### England Economic and Industrial Development District

**June 30, 2007**

**Table of Contents**

<table>
<thead>
<tr>
<th>Independent Auditor's Report</th>
<th>Exhibit</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Supplemental Information</td>
<td>Exhibit</td>
<td>1-2</td>
</tr>
<tr>
<td>Management's Discussion and Analysis</td>
<td>Exhibit</td>
<td>3-11</td>
</tr>
<tr>
<td>Basic Financial Statements</td>
<td>Exhibit</td>
<td>12</td>
</tr>
<tr>
<td>Statement of Net Assets</td>
<td>Exhibit</td>
<td>A 13</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses, and Changes in Net Assets</td>
<td>Exhibit</td>
<td>B 14</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>Exhibit</td>
<td>C 15-16</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>Exhibit</td>
<td>17-26</td>
</tr>
</tbody>
</table>

**Schedule**

<table>
<thead>
<tr>
<th>Additional Information</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule of Expenditures of Federal Financial Assistance</td>
<td>1 27</td>
</tr>
<tr>
<td>Schedule of General Fund Revenues and Expenditures – Budget (Non-GAAP) and Actual</td>
<td>2 28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Reports and Information Required by Government Auditing Standards and OMB Circular A-133</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards</td>
<td>30 31-32</td>
</tr>
<tr>
<td>Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133</td>
<td>33-35 36-37</td>
</tr>
</tbody>
</table>

| Management's Summary Schedule of Prior Audit Findings | 38 |

<table>
<thead>
<tr>
<th>Report and Other Information Required by the Passenger Facility Charge Audit Guide for Public Agencies</th>
<th>39</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report on Compliance Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance in Accordance with the Passenger Facility Charge Audit Guide for Public Agencies and on the Schedule of Passenger Facility Charges Revenue and Disbursements</td>
<td>40-42</td>
</tr>
<tr>
<td>Schedule of Passenger Facility Charges Revenue and Disbursements</td>
<td>3 43</td>
</tr>
<tr>
<td>Passenger Facility Charge Program Audit Summary</td>
<td>44</td>
</tr>
</tbody>
</table>
Independent Auditor's Report

The Board of Commissioners
England Economic and Industrial Development District

We have audited the accompanying basic financial statements of the England Economic and Industrial Development District, Alexandria, Louisiana, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the England Economic and Industrial Development District’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the England Economic and Industrial Development District as of June 30, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2007, on our consideration of the England Economic and Industrial Development District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management’s discussion and analysis on pages 3 through 11, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.
The Board of Commissioners
England Economic and Industrial Development District

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the England Economic and Industrial Development District. The accompanying financial information listed as "Additional Information" in the table of contents, including the schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the England Economic and Industrial Development District. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Payne, Moore & Herrington, LLP
Certified Public Accountants

December 7, 2007
Required Supplemental Information
Management's Discussion and Analysis
England Economic and Industrial Development District  
June 30, 2007  

Management's Discussion and Analysis (MD&A)

Introduction

The Management's Discussion and Analysis (MD&A) of the England Economic & Industrial Development District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the England Economic & Industrial Development District's financial performance.

Financial and Operating Highlights

A summary of the District's financial and operating highlights for the year ended June 30, 2007 is as follows:

1. Assets exceeded liabilities by $156,902,954 at June 30, 2007, of which $154,355,169 is related to capital assets. $39,994 of this excess is passenger facility charge fees that have been collected and unspent as of year end and that are dedicated for the repayment of bonds issued for the construction of a new terminal building.
2. Net assets increased $12,557,798. This was due in large part to federal and state grants received for various capital projects of $15,903,857 offset by depreciation expense of $4,536,941.
3. $58,389,182 in construction projects were completed.
4. Alexandria International Airport (AEX) during the current fiscal year had 139,943 enplanements, 138,630 deplanements and 53,598 air operations.
5. AEX handled 159,642 pounds of commercial air freight and 16,589,100 pounds of military air freight, 117,564 parked cars and sold 4,242,478 gallons of fuel this fiscal year.
6. 1,022,403 square feet of commercial space were leased on the Airpark by over 60 tenants. The District also leased 157 residential units onsite.

A summary of the District's financial and operating highlights for the year ended June 30, 2006 is as follows:

7. Assets exceeded liabilities by $144,345,156 at June 30, 2006, $142,632,761 of which is related to capital assets. $108,945 of this excess is passenger facility charge fees that have been collected and unspent as of year end and that are dedicated for the repayment of bonds issued for the construction of a new terminal building.
8. Net assets increased $11,597,032. This was due in large part to federal and state grants received for various capital projects of $14,842,821 offset by depreciation expense of $3,708,695.
9. In July 2005 the England Economic and Industrial Development District transferred 121 acres to the England Economic and Industrial Development District Sub-District #1 which in turn conveyed fee title interest in this land to UTLX Manufacturing, Inc. so that a railroad tank car manufacturing facility could be constructed. This is creating approximately 850 new jobs for Central Louisiana.
10. During this fiscal year the District made its final payment on its Certificate of Indebtedness, Series 1995. This leaves the PFC revenue bonds in the amount of $5,315,000 as the only long-term debt that is owed by the District.

See independent auditor's report.
Alexandria International Airport (AEX) during the current fiscal year AEX had 133,655 enplanements, 129,961 deplanements and 56,025 air operations.

AEX handled 84,679 pounds of commercial air freight and 9,353,652 pounds of military air freight, 103,806 parked cars and sold 3,523,461 gallons of fuel this fiscal year.

1,038,683 square feet of commercial space were leased on the Airpark by over 50 tenants. The District also leased 156 residential units onsite.

Overview of the Financial Statements

The District’s basic financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The District is structured as single enterprise fund using proprietary fund (enterprise fund) accounting. Under this method of accounting an economic resources measurement focus and an accrual basis of accounting is used. Revenue is recorded when earned and expenses are recorded when incurred.

