

**ENGLAND ECONOMIC AND INDUSTRIAL
DEVELOPMENT DISTRICT
Alexandria, Louisiana**

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the England Economic and Industrial Development District (the District), Alexandria, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented on page 34 for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana,
December 20, 2023

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2023

Introduction

The Management's Discussion and Analysis (MD&A) of the England Economic and Industrial Development District's (District's) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- District's net position increased by \$1,650,236 during the year ended June 30, 2023 which is an increase of 0.74% from the prior year.
- District's cash decreased \$3,537,326 at June 30, 2023 which is a decrease of 27.80% over last year's ending cash balance.

Overview of Reporting

Reporting consists of Management's Discussion and Analysis (MD&A), basic financial statements and notes to the financial statements. The MD&A, as described above, provides a narrative of the District's financial performance and activities for the year ended June 30, 2023. The basic financial statements provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The notes to the financial statements follow the basic financial statements.

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.

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.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2023

Financial Analysis of the District

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

	June 30, 2023	June 30, 2022
Current and other assets	\$ 14,895,215	\$ 20,480,092
Capital assets	218,500,719	214,308,396
Total assets	233,395,934	234,788,488
Current and other liabilities	3,326,225	4,446,197
Noncurrent liabilities	1,909,114	2,479,340
Total liabilities	5,235,339	6,925,537
Deferred inflow - lease revenue	2,875,833	4,228,425
Total deferred inflows	2,875,833	4,228,425
Net position:		
Net investment in capital assets	215,802,471	212,204,396
Restricted - PFC Projects	77,146	1,159,179
Unrestricted	9,405,145	10,270,951
Total Net Position	\$ 225,284,762	\$ 223,634,526

The majority of the District's net position are invested in capital assets (land, buildings, and equipment), net of accumulated depreciation, 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 they can be utilized. The restricted net position is not available for new spending because it has already been committed as follows:

	June 30, 2023	June 30, 2022
Passenger Facility Charges	\$ 77,146	\$ 1,159,179

Unrestricted net position is the part of net position that may be used to finance day-to-day operations.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2023

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Operating Revenues		
(Lease revenues, passenger facility charges and other)	\$ 12,358,101	\$ 11,530,832
Operating Expenses	<u>18,343,091</u>	<u>18,632,622</u>
Operating Income(Loss)	(5,984,990)	(7,101,790)
Non-Operating Revenues (Expenses)	<u>(121,291)</u>	<u>882,715</u>
Income (Loss) Before Contributions	(6,106,281)	(6,219,075)
Capital Contributions	<u>7,756,517</u>	<u>6,107,414</u>
Change in Net Position	<u>\$ 1,650,236</u>	<u>\$ (111,661)</u>

A summary of the District's operating revenues is reflected in the following schedule:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Lease Revenues	\$ 9,149,546	\$ 9,413,741
Contract Facility Charges	495,792	557,340
Passenger Facility Charges	368,171	439,815
Oakwing Revenues	1,155,890	766,380
Other	<u>1,188,702</u>	<u>353,556</u>
Total Operating Revenues	<u>\$ 12,358,101</u>	<u>\$ 11,530,832</u>

- Increase in operating revenues of 7.17% for the fiscal year ended June 30, 2023. This increase is primarily a result of the following:
- 2023 represented a full year of Oakwing revenues being incorporated into the District's financial statements. 2022 only contained 8 months of data.
 - "Other" revenue includes the Bank of Montgomery settlement payment.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2023

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

	June 30, 2023	June 30, 2022
Salaries and Wages	\$ 2,006,886	\$ 2,162,937
Payroll taxes and employee benefits	644,350	724,266
General and administrative expenses	348,599	339,205
Insurance	668,228	584,682
Contract services	2,821,313	2,939,285
Repairs and maintenance	1,116,530	2,061,477
Depreciation	7,340,153	7,183,597
Supplies	426,259	562,383
Oakwing expenditures	1,838,286	964,122
Utilities	1,132,487	1,110,668
Total Operating Expenses	\$ 18,343,091	\$ 18,632,622

- Operating expenses decreased by 1.55% from last year.

