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**WASHINGTON INDUSTRIAL  
DEVELOPMENT FOUNDATION, INC.**

*Financial Statements and Independent Auditor's Reports*

*As of and for the Year Ended December 31, 1967*

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~MAY 27 1968~~

**RICHARD M. SEAL**

WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

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December 31, 1997

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INDEPENDENT AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENTS

To the Board of Directors of  
Washington Industrial Development Foundation, Inc.

I have audited the accompanying statement of financial position of Washington Industrial Development Foundation, Inc., as of December 31, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Washington Industrial Development Foundation, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Industrial Development Foundation, Inc. as of December 31, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated February 9, 1988 on my consideration of Washington Industrial Development Foundation, Inc.'s internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Washington Industrial Development Foundation, Inc., taken as a whole. The accompanying schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



Certified Public Accountant

Eggen, Louisiana  
February 9, 1988

## WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

## STATEMENT OF FINANCIAL POSITION

December 31, 1997

ASSETS			
Current assets:			
Cash in banks	\$	200,255	
Debt receivable		1,712	
Due from State		<u>1,247</u>	
Total current assets			\$ 203,214
Land, buildings and equipment		154,420	
Less accumulated depreciation		<u>(39,269)</u>	
Net land, buildings and equipment			<u>115,151</u>
Total Assets			\$ 318,365
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$	87	
Accrued payroll		566	
Payroll taxes payable		<u>1,060</u>	
Total current liabilities			\$ 1,683
Net assets:			
Unrestricted		<u>317,082</u>	
Total net assets			<u>317,082</u>
Total Liabilities and Net Assets			\$ 318,365

The accompanying notes are an integral part of this statement.

WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 1997

Changes in unrestricted net assets:		
Revenue and support:		
Membership dues	\$ 21,721	
Business/economic development fee	28,000	
Fund raising	28,191	
Contract fee	3,295	
Interest income	12,218	
Rent income, net of \$1,765 depreciation expense	2,135	
Donated services	2,000	
Annual meeting	<u>880</u>	
Total unrestricted revenue and support		\$ 105,330
Expenses:		
Program services:		
Industrial development	<u>85,178</u>	
Total program services expense		85,178
Support services:		
General administration	31,864	
Fund raising	<u>18,641</u>	
Total support services		<u>48,641</u>
Total expenses		<u>94,817</u>
Increase in unrestricted net assets		10,573
Net assets at beginning of year		<u>117,009</u>
Net assets at end of year		\$ 127,582

The accompanying notes are an integral part of this statement.

## WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 1997

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income	\$ 19,873
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	4,548
Change in assets and liabilities:	
(Increase) decrease in operating assets:	
Accounts receivable	(1,555)
Increase (decrease) in operating liabilities:	
Accounts payable	(12)
Accrued payroll	546
Payroll taxes payable	<u>387</u>
Net cash provided by operating activities	\$ 16,507
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of property and equipment	<u>(1,721)</u>
Net cash provided (used) by investing activities	<u>(1,721)</u>
Net increase in cash	12,776
Cash at beginning of year	<u>217,479</u>
Cash at end of year	<b>\$ 230,255</b>

The accompanying notes are an integral part of this statement.

WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 1987

INTRODUCTION

Washington Industrial Development Foundation, Inc. (WIDF) was incorporated May 8, 1981 under the provisions of Louisiana Revised Statutes 1984, Title 12, Chapter 2, as amended, and is governed by the provisions of its articles of incorporation and its by-laws. The primary goal of Washington Industrial Development Foundation, Inc. is to facilitate an intensive program of economic and industrial development in an effort to create a significant number of new job opportunities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of WIDF have been prepared on the accrual basis.

B. Financial Statement Presentation

The financial statements presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, Washington Industrial Development Foundation, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. However, Washington Industrial Development Foundation, Inc. has not received any restricted contributions and, therefore, record all revenues as unrestricted.

C. Equipment and Improvements

The Foundation capitalizes all expenditures for equipment in excess of \$500. Equipment and improvements are recorded at cost or at estimated fair value at date of gift, if donated. Depreciation is provided over the estimated useful lives of equipment and improvements on a straight-line basis.



WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.  
*Notes to Financial Statements (continued)*

D. Donated Services

The value of certain donated services is reflected as revenue in the accompanying financial statements at their fair market value as the date of gift. A substantial number of volunteers have donated significant amounts of their time; however, no amounts have been reflected in the statements for volunteer services since an objective basis is available to measure the value of these services.

