

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

**COMPILED FINANCIAL STATEMENTS**

**For the Year Ended  
December 31, 2018**

*Minda B. Raybourn*

*Certified Public Accountant  
Limited Liability Company*

820 11<sup>TH</sup> AVENUE  
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WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.  
Bogalusa, Louisiana

Financial Statements  
As of and for the Year Ended December 31, 2018

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# **MINDA B. RAYBOURN**

*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, 2018, 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  
June 18, 2019

## FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2018

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 148,405
Certificate of Deposit	100,000
Accounts Receivable	3,680
Prepaid Insurance	<u>1,747</u>
Total Current Assets	253,832
Capital Assets (Net of Accumulated Depreciation)	38,405

Total Assets \$ 292,237

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 2,748
Payroll Taxes Payable	<u>-</u>
Total Current Liabilities	<u>2,748</u>

**NET ASSETS**

Without Donor Restrictions	<u>289,489</u>
Total Net Assets	<u>289,489</u>

Total Liabilities and Net Assets \$ 292,237

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, 2018

	<u>WITHOUT DONOR RESTRICTIONS</u>
<b>OPERATING ACTIVITIES</b>	
Revenues and other support	
Membership dues	\$ 11,430
Business/economic development fee	34,200
FAEDF reimbursements	36,656
Parish allocation of sales tax	13,283
Miscellaneous income	805
Interest income	1,600
Total revenues and other support	<u>97,974</u>
<b>EXPENSES</b>	
Program services:	
Economic development	105,043
Support services:	
General administrative	16,930
Fund raising	4,051
Total Expenses	<u>126,023</u>
<b>CHANGE IN NET ASSETS</b>	(28,048)
<b>NET ASSETS AS OF BEGINNING OF YEAR</b>	<u>317,537</u>
<b>NET ASSETS AS OF END OF YEAR</b>	<u>\$ 289,489</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, 2018

<b>Cash flows from operating activities:</b>	
Receipts from members, appropriations, agreements, etc.	\$ 95,440
Cash payments for supplies and services	(45,991)
Cash payments to employees	<u>(77,641)</u>
Net cash (used) provided by operating activities	<u>(28,192)</u>
<b>Cash flows from capital and financing related activities</b>	
Purchases of capital assets	<u>-</u>
Net cash (used) provided by capital and financing related activities	<u>-</u>
<b>Cash flows from investing activities</b>	
Interest and dividends	1,600
Purchase of certificate of deposit	<u>-</u>
Net cash (used) provided by investing activities	<u>1,600</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(26,592)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b><u>174,997</u></b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b><u>\$ 148,405</u></b>

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, 2018

**Reconciliation of Change in Net Assets to Net**

**Cash Provided by Operations:**

Change in net assets	\$ (29,648)
Depreciation	2,922
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	1,496
(Increase) decrease in prepaid insurance	(1,747)
Increase (decrease) in accounts payable	(708)
Increase (decrease) in accrued payroll taxes	(507)
Net cash provided by operations	<u>\$ (28,192)</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, 2018

<u>Item of Expense</u>	Program Service		Support Services		Total Expenses
	Industrial Dev.	General Adm.	Fund Raising		
Annual meeting expense	-	-	1,195		1,195
Automobile expense	1,782	594	-		2,376
Advertising and promotion	-	-	-		-
Conference	2,192	732	-		2,923
Depreciation	666	222	-		889
Dues & subscriptions	9,615	1,104	332		11,051
Employee benefits	3,036	1,013	-		4,048
Insurance expense	1,495	498	-		1,993
Office supplies	5,214	599	180		5,993
Payroll taxes	1,875	625	-		2,500
Professional fees	3,781	1,260	-		5,041
Repairs and maintenance	67,989	7,816	2,344		78,149
Salaries	2,923	974	-		3,897
Telephone	2,210	737	-		2,946
Travel	2,266	755	-		3,021
Utilities	-	-	-		-
Totals	105,043	16,930	4,051		126,023

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, 2018**

**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.

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**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.