A summary of the District's non-operating revenues is reflected in the following schedule:

	June 30, 2023	June 30, 2022
Loss on disposition of capital assets	(203,927)	-
Investment income	129,815	164,709
Interest expense	(47,179)	(56,160)
Total Non-Operating Revenues(Expenses)	\$ (121,291)	\$ 108,549

- Decrease in non-operating revenues is due to a loss on disposition of capital assets – demolition of the former NCO Club.

Capital contributions 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.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2023

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.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 40,198,857	\$ 40,198,857
Construction in progress	37,048,827	28,737,599
Vehicles, machinery and equipment	2,843,378	1,768,637
Buildings and improvements	67,504,572	70,752,657
Infrastructure	69,689,472	72,441,878
Leased assets	229,365	408,768
Net Capital Assets	<u>\$ 217,514,471</u>	<u>\$ 214,308,396</u>

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

- \$1,081,261 was added to Vehicles during the current fiscal year, as The District capitalized the purchase of a new ARFF Vehicle.

Construction in progress added during the year was \$8,311,228. Total Construction in Progress at year-end included the various projects as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Airfield Lighting and Nav aids	\$ 9,843,506	\$ 9,843,506
FAA MALSR	2,444,958	1,845,253
Airfield Guidance Sign Replacement	50,353	50,353
Rehab of Runway Safety Areas	7,842,561	7,288,007
Extension of Runway 14/32	878,825	878,825
Mill & Overlay of Runway 18/36	9,405,906	7,416,898
Airfield Emergency Access PT Rehab	728,314	728,314
Runway 14/32 Panel Replacement	58,020	58,020
South Apron Rehab	1,461,699	-
Wildlife Fence	3,429,713	193,340
North Apron Wash Rack/Sewer Lift	140,625	-
Others	764,347	248,669
	<u>\$ 37,048,827</u>	<u>\$ 28,737,599</u>

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2023

- The following projects were completed as of June 30, 2023 to be placed in service:
 - Building Demolition – NCO Club - \$186,413
 - Golf Course Improvements - \$23,732
 - Flight Simulator - \$170,120

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.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Bonds payable	\$ 1,712,000	\$ 2,104,000
Lease payable	212,994	394,210
Compensated absences	<u>123,925</u>	<u>140,035</u>
	<u>\$ 2,048,919</u>	<u>\$ 2,638,245</u>

The District issued \$3,046,000 in revenue bonds on June 22, 2017 (Series 2017 Bonds) for the rental car maintenance facility road with a maturity of April 1, 2027. Bond issue has/had an interest rate of 2.35%.

Economic Factors and Next Year's Budget

The following are considerations that factored into the FY 2023-2024 Budget:

- The District is projecting to maintain current levels of non-aeronautical revenue, with slight increases related to CPI adjustments and increased parking revenue, offset by a more conservative revenue estimate for Oakwing.
- The District is undergoing a rates and charges study, and is projecting an increase in aeronautical revenue due to an expected increase in both terminal square footage rental rates as well as landing fees.
- The District is planning to invest approximately \$1.75 million dollars in new equipment and self-funded capital projects.
- The District is expected to complete approximately \$43 million in capital projects at the Airport, the largest of which is the extension of Runway 18/36. These projects have an estimated local economic impact of \$172 million.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Management's Discussion and Analysis
June 30, 2023

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 the England Economic and Industrial Development District at 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, 2023

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 9,100,262
Accounts receivable, net	751,803
Lease receivables	1,889,585
Due from governmental agencies	2,697,640
Prepaid expenses	315,360
Inventory	63,419
Restricted cash	77,146
Total current assets	14,895,215
Noncurrent assets:	
Lease receivables	986,248
Capital assets:	
Nondepreciable	77,247,684
Depreciable, net	140,266,787
Total noncurrent assets	218,500,719
Total assets	233,395,934

LIABILITIES

Current liabilities:	
Accounts payable	560,945
Contracts and retainage payable	1,998,375
Leases payable	118,438
Accrued expenses and other payables	118,542
Compensated absences	123,925
Revenue bonds payable	406,000
Total current liabilities	3,326,225
Noncurrent liabilities:	
Tenant deposits	152,114
Contingent tenant rebates	216,665
Advances in rental income	139,779
Leases payable	94,556
Revenue bonds payable	1,306,000
Total noncurrent liabilities	1,909,114
Total liabilities	5,235,339

DEFERRED INFLOWS OF RESOURCES

Deferred inflow - lease revenue	2,875,833
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NET POSITION

