ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

Alexandria, Louisiana

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
England Economic and Industrial Development District
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of England Economic and Industrial Development District (the District), Alexandria, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise England Economic and Industrial Development District's basic financial statements. The schedule of revenues and expenditures – budget to actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of revenues and expenditures – budget to actual 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenditures – budget to actual and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2017, on our consideration of England Economic and Industrial Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering England Economic and Industrial Development District's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana,
December 5, 2017

MANAGEMENT'S DISCUSSION
AND ANALYSIS

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2017

Introduction

The Management's Discussion and Analysis (MD&A) of the England Economic and Industrial Development District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the England Economic and Industrial Development District's financial performance.

Financial and Operating Highlights

A summary of the District's financial and operating highlights for the year ended **June 30, 2017** is as follows:

- Assets exceeded liabilities by $210,153,777 at June 30, 2017. Of this amount $200,483,661 is related to capital assets. $143,344 is passenger facility charge fees that have been collected and unspent as of year-end and that are dedicated for the repayment of bonds issued for the construction of the James L. Meyer Commercial Terminal building. $9,526,772 is unrestricted.
- Net position increased $11,939,463. This was due primarily to an increase in the amount of capital grants received for various airport projects during the year.
- $14,843,516 in new construction improvements were added to the Airpark.
- Alexandria International Airport (AEX), during the current fiscal year, had 138,427 enplanements, 142,101 deplanements and 30,508 air operations.
- AEX handled 8,857 pounds of commercial air freight and 15,541,100 pounds of military air freight, 115,245 parked cars and sold 5,130,963 gallons of fuel this fiscal year.
- Almost 925,000 square feet of commercial space were leased on the Airpark by just under 70 tenants. The District also leased 154 residential units onsite.

A summary of the District's financial and operating highlights for the year ended **June 30, 2016** is as follows:

- Assets exceeded liabilities by $198,214,314 at June 30, 2016. Of this amount $188,633,886 is related to capital assets. $164,923 is passenger facility charge fees that have been collected and unspent as of yearend and that are dedicated for the repayment of bonds issued for the construction of the James L. Meyer Commercial Terminal building. $9,415,505 is unrestricted.
- Net position increased $4,464,698. This was due primarily to an increase in the amount of capital grants received for various airport projects during the year.
- $9,190,240 in new construction improvements were added to the Airpark.
- Alexandria International Airport (AEX), during the current fiscal year, had 129,361 enplanements, 128,184 deplanements and 31,980 air operations.
- AEX handled 5,022 pounds of commercial air freight and 11,863,900 pounds of military air freight, 117,333 parked cars and sold 4,382,630 gallons of fuel this fiscal year.
- Over 885,000 square feet of commercial space were leased on the Airpark by almost 70 tenants. The District also leased 158 residential units onsite.

Overview of the Financial Statements

The District's basic financial statements are prepared in accordance with accounting standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. The District is structured as single enterprise fund using proprietary fund (enterprise fund) accounting. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

The *Statement of Net Position* presents information on all of the District's assets less liabilities which results in Total Net Position. The statement is designed to display the financial position of the District as of the end of the fiscal year. Over time, increases and decreases in net position help determine whether the District's financial position is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* provides information which displays how the District's net position changed as a result of the year's activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, certain revenues and expenses are reported in this statement for some items that will result in cash flows in future periods. Revenues are categorized as either operating or non-operating in accordance with definitions set forth in GASB 33 and GASB 34.

The *Statement of Cash Flows* reports information showing how the District's cash and cash equivalent position changed during the year. This statement classifies cash receipts and cash payments for the fiscal year resulting from operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the statements. The notes to the financial statements follow the basic financial statements.

Financial Analysis of the District

The following schedule presents a summary of net position as of:

	June 30, 2017	June 30, 2016
Current and other assets	$ 9,627,225	$ 10,560,502
Noncurrent assets	3,178,875	256,590
Capital assets	204,931,661	192,704,537
Total assets	217,737,761	203,521,629
Current and other liabilities	3,420,871	4,133,839
Noncurrent liabilities	4,163,113	1,173,476
Total liabilities	7,583,984	5,307,315
Net position:		
Net investment in capital assets	203,449,845	188,633,886
Restricted	143,344	164,923
Unrestricted	6,560,588	9,415,505
Total net position	$ 210,153,777	$ 198,214,314

The District's assets exceeded liabilities by $210,153,777 at June 30, 2017 and by $198,214,314 at June 30, 2016. The majority of the District's net position are invested in capital assets (land, buildings, and equipment) owned by the District. These assets are not available for future expenditures since they will not be sold. Restricted assets of the District are limited as to their use. These funds are restricted by law or some other outside source as to how the can be utilized. The restricted net position is not available for new spending because they have already been committed as follows:

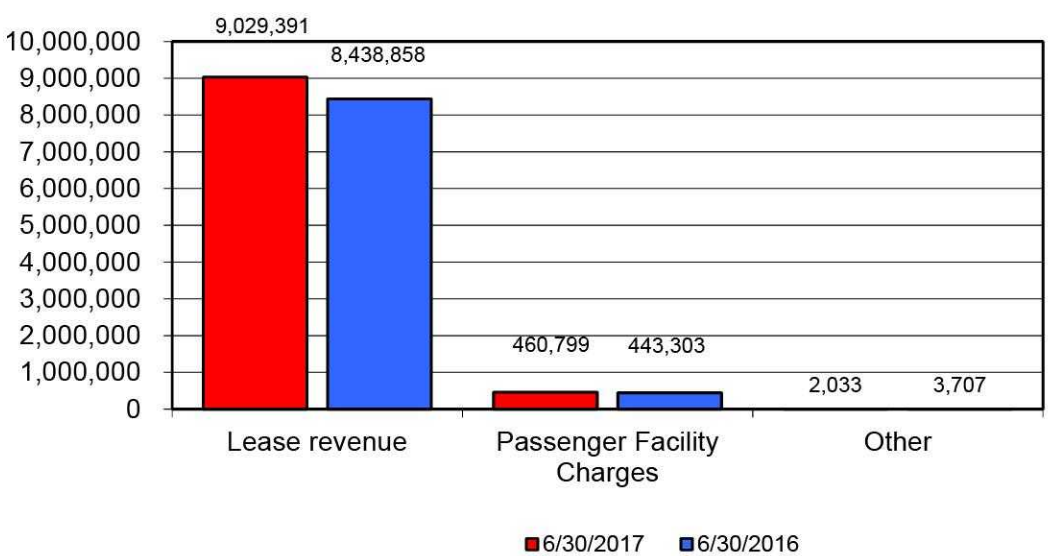
	June 30, 2017	June 30, 2016
Restricted net position:		
Passenger facility charges	$ 143,344	$ 164,923

Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements. This amount consists of a 25% operating reserve along with funds designated by management to go towards existing capital projects.