The Statement of Net Assets presents information on all of the District’s assets less liabilities which results in net assets. 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 assets help determine whether the District’s financial position is improving or deteriorating.

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

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

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

Financial Analysis of the District

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

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$ 4,789,418</td>
<td>$ 7,560,547</td>
</tr>
<tr>
<td>Capital assets</td>
<td>$159,345,189</td>
<td>$147,947,761</td>
</tr>
<tr>
<td>Total assets</td>
<td>$164,134,597</td>
<td>$155,508,308</td>
</tr>
<tr>
<td>Current and other liabilities</td>
<td>$ 2,185,912</td>
<td>$ 5,788,455</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>$ 5,045,721</td>
<td>$ 5,374,697</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 7,231,633</td>
<td>$11,163,152</td>
</tr>
</tbody>
</table>

See independent auditor's report
England Economic and Industrial Development District
June 30, 2007

Management's Discussion and Analysis (MD&A)

Net assets:
Invested in capital assets, net of related debt $ 154,355,169 $ 142,632,761
Restricted 39,994 108,945
Unrestricted 2,507,791 1,603,450
Total net assets $156,902,954 $144,345,156

The District's assets exceeded liabilities by $156,902,954 at June 30, 2007 and by $144,345,156 at June 30, 2006. The majority of the District's net assets are invested in capital assets (land, buildings, and equipment) owned by the District. These assets are not available for future expenditures since they will not be sold. Restricted assets of the District are limited as to their use. These funds are restricted by law or some other outside source as to how they can be utilized. The restricted net assets are not available for new spending because they have already been committed as follows:

<table>
<thead>
<tr>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger facility charges</td>
<td>$ 39,994</td>
</tr>
<tr>
<td>Total Restricted</td>
<td>$ 39,994</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues (Leases revenues, passenger facility charges and other)</td>
<td>$ 8,163,919</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$11,526,879</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>$(3,342,960)</td>
</tr>
<tr>
<td>Non-operating revenues (expenses)</td>
<td>$ (3,099)</td>
</tr>
<tr>
<td>Income (Loss) Before Contributions</td>
<td>$(3,346,059)</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>15,903,857</td>
</tr>
<tr>
<td>Special Items - Land Transfer</td>
<td>0</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>$12,557,798</td>
</tr>
</tbody>
</table>

See independent auditor's report
The following is a graphic representation of the components of operating revenues:

1. Lease revenue includes revenues derived from leases for commercial buildings and equipment, residential housing, and fees from other types of services at the airpark.
2. Passenger facility charges (PFC’s) are fees imposed when an airline ticket is purchased and can be used only for purposes outlined in the District’s PFC application, which is for debt service on the outstanding bonds and the construction costs of the new terminal project.
3. Other revenues include fees for advertising, various charges for property damages and missing inventory items and assorted reimbursements. This amount decreased in fiscal year ended June 30, 2007 primarily due to refunds from FEMA related to hurricane damage in the prior year along with the writing off of older charges in the current year.

Non-operating revenues (expenses) include interest revenues, interest expense on bonds, a grant to help attract American Eagle Airlines to Alexandria International Airport and the gain on the demolition of various buildings.

Capital grants and contributions include Federal airport improvement program funds and state aviation trust fund grants.

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

<table>
<thead>
<tr>
<th>Division</th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive division</td>
<td>$154,265</td>
<td>$149,611</td>
</tr>
<tr>
<td>Administrative division</td>
<td>1,040,665</td>
<td>883,175</td>
</tr>
<tr>
<td>Public safety</td>
<td>1,059,899</td>
<td>1,026,558</td>
</tr>
<tr>
<td>Landside operations</td>
<td>3,339,716</td>
<td>3,369,841</td>
</tr>
<tr>
<td>Vehicle maintenance</td>
<td>254,809</td>
<td>573,493</td>
</tr>
<tr>
<td>Tenant services</td>
<td>338,295</td>
<td>442,202</td>
</tr>
<tr>
<td>Airport operations</td>
<td>3,071,502</td>
<td>2,134,087</td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td>1,526,258</td>
<td>1,407,480</td>
</tr>
<tr>
<td>Economic development</td>
<td>489,791</td>
<td>196,963</td>
</tr>
<tr>
<td>Disadvantaged Business Enterprise program</td>
<td>251,679</td>
<td>251,679</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$11,526,879</td>
<td>$10,415,089</td>
</tr>
</tbody>
</table>

The following is a graphic representation of operating expenses:

1 The executive division includes the Executive Director and his staff.
2 The administrative division includes the finance function and supporting activities. These costs increased $157,490 from the prior year primarily due to higher insurance and travel costs.
3 Public safety covers the security and fire protection for the airpark.
4 Landside operations include the maintenance and upkeep of buildings and grounds that are not related to the airfield.
5 Vehicle maintenance consists of the maintenance of all vehicles that are owned and operated by the District. A decrease of $318,684 in this division is due to major repairs to fire fighting vehicles in the prior year.
6 Tenant services covers costs that are directly associated with facilities that are occupied by current tenants.

See independent auditor's report.
Airport operations encompass the activities of the airport terminal as well as buildings and equipment that are directly related to airfield side of the airpark. The increase of $937,415 here is due principally to the depreciation expense on the new terminal building and the additional operating costs related to that building.

General & administrative includes the costs associated with the general running of all the operations departments. Expenses in this department increased by $118,778 over the previous year mostly because of higher gas and electricity costs.

Economic development incorporates the marketing of the airpark and tenant relations and increased during the current year by $292,828 due to events surrounding the opening of the new airport terminal and to costs associated with attracting American Eagle Airlines to Alexandria International Airport.

Disadvantaged Business Enterprises (DBE) program is a program designed to assist small and economically disadvantaged businesses obtain contracts for their services.