Net investment in capital assets	215,802,471
Restricted - PFC Projects	77,146
Unrestricted	9,405,145
Total net position	\$ 225,284,762

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 Net Position
For the Year Ended June 30, 2023

Operating revenues:	
Lease revenue and other fees	\$ 9,149,546
Contract facility charges	495,792
Passenger facility charges	368,171
Oakwing revenues	1,155,890
Miscellaneous	<u>1,188,702</u>
Total operating revenues	<u>12,358,101</u>
Operating expenses:	
Salaries and wages	2,006,886
Payroll taxes and employee benefits	644,350
General and administrative expenses	348,599
Insurance	668,228
Contract services	2,821,313
Repairs and maintenance	1,116,530
Depreciation	7,340,153
Supplies	426,259
Oakwing expenditures	1,838,286
Utilities	<u>1,132,487</u>
Total operating expenses	<u>18,343,091</u>
Operating loss	<u>(5,984,990)</u>
Nonoperating revenues (expenses):	
Investment income	129,815
Loss on disposition of capital assets	(203,927)
Interest expense	<u>(47,179)</u>
Total nonoperating revenues (expenses)	<u>(121,291)</u>
Loss before contributions	<u>(6,106,281)</u>
Capital contributions:	
Federal grants	3,538,445
State grants	<u>4,218,072</u>
Total capital contributions	<u>7,756,517</u>
Change in net position	1,650,236
Net position, beginning	<u>223,634,526</u>
Net position, ending	<u>\$ 225,284,762</u>

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, 2023

Cash flows from operating activities:	
Receipts from operations	\$ 12,690,676
Payments to suppliers for goods and services	(9,048,769)
Payments to employees and for employee related costs	<u>(2,667,346)</u>
Net cash provided by operating activities	<u>974,561</u>
Cash flows from capital and related financing activities:	
Principal payments on bonds	(392,000)
Principal payments on leases	(181,216)
Interest paid	(47,179)
Proceeds from sale of assets	11,200
Capital contributions	7,303,331
Purchase and construction of capital assets	<u>(11,335,838)</u>
Net cash used by capital and related financing activities	<u>(4,641,702)</u>
Cash flows from investing activities:	
Interest received	129,815
Net change in cash and interest-bearing deposits	(3,537,326)
Cash and interest-bearing deposits, beginning of the year	<u>12,714,734</u>
Cash and interest-bearing deposits, end of the year	<u>\$ 9,177,408</u>

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, 2023

Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (5,984,990)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	7,340,153
Amortization of right to use asset	179,403
Compensated absences	(16,110)
Change in assets and liabilities:	
Account receivables	378,363
Lease receivable	1,352,592
Prepaid expenses	(222,809)
Inventory	6,343
Accounts payable	(567,226)
Accrued expenses and other payables	(92,778)
Advances in rental income	(69,821)
Deferred lease revenue	(1,352,592)
Tenant deposits	14,044
Contingent tenant rebates	9,989
Net cash provided by operating activities	<u>\$ 974,561</u>
Cash and interest-bearing deposits, beginning of period	
Cash and interest-bearing deposits	\$ 11,555,555
Restricted cash	<u>1,159,179</u>
Total	<u>12,714,734</u>
Cash and interest-bearing deposits, end of period	
Cash and interest-bearing deposits	9,100,262
Restricted cash	<u>77,146</u>
Total	<u>9,177,408</u>
Net change in cash and interest-bearing deposits	<u>\$ (3,537,326)</u>

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

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

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 -

The England Economic and Industrial Development District (the District) was created by the State of Louisiana Legislature to accept title from the United States of America to the property included in the England Air Force Base. The purpose of the District was to maintain and utilize the property to replace and enhance the economic benefits generated by the former air base with diversified activities. The Board of Commissioners is appointed by various governmental units located within Rapides Parish. 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:

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

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 unit detailed below in the financial reporting entity:

Blended Component Unit -

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. 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. 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 construction. As of and for the year ended June 30, 2023, the Sub-District No. 1 has no reportable transactions.

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 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.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

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 reported as of June 30, 2023. For the year ended June 30, 2023, the District reported deferred inflow of resources of \$2,875,833 related to leases (Note 7).

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.

