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

ANNUAL FINANCIAL REPORT

DECEMBER 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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 NOV 12 1998

LAFAYETTE REGIONAL AIRPORT

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INDEPENDENT ACCOUNTANTS' REPORT

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To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

We have audited the accompanying general purpose financial statements and the individual fund financial statements of Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana, as of December 31, 1997, and for the year then ended. These financial statements are the responsibility of the Lafayette Regional Airport management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:003 and the Louisiana Governmental Audit Guide. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures on the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana, as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana, as of December 31, 1997, and the results of operations of each fund and the cash flows of individual proprietary fund for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements of Lafayette Regional Airport, taken as a whole. The accompanying Schedule of Passenger Facility Charges Collected and Expended for the year and each quarter within the year ended December 31, 1997, which are also the responsibility of management of the Airport, are presented as required by the Federal Aviation Administration of the U.S. Department of Transportation in Appendix Schedule 9010 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990 and are not a required part of the financial statements. The information in these schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly presented in all material respects in relation to the financial statements taken as a whole.

*Thayne Moore, AICPA,
AICPA # 7-14343-0000*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON
Lafayette, Louisiana

MARCH 16, 1998

WRIGHT

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

COMBINED BALANCE SHEET - ALL FUND TYPES
DECEMBER 31, 1993
WITH COMPARATIVE BUDGET AS OF DECEMBER 31, 1992

	GOVERNMENTAL		PROPRIETARY		BUDGET	
	FUND TYPES		FUND TYPES		MONITORING ONLY	
	GENERAL	RESERVE	GENERAL	RESERVE	1992	1993
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 1,879,423	\$ 1,879,423	\$ -	\$ 748,154	\$ 909,690
Investments	-	208,082	208,082	-	208,082	184,004
Accounts Receivable	-	149,831	149,831	-	149,831	-
Other Receivables	-	38,863	38,863	-	-	-
Ad Valorem Tax Receivable	218,882	-	218,882	-	218,882	218,882
Due From Lafayette Parish Sheriff's Office	446,123	-	446,123	-	318,880	318,880
Due From Other Funds	-	634,096	634,096	-	634,096	634,096
Passenger Facility Charge receivable	-	47,864	47,864	-	47,864	48,888
Grant Funds Receivable	-	233,582	233,582	-	48,888	48,888
Prepays	-	49,448	49,448	-	69,448	82,431
Restricted Assets	-	173,674	173,674	-	204,076	204,076
Property and Equipment Net	-	28,489,864	28,489,864	-	28,500,186	28,500,186
Deposits	-	3,497	3,497	-	3,497	3,497
Unamortized Debt Expenses	-	19,328	19,328	-	28,320	27,388
TOTAL ASSETS	725,005	21,313,930	22,078,000	218,920,000	218,920,000	218,920,000

The accompanying notes are an integral part of these statements
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**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 1996**

	<u>GOVERNMENTAL</u>		<u>PROPRIETARY</u>		<u>TOTAL</u>	
	<u>FUND TYPE</u>		<u>FUND TYPE</u>		<u>COMBINATION ONLY</u>	
	<u>GENERAL</u>		<u>ENTERPRISE</u>		<u>1997</u>	<u>1996</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts Payable	\$ -		\$ 288,810		\$ 288,810	\$ 288,810
Accrued Expenses	-		47,076		47,076	49,362
Assessor's Penalties Payable	-		25,203		25,203	24,762
Deferred Tax Income	47,513		-		47,513	60,808
Due To Other Funds	894,878		-		894,878	818,838
Construction Contracts Payable	-		-		-	13,545
Emergency Deposits	-		20,644		20,644	20,641
Advances From State	-		-		-	-
Accrued Interest Payable	-		27,743		27,743	24,288
Certificate of Indebtedness Issd	-		2,048,204		2,048,204	1,810,182
Capital Lease Obligations	-		481,241		481,241	582,642
Accrued Compensated Absences	-		23,881		23,881	24,522
TOTAL LIABILITIES	182,811		3,241,258		3,424,069	3,226,222
FUND EQUITY						
Contributed Capital	-		18,823,227		18,823,227	18,880,182
Retained Earnings	-		1,182,288		1,182,288	889,268
Reserves for PPC Projects	-		-		-	-
Reserves	-		3,746,822		3,746,822	3,288,642
TOTAL FUND EQUITY	-		22,752,337		22,752,337	22,265,132
TOTAL LIABILITIES AND FUND EQUITY	182,811		32,243,635		32,243,635	32,243,635