A summary of the District's changes in net position are reflected in the following schedule:

	June 30, 2017	June 30, 2016
Operating revenues		
(Lease revenues, passenger facility charges and other)	$ 9,492,223	$ 8,885,868
Operating expenses	15,636,464	15,002,588
Operating loss	(6,144,241)	(6,116,720)
Non-operating revenues (expenses)	1,621,932	1,377,513
Loss before contributions	(4,522,309)	(4,739,207)
Capital contributions	16,461,772	9,203,905
Change in net position	$ 11,939,463	$ 4,464,698

The following is a graphic representation of the components of operating revenues:



- Lease revenue includes revenues derived from leases for commercial buildings and equipment, residential housing, and fees from other types of services at the Airpark. This revenue source showed an increase for the fiscal year ended June 30, 2017 of $590,533 (7.0%). This increase comes from larger Contract Facility Charges collections in FYE 6-30-2017 and from the annual rent adjustments due to CPI increases.
- Passenger facility charges (PFC's) are fees imposed when an airline ticket is purchased and can be used only for purposes outlined in the District's PFC application. The current use for this fee is to pay debt service on the outstanding bonds for the construction costs of the James L. Meyer Commercial Terminal project. These fees increased $17,496 from the prior year due to higher enplanements at Alexandria International Airport.
- Other revenues include various charges for property damages, insurance settlements, missing inventory items and other assorted fees. These revenues decreased $1,674 compared to the prior year.

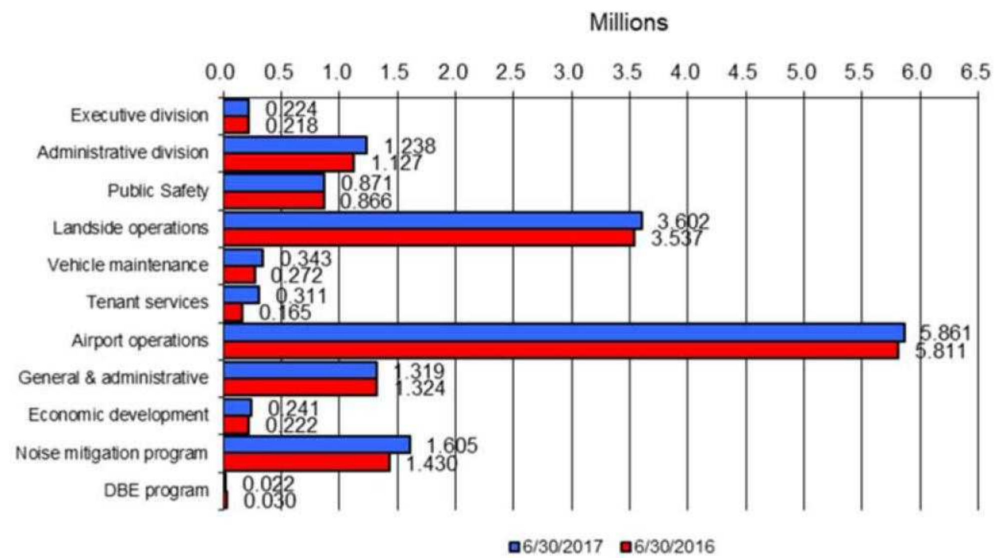
Non-operating revenues (expenses) include interest revenues, grant proceeds that are received for non-capital purposes, the gain or loss recorded on the sale or disposition of property, and interest expense on bonds and other debt. This amount increased in the current fiscal year by $244,419 due to higher amounts received from the Part 150 noise program in the current year and no loss on the sale of capital assets in this fiscal year as in the prior year.

Capital grants include Federal airport improvement program funds, state aviation trust fund grants, and state capital outlay money. These amounts vary from year to year depending upon the level of construction activities that are in progress by the District.

A summary of the District's operating expenses, including depreciation, are reflected in the following schedule:

	June 30, 2017	June 30, 2016
Executive division	$ 223,522	$ 217,776
Administrative division	1,238,279	1,126,896
Public safety	870,500	866,351
Landside operations	3,602,250	3,537,308
Vehicle maintenance	342,772	272,147
Tenant services	311,283	165,378
Airport operations	5,861,015	5,811,292
General and administration	1,319,486	1,324,097
Economic development	240,547	221,959
Noise mitigation program	1,604,801	1,429,674
Disadvantaged Business Enterprise program	22,009	29,710
Total operating expenses	$ 15,636,464	$ 15,002,588

The following is a graphic representation of operating expenses:



- The executive division includes the Executive Director and his staff. The costs of this department increased slightly, $5,746, compared to prior year costs.

- The administrative division includes the finance function and supporting activities. These costs increased $111,383 in the current year mainly due to three items - $20,787 higher salaries and benefits dues to employee raises and the hire of a new employee during the year, $53,238 higher legal fees caused by a bankruptcy of a tenant and higher bank charges due to growth in the use of credit cards by tenants of $12,577.

- Public safety covers the security and fire protection for the Airpark. This category went up $4,149 for the current year due to increased contract costs for these services.

- Landside operations include the maintenance and upkeep of building and grounds that are not related to the airfield. These expenses increased by $64,942 due to higher operating costs this year.

- Vehicle maintenance consists of the maintenance of all vehicles that are owned and operated by the District. These costs increased by $70,625 due to higher repair costs for the lawn mowing machines and fire vehicles.

- Tenant services covers costs that are directly associated with facilities that are occupied by current tenants. This expense increased $145,905 compared to the prior year primarily as a result of $14,824 higher costs for the maintenance of the golf course in the current year and $116,485 less received for reimbursable costs in this fiscal year compared to the previous year.

- Airport operations encompass the activities of the airport terminal as well as buildings and equipment that are directly related to airfield side of the Airpark. These expenses increased $49,723 versus last year mainly due to $132,420 higher salaries and benefits due to employee raises and adding two new positions in this department, offset by $47,947 in lower costs for contract labor and $60,750 in lower operating supplies.

- General and administrative includes the costs associated with the general running of all the operations departments. There was a $4,611 decrease in this department compared to the prior year.
- Economic development incorporates the marketing of the Airpark and tenant relations. These amounts increased $18,588 versus the prior year amount due to an increase in a television advertising campaign.
- Noise mitigation program improves the compatibility between aircraft operations and off-airport noise sensitive land uses while allowing the airport to continue in its role to serve the community. These costs increased $175,127 due to the increased activity in the program caused by focusing on the acquisition of a mobile home park.
- Disadvantaged Business Enterprises (DBE) program is a program designed to assist small and economically disadvantaged businesses obtain contracts for their services on capital projects at England Airpark. The costs decreased $7,701 due to a larger portion of these costs being reimbursed for projects through Federal and State grants.

Capital Assets

The District has invested in capital assets including land; construction in progress; vehicles, machinery and equipment; buildings and improvements; and infrastructure in the following amounts. These amounts are net of accumulated depreciation to date.

	June 30, 2017	June 30, 2016
Land	$ 34,477,214	$ 32,261,278
Construction in progress	20,912,295	10,109,347
Vehicles, machinery and equipment	2,889,636	2,706,041
Buildings and improvements	83,481,484	84,318,487
Infrastructure	63,171,032	63,309,384
Capital assets, net	$ 204,931,661	$ 192,704,537

Major capital assets events during the current fiscal year, excluding construction in progress, included the following:

- $127,777 of costs for the new airfield lighting system were installed and put into operation at Alexandria International Airport.
- A new police interceptor vehicle, costing $25,675, was put into service.
- 2 new vehicles for the operations departments were purchased for a total of $36,476.
- A new dump truck for the airfield use was obtained at a price of $69,831.
- A new van with a personnel lift was acquired for $74,412.
- A new firefighting vehicle was purchased for $268,701.
- A new crushed concrete parking lot for use in the ISB area was installed for $97,500.
- $254,548 was spent to replace the roofs on various buildings on the Airpark.