It is the District's policy to use restricted amounts first when both restricted and unrestricted net position is available unless, prohibited by legal or contractual provisions.

C. Cash and interest-bearing deposits

For purposes of the statement of cash flows, "cash and interest-bearing deposits" include all demand and savings accounts, and highly liquid investments (including restricted cash and assets held in the Louisiana Asset Management Pool) with an original maturity of three months or less when purchased.

D. Accounts Receivables

Accounts receivable consists of receivables related to commercial, housing and apartment leases. The 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 and relate to the housing and apartment leases. For the year ending June 30, 2023, the District did not have an allowance for doubtful accounts recorded.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

E. Prepaid Expenses

Prepaid expenses reflect costs applicable to future accounting periods and consist of payments of insurance and other administrative expenses.

F. Capital Assets

Capital assets which include property, equipment, and infrastructure assets are capitalized at acquisition cost or estimated cost if the acquisition costs are 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.

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

	<u>Years</u>
Vehicles, machinery and equipment	5 to 25
Buildings and improvements	7 to 40
Infrastructure	20 to 40

G. Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted to their use by the Federal Aviation Administration's Record of Decision for the Passenger Facilities Charge (PFC) program. 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. Restricted cash at year end was \$77,146.

H. 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.

I. 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 back to the District as lease income.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

J. 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, 2023, employees have accumulated and vested benefits of \$123,925.

K. 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.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects or revisions are reflected in the financial statements in the period they are determined to be necessary. 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.

These deposits are stated at costs, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered, or the District will not be able to recover the collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk; however, under state law, these 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

Bank balances	<u>\$ 9,323,688</u>
Federal deposit insurance	\$ 250,000
Uninsured and collateral held by pledging bank not in the District's name	<u>9,073,688</u>
Total	<u>\$ 9,323,688</u>

(3) Louisiana Asset Management Pool

The District participates in the 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. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. The financial report for LAMP may be accessed on its website www.lamppool.com.

Investments in LAMP carry the following characteristics:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. At June 30, 2023 the District had \$248,383 invested in LAMP, which is included in cash and interest-bearing deposits on the Statement of Net Position.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

(4) Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 40,198,857	\$ -	\$ -	\$ 40,198,857
Construction in progress	28,737,599	8,740,993	429,765	37,048,827
Total capital assets, not being depreciated	<u>68,936,456</u>	<u>8,740,993</u>	<u>429,765</u>	<u>77,247,684</u>
Other capital assets:				
Vehicles, machinery, and equipment	6,758,455	1,564,414	625,000	7,697,869
Buildings and improvements	164,878,966	1,065,116	933,609	165,010,473
Infrastructure	104,667,661	-	-	104,667,661
Leased assets - equipment	861,998	-	-	861,998
Total capital assets being depreciated	<u>277,167,080</u>	<u>2,629,530</u>	<u>1,558,609</u>	<u>278,238,001</u>
Accumulated depreciation and amortization:				
Other capital assets	131,341,910	7,340,153	1,343,482	137,338,581
Leased assets - equipment	453,230	179,403	-	632,633
Total accumulated depreciation and amortization	<u>131,795,140</u>	<u>7,519,556</u>	<u>1,343,482</u>	<u>137,971,214</u>
Total capital assets being depreciated, net	<u>145,371,940</u>	<u>(4,890,026)</u>	<u>215,127</u>	<u>140,266,787</u>
Capital assets, net	<u>\$ 214,308,396</u>	<u>\$ 3,850,967</u>	<u>\$ 644,892</u>	<u>\$ 217,514,471</u>

Depreciation expense of \$7,340,153 was charged to operations for the year ended June 30, 2023. Amortization expense of \$179,403 was charged to operations and recorded within Oakwing expenditures on the Statement of Revenues, Expenses and Changes in Net Position for the year ending June 30, 2023.