The Accompanying Notes Are An Integral Part of These Statements

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

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
 GENERAL FUND
 FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
REVENUE		
ad Valorem Tax	\$718,884	\$711,390
State Revenue Sharing	43,532	88,856
Total Revenues	<u>\$762,416</u>	<u>\$800,246</u>
OTHER FINANCING USES		
Transfers to Proprietary Fund	(613,428)	(708,787)
Total Other Financing Uses	<u>(613,428)</u>	<u>(708,787)</u>
EXCESS OF REVENUES OVER OTHER FINANCING USES	-	-
FUND BALANCE, BEGINNING	<u> </u>	<u> </u>
FUND BALANCE, ENDING	\$ <u> </u>	\$ <u> </u>

The Accompanying Notes are an Integral Part of These Statements

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

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE BUDGET YEAR BASIS AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1997
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1996**

	BUDGET	1997 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1996 ACTUAL
REVENUE				
Ad Valorem Tax	\$400,000	\$775,894	\$ 375,894	\$798,371
State Revenue Sharing	-----	41,522	41,522	48,428
Total Revenues	\$400,000	\$817,416	417,416	846,799
OTHER FINANCING DEBS				
Transfer of O & M funds to Proprietary Fund	\$10,000	\$17,420	7,420	25,780
Total Other Financing Debs	\$10,000	\$17,420	7,420	25,780
EXCESS OF REVENUES OVER OTHER FINANCING DEBS	-	-	-	-
FUND BALANCE, BEGINNING	-----	-----	-----	-----
FUND BALANCE, ENDING	\$-----	\$-----	\$-----	\$-----

The Accompanying Notes are an Integral Part of These Statements

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

COMPARATIVE STATEMENT OF REVENUES & EXPENSES
PROBATIONARY FUND
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
OPERATING REVENUES		
Rentals	\$1,887,443	\$1,837,038
Commissions	44,965	48,478
Landing Fees	222,000	170,827
Parking Tolls	878,000	904,328
Passenger Facility Charges	182,813	418,829
Miscellaneous	<u>24,168</u>	<u>28,878</u>
Total Operating Revenues	3,439,389	3,388,380
OPERATING EXPENSES		
Salaries and Costs of Employment	587,874	583,843
Supplies	21,948	27,783
Other Services and Charges	1,485,841	1,555,241
Depreciation	1,148,795	1,082,180
Amortization	<u>22,222</u>	<u>18,158</u>
Total Operating Expenses	3,313,680	3,267,404
OPERATING LOSS	(174,291)	(182,124)
NON-OPERATING REVENUES (EXPENSES)		
Transfers From General Fund	817,424	788,787
Interest Income	93,000	82,438
DEQ Remediation Reimbursement	-	34,921
Interest Expense	(148,813)	(123,126)
Assessor's Penalties	(27,939)	(24,782)
Secure Charges	<u>(25,214)</u>	<u>(25,882)</u>
Total Non-Operating Revenues (Expenses)	718,462	652,813
NET LOSS	(129,144)	(129,179)
add: depreciation on fixed assets acquired by grants restricted for capital acquisitions and construction that reduces contributed capital	<u>1,118,320</u>	<u>1,102,828</u>
INCREASE IN RESTRICTED RESOURCES	\$1,089,176	\$973,649

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 FUND EQUITY
 PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 1997
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1996

	<u>CONTRIBUTED ASSETS</u>	<u>RETAINED EARNINGS</u>
Beginning Balances	\$17,890,100	\$ 590,085
Increase in Retained Earnings	-	-
Funds received from Lafayette Consolidated Government for capital outlay	380,810	-
Funds Received From Federal Capital Grants	800,000	-
Net FFO Income	-	590,085
Depreciation of contributed Assets	<u>11,378,810</u>	<u>-</u>
ENDING BALANCES	<u>618,810,000</u>	<u>61,570,268</u>

