

**WASHINGTON ECONOMIC
DEVELOPMENT FOUNDATION, INC.
Bogalusa, Louisiana**

COMPILED FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2019**

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

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**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Bogalusa, Louisiana**

**Financial Statements
As of and for the Year Ended December 31, 2019**

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Certified Public Accountant

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

To the Board of Washington
Economic Development Foundation, Inc.
Bogalusa, Louisiana

Management is responsible for the accompanying financial statements of Washington Economic Development Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

I am not independent with respect to Washington Economic Development Foundation, Inc.

Minda Raybourn

Minda B. Raybourn CPA, LLC
August 11, 2020

FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

| | |
|--|-----------------------|
| Current Assets: | |
| Cash and Cash Equivalents | \$ 138,180 |
| Certificate of Deposit | 100,000 |
| Accounts Receivable | 2,854 |
| Prepaid Insurance | <u>1,625</u> |
| Total Current Assets | 242,659 |
| Capital Assets (Net of Accumulated Depreciation) | 35,672 |
| Total Assets | <u><u>278,331</u></u> |

LIABILITIES

| | |
|---------------------------|---------------------|
| Current Liabilities: | |
| Accounts Payable | 5,798 |
| Payroll Taxes Payable | <u>934</u> |
| Total Current Liabilities | <u><u>6,731</u></u> |

NET ASSETS

| | |
|----------------------------------|--------------------------|
| With Donor Restrictions | - |
| Without Donor Restrictions | <u>271,600</u> |
| Total Net Assets | <u><u>271,600</u></u> |
| Total Liabilities and Net Assets | <u><u>\$ 278,331</u></u> |

See accountant's report and accompanying notes to the financial statements.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

| | WITHOUT DONOR RESTRICTIONS | WITH DONOR RESTRICTIONS | TOTAL |
|---|-------------------------------|----------------------------|------------|
| OPERATING ACTIVITIES | | | |
| Revenues and other support | | | |
| Membership dues | \$ 13,180 | \$ - | \$ 13,180 |
| Business/economic development fee | 34,200 | - | 34,200 |
| FAEDF reimbursements | 34,529 | - | 34,529 |
| Parish allocation of sales tax | 15,167 | - | 15,167 |
| Annual meeting income | 105 | - | 105 |
| Miscellaneous income | 626 | - | 626 |
| Total revenues and other support | 97,807 | - | 97,807 |
| EXPENSES | | | |
| Program services: | | | |
| Economic development | 99,595 | - | 99,595 |
| Support services: | | | |
| General administrative | 15,042 | - | 15,042 |
| Fund raising | 2,972 | - | 2,972 |
| Total expenses | 117,609 | - | 117,609 |
| CHANGE IN NET ASSETS FROM OPERATIONS | (19,802) | - | (19,802) |
| NONOPERATING ACTIVITIES | | | |
| Interest income | 1,915 | - | 1,915 |
| Total nonoperating activities | 1,915 | - | 1,915 |
| CHANGE IN NET ASSETS | (17,887) | - | (17,887) |
| NET ASSETS AS OF BEGINNING OF YEAR | 289,487 | - | 289,487 |
| NET ASSETS AS OF END OF YEAR | \$ 271,600 | \$ - | \$ 271,600 |

See accountant's report and accompanying notes to the financial statements.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2019

| | |
|--|-------------------|
| Cash flows from operating activities: | |
| Receipts from members, appropriations, agreements, etc. | \$ 98,633 |
| Cash payments for supplies and services | (16,130) |
| Cash payments to employees | <u>(94,641)</u> |
| Net cash (used) provided by operating activities | <u>(12,138)</u> |
| | |
| Cash flows from capital and financing related activities | |
| Purchases of capital assets | <u>-</u> |
| Net cash (used) provided by capital and financing related activities | <u>-</u> |
| | |
| Cash flows from investing activities | |
| Interest and dividends | 1,915 |
| Purchase of certificate of deposit | <u>-</u> |
| Net cash (used) provided by investing activities | <u>1,915</u> |
| | |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | (10,223) |
| | |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | <u>148,404</u> |
| | |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u>\$ 138,180</u> |

See accountant's report and accompanying notes to the financial statements.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2019

Reconciliation of Change in Net Assets to Net

Cash Provided by Operations:

| | |
|--|--------------------|
| Change in net assets | \$ (19,802) |
| Depreciation | 2,733 |
| Changes in assets and liabilities: | |
| (Increase) decrease in accounts receivable | 825 |
| (Increase) decrease in prepaid insurance | 122 |
| Increase (decrease) in accounts payable | 3,050 |
| Increase (decrease) in accrued payroll taxes | 934 |
| Net cash provided by operations | <u>\$ (12,138)</u> |