- $1,807,610 of land was purchased through the District's Part 150 Noise Mitigation program during the current fiscal year.
- Construction in progress added during the year was $14,843,516. Total construction in progress at year-end included the various projects as follows:

North Ramp Rehabilitation	$ 9,433,929
Extension of Runway 14/32	1,265,485
Rental Car Facility	187,536
Airfield Electrical Rehabilitation	7,770,902
Westside Development	708,523
North Airport Emergency Access Road	473,878
Emergency Access Road Improvements	751,163
Eastside Development	75,338
Others	245,541
Total	$ 20,912,295

- Construction projects that were in progress in prior years and that were completed in this year were for street overlays for $887,330, renovations on Vandenberg Drive bridge of $234,227, rental car maintenance facility road for $3,242,339, $693,101 to fix cracks and joints on runway 14/32 and $338,243 to fix cracks and joints on taxiway E and the terminal ramp.

Additional information on the District's capital assets is presented in the notes to the basic financial statements.

Debt Administration

The District had the following balances in notes and compensated absences outstanding at year end. Additional information on the District's long-term debt is presented in the notes to the basic financial statements.

	June 30, 2017	June 30, 2016
Bonds payable	$ 4,448,000	$ 1,260,000
Compensated absences	140,700	135,917
Total long-term debt	$ 4,588,700	$ 1,395,917

The District issued $3,883,000 in revenue bonds on June 22, 2017 (Series 2017 Bonds). $3,046,000 of these bonds were for the rental car maintenance facility road and $837,000 were for the rental car maintenance facility. The final maturity of the bonds are April 1, 2027 and April 1, 2020, respectively. Both bond issues have an interest rate of 2.35%. The Series 2013 revenue refinancing bonds have a $565,000 balance at June 30, 2017 and will be paid off in April 2018.

State law does not provide a limitation on the amount of debt that may be issued by the District. The bonds issued by the District are not rated.

Economic Factors and Next Year's Budget

The following are currently known economic factors considered for the 2017-2018 fiscal year:

- There will be a $10 a month increase for housing and apartments leases effective for all new leases and all lease renewals in the 2017-2018 fiscal year.
- The new rental car maintenance facility is under construction in the 2017-2018 fiscal year.
- $225,000 in new funds were budgeted for terminal refurbishments. This will be for projects such as: replacement of furniture; updating various pieces of equipment used in the terminal and in the air traffic control tower; replacing carpet; etc.
- $74,000 in new funds were budgeted for the installation/repair of new roofs around the Airpark.
- $100,000 is included in the 2017-2018 budget for creation and installation of an art sculpture for the center of the roundabout. Selection process continues through the spring of 2018.
- Land grading and planning on the Westside is to be completed in the 2017-2018 fiscal year. This will make the maintenance of this open area easier to maintain and/or farm. It also increases the safety area, will reduce wildlife hazards around Alexandria International Airport (AEX) and prepares that area for future expansions as called for in the Master Plan.
- $80,000 has been set aside for the replacement of traffic signage/poles. This work should get underway in early 2018.
- Plans for the design of a new community center are underway. The current building is to be demolished and replaced with a new facility. Over $635,000 has been budgeted for the replacement of this facility. Bonds are to be issued to fund the remaining costs of this new construction.
- The District is progressing on the noise compatibility program. This program is a multi-year project. As of June 30, 2017, the District has received almost $67 million in Federal and State grants for this project. An additional $10,000,000 in grants funds are to be issued for the completion of this project in the 2017-2018 year. This project should be coming to a close within the next 12-18 months.
- Significant contracts to acquire property and mitigate noise have been executed and are ongoing.
- Phase I of the rehabilitation of the North Apron is almost complete. Phase II is in progress. The contractor is about 90% complete with his phase.
- The rehabilitation of the airfield electrical system is moving along as scheduled. The next phase of this project, the vault replacement and the rewiring of the entire lighting system of the airport, is about 85% complete. The work to relocate the FAA equipment affected by this project has begun. This entire project will take about one more year to complete.
- The rehabilitation of runway 14/32 is under construction and progressing well. This project entails the joint/crack seal and panel replacement of the concrete on that part of the airport.
- Almost $4,000,000 is budgeted for the improvement of emergency access road improvements on the Airpark, including the upgrading of the bridge on that road. This undertaking will make it easier for emergency responders to access the north part of the airfield. This development is about 15% complete.

- The south ramp rehabilitation project entails the joint/crack seal and panel replacement of the concrete on that part of the airport. $914,150 has been budgeted for this work.
- The rehab of runway safety area project will rehabilitate the runway overrun safety areas. Over $1,400,000 has been dedicated for this project.
- $125,000 has been included in the 2017-2018 budget for the construction of an automated exit lane from the parking lot at AEX.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Kevin J. Brown, CPA, CGMA, CGFO, Finance Manager, 1611 Arnold Drive, Alexandria, LA 71303, or call (318) 427-6406 during regular office hours, Monday through Friday, from 8:00 a.m. to 5:00 p.m., Central Standard Time.

BASIC FINANCIAL STATEMENTS

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Statement of Net Position
June 30, 2017

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 3,316,214
Investments	226,033
Receivables, net	5,633,747
Note receivable	25,000
Prepaid expenses	426,231
Total current assets	9,627,225
NONCURRENT ASSETS	
Restricted cash and cash equivalents	3,109,528
Note receivable	64,583
Security deposits	4,764
Capital assets, net	204,931,661
Total noncurrent assets	208,110,536
Total assets	217,737,761
LIABILITIES	
CURRENT LIABILITIES	
Accounts and contracts payable	2,371,541
Accrued expenses and other payables	91,969
Advances in rental income	57,361
Revenue bonds payable	900,000
Total	3,420,871
NONCURRENT LIABILITIES	
Tenant deposits	264,940
Contingent tenant rebates	209,473
Compensated absences	140,700
Revenue bonds payable	3,548,000
Total noncurrent liabilities	4,163,113
Total liabilities	7,583,984
NET POSITION	
Net investment in capital assets	203,449,845
Restricted - PFC Projects	143,344
Unrestricted	6,560,588
Total net position	$ 210,153,777

The accompanying notes are an integral part of the basic financial statements.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2017

Operating revenues:	
Lease revenue and related fees	$ 9,029,391
Passenger facility charges	460,799
Miscellaneous	2,033
Total operating revenues	9,492,223
Operating expenses:	
Executive division	223,522
Administrative division	1,238,279
Public safety	870,500
Landside operations	3,602,250
Vehicle maintenance	342,772
Tenant services	311,283
Airport operations	5,861,015
General and administrative	1,319,486
Economic development	240,547
Noise mitigation program	1,604,801
Disadvantaged Business Enterprise Program	22,009
Total operating expenses	15,636,464
Operating loss	(6,144,241)
Nonoperating revenues (expenses):	
Operating grants-	
Federal grants	1,540,734
State grants	106,664
Investment income	4,076
Interest expense	(29,542)
Total nonoperating revenues (expenses)	1,621,932
Loss before contributions	(4,522,309)
Capital contributions:	
Federal grants	9,092,128
State grants	7,369,644
Total capital contributions	16,461,772
Change in net position	11,939,463
Net position, beginning	198,214,314
Net position, ending	$ 210,153,777

The accompanying notes are an integral part of the basic financial statements.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from operations	$ 9,483,750
Payments to suppliers for goods and services	(7,080,079)
Payments to employees and for employee related costs	(2,069,451)
Net cash provided by operating activities	334,220
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants	1,647,398
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from issuance of bonds	3,883,000
Principal payments on bonds	(695,000)
Interest paid	(19,779)
Capital contributions	15,632,879
Purchase and construction of capital assets	(19,761,809)
Net cash used by capital and related financing activities	(960,709)
CASH FLOWS FROM INVESTING ACTIVITIES	
Collections on note receivable	25,000
Interest received	4,076
Net cash provided by investing activities	29,076
Net increase in cash and cash equivalents	1,049,985
Cash and cash equivalents, beginning of the year	5,601,790
Cash and cash equivalents, end of the year	$ 6,651,775

(continued)

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Statement of Cash Flows (Continued)
For the Year Ended June 30, 2017

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$(6,144,241)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	6,814,906
Change in assets and liabilities:	
Receivables	76,487
Prepaid expenses	(206,853)
Security deposits	(4,764)
Accounts payable	(253,273)
Accrued expenses and other payables	22,949
Advances in rental income	22,372
Tenant deposits	10,015
Contingent tenant rebates	(8,161)
Compensated absences	4,783
Net cash provided by operating activities	$ 334,220

Noncash investing, capital and financing activities:
There were no material noncash investing, capital and financing activities.