The Accompanying Notes are an Integral Part of These Statements

DEFERRED FARMING OPERATIONS	TOTALS	
	1992	1991
\$5,368,883	\$29,348,129	\$28,370,178
1,894,142	1,894,142	187,927
-	100,618	60,248
-	800,848	1,347,878
1832,743	-	-
<u> </u>	<u>(1,291,510)</u>	<u>(1,138,323)</u>
\$8,161,626	\$28,457,569	\$27,802,322

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

COMPARATIVE STATEMENT OF CASH FLOW
EXTRINSIC FUND
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
CASH FLOW FROM OPERATING ACTIVITIES		
Operating Loss	\$ (338,388)	\$ 182,120
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,154,795	2,024,180
Amortization	22,228	22,788
DEQ Remediation Encumbrance	-	24,921
Changes in Assets and Liabilities:		
Accounts Receivable	(5,897)	(12,484)
Other Receivables	125,850	-
Passenger Facility Charge Receivable	2,888	4,782
Prepaids	1,881	(12,124)
Deposits	(850)	28,424
Accounts Payable	(17,594)	118,288
Accrued Expenses	(2,290)	28,024
Construction Contracts Payable	(21,941)	(172,721)
Security Deposits	124,880	22,024
Advanced From State	-	(88,484)
Accrued Unexpended Amounts	<u>1,651</u>	<u>2,488</u>
Net Cash Provided by Operating Activities	<u>1,281,872</u>	<u>1,482,220</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Investment Securities	(444,124)	195,120
Maturity of Investment Securities	288,884	408,720
Investment Interest Received	<u>22,848</u>	<u>22,488</u>
Net Cash Provided by (Used in) Investing Activities	<u>167,608</u>	<u>626,328</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from General Fund	722,288	712,720
Payments for Asset's Pension	<u>(228,288)</u>	<u>(228,288)</u>
Total Cash Provided by Noncapital Financing Activities	<u>494,000</u>	<u>484,432</u>
CASH FLOW FROM CAPITAL AND FINANCING ACTIVITIES		
Capital Grants Received	822,521	1,297,872
Acquisition and Construction of Fixed Assets	(1,181,581)	(2,128,288)
Principal Payments on Certificates of Indebtedness	(281,878)	(204,884)
Principal Payments on Capital Lease Obligations	(71,281)	(88,888)
Entry Charges	(8,284)	(8,288)
Interest Paid	<u>(178,827)</u>	<u>(218,478)</u>
Net Cash Used in Capital and Financing Activities	<u>(618,240)</u>	<u>(132,876)</u>

The Accompanying NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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

COMPARATIVE STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - CONTINUED
 FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 240,800	\$ 187,813
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (including 1996, 1997 and 1997, 1997 in restricted cash for 1997 and 1996, respectively)	217,800	218,800
CASH AND CASH EQUIVALENTS AT END OF YEAR (including 21,874,800 and 1996, 1997 in restricted cash for 1997 and 1996, respectively)	\$ 2,782,200	\$ 213,333

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, 1987

1B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 Airport is a component unit of the consolidated Government of Lafayette, Louisiana.

The financial statements of Lafayette Regional Airport have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Fund Accounting - The accounts of the Lafayette Regional Airport are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The following funds and groups of accounts are presented in this report:

Governmental Fund Type

General Fund - These funds are used to account for operations traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund. The Airport reports its property tax activity in the general fund.

Proprietary Fund Type

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

Enterprise Fund - This type of fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (revenues, including depreciation) of operating and maintaining the airport facilities on a continuing basis are financed through user charges.

Measurement Focus/Basis of Accounting - Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 1993

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus/Basis of Accounting - continued

The governmental fund type uses a financial resources measurement focus and is accounted for using the modified accrual basis of accounting. Its revenues are recognized when susceptible to accrual (i.e., when they become measurable and available as per current events). Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

The proprietary fund type is accounted for on a cost of service measurement focus using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting - The Lafayette Regional Airport is required to adopt annual budgets for each fund. Each budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

The budget is formally adopted by the commission prior to the beginning of the fiscal year, and notices of its completion and availability are published. After its adoption, adjustments to the budget must be approved by resolution. All appropriations lapse at the end of the fiscal year.