**Capital Assets**

The District had 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.

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$6,108,004</td>
<td>$6,018,769</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>3,052,078</td>
<td>45,754,014</td>
</tr>
<tr>
<td>Vehicles, machinery and equipment</td>
<td>1,463,786</td>
<td>1,562,344</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>116,391,557</td>
<td>72,759,074</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>32,329,744</td>
<td>21,853,560</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$159,345,169</td>
<td>$147,947,761</td>
</tr>
</tbody>
</table>

Major capital assets events during the current fiscal year included the following:

1. One set of dormitories was demolished in accordance with the District's long-term plan at a cost of $89,235.
2. A new bulldozer was purchased for the airfield for $62,405.
3. Two new mowers for airfield operations were acquired at a cost $22,966.
4. Construction projects completed during the year totaled $58,389,182 and included the following:
   - New Terminal Building: $47,249,210
   - Taxiway B Construction: 9,078,997
   - Taxiway A Rehabilitation: 2,060,975

5. Total Construction in Progress at year-end included various projects as follows:
   - New Warehouse Building: $2,465,985
   - Taxiway E Rehabilitation: 426,081
   - Others: 169,002
   - Total: $3,052,078

See independent auditor's report
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.

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds payable</td>
<td>$4,990,000</td>
<td>$5,315,000</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>65,574</td>
<td>51,331</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>$5,055,574</td>
<td>$5,366,331</td>
</tr>
</tbody>
</table>

The District reduced its bonds payable $325,000 during the fiscal year 2007. These bonds payable are the only outstanding long-term debt of the District.

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

**Economic Factors and Next Year's Budget**

The following are currently known economic factors considered in going into the 2007-2008 fiscal year.

1. Construction was completed on the new airport terminal building project and the facility opened in early December 2006.
3. In July 2007, the District issued a $1.2 million certificate of indebtedness to help fund the construction of a new 80,000 square foot warehouse building and renovations to the Learning Center for expansion of educational facilities.
4. In 2007, the District awarded a $2.4 million contract for the new warehouse building along with a $483,000 contract for the Learning Center project.
5. The District has started the process of updating its existing Master Plan. The LPA Group has been selected to direct this project. This plan will outline the direction that the District plans to be headed over the next 10-15 years.
6. The District also has started the first phase of a noise compatibility program that will last about 4-5 years. The District received a $2 million grant to start this project along with entering into a contract with the consultant to oversee this program.
7. In 2007, the District entered into a contract for the design work for extension of runway 14/32 as well as a contract for design services for industrial development near the Union Tank Car facility.
8. The Department of Defense is nearing completion of the construction of approximately $50,000,000 of airfield improvements to support operations at Fort Polk and should be completing this project in early 2008.
Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Kevin J. Brown, CPA, Finance Manager, 1611 Arnold Drive, Alexandria, LA 71303, or call (318) 427-8406 during regular office hours, Monday through Friday, from 8:00 a.m. to 5:00 p.m., Central Standard Time.
England Economic and Industrial Development District
Statement of Net Assets
June 30, 2007

Exhibit A

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 2,125,397</td>
<td></td>
</tr>
<tr>
<td>Receivables - net of allowance for doubtful accounts</td>
<td>1,739,843</td>
<td></td>
</tr>
<tr>
<td>Note receivable</td>
<td>16,305</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>249,391</td>
<td></td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>4,131,026</td>
<td></td>
</tr>
<tr>
<td>Noncurrent Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and equivalents</td>
<td>39,984</td>
<td></td>
</tr>
<tr>
<td>Note receivable</td>
<td>583,605</td>
<td></td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>34,783</td>
<td></td>
</tr>
<tr>
<td>Capital assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and construction in progress</td>
<td>9,160,062</td>
<td></td>
</tr>
<tr>
<td>Other capital assets, net of depreciation</td>
<td>150,185,067</td>
<td></td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td>160,003,661</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>164,134,587</td>
<td></td>
</tr>
</tbody>
</table>

| Liabilities                 |                                      |       |
| Current Liabilities         |                                      |       |
| Accounts and contracts payable | 1,709,186                           |       |
| Accrued expenses and other payables | 126,754                            |       |
| Deferred revenue            | 9,972                                |       |
| Bonds payable               | 340,000                              |       |
| Total Current Liabilities   | 2,185,912                            |       |
| Noncurrent Liabilities      |                                      |       |
| Tenant deposits             | 158,729                              |       |
| Contingent tenant rebates   | 173,418                              |       |
| Compensated absences        | 65,574                               |       |
| Bonds payable               | 4,650,000                            |       |
| Total Noncurrent Liabilities| 5,045,721                            |       |
| Total Liabilities           | 7,231,633                            |       |

| Net Assets                  |                                      |       |
| Investment in capital assets, net of related debt | 154,355,169               |       |
| Restricted for              |                                      |       |
| PFC projects                | 39,984                               |       |
| Unrestricted                | 2,507,791                            |       |
| Total Net Assets            | $ 156,902,954                        |       |

The accompanying notes are an integral part of the financial statements.
England Economic and Industrial Development District  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year Ended June 30, 2007