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
Tenant deposits	\$ 138,070	\$ 105,074	\$ 91,030	\$ 152,114
Contingent tenant rebates	206,676	34,708	24,719	216,665
Compensated absences	140,035	95,690	111,800	123,925
Total	<u>\$ 484,781</u>	<u>\$ 235,472</u>	<u>\$ 227,549</u>	<u>\$ 492,704</u>

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

(6) Long Term Liabilities

The following is a summary of changes in Long Term Liabilities:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Revenue refunding bonds:					
Series 2017A	\$ 2,104,000	\$ -	\$ 392,000	\$ 1,712,000	\$ 406,000
Lease payable	394,210	-	181,216	212,994	118,438
Total long term liabilities	<u>\$ 2,498,210</u>	<u>\$ -</u>	<u>\$ 573,216</u>	<u>\$ 1,924,994</u>	<u>\$ 524,438</u>

A. Revenue bonds payable

Revenue bonds payable consisted of the following:

	Issue Date	Maturity Date	Interest Rate	Balance Outstanding
Revenue Refunding Bonds:				
Series 2017A	6/22/2017	4/1/2027	2.350%	<u>\$ 1,712,000</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ended June 30	Principal	Interest	Total
2024	\$ 406,000	\$ 40,232	\$ 446,232
2025	421,000	30,692	451,692
2026	435,000	20,798	455,798
2027	450,000	10,579	460,579
	<u>\$ 1,712,000</u>	<u>\$ 102,301</u>	<u>\$ 1,814,301</u>

B. Lease Payable

Lease agreements are summarized below:

Description	Issue Date	Payment Terms	Payment amount	Interest rate	Original Lease Liability	Outstanding Liability
Golf Equipment	2019	5 years	\$ 5,993	2.55%	\$ 306,087	\$ 18,244
Golf Equipment	2020	4 years	1,200	2.55%	54,821	-
Golf Equipment	2021	5 years	8,660	2.55%	488,390	194,750
Total					<u>\$ 849,298</u>	<u>\$ 212,994</u>

The District's leases do not carry a stated interest rate. The leases are not renewable, and the District does not anticipate acquiring the equipment at the end of the lease term.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

Annual requirements to amortize long-term lease obligations and related interest are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 118,438	\$ 3,803	\$ 122,241
2025	94,556	1,191	95,747
	<u>\$ 212,994</u>	<u>\$ 4,994</u>	<u>\$ 217,988</u>

(7) Lease Receivables and Revenues

The District implemented GASB 87 in a previous fiscal year, and as a result of the implementation, the District evaluated their non-cancelable leases for commercial and residential properties and concluded that their residential property leases did not fall under the standards of GASB 87 and were not included in the information below. Lease revenues and additional fees collected from residential properties totaled \$1,287,795 for the fiscal year ended June 30, 2023. The District owns numerous commercial properties and has entered into several leases with private business and governmental entities. Each property is rented out at fair market value based on the square footage of the property and other unique attributes the properties offered. Leases entered into with the District range from one month to 25 years and depend on the needs of the users of the properties. The District recognizes a lease receivable and deferred inflow of resources for applicable leases. Measurement of the receivable was based on the fixed terms of applicable leases and was discounted to a net present value using an interest rate of 2.55%. Activity of the lease receivables are as follows:

<u>Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest</u>
Landside Leases	\$ 1,739,780	\$ 1,034,382	\$ 55,737
Airfield Leases	1,136,053	640,410	36,462
Total	<u>\$ 2,875,833</u>	<u>\$ 1,674,792</u>	<u>\$ 92,199</u>

Future payments and interest revenue related to the lease receivable are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 986,248	\$ 50,487	\$ 1,036,735
2025	400,514	35,890	436,404
2026	244,950	28,805	273,755
2027	244,309	23,063	267,372
2028	228,045	22,434	250,479
2029-2032	771,767	128,413	900,180
	<u>\$ 2,875,833</u>	<u>\$ 289,092</u>	<u>\$ 3,164,925</u>

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

(8) Commitments and Contingencies

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, would not adversely affect the financial position of District.

The District had several uncompleted construction contracts at the end of the year. The remaining commitment on these contracts was approximately \$6,396,413.

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.

(9) 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 over the last three years.

