

REPORT

WASHINGTON ECONOMIC
DEVELOPMENT FOUNDATION, INC.
Bogalusa, Louisiana

COMPILED FINANCIAL STATEMENTS

For the Year Ended
December 31, 2006

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 9/5/07

William R. Durden

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WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Bogalusa, Louisiana

Financial Statements
As of and for the Year Ended December 31, 2006

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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

I have compiled the accompanying statement of financial position of Washington Economic Development Foundation, Inc. (a nonprofit corporation) as of December 31, 2006, 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.

William R Durden

William R Durden CPA, LLC

May 22, 2007

FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2006

ASSETS

Cash and Cash Equivalents	\$ 96,689
Accounts Receivable	43,982
Short-Term Investments	100,000
Short-Term C D, Restricted for road construction	30,000
Prepaid Insurance	3,821
Capital Assets (Net of Accumulated Depreciation)	85,684
Total Assets	<u>\$ 360,176</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 2,650
Rent deposit payable	400
Deferred Income-Donation for Symphony III	5,000
Total Current Liabilities	<u>8,050</u>

NET ASSETS

Investment in capital assets	85,684
Restricted for Industrial Park road construction	30,000
Unrestricted	236,442
Total Net Assets	<u>352,126</u>
Total Liabilities and Net Assets	<u>\$ 360,176</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, 2006

PUBLIC SUPPORT AND REVENUES:

Membership dues	\$ 17,145
Business/economic development fee	34,200
Interest income	8,103
Rent income (net of \$2,317 depreciation expense)	4,583
State Appropriations	42,026
Symphony II Income:	
Art Council Grant	6,197
Donations	3,300
Ticket Sales	1,710
FAEDF Reimbursements	20,131
Other revenue	3,411
Total Support and Revenue	<u>140,806</u>

EXPENSES:

Program services:	
Economic development	42,193
Support services:	
General administrative	14,358
Fund raising	3,416
State appropriations	41,686
Symphony II expenses	12,424
Total Expenses	<u>114,077</u>

CHANGE IN NET ASSETS	26,729
NET ASSETS AS OF BEGINNING OF YEAR	<u>325,397</u>
NET ASSETS AS OF END OF YEAR	<u>\$ 352,126</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, 2006

Cash flows from operating activities:

Cash received from members for dues	\$ 18,603
Cash received for economic development fee	34,200
Cash received from fund raisers and donations	9,616
Cash received from grants	6,197
Cash received from state appropriations	19,062
Cash received from FAEDF	19,964
Cash payments to suppliers for goods and services	(27,965)
Cash payments to employees and professional contractors for services	(71,594)
Cash payments for Symphony Concert	(12,424)
Other operating revenue	-

Net cash provided by operating activities	<u>(4,341)</u>
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Cash flows from capital and related financing activities:

Acquisition of capital assets	(590)
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Net cash used by capital financing activities	<u>(590)</u>
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Cash flows from investing activities:

Interest income	8,103
Rental receipts	6,900
Rental deposits	400
Transfer from investments	-

Net cash provided by investing activities	<u>15,403</u>
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NET (DECREASE) IN CASH AND CASH EQUIVALENTS	10,472
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CASH AND CASH EQUIVALENTS, JANUARY 1	<u>86,217</u>
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CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 96,689</u>
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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, 2006

Reconciliation of Change in Net Assets to Net

Cash Provided by Operations:

Change in net assets	\$	26,729
Depreciation		6,200
Interest income		(8,103)
Rental income		(6,900)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(22,178)
(Increase) decrease in prepaid insurance		(2,159)
Increase (decrease) in accounts payable		370
Increase (decrease) in payroll taxes payable		-
Increase (decrease) in deferred income		1,700
Net cash provided by operations	\$	<u>(4,341)</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, 2006

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 "cooperative 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, 2006

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: unrestricted, temporarily restricted, and permanently restricted. In addition, the Foundation is required to present a Statement of Cash Flows. As of December 31, 2006, 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, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments, are stated at fair value, and consist solely of Certificates of Deposit at local (Washington Parish) financial institutions. The Certificates have varying dates of maturity from 6 to 12 months

NOTE 2: CASH AND CASH EQUIVALENTS

At December 31, 2006, the Foundation has unrestricted cash and cash equivalents (book balances) totaling \$96,689 in demand deposits. Additional bank balances are certificates of deposit reported as investments. These certificates of deposits total \$130,000 giving the Foundation total funds deposited in banks of \$226,689.