Contributions of donated non-cash assets and services are recorded at their fair values in the period received.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting. Under this basis, revenues and related assets are recognized when earned, and expenses are recognized when the obligation is incurred.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FINANCIAL STATEMENT PRESENTATION**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Washington Economic Development Foundation, Inc. has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**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.

**Cash and Cash Equivalents**

The Foundation considers all highly liquid investments, with a maturity of three months or less, when purchased, to be cash equivalents.

**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.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2018**

**Property and Equipment**

The Foundation capitalizes all expenditures for equipment with a useful life in excess of one year regardless of value. Property and equipment are recorded at cost or at estimated fair value at date of gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	31.5 yrs
Improvements	10-30 yrs
Furniture & Fixtures	7-10 yrs
Office Equipment	4-5yrs

**NOTE 2: AVAILABILITY AND LIQUIDITY**

The following represents Washington Economic Development Foundation, Inc.'s financial assets at December 31, 2018:

Financial assets at year end:	<u>2018</u>
Cash and cash equivalents	\$ 148,405
Certificate of Deposit	<u>100,000</u>
Total financial assets	248,405
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>-</u>
	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 248,405</u></u>

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, 2018, the Foundation has unrestricted cash and cash equivalents (book balances) totaling \$148,405 in demand deposits at Capital One Bank. These deposits consist of checking account totaling \$2,787 and a savings account totaling \$145,618.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2018**

At December 31, 2018, the Foundation's deposits at Capital One Bank (collected bank balances) totaled \$150,642. At December 31, 2018, 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, 2018, the Foundation had a certificate of deposit in the amount of \$100,000 at Citizens Savings Bank. The certificate will mature on February 11, 2019. The carrying value of the certificate is at cost.

The interest rate on the certificate was 0.60%. The Foundation earned \$1,600 in interest income from the certificate of deposit.

**NOTE 5: ACCOUNTS RECEIVABLE**

At December 31, 2018, 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.)	\$2,636
Accounts Receivable-Members	1,044
Total Accounts Receivable	<u>\$ 3,680</u>

**NOTE 6: PROPERTY, EQUIPMENT, AND IMPROVEMENTS**

Property, equipment, and improvements consist of the following:

	January 1, 2018	Additions	Disposals	December 31, 2018
Building Improvements	52,298	-	-	52,298
Buildings	13,900	-	-	13,900
Office Equipment	12,160	-	-	12,160
Land	22,500	-	-	22,500
Other	11,224	-	-	11,224
Total Assets	<u>112,082</u>	<u>-</u>	<u>-</u>	<u>112,082</u>
Less Accumulated Depreciation	(70,755)	(2,922)	-	(73,677)
Net Capital Assets	<u>41,327</u>	<u>(2,922)</u>	<u>-</u>	<u>38,405</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. Depreciation expense for 2018 was \$2,922.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2018**

**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, 2018.

**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 estimated annual cost reimbursement will be approximately \$37,000.

**NOTE 9: DONATED 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 and promotional expenses.

**NOTE 11: LITIGATION AND CLAIMS**

As of December 31, 2018, the Foundation did not have any lawsuit or pending litigation.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2018**

**NOTE 12: LEASES**

The Foundation does not have any items under a capital or operating lease at December 31, 2018.

**NOTE 13: SUBSEQUENT EVENTS**

Subsequent events have been evaluated by management through June 18, 2019, 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, 2018.

## Supplemental Information

**Schedule 1**

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC**

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS**

**For the year ended December 31, 2018**

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 four 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, 2018

Agency Head: Ryan Seal, Executive Director

Salary	\$57,339
Health Insurance	6,716
FICA	4,387
Travel	1,008
Per Diem- Mileage	1,909
Conference	1,343
Dues	520
Business Meals	<u>331</u>
Total	<u>\$73,553</u>

Note: One half of these costs are shared with Franklinton Area Economic Development Foundation, Inc. through an intergovernmental agreement. Refer to Note 8 for more detail.

See accountant's report.