Property and Equipment - Depreciation of all depreciable fixed assets used by the Enterprise Fund is charged as an expense against operations. Accumulated depreciation is reported on the Encumbrance Fund 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>
Highways and Buildings	15 - 30
Railways and Navigation Aids	15 - 20
Section Roads and Parking	15 - 20
Other Permanent Improvements	15 - 20
Equipment	3 - 10
Lease Purchase Equipment	5

Depreciation on fixed assets acquired by grants restricted for capital acquisition and construction is accounted for as a reduction of contributed capital.

Land and other capital improvements acquired by the Airport prior to October 31, 1970, are stated at replacement cost as of that date, as historical cost information was not furnished prior to this time. Land acquisitions which occurred prior to October 31, 1970, are stated at an estimated replacement cost of \$4,804,608, which approximates \$1,400 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.

LAKECHARLES AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAKECHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 1987

18) 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 - Certain proceeds of Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Balance Sheet because their use is limited by applicable bond covenants. Also, 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 setting up trustees for security and bid deposits and follows the practice of segregating deposit monies as restricted assets. All deposit refunds are made from deposit funds.

Compensated Absences - Employees of the Airport earn annual leave in amounts from 8 to 10 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 \$19,876 and \$18,580 as of December 31, 1987 and 1986, respectively.

Sick leave is credited to all classified employees at the rate of 8 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.

Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Airport's financial position and operations.

Total columns on Combined Statements - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Airport considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 1987

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 these estimates.

(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 as of the balance sheet date are entirely insured or collateralized with pledged securities held by the bank.

At December 31, 1987, the Airport had investments in discounted notes issued by U.S. Government Agencies. Such discounts are recognized the period in which they are realized as the amounts involved are immaterial to the basic financial statements.

There are three categories of credit risk that apply to the government's cash and investments:

1. Insured or registered or for which the securities are held by the government or the government's agent in the government's name
2. Uninsured and unregistered for which the securities are held by the bank's trust department or the government's agent in the government's name
3. Uninsured and unregistered for which the securities are held by the bank. However, the bank is required under state law to sell pledged securities within ten days to cover all deposits and accrued interest.

Balances held in each category are as follows:

	Estimates			Carrying Amount	Market Value
	1.	2.	3.		
U.S. government securities -					
Restricted	\$24,262	\$ -	\$ -	\$ 24,262	\$ 24,818
certificates of deposit	-	-	\$26,828	\$26,828	\$26,828
	\$24,262	\$ -	\$26,828	\$51,090	\$51,646

(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 taxpayer 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 - continued

DECEMBER 31, 1993

(C) AD VALOREM TAXES - continued

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 3.48 mills for 1987 and for 1988, respectively. On July 18, 1993, voters of Lafayette Parish approved renewal of the ad valorem tax through expiration of the tax in 2002.

(D) PASSENGER FACILITY CHARGE

During the 1988 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. The FAA approved the collection and use of PFC revenues for specific projects commencing September 1, 1990. Under the terms of the agreement with the FAA, the Airport is allowed to charge a 13 PFC per passenger, less an 8¢ collection charge from the airlines, to generate net cumulative revenues of \$1,884,708. The FAA anticipates a forty-nine month duration for PFC collections to reach this level, and as a result, has set expiration for collection of the charge at October 1, 1995.

The use of these revenues are restricted by FAA for specific approved projects in the amount of \$1,032,700. Additional projects to be funded by uncommitted PFC revenues will require FAA approval. The Airport has reserved a portion of its retained earnings for undistributed PFC revenues. Through December 31, 1993, the Airport used \$125,864 of PFC funds to reimburse costs associated with development, coordination and implementation of the PFC program. PFC revenues available to fund the specific projects were \$1,192,398 and \$689,185 as December 31, 1987 and 1988, respectively. This amount is shown on the face of the Combined Balance Sheet as Reserved Retained Earnings.