Cash and cash equivalents, beginning of period	
Cash and cash equivalents	$ 5,212,360
Investments	224,507
Restricted cash and cash equivalents	164,923
Total	5,601,790
Cash and cash equivalents, end of period	
Cash and cash equivalents	3,316,214
Investments	226,033
Restricted cash and cash equivalents	3,109,528
Total	6,651,775
Net increase	$ 1,049,985

The accompanying notes are an integral part of the basic financial statements.

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all relevant GASB pronouncements as set forth in the Codification for Governmental Accounting and Financial Reporting.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary Government -

England Economic and Industrial Development District (the District) was created by the State of Louisiana Legislature for the purposes of accepting title from the United States of America the property included in the England Air Force Base and utilizing the property, and all assistance available from the United States government and all other sources, to replace and enhance the economic benefits generated by the former air base with diversified activities. A Board of Commissioners appointed by various governmental units located within Rapides Parish governs the District. The District has the power to incur debt and issue revenue and general obligation bonds, certificates of indebtedness, anticipation notes, refunding bonds, and the power of taxation, subject to the limitations provided in the revised statutes governing the District.

The accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Component Units -

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

2. Whether the primary government's governing authority appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or the potential component unit is fiscally dependent on the primary government.

3. Financial benefit/burden relationship between the primary government and the potential component unit.

4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Based on these criteria, the District includes the component units detailed below in the financial reporting entity:

Blended Component Units -

England District Sub-District No. 1 - On October 28, 2004 the District created England District Sub-District No. 1 (Sub-District No. 1) for the purpose of acquiring the land on which a rail car manufacturing facility was constructed. The Sub- District No. 1 has the power to incur debt, issue certificates, revenue and general obligation bonds, as well as refunding bonds, and levy sales taxes and use taxes, in the same manner as the District. The Sub-District No. 1 is governed by a ten-member Board of Commissioners, which is populated by the sitting board of the District. Sub-District No. 1 transferred all assets to the rail car manufacturing facility upon completion of the construction. As of and for the year ended June 30, 2017, the Sub-District No. 1 has no reportable transactions.

England District Sub-District No. 2 - On February 28, 2013 the District created England District Sub-District No. 2 (Sub-District No. 2) for the purpose of creating new jobs, economic activity and manufacturing, and for the additional purpose of issuing bonds for the acquisition, construction and equipping by Sundrop Fuels Louisiana, LLC of certain facilities, including solid waste disposal facilities, consisting of a 4,000 bpd natural gas to gasoline refinery and a biomass to syngas demonstration plant to produce renewable gasoline of which a portion qualifies as an advanced biofuel. As of June 30, 2017, the Sub-District No. 2 has not issued any debt to begin construction. The Sub-District No. 2 has the power to incur debt, issue certificates, revenue and general obligation bonds, as well as refunding bonds, and levy sales taxes and use taxes, in the same manner as the District. The Sub-District No. 2 is governed by a ten-member Board of Commissioners, which is populated by the sitting board of the District. As of and for the year ended June 30, 2017, the Sub-District No. 2 has no reportable transactions. The above mentioned project was cancelled during the summer of 2017. The Sub-District was dissolved during September 2017.

B. Basis of Accounting

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP). Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statute 24:517 and to the guidelines set forth in the Louisiana Governmental Audit Guide.

The District maintains its books and records on the full accrual basis of accounting and on the flow of economic resources measurement focus. The District applies all applicable professional standards 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 of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In some instances, GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of June 30, 2017.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three components as follows:

(1) Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

(2) Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's bonds. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

(3) Unrestricted net position - This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

C. Cash Flows

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets and assets held in the Louisiana Asset Management Pool) with an original maturity of three months or less when purchased to be cash equivalents.

D. Investments

Under state law, the District may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section I50, investments meeting the criteria specified in the codification are stated at fair value, which is quoted market prices.

E. Receivables

Receivables are shown net of the estimated allowance for doubtful accounts. The uncollectible amounts are based on collection experience and review of the status of existing receivables.

F. Prepaid Expenses

Prepaid expenses primarily consist of payments of insurance and other administrative expenses.

G. Capital Assets

Capital assets which include property, equipment, and infrastructure assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold of $2,500 for machinery, equipment, and vehicles and $25,000 for building, building improvements, and infrastructure.

Interest is capitalized on assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized for the year ended June 30, 2017, in accordance with this policy.

Depreciation is computed using the straight-line method over the estimated service lives of the assets as follows:

	Years
Vehicles, machinery and equipment	5 to 25
Buildings and improvements	7 to 40
Infrastructure	20 to 40

H. Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted to their use by (1) the Federal Aviation Administration's Record of Decision for the Passenger Facilities Charge (PFC) program and (2) bond covenants for construction projects. All revenue from the PFC program, including any interest earned, may be used only to finance the allowable costs of approved PFC projects at the airport the District controls.

I. Advances in Rental Income

The District reports advances in rental income on its statement of net position. Advances in rental income arise when the District receives resources from rental income before it has legal claim to those resources. In subsequent periods, when the District has a legal claim to the resources, the revenue is recognized.

J. Contingent Tenant Rebates

Tenants leasing residential home (houses only, not apartments) are eligible to receive a rebate equal to a maximum of 10% of the first three years of rental payments if the tenant leaves in good standing and applies the rebate to the purchase of a home within Rapides Parish. If these conditions are not met, the rebate reverts to the District and is recorded as lease income.

K. Compensated Absences

Employees of the District can earn from 80 to 160 hours of annual leave each year, depending on their length of service. Those employees who do not take their entire annual leave prior to December 31, may carry over the equivalent of what they earned in the current year, into the next calendar year. Employees can earn 9 days of sick leave per year, depending on length of service. Unused sick leave may be carried forward each year up to a maximum of 960 hours; however, it is not compensable upon termination of employment. At June 30, 2017, employees have accumulated and vested benefits of $140,700. This amount is included in noncurrent liabilities in the statement of net position.

L. Restricted Net Position

Restricted net position is amounts restricted by the Federal Aviation Administration's Record of Decision for the Passenger Facilities Charge (PFC) program. In accordance with the PFC requirements, these amounts may only be used for projects that have been approved in the Record of Decision.