See accountant's report and accompanying notes to the financial statements.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

| <u>Item of Expense</u> | <u>Program Service</u> | | <u>Support Services</u> | | <u>Total Expenses</u> |
|---------------------------|------------------------|---------------------|-------------------------|---------------------|-----------------------|
| | <u>Industrial Dev.</u> | <u>General Adm.</u> | <u>Fund Raising</u> | <u>Fund Raising</u> | |
| Annual meeting expense | \$ - | \$ - | \$ 105 | \$ 105 | \$ 105 |
| Automobile expense | 925 | 308 | - | - | 1,233 |
| Advertising and promotion | - | - | - | - | - |
| Conference | - | - | - | - | - |
| Depreciation | 2,049 | 684 | - | - | 2,733 |
| Dues & subscriptions | 603 | 201 | - | - | 804 |
| Employee benefits | 9,677 | 1,111 | 334 | 334 | 11,122 |
| Insurance expense | 2,974 | 992 | - | - | 3,966 |
| Miscellaneous | 41 | 14 | - | - | 55 |
| Office supplies | 876 | 292 | - | - | 1,168 |
| Payroll taxes | 5,233 | 602 | 180 | 180 | 6,015 |
| Professional fees | 2,175 | 725 | - | - | 2,900 |
| Repairs and maintenance | 1,295 | 432 | - | - | 1,727 |
| Salaries | 68,239 | 7,845 | 2,353 | 2,353 | 78,437 |
| Telephone | 3,055 | 1,018 | - | - | 4,073 |
| Travel | 203 | 68 | - | - | 271 |
| Utilities | 2,250 | 750 | - | - | 3,000 |
| | | | | | - |
| Totals | <u>\$ 99,595</u> | <u>\$ 15,042</u> | <u>\$ 2,972</u> | <u>\$ 2,972</u> | <u>\$ 117,609</u> |

See accountant's report and accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Washington Economic Development Foundation, Inc. (The Foundation), was organized as a nonprofit corporation on May 6, 1981, under the laws of the State of Louisiana. The Foundation's purpose is to promote economic development in Washington Parish through an intensive program to relocate or establish manufacturing and service firms in the parish in order to create a significant number of new job opportunities. The Foundation's primary support is derived from a "co-operative endeavor agreement" with the City of Bogalusa (note 7), and dues paid by individuals and members of the business community.

Basis of presentation

The financial statements of the Foundation. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable the Foundation's ongoing economic development services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

from investments and other activities considered to be of a more unusual or nonrecurring nature.

Concentrations of credit risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Cash and cash equivalents

The Foundation's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- | | |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">• Quoted prices for similar assets/liabilities in active markets;• Quoted prices for identical or similar assets in non-active markets;• Inputs other than quoted prices that are observable for the asset/liability; and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

Property and equipment, net

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to seven years. The Foundation's policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal repairs and maintenance as incurred. The Foundation's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Public Support and Revenue

Annual membership dues are generally available for unrestricted use during the current year. Dues are recorded as revenue in the membership year pledged and any unpaid dues at year-end are recorded as receivables, at their net realizable value. There is no allowance for bad debts due to a history of having all dues paid on a current basis.

Grants are recorded as revenue when the corresponding reimbursable expenditures have been incurred.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among industrial development and supporting services benefitted. Such allocations are determined by management on an equitable basis. The expenses are allocated based on percentages.

Use of Estimates

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

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

Income taxes

The Foundation is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 2: AVAILABILITY AND LIQUIDITY

The following represents Washington Economic Development Foundation, Inc.'s financial assets at December 31, 2019:

| | | |
|--|----|------------|
| Financial assets at year end: | | 2019 |
| Cash and cash equivalents | \$ | 138,180 |
| Certificate of Deposit | | 100,000 |
| Total financial assets | | 238,180 |
| | | |
| Less amounts not available to be used within one year: | | |
| Net assets with donor restrictions | | - |
| | | - |
| Financial assets available to meet general expenditures over the next twelve months | | \$ 238,180 |

Washington Economic Development Foundation, Inc. is to generally maintain financial assets to meet one year of operating expenses. As part of its liquidity plan, excess cash is invested in certificates of deposit.

NOTE 3: CASH AND CASH EQUIVALENTS

At December 31, 2019, the Foundation has unrestricted cash and cash equivalents (book balances) totaling \$138,180 in demand deposits at Capital One Bank. These deposits consist of checking account totaling \$1,999 and a savings account totaling \$136,181.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

At December 31, 2019, the Foundation's deposits at Capital One Bank (collected bank balances) totaled \$139,038. At December 31, 2019, the amount on deposit with the financial institutions was within the FDIC insured limit of \$250,000.

NOTE 4: CERTIFICATE OF DEPOSIT

At December 31, 2019, the Foundation had a certificate of deposit in the amount of \$100,000 at Citizens Savings Bank. The certificate will mature on February 11, 2020. The carrying value of the certificate is at cost.