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease revenue and related fees</td>
<td>$7,845,110</td>
</tr>
<tr>
<td>Passenger facility charges</td>
<td>$536,736</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$2,073</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>$8,183,919</strong></td>
</tr>
<tr>
<td>Executive division</td>
<td>$1,040,695</td>
</tr>
<tr>
<td>Administrative division</td>
<td>$1,059,899</td>
</tr>
<tr>
<td>Public safety</td>
<td>$3,339,716</td>
</tr>
<tr>
<td>Landside operations</td>
<td>$254,809</td>
</tr>
<tr>
<td>Vehicle maintenance</td>
<td>$338,295</td>
</tr>
<tr>
<td>Tenant services</td>
<td>$3,071,502</td>
</tr>
<tr>
<td>Airport operations</td>
<td>$1,526,258</td>
</tr>
<tr>
<td>General and administration</td>
<td>$886,791</td>
</tr>
<tr>
<td>Economic development</td>
<td>$251,679</td>
</tr>
<tr>
<td>Disadvantaged business enterprise program</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$11,526,879</strong></td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td><strong>(3,342,960)</strong></td>
</tr>
<tr>
<td>Investment income</td>
<td>$165,898</td>
</tr>
<tr>
<td>Operating grants</td>
<td>$123,200</td>
</tr>
<tr>
<td>Interest expense</td>
<td><strong>(292,197)</strong></td>
</tr>
<tr>
<td><strong>Total Non-Operating Revenues (Expenses)</strong></td>
<td><strong>(3,099)</strong></td>
</tr>
<tr>
<td><strong>Income (Loss) Before Contributions</strong></td>
<td><strong>(3,346,059)</strong></td>
</tr>
<tr>
<td>Capital grants</td>
<td>$15,803,867</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td><strong>12,557,788</strong></td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td><strong>144,345,156</strong></td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td><strong>$156,902,954</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
England Economic and Industrial Development District
Statement of Cash Flows
Year Ended June 30, 2007

Cash Flows from Operating Activities
- Received from operations $8,178,872
- Payments to employees (944,189)
- Payments to vendors and others (5,069,154)
Net Cash Provided (Used) by Operating Activities 1,183,549

Cash Flows from Noncapital Financing Activities

Cash Flows from Capital and Related Financing Activities
- Capital contributions 18,341,708
- Interest received on construction funds 7,233
- Purchase and construction of capital assets (19,522,891)
- Principal paid on capital debt (326,000)
- Interest paid on capital debt (282,325)
Net Cash Provided (Used) by Capital and Related Financing Activities (1,791,075)

Cash Flows from Investing Activities
- Interest received on operating funds 158,865
Net Cash Provided (Used) by Investing Activities 158,865

Change in Cash and Equivalents (468,881)

Cash and Equivalents, Beginning of Year 2,634,252
Cash and Equivalents, End of Year $2,166,391

Cash and Equivalents Consist of:
- Unrestricted cash and equivalents $2,125,397
- Restricted cash and equivalents 39,994

Cash and Equivalents, End of Year $2,165,391

The accompanying notes are an integral part of the financial statements.
England Economic and Industrial Development District  
Statement of Cash Flows  
Year Ended June 30, 2007

Reconciliation of Operating Income (Loss) to  
Net Cash Provided (Used) by Operating Activities  

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$(3,342,960)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash provided by operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,536,941</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>814</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(18,772)</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>(765)</td>
</tr>
<tr>
<td>Accounts payable and contracts payable</td>
<td>(25,913)</td>
</tr>
<tr>
<td>Accrued expenses and other payables</td>
<td>5,822</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(4,642)</td>
</tr>
<tr>
<td>Tenant deposits</td>
<td>7,297</td>
</tr>
<tr>
<td>Contingent tenant rebates</td>
<td>(10,516)</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>(14,243)</td>
</tr>
</tbody>
</table>

Net Cash Provided (Used) by Operating Activities  

$1,163,549

Additional required disclosure:  

There were no material noncash operating, noncapital financing, or capital and related financing activities.

The accompanying notes are an integral part of the financial statements.
1. Organization and Significant Accounting Policies

Organization

England Economic and Industrial Development District (the District) was created by the State of Louisiana Legislature for the following purposes:

- Accepting title from the United States of America to property included in the England Air Force Base.
- Utilizing that and other property, and all assistance available from the United States government and all other sources, to replace and enhance the economic benefits generated by the former air base with diversified activities.

A Board of Commissioners appointed by various governmental units located within Rapides Parish governs the District. The District has the power to incur debt and issue revenue and general obligation bonds, certificates of indebtedness, anticipation notes, refunding bonds, and the power of taxation, subject to the limitations provided in the revised statutes governing the District.

The 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. Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

Reporting Entity

GASB Statement No. 14, The Reporting Entity, as amended, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special purpose government that has a separately appointed governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the board members are financially accountable, except for the sub-district described below, which is treated as a blended component unit for reporting purposes. There are no other primary governments with which the District has a significant relationship.
England Sub-District No. 1

On October 28, 2004 the District created England Sub-District No. 1 (Sub-District) for the purpose of separating the land on which a rail car manufacturing facility is to be constructed and operated. The Sub-District has the power to incur debt, issue certificates, revenue and general obligation bonds, as well as refunding bonds, and levy sales taxes and use taxes, in the same manner as the District. The Sub-District is governed by a ten member Board of Commissioners, which is populated by the sitting board of the District. The staff of the District is the staff of the Sub-District. For reporting purposes the Sub-District is considered a blended component unit of the District.

Basis of Presentation

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. These principles require a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation.

- Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Accounting

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.
England Economic and Industrial Development District

June 30, 2007

Notes to Financial Statements

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in total net assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise 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 its principal ongoing operations. The principal operating revenues of the District are lease revenue and related fees. Operating expenses include costs of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District may report deferred revenue on its combined balance sheet. Deferred revenues arise when the District receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the statement of net assets and revenue is recognized.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit with maturity of three months or less when acquired, and highly liquid investments held in the Louisiana Asset Management Program.

Receivables

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

Capital Assets

Capital assets are capitalized and depreciated on a straight-line basis over their estimated useful lives. Public domain (infrastructure) capital assets consisting of roads, bridges, drainage system, and similar items are capitalized. The valuation basis for capital assets is historical cost, or when historical cost is not available, estimated historical cost. Donated assets are valued at estimated fair value on date of donation. The minimum capitalization threshold is any individual item with a total cost greater than $500.
Interest is capitalized on assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized for the year ended June 30, 2007, in accordance with this policy.