M. 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the District had demand deposits (book balances) as follows:

Cash and cash equilavents	$ 6,425,742

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the District's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2017, are secured as follows:

Bank balances	$ 7,509,386
Federal deposit insurance	$ 250,000
Pledged securities	7,259,386
Total federal deposit insurance and pledged securities	$ 7,509,386

Deposits in the amount of $7,259,386 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held be the pledging institution's trust department or agent, but not in the District's name.

(3) Investments

The District participates in Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. LAMP's portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

The investment in LAMP is not exposed to custodial credit risk, and is not categorized in the three categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP has a fund rating of AAAm issued by Standard & Poors. The fair value of investments is determined on a weekly basis by LAMP and the fair value of the District's investment in LAMP is the same as the value of the pool shares.

As of June 30, 2017, the District had LAMP investments totaling $226,033.

(4) Receivables

As of June 30, 2017, the District had the following receivables:

Accounts receivable	$ 195,513
Lease receivable	620,664
Intergovernmental receivable	4,986,610
	5,802,787
Allowance for doubtful accounts	(169,040)
Receivables, net	$ 5,633,747

(5) Note Receivable

On February 14, 2011, the District entered into an economic development loan to finance the partial cost and expense paid by a lessee in the construction and installation of leasehold improvements totaling $250,000. This loan is payable in 120 monthly installments of $2,083, consisting of principal only, beginning March 1, 2011.

At June 30, 2017, the note receivable consists of the following:

Current portion	$ 25,000
Long-term portion	64,583
Total	$ 89,583

Schedule of future receivables, based on terms in effect on June 30, 2017, are as follows:

Year Ended June 30	Principal
2018	$ 22,917
2019	25,000
2020	25,000
2021	16,666
Total	$ 89,583

(6) Restricted Assets

Restricted assets of the District consist of the following:

Passenger facility charges	$ 143,344
Bond construction	2,966,184
Total	$ 3,109,528

(7) Capital assets

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
Capital assets not being depreciated:				
Land	$ 32,261,278	$ 2,215,936	$ -	$ 34,477,214
Construction in progress	10,109,347	14,843,516	4,040,568	20,912,295
Other capital assets:				
Vehicles, machinery, and equipment	7,885,946	562,864	16,968	8,431,842
Buildings and improvements	156,357,788	3,496,887	-	159,854,675
Infrastructure	80,907,718	1,963,395	-	82,871,113
Totals	287,522,077	23,082,598	4,057,536	306,547,139
Less accumulated depreciation	94,817,540	6,814,906	16,968	101,615,478
Capital assets, net	$ 192,704,537	$ 16,267,692	$ 4,040,568	$ 204,931,661

Depreciation expense charged to operations for the year ended June 30, 2017 was as follows:

Administrative division	$ 45,316
Public safety	2,416
Landside operations	2,798,801
Vehicle maintenance	50,446
Airport operations	3,864,751
General and administrative	53,176
Total	$ 6,814,906

Construction in progress for the District is comprised of the following:

Funding source/ Project type:	Project Authorization	Capitalized To Date	Construction in Progress	Remaining Authorized
Other Sources-				
Airfield electrical rehab	$ 12,890,197	$ 1,648,935	$ 7,770,902	$ 3,470,360
Building and improvements	117,690	105,690	8,108	3,892
Runway/taxiway extension	13,484,517	1,633,417	10,697,269	1,153,831
Street project	11,441,480	3,837,308	1,227,363	6,376,809
	37,933,884	7,225,350	19,703,642	11,004,892
Bond proceeds-				
Building and improvements	3,839,929	827,274	47,870	2,964,785
Equity-				
Building and improvements	3,408,495	2,415,066	376,921	616,508
Land development	2,161,966	66,006	783,862	1,312,098
	5,570,461	2,481,072	1,160,783	1,928,606
Total	$ 47,344,274	$ 10,533,696	$ 20,912,295	$ 15,898,283

(8) Tenant Deposits, Contingent Tenant Rebates, and Compensated Absences

Net changes in tenant deposits, contingent tenant rebates, and compensated absences is as follows:

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
Tenant deposits	$ 254,925	$ 26,848	$ 16,833	$ 264,940
Contingent tenant rebates	217,634	37,301	45,462	209,473
Compensated absences	135,917	107,938	103,155	140,700
	$ 608,476	$ 172,087	$ 165,450	$ 615,113

(9) Revenue Bonds Payable

Revenue bonds payable at June 30, 2017 is as follows:

	Issue Date	Maturity Date	Interest Rate	Balance Outstanding
Revenue Refunding Bonds:				
Series 2013A	4/1/2013	4/1/2018	1.530%	$ 565,000
Series 2017A	6/22/2017	4/1/2027	2.350%	3,046,000
Series 2017B	6/22/2017	4/1/2027	2.350%	837,000
Total revenue refunding bonds				$ 4,448,000

The revenue bonds are secured by and payable from, first, revenues from passenger facility charges and, second, the excess of annual revenues above statutory, necessary, and usual charges incurred by the District.

The following is a summary of changes for the year ended June 30, 2017:

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017	Due Within One Year
Revenue refunding bonds:					
Series 2013B-1	$ 55,000	$ -	$ 55,000	$ -	$ -
Series 2013B-2	90,000	-	90,000	-	-
Series 2013A	1,115,000	-	550,000	565,000	565,000
Series 2017A	-	3,046,000	-	3,046,000	-
Series 2017B	-	837,000	-	837,000	335,000
	$ 1,260,000	$ 3,883,000	$ 695,000	$ 4,448,000	$ 900,000

Revenue bond debt service requirements to maturity are as follows:

Year Ended June 30	Principal	Interest	Total
2018	$ 900,000	$ 79,364	$ 979,364
2019	345,000	83,378	428,378
2020	354,000	75,270	429,270
2021	366,000	66,951	432,951
2022	379,000	58,351	437,351
2023 - 2027	2,104,000	151,739	2,255,739
	$ 4,448,000	$ 515,053	$ 4,963,053

Conduit Debt Obligations

On June 15, 2005, the England District Sub-District No. 1 (Sub-District No. 1) issued revenue bonds to pay for a portion of the costs of acquisition, construction, equipping, installation and improvements of a rail car manufacturing facility and administrative offices. These bonds are secured by a pledge of all rights and interests of the Sub-District No. 1 in, to and under the Cooperative Endeavor agreement between the Sub-District No. 1 and the State of Louisiana (Agreement). In accordance with the Agreement, the State of Louisiana has agreed to make all payments on this bond issue. On May 1, 2013, the State requested the Sub-District No. 1 to issue Series 2013 refunding bonds for current refunding of the outstanding Series 2005 bonds to reduce its total debt service payments and issued Amendment No. 1 to the Cooperative Endeavor agreement stating that the State of Louisiana will make all payments on the refunding bonds. Neither the District nor the Sub-District No. 1 is obligated in any manner for repayment of the refunding bonds. Accordingly, the refunding bonds are not reported in the accompanying financial statements. As of June 30, 2017, the aggregate principal outstanding on the Series 2013 bonds was $6,270,000.

(10) Operating Leases

A. Lessor

The District has various non-cancelable leases for commercial and residential properties.

Future minimum rentals for the next five years and in aggregate are presented as follows:

Year Ended June 30,	
2018	$ 4,802,947
2019	2,078,456
2020	1,526,466
2021	843,119
2022	535,667
	$ 9,786,655

Contingent rental income included in the accompanying financial statements as lease revenues and related fees totaled $1,439,308.