(E) GRANT FUNDS RECEIVABLE

The Airport is in the process of performing various airfield improvement projects with the assistance of Federal and State Funds. During the year ended December 31, 1994, outstanding grant awards totaled \$4,314,243, of which \$2,488,074 had been earned by the grantee. Grant funds receivable as December 31, 1987 and 1988 consisted of the following:

	1987	1988
LA DOTD 712-04-0041	\$137,000	0
LA DOTD 708-01-0001, 818-01-0018	-	6,700
LA DOTD 708-03-0003, 84, 85, 86, 87	8,888	25,888
AIP Project 15	-	15,870
AIP Project 16	-	50,243
AIP Project 17	86,031	-
	\$213,919	\$92,699

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

NOTES TO FINANCIAL STATEMENTS - Continued

DECEMBER 31, 1997

(F) RESTRICTED ASSETS

Proprietary fund 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, 1997 and 1996, consisted of the following:

December 31, 1997

	Cash	Investments	Accrued Interest Receivable	Totals
Working Funds	\$ 28,348	124,262	9797	\$ 152,407
Grant Funds	89,873	-	-	89,873
Security Deposits	86,434	-	-	86,434
FPC Accounts	261,248	-	-	261,248
Totals	<u>\$1,024,103</u>	<u>\$18,124</u>	<u>4261</u>	<u>\$1,102,614</u>

December 31, 1996

	Cash	Investments	Accrued Interest Receivable	Totals
Working Funds	\$ 47,383	455,318	1223	\$503,924
Grant Funds	82,844	-	-	82,844
Security Deposits	28,758	-	-	28,758
FPC Accounts	262,805	-	-	262,805
Totals	<u>\$1,021,790</u>	<u>\$455,318</u>	<u>1223</u>	<u>\$1,478,331</u>

(G) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Land	\$ 14,478,782	\$ 14,478,782
Runways and Navigation Aids	27,992,286	28,920,844
Service Roads and Parking	2,374,263	2,374,263
Other Permanent Improvements	8,889,181	8,889,181
Equipment	2,971,817	2,824,315
Furniture and Fixtures	<u>1,282,242</u>	<u>1,282,242</u>
Less: Accumulated Depreciation and Amortization	57,812,143	55,828,927
	<u>126,805,285</u>	<u>129,638,485</u>
	32,816,842	32,187,421
Land	8,921,218	8,921,218
Construction Work in Progress	<u>258,985</u>	<u>1,582,815</u>
Net Property and Equipment	<u>\$132,488,246</u>	<u>\$131,363,105</u>

Property and equipment include equipment acquired under a capital lease of \$1,978,807 at December 31, 1997 and 1996. Accumulated depreciation on leased equipment that is included in accumulated depreciation is \$891,504 and \$848,798 at December 31, 1997 and 1996, respectively.

**LAFAYETTE REGIONAL AIRPORT
& COMPONENT PARTS OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 1997

02 LONG-TERM DEBT

The Airport issued certificates of indebtedness and notes payable to provide funds for the construction of major capital facilities.

Certificates of indebtedness secured by a pledge of lease agreements between the Commission and individual tenants for whom facilities were constructed are comprised of the following individual issues at December 31, 1997:

18 1/2 Certificates of indebtedness, issued April 30, 1992, in the amount of \$208,000 for the State of Louisiana through the State Board of Education and the Lafayette Regional Technical Institute to refund 24 certificates of indebtedness on their Home, Inc. Manager #2, due in monthly installments of \$3,000 to \$5,000 including interest payments, final maturity November 1, 2000	<u>9,351,248</u>
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Certificates of indebtedness secured by a pledge of net revenues excluding certain provisions as detailed in the debt indenture are comprised of the following individual issues at December 31, 1997:

7.5% Certificates of indebtedness, issued June 3, 1994, in the original amount of \$5,000,000 for renovation of the Airport's Terminal building, due in annual installments of \$475,000 to \$525,000 plus semi-annual interest payments, final maturity May 1, 2000	280,000
--	---------

Less unamortized issue discount	(2,142)
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277,858

Total certificates outstanding, net of unamortized discount	<u>9,629,106</u>
---	------------------

The annual requirements to amortize all debts outstanding at December 31, 1997, including interest payments of \$148,387, are as follows:

Year Ending December 31,	Certificates of Indebtedness
1998	\$ 487,840
1999	488,314
2000	<u>382,483</u>
	<u>\$1,358,637</u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 1997

(I) CAPITAL LEASES

The Airport entered into a lease agreement during 1993 for the construction of an above ground fuel farm. The lease is for a noncancelable term of ten years without reversible options. The lease has been recorded as a capital lease in accordance with Financial Accounting Standards Board Statement No. 13.

