

REPORT

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

COMPILED FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/20/11

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985) 839-4413
FAX (985) 839-4402

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Bogalusa, Louisiana

Financial Statements
As of and for the Year Ended December 31, 2010

CONTENTS

<u>Number</u>	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4-5
NOTES TO FINANCIAL STATEMENTS	6-10
SUPPLEMENTAL INFORMATION	
Schedule of Functional Expenses	11
Schedule of Board Member Compensation	12

MINDA B. RAYBOURN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

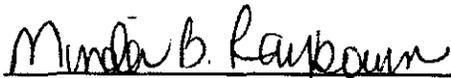
MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

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

I have compiled the accompanying statement of financial position of the Washington Economic Development Foundation, Inc. (a nonprofit corporation) as of December 31, 2010 and the related statements of activities and cash flows, for the year then ended, and the accompanying supplementary information contained in Schedule 1, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Minda B. Raybourn CPA, LLC

May 31, 2011

FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2010

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 356,917
Accounts Receivable	7,822
Prepaid Insurance	<u>5,425</u>
Total Current Assets	370,164
Capital Assets (Net of Accumulated Depreciation)	86,870
Total Assets	<u>\$ 457,034</u>

LIABILITIES

Current Liabilities:	
Accounts payable	\$ <u>2,600</u>
Total Current Liabilities	<u>2,600</u>

NET ASSETS

Investment in capital assets	86,870
Unrestricted	<u>367,564</u>
Total Net Assets	<u>454,434</u>
Total Liabilities and Net Assets	<u>\$ 457,034</u>

See accountant's report and accompanying notes to financial statements

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

INCREASES IN UNRESTRICTED NET ASSETS

Program revenues:	
Membership dues	\$ 16,493
Business/economic development fee	34,200
FAEDF reimbursements	30,973
Annual meeting	468
Rent income (net of \$2251 depreciation expense)	7,500
Art grant	2,580
State appropriation act 19	35,000
Other program revenue	74
Sale tax	30,654
Interest income	866
Total Increases in Unrestricted Net Assets	<u>158,808</u>

DECREASES IN UNRESTRICTED NET ASSETS

Program services:	
Economic development	56,364
Support services:	
General administrative	13,068
Fund raising	2,663
State appropriations	23,739
Sale tax	20,474
Art grant	2,732
Total Expenses	<u>119,040</u>

CHANGE IN NET ASSETS 39,768

NET ASSETS AS OF BEGINNING OF YEAR 414,666

NET ASSETS AS OF END OF YEAR \$ 454,434

See accountant's report and accompanying notes to financial statements

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2010

Cash flows from operating activities:	
Cash received from members for dues	\$ 25,589
Cash received for economic development fee	34,200
Cash received for annual meeting	468
Cash received from sale tax	29,147
Cash received from state appropriation	35,000
Cash received from art geant	2,580
Cash received from FAEDF	30,847
Cash received from rent	7,500
Cash received from interest	866
Other operating revenue	74
Cash payments to suppliers for goods and services	(45,898)
Cash payments to employees and professional contractors for services	(73,542)
Net cash provided by operating activities	<u>46,831</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	46,831
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>310,086</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 356,917</u></u>

See accountant's report and accompanying notes to financial statements

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2010

Reconciliation of Change in Net Assets to Net

Cash Provided by Operations:

Change in net assets	\$	39,768
Depreciation		5,053
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		5,902
(Increase) decrease in prepaid insurance		(3,492)
Increase (decrease) in account payables		(400)
Net cash provided by operations	<u>\$</u>	<u>46,831</u>

See accountant's report and accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2010

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 4), 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, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION

The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, 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, 2008, 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, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments, are stated at fair value, and consist solely of Certificates of Deposit at Capital One Bank (local Washington Parish financial institution). The Certificates have varying dates of maturity from 6 to 50 months.

NOTE 2: CASH AND CASH EQUIVALENTS

At December 31, 2010 the Foundation has unrestricted cash and cash equivalents (book balances) totaling \$356,917 in demand deposits at Capital One Bank. These deposits consist of checking account totaling \$47,293 and Tower(Capital) saving account totaling \$309,624 .

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, the Foundation's deposits (collected bank balances) totaled \$358,034. These deposits were secured from risk by \$298,410 of federal deposit insurance, and pledged securities in the amount of \$195,987. The pledged securities are registered in the name of the fiscal agent bank and are held by the Federal Reserve Bank of New Orleans, Louisiana. Because the pledged security is not registered in the District's name, the deposits are considered un-collateralized (category 3) under the provisions of GASB Statement Number 3.