B. Lessee

The District entered into various operating leases for golf course equipment commencing from 2013 through 2015 with terms ranging from 48 to 60 months. Future minimum lease payments due under the lease terms are as follows:

Year Ended June 30,	
2018	$ 165,486
2019	89,495
2020	86,319
	$ 341,300

Lease expense charged to operations for the year ended June 30, 2017 amounted to $180,097.

(11) Commitments and Contingencies

A. Contingent Liabilities

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, any judgments rendered in favor of the plaintiff or payments resulting from compromise settlements, if any, will be within the limits of various insurance coverage carried by the District.

B. Grant Audits

The District receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grant. In the opinion of management, such disallowance, if any, would be immaterial.

C. Construction Commitments

At June 30, 2017, the District had several uncompleted construction contracts. The remaining commitment on these contracts was $17,379,556.

(12) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks of loss are covered by purchasing a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

(13) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation benefits and other payments to Jon Grafton, Executive Director, for the year ended June 30, 2017 follows:

Purpose	Amount
Salary	$ 120,870
Benefits-insurance	16,909
Benefits-retirement	10,907
Benefits-medicare	1,694
Benfits-SUTA	8
Benefits-worker's compensation	260
Per diem	382
Reimbursements	401
Travel	675
Registration fees	1,670
Conference travel	2,696
Special meals	40
Dues and subscriptions	1,134
	$ 157,646

SUPPLEMENTARY INFORMATION

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Revenues and Expenditures - Budget to Actual (Budgetary Basis)
Year Ended June 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Lease revenue and related fees	$ 8,364,796	$ 8,394,599	$ 29,803
Intergovernmental revenues	100,000	106,664	6,664
Investment income	3,600	3,927	327
Other	2,000	2,032	32
Total revenues	8,470,396	8,507,222	36,826
Expenditures:			
Executive division	223,629	223,522	107
Administrative division	2,545,116	2,532,553	12,563
General and administrative	1,336,338	1,266,310	70,028
Landside operations	800,083	709,440	90,643
Vehicle maintenance	303,481	296,570	6,911
Public safety	879,800	868,084	11,716
Tenant services	405,500	433,777	(28,277)
Airport operations	2,113,488	2,010,073	103,415
Economic development	256,558	240,547	16,011
Debt service	147,720	147,720	-
Total expenditures	9,011,713	8,728,596	283,117
Deficiency of revenues over expenditures	$ (541,317)	$ (221,374)	$ 319,943

The District is not required to adopt a budget in accordance with GAAP because it reports as an enterprise fund. For budgetary purposes the District maintains a General Fund and a Capital Projects Fund. For reporting purposes, these two funds are combined into a single Enterprise Fund in accordance with generally accepted accounting principles. A managerial budget is adopted for certain revenues and expenditures of the General Fund. Differences between the managerial budget and a budget adopted in accordance with generally accepted accounting principles include:

Depreciation and amortization are not included in the managerial budget.
Acquisition of certain capital assets are included in the managerial budget
Principal payments on certain long term debt are included in the managerial budget.

See independent auditor's report.

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

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INDEPENDENT AUDITOR'S 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*

The Board of Commissioners
England Economic and Industrial Development District
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of England Economic and Industrial Development District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2017-001 and 2017-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2017-003.

The District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 5, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The Board of Commissioners
England Economic and Industrial Development District
Alexandria, Louisiana

Report on Compliance for Each Major Federal Program

We have audited England Economic and Industrial Development District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 5, 2017

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal Assistance I.D. Number	Current Year Expenditures
Direct Programs:			
U.S. Department of Transportation -			
Airport Improvement Program*	20.106	3-22-0003-056-2012	$ 125,003
Airport Improvement Program*	20.106	3-22-0003-063-2014	177,057
Airport Improvement Program*	20.106	3-22-0003-064-2015	105,909
Airport Improvement Program*	20.106	3-22-0003-066-2015	3,210,178
Airport Improvement Program*	20.106	3-22-0003-067-2015	2,388,116
Airport Improvement Program*	20.106	3-22-0003-068-2015	352,568
Airport Improvement Program*	20.106	3-22-0003-069-2016	898,199
Airport Improvement Program*	20.106	3-22-0003-069-2016	282,032
Airport Improvement Program*	20.106	3-22-0003-070-2016	2,016,430
Airport Improvement Program*	20.106	3-22-0003-071-2016	676,047
Airport Improvement Program*	20.106	3-22-0003-072-2016	323,336
Airport Improvement Program*	20.106	3-22-0003-073-2017	426,942
TOTAL FEDERAL AWARDS			$ 10,981,817

*Indicates major program.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

(1) General

The accompanying schedule of expenditures of federal awards includes the federal financial assistance programs of England Economic and Industrial Development District (the District). The District's reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2017. All federal financial assistance received directly from federal agencies is included on the schedule. There were no federal funds awarded to sub-recipients during the year ended June 30, 2017. The Airport Improvement Program (CFDA No. 20.106) is considered to be a major federal program of the District.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements for the year ended June 30, 2017.

(3) Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate.

(4) Relationship to Financial Statement

Federal financial assistance revenues are reported in the District's financial statements as follows:

Statement of Revenues, Expenses, and Changes in Fund Net Position:

Capital grants	$ 9,092,128
Operating grants	1,540,734
	$10,632,862

The amount of $352,568 reported in the Schedule of Expenditures of Federal Awards for U.S. Department of Transportation – Federal Aviation Administration Rehabilitation of Airfield Electrical System grant, Federal Assistance I.D. number 3-22-0003-068-2015, does not agree with the amount reported in the in the financial statements. The difference of $(519,027) represents a correction of expenditures from the previous fiscal year which decreased reimbursements at June 30, 2017.

The amount of $898,199 reported in the Schedule of Expenditures of the Federal Awards for U.S Department of Transportation - Federal Aviation Administration Rehabilitation of Airfield Electrical, Federal Assistance I.D. number 3-22-0003-069-2016, does not agree with the amount reported in the financial statements. The difference of $170,072 represents a correction for expenditures from the previous fiscal year which increased reimbursements at June 30, 2017.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of England Economic and Industrial Development District were prepared in accordance with GAAP.

2. There were no significant deficiencies in internal control over financial reporting that were disclosed during the audit of the financial statements. There were two material weaknesses reported.

3. No instances of noncompliance material to the financial statements of England Economic and Industrial Development District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. There were no significant deficiencies in internal control over the major federal award program disclosed during the audit. No material weaknesses are reported.

5. The auditor's report on compliance for the major federal award program for England Economic and Industrial Development District expresses an unmodified opinion on the major federal program.

6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.

7. The program tested as a major program was Airport Improvement Program (20.106).

8. The threshold used to distinguish between Type A and Type B programs was $750,000.

9. England Economic and Industrial Development District was determined to not be a low-risk auditee.

Part II. Financial Statement Findings:

Internal Control Finding –

See Internal Control Finding 2017-001 and 2017-002 on the Summary Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan.

Compliance Finding –

See Compliance Finding 2017-003 on the Summary Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2017

Part III. Federal Award Findings and Questioned Costs:

Internal Control Finding –

There were no internal control findings for the year ended June 30, 2017.

Compliance Finding –

There were no compliance findings for the year ended June 30, 2017.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF REVENUES AND EXPENDITURES OF PASSENGER FACILITY CHARGES

The Board of Commissioners
England Economic and Industrial Development District
Alexandria, Louisiana

Report on Compliance

We have audited the compliance of England Economic and Industrial Development District (the District) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, for its passenger facility charge program for the year ended June 30, 2017.