Contingent Tenant Rebates

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

Compensated Absences

Vested or accumulated leave is accrued in the period the liability is incurred. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Cash and Cash Equivalents, and Investments

At year-end, cash and cash equivalents consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty cash</td>
<td>$ 900</td>
<td>$ 900</td>
<td>$ 900</td>
</tr>
<tr>
<td>Cash in bank</td>
<td>1,913,052</td>
<td>39,994</td>
<td>1,953,046</td>
</tr>
<tr>
<td>Louisiana Asset Management Pool</td>
<td>211,445</td>
<td>211,445</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,125,397</strong></td>
<td><strong>$ 39,994</strong></td>
<td><strong>$ 2,165,391</strong></td>
</tr>
</tbody>
</table>

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year-end, the District's deposits were covered by depository insurance or collateral held by the District or its agent in the District's name.

Management considers the highly liquid investments held in the Louisiana Asset Management Pool (LAMP), a local government investment pool, to have minimal custodial credit risk.
Credit Risk: LAMP is rated AAAm by Standard & Poor’s. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. 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 state law.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and its board of directors. LAMP is not registered with the SEC as an investment company.

Investments: The District may invest in United States bonds, treasury notes, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment. Certificates of deposit that have a maturity date of more than 3 months are classified as investments. At year-end, the District had no investments.

3. Receivables

At year end receivables consisted of the following:

| Accounts receivable       | $ 202,672 |
| Leases receivable         | 321,185   |
| Intergovernmental         | 1,443,948 |
| Gross receivables         | 1,967,805 |
| Allowance for uncollectibles | (227,962) |
| Net Receivables           | $ 1,739,843 |

4. Note Receivable

The note receivable consists of an economic development loan to finance part of the construction of a hotel on District property. The loan is subordinate to certain mortgages listed in the agreement not to exceed $3,600,000. The interest rate on this loan, currently 8.25%, shall equal the New York Prime rate, adjusted at three-year intervals. From November 2001 through January 2008, only the accrued monthly interest on the outstanding principal balance is required to be paid. Starting February 2008, principal payments begin. The loan shall be then repaid in 120 monthly payments including principal and interest.

The note is reported in the statement of net assets as follows:

| Current                  | $ 16,395 |
| Noncurrent               | 583,605  |
|                         | $ 600,000 |
Scheduled future receivables, based on terms in effect on June 30, 2007, are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$16,395</td>
<td>$48,402</td>
<td>$62,797</td>
</tr>
<tr>
<td>2009</td>
<td>41,717</td>
<td>46,583</td>
<td>88,310</td>
</tr>
<tr>
<td>2010</td>
<td>45,291</td>
<td>43,019</td>
<td>88,310</td>
</tr>
<tr>
<td>2011</td>
<td>49,172</td>
<td>39,138</td>
<td>88,310</td>
</tr>
<tr>
<td>2012</td>
<td>53,386</td>
<td>34,924</td>
<td>88,310</td>
</tr>
<tr>
<td>2013-2014</td>
<td>343,913</td>
<td>97,638</td>
<td>441,549</td>
</tr>
<tr>
<td>2018</td>
<td>50,126</td>
<td>1,388</td>
<td>51,514</td>
</tr>
<tr>
<td>Total</td>
<td>$600,000</td>
<td>$309,100</td>
<td>$909,100</td>
</tr>
</tbody>
</table>

5. Capital Assets and Depreciation

<table>
<thead>
<tr>
<th></th>
<th>Beginning</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$6,018,769</td>
<td>$89,236</td>
<td>-</td>
<td>$6,108,004</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>45,764,014</td>
<td>15,687,246</td>
<td>(58,389,182)</td>
<td>3,052,078</td>
</tr>
<tr>
<td>Totals</td>
<td>51,772,783</td>
<td>15,776,481</td>
<td>(58,389,182)</td>
<td>9,160,082</td>
</tr>
<tr>
<td>Capital assets being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles, machinery, and equipment</td>
<td>3,785,620</td>
<td>131,550</td>
<td>-</td>
<td>3,917,170</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>105,536,285</td>
<td>47,275,529</td>
<td>-</td>
<td>152,811,794</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>26,313,035</td>
<td>11,139,972</td>
<td>-</td>
<td>37,453,007</td>
</tr>
<tr>
<td>Totals</td>
<td>135,614,920</td>
<td>58,547,051</td>
<td>-</td>
<td>194,161,971</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles, machinery, and equipment</td>
<td>(2,203,276)</td>
<td>(230,106)</td>
<td>-</td>
<td>(2,433,384)</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>(32,777,191)</td>
<td>(3,643,045)</td>
<td>-</td>
<td>(36,420,236)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(4,459,475)</td>
<td>(963,768)</td>
<td>-</td>
<td>(5,423,243)</td>
</tr>
<tr>
<td>Totals</td>
<td>(39,439,942)</td>
<td>(4,536,941)</td>
<td>-</td>
<td>(43,976,883)</td>
</tr>
<tr>
<td>Other Assets, Net of Depreciation</td>
<td>85,174,978</td>
<td>54,010,109</td>
<td>-</td>
<td>150,185,087</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$147,947,951</td>
<td>$60,081,590</td>
<td>(58,389,182)</td>
<td>$159,345,169</td>
</tr>
</tbody>
</table>

Depreciation was charged to functions as follows:

<table>
<thead>
<tr>
<th>Function</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive division</td>
<td>$832</td>
</tr>
<tr>
<td>Administrative division</td>
<td>48,949</td>
</tr>
<tr>
<td>Public safety</td>
<td>144,853</td>
</tr>
<tr>
<td>Landside operations</td>
<td>2,647,358</td>
</tr>
<tr>
<td>Vehicle maintenance</td>
<td>49,289</td>
</tr>
<tr>
<td>Airport operations</td>
<td>1,645,003</td>
</tr>
<tr>
<td>General and administrative</td>
<td>463</td>
</tr>
<tr>
<td>Economic development</td>
<td>214</td>
</tr>
<tr>
<td>Total</td>
<td>$4,536,941</td>
</tr>
</tbody>
</table>
England Economic and Industrial Development District