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, 2006, the Foundation's deposits (collected bank balances) in Hibernia National Bank totaled \$228,098. These deposits were secured from risk by \$198,098 of federal deposit insurance, and pledged securities in the amount of \$316,113. 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, 2006, 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 the director. This receivable represents one month's billing.)	\$ 1,956.
2) Due from State of Louisiana-State Appropriations (See Note 8). This receivable represents expenditures for the third and fourth quarters of 2006.	\$36,584.
3) Due from State of Louisiana-State Appropriations	\$ 5,442.
Total Accounts Receivable	<u>\$43,982.</u>

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2006

NOTE 4: PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consist of the following:

	January 1 2006	Additions	Deletions	December 31, 2005
Buildings	\$ 58,500	\$ -	\$ -	\$ 58,500
Bldg. Improvements	45,656	-	-	45,656
Office Fixtures & Equip.	17,924	590		18,514
Other	11,222	-		11,222
Land	32,500			32,500
Subtotal	<u>165,802</u>	<u>590</u>	<u>-</u>	<u>166,392</u>
Less Accumulated Depreciation	<u>(74,508)</u>	<u>(6,200)</u>		<u>(80,708)</u>
Net Capital Assets	<u>\$ 91,294</u>	<u>\$ (5,610)</u>	<u>\$ -</u>	<u>\$ 85,684</u>

All fixed assets are stated at historical cost. Depreciation is computed on a straight-line basis for financial statement purposes. Depreciation for 2006 was allocated - \$2,317 to rental and \$3,883 to general operations.

NOTE 5: DEFERRED INCOME

The Foundation received \$5,000 in contributions from Temple Inland, Inc. to be used to fund a concert by the Louisiana Philharmonic Orchestra at a future date. The Foundation has not set a date as of yet for the concert. Management at Temple Inland told the Foundation to hold the funds until a concert could be scheduled.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Restricted for periods after December 31, 2001:	
Industrial Park Road construction	\$30,000.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2006

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 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 for 2007.

NOTE 8: STATE APPROPRIATIONS

The Foundation and the State of Louisiana Department of Economic Development entered into a "cooperative endeavor agreement" (OCR #252-700579 CFMS #645138) on July 1, 2005, under Act 17, 2006 Legislative Session. The agreement covers two different amounts one for \$75,000 (Salaries, benefits, telephone, utilities, and other expenses) and the other for \$10,000 (office maintenance, dues, postage, office supplies, accounting services, and acquisitions or major repairs). The Foundation has submitted reports for the third and fourth quarters of 2006 for total reimbursements of \$42,027. This amount was set up as a receivable at 12/31/2006 in order to match the reimbursement with corresponding expenditures. The Foundation will submit quarterly reports for the first and second quarters of 2007 to complete the agreement with the State of Louisiana and claim the total of \$85,000.

NOTE 9: 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 reimbursement for December 2006 was set up as a receivable at 12/31/2006 and included in revenues for 2006. The estimated annual cost reimbursement will be approximately \$20,000.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2006

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, 2006, 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, 2006.

SUPPLEMENTAL INFORMATION

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended December 31, 2006

Item of Expense	Program Service	Support Services		State Appro.	Symphony Concert	Total Expenses
	Industrial Dev.	General Adm.	Fund Raising			
Salaries and payroll taxes	\$ 26,274	\$ 5,374	\$ 2,009	\$ 28,611	\$ -	\$ 62,268
Employee benefits	2,072	829	552	3,423		6,876
Fund raising expense	-	-	-	-		-
Depreciation	1,917	1,917	-	49		3,883
Utilities	762	761	-	2,042		3,565
Office expense	459	459	-	1,135		2,053
Advertising	306			-		306
Auto expense	1,622	405	-	-		2,027
Annual meeting	713	277	-	-		990
Dues & subscriptions	852	213	-	516		1,581
Miscellaneous expense	61	55	-	-		116
Legal and professional	-	450	-	2,400		2,850
Insurance	1,710	1,710	855	-		4,275
Travel and entertainment	1,984	-	-	-		1,984
Telephone	2,076	519	-	2,509		5,104
Repairs	1,385	1,384	-	1,001		3,770
Taxes & License	-	5	-	-		5
Symphony Expenses-I	-	-	-	-	-	-
Symphony Expenses-II	-	-	-	-	12,424	12,424
Totals	\$ 42,193	\$ 14,358	\$ 3,416	\$ 41,686	\$ 12,424	\$ 114,077

See accountant's report and notes to financial statements

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the year ended December 31, 2006

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.

Board members were not paid any compensation for the year ended December 31, 2006, and no compensation is planned for future years.