Management's responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditor's responsibility

Our responsibility is to express an opinion on the District'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 the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination of the District's compliance with those requirements.

Opinion

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended June 30, 2017. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is described in the accompanying passenger facility charge program schedule of findings and questioned costs as item 2017-003.

Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to the passenger facility charge program. In planning and performing our audit of compliance, we considered the District'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 our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with the Guide on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with the compliance of the Guide will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying passenger facility charge program schedule of findings and questioned costs as item 2017-001 that we consider to be a material weakness.

Report on Schedule of Revenues and Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated December 5, 2017, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of revenues and expenditures of passenger facility charges is presented for the purposes of additional analysis as required in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. This report is intended for the information of the management and Board of Commissioners of the District and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 5, 2017

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Revenues and Expenditures of Passenger Facility Charges
June 30, 2017

		Year ended June 30, 2017					
	6/30/2016 Program Total	Quarter 1 Jul. - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - Mar.	Quarter 4 Apr. - Jun.	Total	6/30/2017 Program Total
Revenue							
Collections	$ 8,256,285	$ 89,504	$ 187,470	$134,358	$ 123,093	$ 534,425	$ 8,790,710
Interest	90,107	26	46	63	12	147	90,254
Total Revenue	8,346,392	89,530	187,516	134,421	123,105	534,572	8,880,964
Expenditures:							
Application 99-01-C-00-AEX							
ARFF vehicle	343,967	-	-	-	-	-	343,967
New Terminal Building	7,759,454	8,530	-	-	547,621	556,151	8,315,605
PFC application fees	78,048	-	-	-	-	-	78,048
Total expenditures	8,181,469	8,530	-	-	547,621	556,151	8,737,620
Net PFC revenue	-	81,000	187,516	134,421	(424,516)	(21,579)	-
PFC account balance	$ 164,923	$ 245,923	$ 433,439	$567,860	$ 143,344	$ 143,344	$ 143,344

Notes:

The above schedule of revenues and expenditures of passenger facility charges is prepared on the cash basis of accounting in accordance with the requirements of the Federal Aviation Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. See Note 1 to the financial statements for the Distict's summary of significant accounting policies.

See independent auditor's report.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Passenger Facility Charge Program
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Part I. Summary of Auditor's Results:

1. One material weakness in internal control over compliance was identified during the audit of the passenger facility charge program.

2. The auditor's report on compliance for the passenger facility charge program expresses an unmodified opinion.

3. Audit findings that are required to be reported in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies* are included in this Schedule.

Part II. Findings and Questioned Costs:

Internal Control Finding –

2017-001

Criteria:

The *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide) states that the public agency should have in place and utilize procedures to compare amounts actually remitted to the public agency to amounts recorded by the public agency and to amounts reported on the quarterly reports received from the air carriers.

Condition:

The District did not have procedures in place to compare the amounts reported on the quarterly reports received from air carriers to the actual amounts received and deposited by the District.

Questioned Costs:

There are no questioned costs relative to this finding.

Context:

The quarterly reports received by the air carriers detailing the amount of Passenger Facility Charges collected were not reconciled to the amounts being received and deposited by the District.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Passenger Facility Charge Program
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2017

Cause and effect:

The District did not have adequate controls over the collections of Passenger Facility Charges. As a result, the District did not receive and report funds collected from one air carrier (totaling approximately $8,874) for September 2016.

Recommendation:

The District should implement procedures to reconcile the amounts reported on the quarterly reports received from air carriers to the amounts received and deposited by the District.

Views of Responsible Officials and Planned Corrective Action:

When the District was made aware of this finding from FYE 6-30-2016 regarding PFC collections in September 2016, the District implemented procedures, beginning October 1, 2016, that ensures that the District's employees will reconcile quarterly reports to the general ledger and that all PFC collections are recorded in the general ledger. Unfortunately, this finding relates to September 2016 collections, which were prior to the District receiving notice about the issue. Beginning October 1, 2016, after notice of this matter was received, there have been no problems regarding the recording and collecting of PFC's.

Compliance Finding –

2017-003

See Internal Control Finding 2017-001 above.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Passenger Facility Charge Program Audit Summary
For the Year Ended June 30, 2017

1.	Type of report issued on PFC financial statements.	X	Unmodified		Qualified
2.	Type of report on PFC compliance.	X	Unmodified		Qualified
3.	Quarterly revenue and disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts.	X	Yes		No
4.	PFC revenue and interest is accurately reported on FAA form 5100-127.	X	Yes		No
5.	The District maintains a separate financial accounting record for each application.	X	Yes		No
6.	Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for allowable costs of the project.	X	Yes		No
7.	Monthly carrier receipts were reconciled with quarterly carrier reports.		Yes	X	No
8.	PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	X	Yes		No
9.	Serving carriers were notified of PFC program actions or changes approved by the FAA.	X	Yes		No
10.	Quarterly reports were transmitted (or available via website) to remitting carriers.	X	Yes		No
11.	The District is in compliance with Assurances 5, 6, 7, and 8.	X	Yes		No
12.	Project design and implementation is carried out in accordance with Assurance 9.	X	Yes		No
13.	Project design and implementation is carried out in accordance with Assurance 10.	X	Yes		No
14.	For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence.	X	Yes		No

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
CURRENT YEAR (06/30/17) --						
Internal Control:						
2017-001	2016	The District does not have adequate controls over the collections of Passenger Facility Charges (PFC). The quarterly reports received from the various air carriers detailing the amount of PFC funds remitted to the District were not being reconciled to the general ledger. As a result, the District did not receive and report funds from one air carrier (totaling approximately $8,874) for September 2016. The quarterly reports should be reconciled to the general ledger to ensure amounts are timely received and deposited by the District.	Partial	When the District was made aware of this finding from FYE 6-30-2016 regarding PFC collections in September 2016, the District implemented procedures, beginning October 1, 2016, that ensures that the District's employees will reconcile quarterly reports to the general ledger and that all PFC collections are recorded in the general ledger. Unfortunately, this finding relates to September 2016 collections, which were prior to the District receiving notice about the issue. Beginning October 1, 2016, after notice of this matter was received, there have been no problems regarding the recording and collecting of PFC's.	Jon Grafton, Executive Director	6/30/2018

(continued)

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
CURRENT YEAR (06/30/17) --						
Internal Control:						
2017-002	2017	The District does not have adequate controls in place regarding the disposition of fixed assets. As a result, the District's fixed asset listing contains assets that are no longer owned and/or no longer in service. The District should review their disposition procedures to ensure assets sold and/or donated are properly documented and recorded appropriately in the accounting records. Additionally, management should adhere to their financial policies and procedures and conduct an annual inventory of their fixed assets and reconcile to the subsidiary listing.	No	The District maintains a fixed asset listing. The District acknowledges that this inventory was not updated prior to the audit. The District will ensure that assets sold and/or disposed of are documented and recorded appropriately in the accounting records. The District will conduct an annual inventory of its fixed assets and reconcile to the subsidiary listing.	Jon Grafton, Executive Director	6/30/2018
Compliance:						
2017-003	2016	See Internal Control Finding 2017-001.	Partial	Management's response to this finding is the same as found on Internal Control Finding 2017-001.	Jon Grafton, Executive Director	6/30/2018

(continued)