June 30, 2007

Notes to Financial Statements

A summary of significant construction and renovation projects is presented below:

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Expended to Date</th>
<th>Required Further Commitments Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landside Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New warehouse</td>
<td>$ 2,974,736</td>
<td>$ 2,465,985</td>
</tr>
<tr>
<td>Learning center renovations</td>
<td>525,265</td>
<td>30,490</td>
</tr>
<tr>
<td>Airport Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking lot expansion</td>
<td>300,000</td>
<td>23,577</td>
</tr>
</tbody>
</table>

(A) The projects are funded by federal and state grants, and operating revenues. In July 2007, the District issued a certificate of indebtedness to complete the financing of the Landside Projects.

6. Tenant Deposits, Contingent Tenant Rebates, and Compensated Absences

Net changes in tenant deposits, contingent tenant rebates, and compensated absences are summarized below:

<table>
<thead>
<tr>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>Tenant deposits</td>
</tr>
<tr>
<td>Contingent tenant rebates</td>
</tr>
<tr>
<td>Compensated absences</td>
</tr>
</tbody>
</table>

7. Bonds and Certificates Payable

At year-end, bonds payable consisted of the following:

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Interest Rates</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue bonds, Series 2003 – capital projects</td>
<td>2018</td>
<td>5.50%</td>
</tr>
</tbody>
</table>

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

The following changes occurred in bonds and certificates payable during the year:

<table>
<thead>
<tr>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>Revenue bonds</td>
</tr>
</tbody>
</table>
The annual requirements to amortize outstanding bonds are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Principal Payments</th>
<th>Interest Payments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$340,000</td>
<td>$274,450</td>
<td>$614,450</td>
</tr>
<tr>
<td>2009</td>
<td>360,000</td>
<td>255,750</td>
<td>615,750</td>
</tr>
<tr>
<td>2010</td>
<td>380,000</td>
<td>235,950</td>
<td>615,950</td>
</tr>
<tr>
<td>2011</td>
<td>400,000</td>
<td>215,050</td>
<td>615,050</td>
</tr>
<tr>
<td>2012</td>
<td>425,000</td>
<td>193,050</td>
<td>618,050</td>
</tr>
<tr>
<td>2013-2017</td>
<td>2,500,000</td>
<td>587,950</td>
<td>3,087,950</td>
</tr>
<tr>
<td>2018</td>
<td>585,000</td>
<td>32,175</td>
<td>617,175</td>
</tr>
</tbody>
</table>

$4,990,000 $1,794,375 $6,784,375

Conduit Debt Obligations

On March 20, 1996, the District issued industrial revenue bonds to provide financial assistance to private sector entities for the construction of industrial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received from the underlying mortgage loan. Upon repayment of these bonds, ownership of the acquired facilities transfers to the private-sector entities served by the bond issuance. Neither the District, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2007, the principal outstanding on these bonds was $14,940,000.

On June 15, 2005, the England Sub-District No. 1 (Sub-district) issued revenue bonds to pay for a portion of the costs of acquisition, construction, equipping, installation and improvements of a rail car manufacturing facility and administrative offices. These bonds are secured by a pledge of all rights and interests of the Sub-District in, to and under the Cooperative Endeavor agreement between the Sub-District and the State of Louisiana (Agreement). In accordance with the Agreement, the State of Louisiana has agreed to make all payments on this bond issue. Neither the District nor the Sub-District is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported in the accompanying financial statements. As of June 30, 2007, the aggregate principal outstanding on these bonds was $31,595,000.

As of June 30, 2007, the total aggregate principal outstanding on conduit debt obligations was $46,535,000.

8. 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 a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.
9. Contingencies

The District is party to legal proceedings involving suits filed against the District for various reasons. Some of these suits claim damages that are material in amount. The amount of losses, if any, that may arise from these suits cannot be reasonably estimated. Management does not believe that the District is exposed to any material losses not covered by insurance. No provision for losses is included in the financial statements.

The District receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

10. Leases

As mentioned previously, the District is responsible for utilizing the property formerly known as England Air Force Base. In order to fulfill this responsibility, the District has executed a lease agreement with the United States Air Force. In order to replace and enhance the economic benefits generated by the former air base, the District leases a portion of the property to tenants in a manner that is expected to have a positive effect on the local economy. Details regarding the District's leasing activities are provided as follows:

Lease Agreement with the United States Air Force

Título to approximately 50% of what was formally known as England Air Force Base has been granted to the District. The District occupies the remainder of the property under a lease agreement with the United States Air Force. As consideration for the rights received under the lease, the District is required to maintain the property, provide security, and furnish fire protection.

The lease has an initial term of 55 years; however, the District expects to receive title to the remaining leased property before the initial term expires. If necessary, the District has an option to renew the lease for an additional term upon expiration of the initial term. Furthermore, either party may cancel the lease without cause provided the party canceling the lease furnishes 30 days written notice.

Leasing Operations

One of the District's primary activities and sources of income is leasing property to various tenants. Since most of the property utilized in this activity is subject to the District's lease arrangement with the United States Air Force, its lease agreements with the tenants are structured as subleases. The subleases' terms include provisions for automatic conversion of the subleases to primary leases if the primary lease with the Air Force is terminated.
Future minimum rentals on non-cancelable subleases for the next five years and in aggregate are presented as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Future Minimum Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$3,775,636</td>
</tr>
<tr>
<td>2008</td>
<td>1,884,195</td>
</tr>
<tr>
<td>2009</td>
<td>1,298,474</td>
</tr>
<tr>
<td>2010</td>
<td>1,239,660</td>
</tr>
<tr>
<td>2011</td>
<td>804,080</td>
</tr>
<tr>
<td></td>
<td><strong>$9,002,045</strong></td>
</tr>
</tbody>
</table>

Contingent rental income included in the accompanying financial statements as lease revenues and related fees totaled $471,716.