The following is a schedule, by year, of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of December 31, 1997:

1998	\$ 113,896
1999	115,996
2000	118,096
2001	120,196
2002-2003	<u>121,245</u>
Total minimum lease payments	589,479
Less amounts representing interest	<u>(121,245)</u>
Present value of net minimum lease payments	<u>\$ 468,234</u>

(J) DEFERRED BENEFIT PENSION PLAN

All full-time employees of Lafayette Regional Airport participate in the Parochial Employees' Retirement System (PERS) of Louisiana, a multiple-employer, non-sharing public employee retirement system. The payroll for Airport employees covered by the System for the year ended December 31, 1997, was \$388,888; the total Airport payroll was \$418,361.

All full-time Airport employees who work at least 18 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 48.

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 12.00 per cent for each year of service credited prior to January 1, 1988, and three percent of final compensation for each year of service after January 1, 1989.

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

Covered employees are required to contribute 3.3 percent of their earnings to the plan. The Airport contributed 7.18 percent to the plan. The total contribution for the year was \$49,328, which consisted of \$38,888 from the Airport and \$10,440 from its employees. Contributions are also established by State statute.

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

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 1997

400 DEFERRED BENEFIT PENSION PLAN - continued

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 PERA and employers.

The System does not make separate measurements of assets and pension benefit obligation for individual employees. The pension benefit obligation at December 31, 1996, the most recent report available for the PERA Plan A as a whole, determined through an actuarial valuation performed as of that date, was \$415,348,088. The PERA Plan A net assets available for benefits as that date (valued at cost or amortized cost) were \$700,040,819, resulting in an unfunded pension benefit obligation of \$184,688,031. The Airport's contribution represented approximately .14 percent of total contributions required of all participating employees.

401 SELF FINANCED - EMPLOYEE HEALTH INSURANCE

The Airport has elected to partially self-insure its employee health insurance plan. The Airport has purchased coverage from an outside firm for all health insurance claims above \$10,000 during a year. For all accumulated claims in a year below this amount, the Airport administers its own claims and provides funding for this administration. The Airport records the activity for health insurance within its proprietary fund. A separate fund has been established for claim administration. The Airport maintains the liability for unpaid claims based upon actual unpaid costs received and expected to be paid. As of December 31, 1997 and 1996, there were no material unpaid claims.

41 OPERATING LEASES

The Airport leases buildings, hangars, land and terminal space to a number of tenants. Due to the nature of these leases, they are all classified as operating leases. The following is a schedule by years of minimum future rentals on noncancelable operating leases as of December 31, 1997:

Year Ending December 31	
1998	\$1,389,807
1999	1,389,043
2000	1,326,693
2001	1,294,808
2002	813,843
There after	2,883,126
Total Minimum Future Rentals	\$8,487,310

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. These annual adjustments could not be determined. Therefore, the 1998 rents were used for all years.

FINANCIAL STATEMENTS OF INDIVIDUAL FUND

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

GENERAL FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
ASSETS		
Ad Valorem Tax Receivable	\$100,880	\$100,884
Due From Lafayette Parish Sheriff's Office	<u>518,320</u>	<u>518,380</u>
TOTAL ASSETS	<u>\$619,200</u>	<u>\$619,264</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Deferred Tax Revenue	\$ 47,810	\$ 50,808
Due to Proprietary Fund	<u>834,500</u>	<u>818,810</u>
TOTAL LIABILITIES	900,310	870,844
FUND BALANCE		
TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,722,620</u>	<u>\$1,722,624</u>