NOTE 3: ACCOUNTS RECEIVABLE

At December 31, 2010, the Foundation's accounts receivable consisted of the following:

1) Accounts Receivable-FAEDF (Franklinton Area Economic Development Foundation agreed to share in the cost of a director. This receivable represents one month's billing.)	\$2,836
2) Due from Members for 2010 dues	1,600
3) Sale Tax and rental income	3,386
Total Accounts Receivable	<u>\$7,822</u>

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2010

NOTE 4: PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consist of the following:

	January 1 2010	Additions	Deletions	December 31, 2010
Buildings	\$ 58,500	\$ -	\$ -	\$ 58,500
Bldg. Improvements	66,429			66,429
Office Fixtures & Equip.	19,574		(4,820)	14,754
Other	11,222			11,222
Land	32,500			32,500
Subtotal	188,225	-	(4,820)	183,405
Less Accumulated Depreciation	(96,302)	(5,053)	4,820	(96,535)
Net Capital Assets	<u>\$ 91,923</u>	<u>\$ (5,053)</u>	<u>\$ -</u>	<u>\$ 86,870</u>

All fixed assets are stated at historical cost. Depreciation is computed on a straight-line basis for financial statement purposes.

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

There are no temporarily restricted net assets at December 31, 2010.

NOTE 6: BUSINESS/ECONOMIC DEVELOPMENT FEE

The Foundation entered into a "cooperative endeavor agreement" with the City of Bogalusa, under the Louisiana Constitution of 1974 Section 14©. 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, 2010.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2010

NOTE 7: RENTAL INCOME

In 1990 the Foundation acquired a building on Avenue F in the City of Bogalusa to have space for any retail prospects looking to locate in the City. At the present time the Foundation has 2 tenants paying rent of \$400 and \$225 per month.

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 \$30,000.

NOTE 9: OTHER ACTIVITY

On December 19, 2007 the Foundation agreed to handle the accounting and act as the depository for the "Washington Parish Rural Family Medicine Residency Program". This group of volunteers agreed to raise money to help defray relocation cost for Louisiana State University medical students transferring to the LSU Hospital in Bogalusa. These funds will act as an additional incentive to recruit doctors to the Bogalusa area. The Foundation will receive all donated funds and disburse funds according to the direction of the above referenced committee. The Foundation has the responsibility of safekeeping the funds and disbursing them according to the direction of the committee. The funds are not controlled by the Foundation and thus are not recorded as an asset of the Foundation. The balance as of December 31, 2010 is \$7,248. At present there is no activity for past three years.

NOTE 10: 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 SAFS No. 116 have not been satisfied.

NOTE 11: LITIGATION AND CLAIMS

As of December 31, 2010, the Foundation did not have any lawsuit or pending litigation.

NOTE 14: LEASES

The Foundation does not have any items under a capital or operating lease at December 31, 2010

SUPPLEMENTAL INFORMATION

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended December 31, 2010

Item of Expense	Program	Support Services		Sale Tax	Art Grant	State Appro.	Total Expenses
	Service	General	Fund				
	Industrial	Adm.	Raising				
	Dev.						
Salaries and payroll taxes	\$ 35,499	\$ 5,508	\$ 2,132	\$14,194		\$ 16,209	\$ 73,542
Employee benefits	3,844	596	232	1,537		1,755	7,964
Depreciation	2,439	525	-	975		1,114	5,053
Utilities	1,817	391		727		830	3,765
Office expense	1,941	301	118	776		886	4,022
Advertising	449						449
Auto expense	1,095	235		438		500	2,268
Annual meeting	1,129	282					1,411
Dues & subscriptions	780	480				357	1,617
Miscellaneous expense		6					6
Legal and professional		3,050					3,050
Insurance	2,996	465	181	1,198		1,368	6,208
Conference	1,065						1,065
Travel and entertainment	904						904
Telephone	1,576	339		629		720	3,264
Art Expenses					2,732		2,732
Repairs	830	890					1,720
Totals	\$ 56,364	\$ 13,068	\$ 2,663	\$ 20,474	\$ 2,732	\$ 23,739	\$ 119,040

See accountant's report

Schedule 2

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the year ended December 31, 2010

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, consist 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, 2010, and no compensation is planned for future years.

See accountant's report