11. Subsequent Event

On July 12, 2007 the District issued $475,000 Series 2007A certificates of indebtedness for the purpose of acquiring and constructing educational facilities and paying costs of issuance along with $725,000 Series 2007B certificates of indebtedness for the purpose of acquiring and constructing a warehouse and distribution facility and paying costs of issuance.

Both certificates of indebtedness shall be secured and payable solely from a pledge and dedication of the excess of annual revenues of the District above statutory, necessary and usual charges. The 2007A certificates have an interest rate of 4.01% and the 2007B certificates have an interest of 5.96% - 6.41%. Both issues will mature ratably until July 1, 2017.
Additional Information
England Economic and Industrial Development District  
Schedule of Expenditures of Federal Financial Assistance  
Year Ended June 30, 2007

<table>
<thead>
<tr>
<th>Federal Grantor/ Program Title</th>
<th>Federal CFDA Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Commerce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments for Public Works and Economic Development Facilities</td>
<td>11.300</td>
<td>$ 802,386</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport Improvement Program</td>
<td>20.106</td>
<td>12,321,383</td>
</tr>
<tr>
<td>Payments for Small Community Air Service</td>
<td>20.930</td>
<td>123,200</td>
</tr>
<tr>
<td>Total Department of Transportation</td>
<td>20.300</td>
<td>12,444,583</td>
</tr>
<tr>
<td>Delta Regional Authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Regional Development</td>
<td>90.200</td>
<td>50,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 13,296,969</td>
</tr>
</tbody>
</table>

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the District's accounting policies.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

No federal funds were awarded to subrecipients during the year ended June 30, 2007.

See independent auditor's report.
England Economic and Industrial Development District
Schedule of General Fund Revenues and Expenditures -
Budget (Non-GAAP) and Actual
Year Ended June 30, 2007

Schedule 2

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease revenue and related fees</td>
<td>$ 7,621,706</td>
<td>$ 7,668,068</td>
<td>$ 46,362</td>
</tr>
<tr>
<td>Investment income</td>
<td>161,300</td>
<td>158,665</td>
<td>(2,635)</td>
</tr>
<tr>
<td>Other</td>
<td>279,841</td>
<td>2,072</td>
<td>(277,769)</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>8,062,847</td>
<td>7,828,805</td>
<td>(234,042)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive division</td>
<td>153,433</td>
<td>153,433</td>
<td>-</td>
</tr>
<tr>
<td>Administrative division</td>
<td>2,224,821</td>
<td>2,209,948</td>
<td>14,873</td>
</tr>
<tr>
<td>General and administration</td>
<td>1,566,973</td>
<td>1,537,912</td>
<td>29,061</td>
</tr>
<tr>
<td>Landside operations</td>
<td>747,407</td>
<td>678,015</td>
<td>69,392</td>
</tr>
<tr>
<td>Vehicle maintenance</td>
<td>217,625</td>
<td>205,540</td>
<td>12,085</td>
</tr>
<tr>
<td>Public safety</td>
<td>915,989</td>
<td>915,046</td>
<td>943</td>
</tr>
<tr>
<td>Tenant services</td>
<td>401,000</td>
<td>357,495</td>
<td>43,505</td>
</tr>
<tr>
<td>Airport operations</td>
<td>1,478,179</td>
<td>1,401,114</td>
<td>77,065</td>
</tr>
<tr>
<td>Economic development</td>
<td>357,420</td>
<td>354,058</td>
<td>3,362</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>8,062,847</td>
<td>7,812,561</td>
<td>250,286</td>
</tr>
</tbody>
</table>

Excess (Deficiency) of Revenues Over Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues Over Expenditures</td>
<td>$</td>
<td>16,244</td>
<td>$ 16,244</td>
</tr>
</tbody>
</table>

See independent auditor's report.
Other Reports and Information Required by
Government Auditing Standards and
OMB Circular A-133
The Board of Commissioners
England Economic and Industrial Development District

We have audited the basic financial statements of the England Economic and Industrial Development District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the England Economic and Industrial Development District’s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District’s financial statements that is more than inconsequential will not be prevented or detected by the District’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the England Economic and Industrial Development District’s internal control.

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

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

This report is intended solely for the information and use of the Board of Commissioners and management of the England Economic and Industrial Development District, federal and state awarding agencies, and the Legislative Auditor of the State of Louisiana. It is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants

December 7, 2007
Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133

The Board of Commissioners
England Economic and Industrial Development District

Compliance

We have audited the compliance of the England Economic and Industrial Development District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The England Economic and Industrial Development District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal program is the responsibility of the England Economic and Industrial Development District's management. Our responsibility is to express an opinion on the England Economic and Industrial Development 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the England Economic and Industrial Development District's compliance with those requirements.

In our opinion the England Economic and Industrial Development District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.
The Board of Commissioners  
England Economic and Industrial Development District

**Internal Control Over Compliance**

The management of England Economic and Industrial Development District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the England Economic and Industrial Development District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.
The Board of Commissioners
England Economic and Industrial Development District

This report is intended solely for the information and use of the Board of Commissioners and management of the England Economic and Industrial Development District, federal awarding agencies, and the Legislative Auditor of the State of Louisiana. It is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP
Certified Public Accountants

December 7, 2007
England Economic and Industrial Development District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2007

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued:  
Unqualified

Internal control over financial reporting:  
Material weaknesses identified?  
Yes  
No

Significant deficiency(ies) identified that are not considered to be material weaknesses?  
Yes  
None reported

Possible noncompliance material to financial statements noted?  
Yes  
No

Management's Corrective Action Plan:  
Not Applicable

Management's Summary Schedule of Prior Audit Findings:  
See Attached

Memorandum of Recommendations and Other Comments:  
None

**Federal Awards**

Internal control over major programs:  
Material weaknesses identified?  
Yes  
No

Significant deficiency(ies) identified that are not considered to be material weaknesses?  
Yes  
None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  
Yes  
No
England Economic and Industrial Development District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Name of Federal Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.300</td>
<td>Investments for Public Works and Economic Development Facilities</td>
</tr>
<tr>
<td>20.106</td>
<td>Airport Improvement Program</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs: $398,909

Auditee identified as a low risk auditee? X Yes No

Section II - Financial Statement Findings
None.