E. Revenue Recognition

Membership dues are recorded as revenue in the applicable membership period.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from these estimates.

G. Income Taxes

The Internal Revenue Service has determined that WIDF meets the requirements of Sec. 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax under Sec. 501(a) of the Code, and has not been classified as a private foundation. Accordingly, no provisions for income taxes have been made in the accompanying financial statements.

H. Compensated Absences

Employees earn two to four weeks vacation leave based on length of employment and one week sick leave each year. Vacation time not taken within a year can be carried over to the next year but is limited to no more than one week. The cost of leave privileges is recognized as a current-year expenditure when leave is actually taken. The liability for compensated absences at December 31, 1997 is not reflected in the accompanying financial statements; however, the amount is not material.

WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.  
*Notes to Financial Statements (continued)*

**NOTE 2 - LAND, BUILDINGS AND EQUIPMENT**

A summary of land, buildings and equipment follows:

Land - Office	\$ 23,500
Land - Avenue F	10,000
Building - Office	86,700
Building - Avenue F	81,240
Equipment	<u>13,960</u>
	184,400
Less accumulated depreciation	<u>68,369</u>
Net land, buildings and equipment	\$116,031

**NOTE 3 - CASH**

At December 31, 1997, WIDF has cash (bank balances) totaling \$230,255 as follows:

Interest bearing demand deposits	\$ 100,255
Certificate of Deposits	<u>130,000</u>
	<u>\$230,255</u>

All funds were being held by financial institutions insured by FDIC.

**NOTE 4 - BUSINESS/ECONOMIC DEVELOPMENT FEE**

Effective January 1, 1997 WIDF entered into a "cooperative endeavor agreement" with the City of Bogalusa to provide certain business and economic development services to the City for a fee of \$38,000 per year. The agreement will continue until terminated in writing by either party.

WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.  
*Notes to Financial Statements (continued)*

**NOTE 5 - CONTRACT FEE**

On May 2, 1997, WIDF entered into a workforce development and training contract with the Louisiana Economic Development Corporation and Gaylord Container Corporation. WIDF's role is that of a monitor for the training program. The program's ultimate goal is for Gaylord to hire 46 additional persons/new hires/existing employees who have successfully completed the comprehensive training performance objectives. The contract ends on July 1, 2000, and WIDF receives a flat fee of \$9,934 over the term of the contract.

**NOTE 6 - RELATED PARTIES**

The Executive Director of WIDF, Jason Smith, is the son of the WIDF President, Kenneth Smith.

The Treasurer of WIDF, Charlie Talbot, is also employed part-time by WIDF as General Manager.

WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended December 31, 1987

Detail Expense	Program Services		Support Services		Total Expenses
	Industrial Development	General Administration	Fund Raising	Total Support	
Salaries and payroll costs	\$ 26,883	\$ 11,954	\$ 5,796	\$ 17,640	\$ 47,322
Employee benefits	720	504	67	871	1,291
Fund raising costs			6,792	2,782	9,574
Depreciation	2,382	2,362		2,892	4,184
Utilities	1,353	1,151		1,131	2,302
Office	1,218	1,218		1,235	2,436
Miscellaneous	5,337	1,180	387	1,667	7,394
Legal and professional fees	1,294	6,866		6,900	8,000
Insurance	1,294	1,296	725	1,941	3,167
Travel and entertainment	283				283
Telephone	1,949	812		812	1,961
Repairs and maintenance	1,331	1,561		1,561	3,100
Tax renewal expense		4,819		4,819	4,819
Continuing education	999				999
<b>Total</b>	<b>\$ 68,128</b>	<b>\$ 31,964</b>	<b>\$ 16,672</b>	<b>\$ 45,661</b>	<b>\$ 94,817</b>

See accompanying auditor's report.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Washington Industrial Development Foundation, Inc.

I have audited the financial statements of Washington Industrial Development Foundation, Inc. as of and for the year ended December 31, 1997, and have issued my report thereon dated February 9, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Washington Industrial Development Foundation, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Washington Industrial Development Foundation, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal

control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Finance Committee, management, and others within Washington Industrial Development Foundation, Inc., and the office of the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Bogalusa, Louisiana  
February 9, 1996

WASHINGTON INDUSTRIAL DEVELOPMENT FOUNDATION, INC.

SUMMARY OF PRIOR-YEAR FINDINGS

For the Year Ended December 31, 1997

I. STATUS OF PRIOR-YEAR FINDINGS:

There were no prior-year findings.