The Accompanying Notes are an Integral Part of These Statements

**LAFAYETTE REGIONAL AIRPORT
& COMPASS AIR UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,473,423	\$ 948,754
Investments	808,000	800,000
Accounts Receivable	148,831	348,028
Other Receivables	35,498	-
Bus. From Property Tax Fund	824,000	614,833
Passenger Facility Charge Receivable	47,264	51,847
Grant Funds Receivable	233,000	49,253
Prepaids	<u>48,432</u>	<u>51,832</u>
Total Current Assets	<u>3,768,448</u>	<u>2,487,547</u>
RESTRICTED ASSETS		
Cash		
Sinking Funds	28,348	47,253
Grant Funds	49,473	88,844
Security Deposits	22,824	28,728
Investments		
Sinking Funds	24,243	15,330
Accrued Interest Receivable	<u>187</u>	<u>828</u>
Total Restricted Assets	<u>125,035</u>	<u>281,023</u>
FIXTURES AND EQUIPMENT		
Property and Equipment	61,232,252	61,944,033
Construction in Progress	<u>834,383</u>	<u>1,842,628</u>
	62,066,635	63,786,661
Less: Accumulated Depreciation	<u>(25,820,282)</u>	<u>(23,828,288)</u>
Net Property and Equipment	<u>36,246,353</u>	<u>39,958,373</u>
OTHER ASSETS		
Deposits	2,491	1,891
Unaccrued Debt Expense	<u>19,200</u>	<u>27,638</u>
Total Other Assets	<u>21,691</u>	<u>29,529</u>
TOTAL ASSETS	<u>\$ 4,115,837</u>	<u>\$ 3,817,499</u>

The accompanying notes are an integral part of these statements.

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

INTERFUND FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 1997 AND 1996

	1997	1996
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 368,858	\$ 383,410
Accrued Expenses	47,376	48,388
Assessor's Pension Payable	25,923	28,760
Current Portion of Capital Lease Obligation	77,528	72,382
Total Current Liabilities	469,685	492,739
CURRENT LIABILITIES DEDUCTIBLE FROM RESTRICTED ASSETS		
Construction Contracts Payable	-	13,341
Security Deposits	26,848	28,441
Advances From State	-	-
Accrued Interest Payable	17,743	24,268
Current Portion of Certificates of Indebtedness	238,208	563,538
Total Current Liabilities Payable From Restricted Assets	262,000	609,588
NON-CURRENT LIABILITIES		
Certificates of Indebtedness (Net of Unamortized Discount)	122,514	2,047,848
Capital Lease Obligations	484,213	481,248
Accrued Compensated Absences	82,881	88,508
Total Non-Current Liabilities	1,189,608	2,617,604
TOTAL LIABILITIES	1,661,293	2,622,313
FUND EQUITY		
Contributed Capital	28,823,227	29,489,283
Retained Earnings		
Reserved For FPC Projects	1,143,288	889,289
Unreserved	4,248,882	3,283,483
TOTAL FUND EQUITY	34,215,397	33,662,055
TOTAL LIABILITIES AND FUND EQUITY	1,695,508	2,655,368

The Accompanying Notes are an Integral Part of These Statements

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

SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 1997
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1996

	Administrative	General Maintenance
BALARIES AND COSTS OF EMPLOYMENT		
Salaries	\$ 215,488	\$ 204,351
Vacation Pay	(269)	(269)
Payroll Taxes	2,973	-
GROUP INSURANCE	28,323	28,323
RETIREMENT CONTRIBUTIONS	14,888	15,888
Accrued Compensation Time	(57)	177
Unemployment Compensation	-	-
Total Personal Services	<u>\$ 280,956</u>	<u>\$ 268,600</u>
SUPPLIES		
Office Supplies	\$ 20,339	\$ -
Operating Supplies	-	388
Total Supplies	<u>\$ 20,339</u>	<u>\$ 388</u>
OTHER SERVICES AND CHARGES		
Advertising	\$ 2,763	\$ -
Maps and Publications	2,279	-
Fuel and Oil	2,223	4,314
Fly Lafayette Campaign	27,872	-
Insurance	41,275	24,607
Miscellaneous	2,843	2
Terminal Building Equipment Contract	-	-
Professional Fees	88,584	-
FTC Tax Costs	-	-
Repairs and Maintenance	6,475	148,887
Telephone	28,287	8,998
Training	2,572	-
Travel	17,328	-
Public Relations	24,324	-
Utilities	57,633	122,888
Obstruction Clearing	-	27,820
Contracted Services	-	-
Aesterial	-	-
AFFF SERVICES	-	-
Security	-	-
Parking Lot Management	-	-
ID Card System	2,499	-
Fuel Tank Maintenance Plan	-	12,122
Total Other Services and Charges	<u>\$ 324,708</u>	<u>\$ 328,521</u>