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
PRIOR YEAR (06/30/16) --						
Internal Control:						
2016-001	2016	The District does not have adequate controls over the collections of Passenger Facility Charges (PFC). The quarterly reports received from the various air carriers detailing the amount of PFC funds remitted to the District were not being reconciled to the general ledger. As a result, the District did not receive and report funds from one air carrier (totaling approximately $80,000) since August 2015. The quarterly reports should be reconciled to the general ledger to ensure amounts are timely received and deposited by the District.	Partial	Although the District did not report all of the PFC funds that were collected by the airlines, the District did report all of the PFC monies received from the airlines. Human Relations issues at the District and United Airlines exposed a flaw in the accounting process. When informed of this issue, we took two actions. First, we immediately contacted the airline to secure payment. Payment was received. Second, we immediately instituted procedures to correct the accounting system flaw. Airlines are charged by the FAA with the responsibility of collecting the PFC for the nation's airports. The airlines then notify the airport of the amount collected. To correct the flaw, whenever we receive a report from the airlines showing the amount of each month's PFC, we will create a payment due invoice in our accounts receivable system. Timely payment by the airline will be appropriately noted. If payment has not been made, as in the finding above, at staff's monthly meeting to review outstanding receivables the non-payment will be noted. Immediate follow up to secure payment will be made. Once payment is secured the item will be removed from the past due list.	Jon Grafton, Executive Director	6/30/2017

(continued)

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
PRIOR YEAR	(06/30/16) --					
Internal Control:						
2016-002	2016	The District should strengthen their controls over parking revenues. The District currently monitors the collection of parking tickets in the following manner: with security cameras; shift reports prepared by the booth attendant which are reconciled to the cash collected and the tickets received. However, there are no procedures in place to monitor outstanding parking tickets in the parking program software. Procedures should be implemented to monitor the number of parking tickets issued that are not reflected as collected in the parking program software to ensure that all cash collections are properly recorded in the software and deposited by the District.	Yes	The District continues the process of strengthening its comprehensive controls. The District began the process of upgrading its ten year old parking software and hardware system the summer of 2016. The system was fully installed on November 1, 2016 and will increase control as outlined below. This upgraded system will strengthen the rigorous controls presently in place. Those controls include: parking lot receipts being monitored daily for accuracy and sufficiency of documentation; review of daily parking video's on weekly basis for processing of vehicles, monitoring of cash handling and operational security; analysis on a regular basis of collections compared to the prior month's and prior year collections. Significant variances in any of the above are investigated.	Jon Grafton, Executive Director	6/30/2017
Compliance:						
2016-003	2016	See Internal Control Finding 2016-001.	Partial	Management's response to this finding is the same as found on Internal Control Finding 2016-001.		

ENGLAND ECONOMIC AND
INDUSTRIAL DEVELOPMENT DISTRICT

Alexandria, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
England Economic and Industrial Development District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the England Economic and Industrial Development District (District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

      There were no exceptions noted as a result of applying this procedure.

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

      There were no exceptions noted as a result of applying this procedure.

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

      There were no exceptions noted as a result of applying this procedure.

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

      There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

There were no exceptions noted as a result of applying this procedure.

b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

  There were no exceptions noted as a result of applying this procedure.

c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

There were no exceptions noted as a result of applying this procedure.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

   A listing of client bank accounts and management's representation that listing is complete were obtained.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

   a) Bank reconciliations have been prepared;

      Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that reconciliations have been prepared for all months.

   b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

      Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was documented on the reconciliations.

   c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

      Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that there were no items outstanding greater than 6 months.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

   A listing of cash collection locations and management's representation that the listing is complete were obtained.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

   All staff members responsible for collecting cash are bonded. Staff members collecting cash are not responsible for depositing cash, recording deposits, and reconciling bank statements. Staff members responsible for collecting cash do not share a drawer with another person.

b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

   Written documentation was obtained from management noting the person responsible for cash collections is not responsible for reconciling cash collections to the general ledger.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

   - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

     Of the 27 collections tested from the highest (dollar) week of cash collections, 2 receipts with an approximate total amount of $175 were deposited within 2 days and the remaining receipts were deposited within 1 day.

   - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

     There were no exceptions noted as a result of applying this procedure.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

   In all locations selected, there is a process defined to determine the completeness of collections by a person who is not responsible for collections.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

   A listing of disbursements and management's representation that the listing is complete were obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

   a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

      There were no exceptions noted as a result of applying this procedure.

   b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

      There were no exceptions noted as a result of applying this procedure.

   c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

      There were no exceptions noted as a result of applying this procedure.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

    Written documentation was obtained from management noting the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

    Written documentation was obtained from management noting the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

    Checks are electronically printed on blank check stock. Written documentation was obtained from management noting the persons with signatory authority do not have access to print checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

    The District does not use signature stamps or a signature machine.

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

    A listing of active credit cards, bank debit cards, fuel cards and the name of the person who maintains possession of the cards and management's representation that the listing is complete were obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

    Three credit cards were randomly selected.

    Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

    a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

       Monthly statements were obtained noting there was written evidence that the monthly credit card statements and supporting documentation had been approved by someone other than the card holder.

    b) Report whether finance charges and/or late fees were assessed on the selected statements.

       There were finance charges and/or late fees assessed on one of the cards selected due to a check being lost in the mail. Management voided the lost check and reissued payment.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

    a) For each transaction, report whether the transaction is supported by:

       - An original itemized receipt (i.e., identifies precisely what was purchased)

         There were charges for a data plan totaling $110 that did not have supporting documentation.

       - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

         There were no exceptions noted as a result of applying this procedure.

       - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

         There were no exceptions noted as a result of applying this procedure.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

There were no exceptions noted as a result of the testing of transaction details to the District's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

There were no exceptions noted as a result of applying this procedure.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

    A listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

    There were no exceptions noted as a result of applying this procedure.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

    a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

    There were no exceptions noted as a result of applying this procedure.

    b) Report whether each expense is supported by:

    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

      There were no exceptions noted as a result of applying this procedure.

    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

      There were no exceptions noted as a result of applying this procedure.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

  There were no exceptions noted as a result of applying this procedure.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

   There were no exceptions noted as a result of applying this procedure.

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

   The travel expenses reimbursed did have documentation of being reviewed or approved by someone other than the person receiving the reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

    A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

    a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

       There were no exceptions noted as a result of applying this procedure.

    b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

       - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

         There were no exceptions noted as a result of applying this procedure.

       - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

         The entity did solicit quotes for the contract that did not meet the requirements of the Public Bid Law.

    c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

       None of the contracts selected were amended.

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

There were no exceptions noted as a result of applying this procedure.

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

There were no exceptions noted as a result of applying this procedure.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

A listing of employees with their related salaries and management's representation that the listing is complete were obtained. Five employees were randomly selected and their personnel files were obtained.

a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

There were no exceptions noted as a result of applying this procedure.

b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no exceptions noted as a result of applying this procedure.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

There were no exceptions noted as a result of applying this procedure.

b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

There were no exceptions noted as a result of applying this procedure.

c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

There were no exceptions noted as a result of applying this procedure.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

    There were no termination payments made during the fiscal year.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

    There were no exceptions noted as a result of applying this procedure.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

    There were no exceptions noted as a result of applying this procedure.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

    Management asserted that there were no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

    There were no exceptions noted as a result of applying this procedure.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

    There were no exceptions noted as a result of applying this procedure.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

    There were no tax millages relating to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

    The District does have the required notices posted on its premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

    There were no exceptions noted as a result of applying this procedure.

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 5, 2017