(10) Deferred Compensation Plan

Certain employees of the District participate in the England Economic and Industrial Development District's Deferred Compensation Plan (Plan) adopted under the provisions of Internal Revenue Code Section 457. This plan has two investment options which are administered by Empower and Nationwide Retirement Solutions. The District does not have managerial or financial responsibility for the plan assets. As of June 30, 2023, the plan assets totaled \$4,602,065 with Empower and \$253,086 with Nationwide, for a total of \$4,855,151. These assets are owned by the Plan participants. The District recognized pension expense of \$149,472 for the year ending June 30, 2023. All employer and employee contributions and earnings are immediately vested.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Basic Financial Statements

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

The schedule of compensation benefits and other payments to Glenn Curtis (Interim Executive Director July 28, 2022 through December 18, 2022) and Ralph Hennessey (Executive Director December 19, 2022 through June 30, 2023) for the year ended June 30, 2023 is presented below:

	Ralph Hennessy	Glenn Curtis
Salary	\$ 103,587	\$ 94,645
Benefits-insurance	266	49
Benefits-retirement	11,683	7,098
Benefits-medicare	1,671	1,475
Benefits-SUTA	223	148
Benefits-worker's compensation	220	199
Reimbursements	2,269	-
Travel	4,225	2,274
Registration fees	4,680	-
Conference travel	6,116	-
Dues and subscriptions	6,306	-
	\$ 141,246	\$ 105,888

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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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 the business activities of the England Economic and Industrial Development District (the District), as of and for the year ended June 30, 2023, 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 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Alexandria, Louisiana
December 20, 2023

KOLDER, 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

Opinion on Each Major Federal Program

We have audited the England Economic and Industrial Development District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2023. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the England Economic and Industrial Development 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Certified Public Accountants

Alexandria, Louisiana
December 20, 2023

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor Program Title	Assistance Listing Number(s)	Pass-Through Identifying No.	Expenditures
<u>U.S. Department of Transportation</u>			
Airport Improvement Program	20.106	3-22-0003-083-2021	\$ 479,844
Airport Improvement Program	20.106	3-22-0003-086-2022	346
Airport Improvement Program	20.106	3-22-0003-090-2022	92,653
Airport Improvement Program	20.106	3-22-0003-087-2022	1,338,000
Airport Improvement Program	20.106	3-22-0003-078-2020	5,004
Airport Improvement Program	20.106	3-22-0003-093-2021	328,355
Airport Improvement Program	20.106	3-22-0003-082-2021	299,028
Airport Improvement Program	20.106	3-22-0003-086-2014	666,118
Airport Improvement Program	20.106	HQ0052210058	98,983
Airport Improvement Program	20.106	3-22-0003-091-2023	28,097
Total expenditures of federal awards			<u>\$ 3,336,428</u>

The accompanying notes are an integral part of this schedule.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the England Economic and Industrial Development District (the District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the District's financial statements for the year ended June 30, 2023.

(3) Indirect Cost Rate

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

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting

Material weakness(es) identified?	_____ yes	_____ <u>X</u>	no
Significant deficiencies identified?	_____ yes	_____ <u>X</u>	none reported

Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u>	no
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Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs

Material weakness(es) identified?	_____ yes	_____ <u>X</u>	no
Significant deficiencies identified?	_____ yes	_____ <u>X</u>	none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____ yes	_____ <u>X</u>	no
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Major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?	_____ <u>X</u>	_____	no
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ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards

Internal Control Findings –

None reported.

Compliance and Other Matters Finding –

None reported.

Part III. Findings and questioned costs for Major Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

Internal Control Finding –

None reported.

Compliance Finding –

None reported.

KOLDER, SLAVEN & COMPANY, LLC

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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 and
the Federal Aviation Administration
Alexandria, Louisiana

Report on Compliance

We have audited the England Economic and Industrial Development District's (the District) compliance with the types of 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, 2023.

Management's responsibility

Management is responsible for compliance with the requirements of the laws, regulations and terms and conditions of contracts 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 on compliance with the Guide. 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, 2023.

Report on 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 and terms and conditions of contracts 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 that are appropriate in the circumstances 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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, 2023, 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 20, 2023, which contained an 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 by the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 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 accompanying schedule of revenues and expenditures of passenger facility charges is fairly stated, in all material respects, in relation to the basic financial statements 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 use of management and the 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, Slaven & Company, LLC

Certified Public Accountants

Alexandria, Louisiana
December 20, 2023

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Revenues and Expenditures of Passenger Facility Charges
June 30, 2023

