

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

COMPILED FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2017**

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, 2017

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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, 2017, 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
May 21, 2018

FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2017

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 174,997
Certificate of Deposit	100,000
Accounts Receivable	5,265
Prepaid Insurance	-
Total Current Assets	<u>280,262</u>
Capital Assets (Net of Accumulated Depreciation)	41,327
Total Assets	<u>\$ 321,589</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 3,456
Payroll Taxes Payable	507
Total Current Liabilities	<u>3,963</u>

NET ASSETS

Investment in Capital Assets	41,327
Unrestricted	<u>276,299</u>
Total Net Assets	<u>317,626</u>
Total Liabilities and Net Assets	<u>\$ 321,589</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, 2017

INCREASES IN UNRESTRICTED NET ASSETS

Program revenues:	
Membership dues	\$ 13,755
Business/economic development fee	34,200
FAEDF reimbursements	36,295
Parish allocation of sales tax	19,112
Miscellaneous income	327
Interest income	963
Total Increases in Unrestricted Net Assets	<u>104,652</u>

DECREASES IN UNRESTRICTED NET ASSETS

Program services:	
Economic development	102,602
Support services:	
General administrative	16,057
Fund raising	3,102
Total Expenses	<u>121,761</u>

CHANGE IN NET ASSETS (17,109)

NET ASSETS AS OF BEGINNING OF YEAR 334,735

NET ASSETS AS OF END OF YEAR \$ 317,626

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, 2017

Cash flows from operating activities:	
Receipts from members, appropriations, agreements, etc.	\$ 103,616
Cash payments for supplies and services	(40,224)
Cash payments to employees	(78,145)
Net cash (used) provided by operating activities	<u>(14,753)</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	963
Purchase of certificate of deposit	<u>-</u>
Net cash (used) provided by investing activities	<u>963</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,790)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>188,787</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 174,997</u></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, 2017

Reconciliation of Change in Net Assets to Net

Cash Provided by Operations:

Change in net assets	\$ (18,075)
Depreciation	2,922
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(921)
(Increase) decrease in prepaid insurance	895
Increase (decrease) in accounts payable	(82)
Increase (decrease) in accrued payroll taxes	507
Net cash provided by operations	<u>\$ (14,753)</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, 2017

<u>Item of Expense</u>	Program			Total Expenses
	<u>Service</u>	<u>Support Services</u>		
	Industrial Dev.	General Adm.	Fund Raising	
Annual meeting expense	-	-	237	237
Automobile expense	1,478	493	-	1,971
Advertising and promotion	769	256	-	1,025
Conference	405	134	-	539
Depreciation	2,192	732	-	2,923
Dues & subscriptions	623	208	-	831
Employee benefits	9,882	1,135	341	11,358
Insurance expense	3,094	1,032	-	4,126
Office supplies	1,501	500	-	2,001
Payroll taxes	5,214	599	180	5,993
Professional fees	2,250	750	-	3,000
Repairs and maintenance	1,875	625	-	2,500
Salaries	67,987	7,816	2,344	78,146
Telephone	3,085	1,028	-	4,113
Travel	331	110	-	441
Utilities	1,918	639	-	2,557
Totals	102,602	16,057	3,102	121,761

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, 2017

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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION

The Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "Not for Profit Entities." Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: (1) unrestricted, (2) temporarily restricted, and (3) permanently restricted. In addition, the Foundation is required to present a Statement of Cash Flows. As of December 31, 2017, the Foundation has not received any permanently restricted contributions. The Foundation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present the two classes of net assets contained in their financial records.

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.

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

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.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2017

NOTE 2: CASH AND CASH EQUIVALENTS

At December 31, 2017, the Foundation has unrestricted cash and cash equivalents (book balances) totaling \$174,997 in demand deposits at Capital One Bank. These deposits consist of checking account totaling \$373 and a savings account totaling \$174,624.

At December 31, 2017, the Foundation's deposits at Capital One Bank (collected bank balances) totaled \$176,001. At December 31, 2017, the amount on deposit with the financial institutions was within the FDIC insured limit of \$250,000.

NOTE 3: CERTIFICATE OF DEPOSIT

At December 31, 2017, the Foundation had a certificate of deposit in the amount of \$100,000 at Citizens Savings Bank. The certificate will mature on February 11, 2018. The carrying value of the certificate is at cost.

The interest rate on the certificate was 0.60%. The Foundation earned \$963 in interest income from the certificate of deposit.

NOTE 4: ACCOUNTS RECEIVABLE

At December 31, 2017, 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.)	\$3,080
Accounts Receivable-Members	2,185
Total Accounts Receivable	<u>\$ 5,265</u>

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2017

NOTE 5: PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consist of the following:

	January 1, 2017	Additions	Disposals	December 31, 2017
Building Improvements	52,298	-	-	52,298
Buildings	13,900	-	-	13,900
Office Equipment	13,504	-	(1,344)	12,160
Land	22,500	-	-	22,500
Other	11,224	-	-	11,224
Total Assets	<u>113,426</u>	<u>-</u>	<u>(1,344)</u>	<u>112,082</u>
Less Accumulated Depreciation	<u>(69,177)</u>	<u>(2,922)</u>	<u>1,344</u>	<u>(70,755)</u>
Net Capital Assets	<u>44,249</u>	<u>(2,922)</u>	<u>-</u>	<u>41,327</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 copier that was fully depreciated. Depreciation expense for 2017 was \$2,922.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

There are no temporarily restricted net assets at December 31, 2017.

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 10 days prior to the beginning of each calendar year. No notice was received or given by the Foundation 10 days before January 1, 2017.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2017

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 \$36,000.

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 FASB Accounting Standards Codification 958-605-50 have not been satisfied.

NOTE10: ADVERTISING COSTS

The Foundation incurred \$1,025 in advertising and promotional expenses.

NOTE 11: LITIGATION AND CLAIMS

As of December 31, 2017, the Foundation did not have any lawsuit or pending litigation.

NOTE 12: LEASES

The Foundation does not have any items under a capital or operating lease at December 31, 2017.

NOTE 13: SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 21, 2018, 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, 2017.

Supplemental information

Schedule 1

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the year ended December 31, 2017

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, 2017, 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, 2017

Agency Head: Ryan Seal, Executive Director

Salary	57,754
Health Insurance	7,684
FICA	4,304
Travel	19
Per Diem- Mileage	1,529
Conference	790
Dues	620
Business Meals	<u>131</u>
Total	<u><u>72,831</u></u>

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

See accountant's report