Section III – Federal Award Findings And Questioned Costs
None.
England Economic and Industrial Development District
Management's Summary Schedule of Prior Audit Findings
Year Ended June 30, 2007

<table>
<thead>
<tr>
<th>Finding</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-01</td>
<td>Custodial Credit Risk</td>
<td>Resolved</td>
</tr>
</tbody>
</table>
Report and Other Information Required by the
Passenger Facility Charge Audit Guide for Public Agencies
The Board of Commissioners
England Economic and Industrial Development District

Compliance

We have audited the compliance of the England Economic and Industrial Development District with the compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (Guide) for its passenger facility charge program for the year ended June 30, 2007. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the England Economic and Industrial Development District’s management. Our responsibility is to express an opinion on the England Economic and Industrial Development District’s compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the England Economic and Industrial Development District’s compliance with those requirements.

In our opinion the England Economic and Industrial Development District complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility program for the year ended June 30, 2007.
The Board of Commissioners  
England Economic and Industrial Development District

Internal Control Over Compliance

The management of England Economic and Industrial Development District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to its passenger facility charge program. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on its passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the England Economic and Industrial Development District's internal control over compliance applicable to its passenger facility program.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement applicable to a passenger facility charge program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a passenger facility charge program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement applicable to a passenger facility charge program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement applicable to a passenger facility charge program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance applicable to the England Economic and Industrial Development District's passenger facility program that we consider to be material weaknesses, as defined above.
The Board of Commissioners  
England Economic and Industrial Development District  

Schedule of Expenditures of Passenger Facility Charges  

We have audited the basic financial statements of the England Economic and Industrial Development District, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. Our audit was made for the purpose of forming an opinion on basic financial statements of the England Economic and Industrial Development District. The accompanying schedule of passenger facility charges revenue and disbursements as required by the Federal Aviation Administration's Passenger Facility Charge Audit Guide for Public Agencies, is presented for purposes of additional analysis and is not a required part of the financial statements of the England Economic and Industrial Development District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners and management of the England Economic and Industrial Development District, the Legislative Auditor of the State of Louisiana, and the Federal Aviation Administration. It is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP  
Certified Public Accountants  
December 7, 2007
England Economic and Industrial Development District
Schedule of Passenger Facility Charges Revenue and Disbursements

<table>
<thead>
<tr>
<th></th>
<th>06/30/06</th>
<th>Year Ended June 30, 2007</th>
<th>06/30/07</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cumulative</td>
<td>Quarter 1</td>
<td>Quarter 2</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections</td>
<td>$2,803,525</td>
<td>$125,791</td>
<td>$115,762</td>
<td>$152,646</td>
</tr>
<tr>
<td>Interest</td>
<td>76,332</td>
<td>673</td>
<td>3,240</td>
<td>2,871</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>2,879,857</td>
<td>126,464</td>
<td>119,002</td>
<td>155,517</td>
</tr>
<tr>
<td>Disbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APP 99-01-C-00-AEX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARFF vehicle</td>
<td>343,967</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New terminal building program</td>
<td>2,348,897</td>
<td>146,162</td>
<td></td>
<td>331,163</td>
</tr>
<tr>
<td>PFC application fees</td>
<td>78,048</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total APP 99-01-C-00-AEX</td>
<td>2,770,912</td>
<td>148,162</td>
<td></td>
<td>331,163</td>
</tr>
<tr>
<td>Net PFC Revenue</td>
<td>108,945</td>
<td>(19,698)</td>
<td>119,002</td>
<td>(175,646)</td>
</tr>
<tr>
<td>Unexpended PFC Funds, Beginning of Period</td>
<td>-</td>
<td>108,945</td>
<td>89,247</td>
<td>208,249</td>
</tr>
<tr>
<td>PFC Account Balance, End of Period</td>
<td>$108,945</td>
<td>$89,247</td>
<td>$208,249</td>
<td>$32,603</td>
</tr>
</tbody>
</table>

Notes:
The accompanying schedule of passenger facility charges revenue and disbursements 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 basic financial statements. Note 1 to the financial statements provides additional information relative to the District's accounting policies.

See independent auditor's report.
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Type of report issued on PFC financial statements.</td>
<td>X  Unqualified</td>
<td></td>
</tr>
<tr>
<td>2. Type of report on PFC compliance.</td>
<td>X  Unqualified</td>
<td></td>
</tr>
<tr>
<td>3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue match the District's general ledger and FAA PFC Quarterly Reports.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>5. The Public Agency maintains a separate financial accounting record for each application.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>6. Funds disbursed were for PFC eligible items as identified in the FAA Decision to pay only for the allowable costs of the projects.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>7. Monthly carrier receipts were reconciled with quarterly carrier reports.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>9. Serving carriers were notified of PFC program actions/changes approved by the FAA.</td>
<td></td>
<td>X  N/A</td>
</tr>
<tr>
<td>10. Quarterly Reports were transmitted (or available via website) to remitting carriers.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>12. Project design and implementation is carried out in accordance with Assurance 9.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>13. Program administration is carried out in accordance with Assurance 10.</td>
<td>X  Yes</td>
<td>No</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td>X  N/A</td>
</tr>
</tbody>
</table>