	6/30/2022 Program Total	Year ended June 30, 2023				Total	6/30/2023 Program Total
		Quarter 1 Jul. - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - Mar.	Quarter 4 Apr. - Jun.		
Revenue							
Collections	\$ 10,873,768	\$ 84,850	\$ 92,561	\$ 90,870	\$ 130,545	\$ 398,826	\$ 11,272,594
Interest	90,691	-	-	-	-	-	90,691
Total Revenue	<u>10,964,459</u>	<u>84,850</u>	<u>92,561</u>	<u>90,870</u>	<u>130,545</u>	<u>398,826</u>	<u>11,363,285</u>
Expenditures:							
Application 99-01-C-00-AEX							
ARFF vehicle	343,967	-	-	-	-	-	343,967
New Terminal Building	8,878,457	-	-	982,091	-	982,091	9,860,548
PFC application fees	78,048	-	2,363	-	-	2,363	80,411
Total Application 99-01-C-00-AEX	<u>9,300,472</u>	<u>-</u>	<u>2,363</u>	<u>982,091</u>	<u>-</u>	<u>984,454</u>	<u>10,284,926</u>
Application 17-02-C-00-AEX							
Update Airport Master Plan	406,382	63,598	20,818	-	-	84,416	490,798
PFC Administration costs	46,288	-	-	-	-	-	46,288
Total Application 17-02-C-00-AEX	<u>452,670</u>	<u>63,598</u>	<u>20,818</u>	<u>-</u>	<u>-</u>	<u>84,416</u>	<u>537,086</u>
Application 21-03-C-00-AEX							
Acquire ARFF Vehicle	-	-	-	-	400,000	400,000	400,000
PFC Administration ongoing costs	-	-	11,989	-	-	11,989	11,989
PFC Administration Formulation costs	52,137	-	-	-	-	-	52,137
Total Application 21-03-C-00-AEX	<u>52,137</u>	<u>-</u>	<u>11,989</u>	<u>-</u>	<u>400,000</u>	<u>411,989</u>	<u>52,137</u>
Total expenditures	<u>9,805,279</u>	<u>63,598</u>	<u>35,170</u>	<u>982,091</u>	<u>400,000</u>	<u>1,480,859</u>	<u>11,286,138</u>
Net PFC revenue	-	21,252	57,391	(891,221)	(269,455)	(1,082,033)	-
PFC account balance	<u>\$ 1,159,179</u>	<u>\$ 1,180,431</u>	<u>\$ 1,237,822</u>	<u>\$ 346,601</u>	<u>\$ 77,146</u>	<u>\$ 77,146</u>	<u>\$ 77,146</u>

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 District's summary of significant accounting policies.

See independent auditors 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, 2023

Part I. Summary of Auditor's Results:

1. No deficiencies in internal control over compliance were reported during the audit of the passenger facility charge program. No material weaknesses were reported.
2. The auditor's report on compliance for the passenger facility charge program expresses an unmodified opinion.
3. There were no audit findings to be reported in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies*.

Part II. Findings and Questioned Costs:

Internal Control Finding –

None reported.

Compliance Finding –

None reported.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Passenger Facility Charge Program Audit Summary
For the Year Ended June 30, 2023

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

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Alexandria, Louisiana

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2023

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance and other matters

None reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported

England Economic and Industrial Development District
Alexandria, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period July 1, 2022 through June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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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 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The District’s management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that document is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the procedures and discussed the results with management.

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

Board or Finance Committee

2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, we obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

3. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)

4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection

location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

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

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

- 8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- 10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - a) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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

12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agreed the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtain related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
- a) Observed 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 do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observed whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- d) Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
 19. Obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtained ethics documentation from management, and:
 - a. Observed whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the

misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

Information Technology Disaster Recovery/ Business Continuity

- 25. Performed the following procedures, verbally discussed the results with management, and report “We performed the procedures and discussed the results with management.”**

- a) Obtained and inspected the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.
- b) Obtained and inspected the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/ verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtained a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtained sexual harassment training documentation from management, and observed the documentation demonstrated each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observed the entity has posted its sexual harassment policy and compliant procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtained the entity’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements.

- b) Number of sexual harassment complaints received by the agency.
- c) Number of complaints which resulted in a finding that sexual harassment resulted in discipline or corrective action; and
- d) Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of applying procedures listed above except:

Cash Collections:

Out of ten deposits selected for testing, two deposits were not made timely/within one business day of collection.

Management's Response:

Management of the District concurs with the exceptions and are working to address the deficiencies as identified.

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

We are required to be independent of England Economic and Industrial Development District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 20, 2023