lafayette Regional Airport is considered a low-risk auditee for the year ended December 31, 2010.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended December 31, 2010.

Auditors' Report - Major Program

An unqualified opinion has been issued on the Lafayette Regional Airport's compliance for its major program as of and for the year ended December 31, 2010.

**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, 2010**

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](http://www.wmddh.com)

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

JOHN W. WRIGHT, CPA \*  
JAMES H. DUPUIS, CPA, CFP \*  
JAN H. COWEN, CPA \*  
LANCE E. CRAPPELL, CPA \*  
MICAH R. VIDRINE, CPA \*  
TRAVIS M. BRINSKO, CPA \*  
RICK L. STUTES CPA, CVA / ABV, AFA \*  
CHRISTINE R. DUNN, CPA \*\*  
DAMIAN H. SPIESS, CPA, CFP \*\*

To the Board of Commissioners  
Lafayette Airport Commission  
Lafayette, Louisiana

### Compliance

We have audited the Lafayette Regional Airport'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, 2010. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the Lafayette Regional Airport's management. Our responsibility is to express an opinion on the Lafayette Regional Airport's compliance based on our audit.

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TINA B. VIATOR, CPA

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 PFC Audit Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 the 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. Our audit does not provide a legal determination of the Lafayette Regional Airport's compliance with those requirements.

In our opinion, the Lafayette Regional Airport complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2010.

### Internal Control Over Compliance

Management of the Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance with requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the Lafayette Regional Airport's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance, 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 Airport's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the passenger facility charge 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 the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of management, the Board of Commissioners of the Lafayette Regional Airport, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these 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

April 18, 2011  
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, 2010**

	Beginning Program Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Ending Program Total
<b>Revenue:</b>						
Collections	\$ 7,452,008	\$ 184,033	\$ 238,870	\$ 226,089	\$ 238,792	\$ 8,339,792
Interest	483,202	678	805	945	863	486,493
<b>Total Revenue</b>	<u>7,935,210</u>	<u>184,711</u>	<u>239,675</u>	<u>227,034</u>	<u>239,655</u>	<u>8,826,285</u>
<b>Disbursements:</b>						
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)	2,677,164	-	-	-	-	2,677,164
Application 06-05-C-00-LFT (Closed)	756,165	-	-	-	-	756,165
Application 08-06-C-00-LFT: Project 1-Airport Security System Upgrade	-	8,206	45,517	13,676	96,794	164,193
Project 2 - Replace PAPIs-Runways	137,721	1,269	-	-	-	138,990
Project 2 - Administrative Costs	10,108	911	1,400	735	245	13,399
<b>Total Application 06-05-C-00-LFT</b>	<u>147,829</u>	<u>10,386</u>	<u>46,917</u>	<u>14,411</u>	<u>97,039</u>	<u>316,582</u>
<b>Total Disbursements</b>	<u>6,938,174</u>	<u>10,386</u>	<u>46,917</u>	<u>14,411</u>	<u>97,039</u>	<u>7,106,927</u>
<b>Net PFC Revenue</b>	-	<u>174,325</u>	<u>192,758</u>	<u>212,623</u>	<u>142,616</u>	-
<b>PFC Account Balance</b>	<u>\$ 997,036</u>	<u>\$ 1,171,361</u>	<u>\$ 1,364,119</u>	<u>\$ 1,576,742</u>	<u>\$ 1,719,358</u>	<u>\$ 1,719,358</u>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Basis of Accounting - The above schedule was prepared on an accrual basis of accounting.

**LAFAYETTE REGIONAL AIRPORT  
PASSENGER FACILITY CHARGE PROGRAM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**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 unqualified 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 Charges Program Audit Summary  
YEAR ENDED DECEMBER 31, 2010**

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