The interest rate on the certificate was 1.35%. The Foundation earned \$1,347 in interest income from the certificate of deposit.

NOTE 5: ACCOUNTS RECEIVABLE

At December 31, 2019, the Foundation's accounts receivable consisted of the following:

| | |
|---|-----------------|
| Accounts Receivable-FAEDF (Franklinton Area Economic Development Foundation agreed to share in the cost of a director. This receivable represents one month's billing.) | \$2,704 |
| Accounts Receivable-Members | 150 |
| Total Accounts Receivable | <u>\$ 2,854</u> |

NOTE 6: PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consist of the following:

| | January 1, 2019 | Additions | Disposals | December 31, 2019 |
|-------------------------------|--------------------|----------------|--------------|----------------------|
| Building Improvements | 52,298 | - | - | 52,298 |
| Buildings | 13,900 | - | - | 13,900 |
| Office Equipment | 12,160 | (2,100) | - | 10,060 |
| Land | 22,500 | - | - | 22,500 |
| Other | 11,224 | - | - | 11,224 |
| Total Assets | <u>112,082</u> | <u>(2,100)</u> | <u>-</u> | <u>109,982</u> |
| Less Accumulated Depreciation | <u>(73,677)</u> | <u>(2,733)</u> | 2,100 | <u>(74,310)</u> |
| Net Capital Assets | <u>38,405</u> | <u>(2,733)</u> | <u>2,100</u> | <u>35,672</u> |

All fixed assets are stated at historical cost. Depreciation is computed on a straight-line basis for financial statement purposes. The Foundation purchased no new assets. The Foundation disposed of an old computer with an original cost of \$2,100 and a book value of zero. Depreciation expense for 2019 was \$2,733.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

NOTE 7: BUSINESS/ECONOMIC DEVELOPMENT FEE

The Foundation entered into a "cooperative endeavor agreement" with the City of Bogalusa, under the Louisiana Constitution of 1974 Section 14C. The Foundation proposed to perform certain functions to the benefit of the City, its residents, and residents surrounding Bogalusa.

These functions, which have a governmental purpose, would ordinarily be performed by the City. They include:

- A. Business/Economic Development
- B. Assisting the City in administering the Bogalusa Industrial Park
- C. Advising the City on uses of the Industrial Park
- D. Arranging for presentations and meetings with Industrial Park prospects and advising the City on said prospects.

The City and Foundation mutually agreed to reduce the fee from \$38,000 to \$34,200 in 2004. The contract became effective on January 1, 1997. It automatically renews each year unless a notice of termination is presented by either party ten days prior to the beginning of each calendar year. No notice was received or given by the Foundation ten days before January 1, 2020.

NOTE 8: INTERGOVERNMENTAL AGREEMENT

The Washington Economic Development Foundation, Inc (WEDF) entered into a cooperative endeavor with the Franklinton Area Economic Development Foundation, Inc, (FAEDF) to share the expenses of the Director. The current Director for WEDF will work at the FAEDF office two days per week or as needed. WEDF will invoice FAEDF monthly, for one half of the director's salary and benefits effective November 1, 2004. The annual cost reimbursement for the fiscal year December 31, 2019 was \$34,529.

NOTE 9: IN-KIND SERVICES

The Foundation receives donated services from a variety of unpaid volunteers assisting the Foundation in the pursuit of economic development programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under accounting standards have not been satisfied.

NOTE 10: ADVERTISING COSTS

The Foundation incurred no advertising expenses.

NOTE 11: LITIGATION AND CLAIMS

As of December 31, 2019, the Foundation did not have any lawsuit or pending litigation.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2019

NOTE 12: LEASES

The Foundation does not have any items under a capital or operating lease at December 31, 2019.

NOTE 13: SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through August 1, 2020, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2019.

Supplemental Information

Schedule 1

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the year ended December 31, 2019

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The Foundation's Executive Board consists of members elected from the general membership each year at the annual meeting, plus the immediate past president.

Board members were not paid any compensation for the year ended December 31, 2019, and no compensation is planned for future years.

See accountant's report

Schedule 2

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD

For the Year Ended December 31, 2019

Agency Head: Ryan Seal, Executive Director

| | |
|--|------------------|
| Salary | \$ 57,000 |
| Benefits-Insurance | 6,716 |
| Employer Provided Medicare & Social Security | 4,304 |
| Travel | 15 |
| Per Diem | 739 |
| Conference | 50 |
| Dues | 685 |
| Business Meals | 103 |
| Total | <u>\$ 69,612</u> |

Note: One half of these costs are shared with Franklinton Area Economic Development Foundation, Inc. through an intergovernmental agreement. Refer to Note 7 for more detail.

See accountant's report