The Accompanying NOTES ARE AN ESSENTIAL PART OF These Statements

Disbursements Services	Totals	
	1971	1970
\$ -	\$ 488,861	\$ 488,324
-	13,280	618
-	5,878	23,197
-	87,888	88,155
-	98,889	98,817
-	12,140	88
-	-	718
<u>\$ -</u>	<u>\$ 807,874</u>	<u>\$ 861,842</u>
\$ -	\$ 25,889	\$ 17,888
-	332	8,882
<u>-</u>	<u>\$ 26,221</u>	<u>\$ 26,770</u>
\$ -	\$ 9,783	\$ 8,188
-	7,388	8,488
-	8,388	18,888
-	29,872	18,888
-	78,888	88,888
-	2,888	2,488
28,888	88,388	88,388
-	88,888	78,374
-	-	269
21,875	893,442	898,388
-	18,388	18,322
-	2,872	488
-	17,388	17,447
-	24,324	18,888
-	4,783	4,282
-	182,788	177,888
-	27,888	22,888
88,188	88,388	84,288
883,878	883,478	888,888
388,888	878,888	882,872
883,878	883,878	888,888
-	8,487	488
<u>-</u>	<u>21,288</u>	<u>1,882</u>
<u>\$ 883,878</u>	<u>\$ 888,861</u>	<u>\$ 888,182</u>

The Accompanying NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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* A MEMBER OF AICPA

ADDITIONAL INFORMATION

The following report on Internal Control and Compliance and the Schedule of Passenger Facility Charges collected and expended presented on the following pages are required by Environmental Reporting Standards promulgated by the United States Comptroller General, the draft of the Passenger Facility Charge Program Audit Compliance Guide, and the Louisiana governmental audit guide.

*Keith Moore, CP. Hart,
Dupuis, & Hutchinson*

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

March 14, 1998

WRIGHT

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING 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 the general purpose financial statements and the individual fund financial statements of Lafayette Regional Airport, a Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 1993, and have issued our report thereon dated March 18, 1994. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the draft of the Passenger Facility Charge Program Audit Compliance Guide, and the provisions of Louisiana Revised Statutes 24:1111 and the Louisiana Governmental Audit Guide.

COMPLIANCE

As part of obtaining reasonable assurance about whether Lafayette Regional Airport's general purpose financial statements are free of material misstatements, we performed tests of the compliance with certain provisions of laws, regulations, contracts and grants, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lafayette Regional Airport's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all weaknesses in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

WRIGHT

This report is intended for the information of management and the Board of Commissioners of Lafayette Regional Airport, the Legislative Auditor of the State of Louisiana and the Federal Aviation Administration. However, this report is a matter of public record and its distribution is not limited.

*Thayne Wynn, Sr. Vice,
Allison P. Hutchinson*
WYNNE, WYNN, DEBART,
WYNN & HUTCHINSON
Lafayette, Louisiana

March 22, 1988

LAZARUS REGIONAL REPORT
 A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
 OF LAZARUS, LOUISIANA

SCHEDULE OF FAIRBANKS FACILITY CHARGES
 COLLECTED AND EXPENDED

FOR THE YEAR ENDED DECEMBER 31, 1940

	FYF Revenue Collected	Interest Earned	Expenditures on Received FYF Products	Net Balance
Beginning Balance	\$ 100,000	\$10,400	\$ 20,000	\$54,400
First Quarter	100,000	2,700	-	108,477
Second Quarter	140,000	2,700	5,477	144,047
Third Quarter	140,000	10,000	110,000	40,000
Fourth Quarter	100,000	2,160	20,450	81,710
ENDING BALANCE	\$1,114,010	\$10,700	\$100,000	\$81,710

The Accompanying Note is an integral part of this Statement