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**IBERIA INDUSTRIAL  
DEVELOPMENT FOUNDATION**

**FINANCIAL REPORT**

**DECEMBER 31, 1999**

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 MAY 2 4 2000

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1- 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4- 5
Statements of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7- 9
Compliance Information -	
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	10-11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	12
SCHEDULE OF PRIOR YEAR FINDINGS	13



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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors of  
Iberia Industrial Development Foundation

We have audited the accompanying statements of financial position of the Iberia Industrial Development Foundation (a Louisiana nonprofit corporation) as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Iberia Industrial Development Foundation as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 15, 2000 on our consideration of the Iberia Industrial Development Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Broussard, Poché, Lewis & Dreyer, L.L.P.*

New Iberia, Louisiana

March 15, 2000

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,065	\$ 17,530
Certificate of deposit	23,315	22,091
Accounts receivable	53,576	261
Prepaid expenses	<u>1,224</u>	<u>1,004</u>
Total current assets	<u>88,180</u>	<u>40,886</u>
FIXED ASSETS		
Land	11,000	11,000
Building	71,530	71,530
Building improvements	18,447	9,266
Equipment	30,695	28,316
Less accumulated depreciation	<u>(24,224)</u>	<u>(16,826)</u>
	<u>107,448</u>	<u>103,286</u>
RESTRICTED ASSETS		
Cash	<u>4,234</u>	<u>5,991</u>
OTHER ASSETS		
Investments	<u>100</u>	<u>100</u>
Total assets	<u>\$ 199,962</u>	<u>\$ 150,263</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 56,683	\$ 635
Accrued payroll	2,697	2,684
Payroll taxes withheld and payable	1,050	1,564
Rental deposit	400	100
Current maturities of long-term debt	<u>2,164</u>	<u>1,991</u>
Total current liabilities	62,994	6,974
LONG-TERM DEBT, less current maturities	<u>48,202</u>	<u>50,535</u>
Total liabilities	<u>111,196</u>	<u>57,509</u>
NET ASSETS		
Unrestricted	84,532	81,763
Temporarily restricted	<u>4,234</u>	<u>10,991</u>
Total net assets	<u>88,766</u>	<u>92,754</u>
Total liabilities and net assets	<u>\$ 199,962</u>	<u>\$ 150,263</u>

See Notes to Financial Statements.

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

STATEMENTS OF ACTIVITIES  
Years Ended December 31, 1999 and 1998

	<u>1999</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT:</b>			
Sales tax revenue	\$ 91,871	\$ --	\$ 91,871
Contributions	10,000	2,176	12,176
Less: uncollectible contributions	--	--	--
Membership revenue	23,280	--	23,280
Master Plan	--	29,600	29,600
Grant revenue	--	57,420	57,420
Interest revenue	1,618	248	1,866
Miscellaneous revenue	2,528	--	2,528
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>96,201</u>	<u>(96,201)</u>	<u>--</u>
Total revenues and other support	<u>225,498</u>	<u>(6,757)</u>	<u>218,741</u>
<b>EXPENSES:</b>			
Management and general:			
Advertising	1,665	--	1,665
Automobile	4,800	--	4,800
Contract labor	--	--	--
Depreciation	7,398	--	7,398
Dues and subscriptions	1,562	--	1,562
EIB	5,000	--	5,000
Insurance	2,227	--	2,227
Interest	4,332	--	4,332
Job development	5,095	--	5,095
Master Plan	29,600	--	29,600
Miscellaneous	--	--	--
Office	7,033	--	7,033
Postage	677	--	677
Professional fees	2,537	--	2,537
Rent	--	--	--
Repairs and maintenance	927	--	927
Salaries, wages, benefits and payroll taxes	75,669	--	75,669
Scholarships	2,505	--	2,505
Special projects	2,590	--	2,590
Taxes and licenses	123	--	123
Telephone	5,637	--	5,637
Travel and conventions	3,290	--	3,290
Utilities	4,033	--	4,033
Workforce Development Grant	<u>56,029</u>	<u>--</u>	<u>56,029</u>
	<u>222,729</u>	<u>--</u>	<u>222,729</u>
Change in net assets before loss on disposal	2,769	(6,757)	(3,988)
Loss on disposal of fixed assets	<u>--</u>	<u>--</u>	<u>--</u>
Change in net assets after loss on disposal	2,769	(6,757)	(3,988)
Net assets at beginning of year	<u>81,763</u>	<u>10,991</u>	<u>92,754</u>
Net assets at end of year	<u>\$ 84,532</u>	<u>\$ 4,234</u>	<u>\$ 88,766</u>

<u>1999</u>		<u>1998</u>	
<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Total</u>	
\$ 85,000	\$ 6,871	\$ 94,934	
10,000	2,176	15,839	
--	--	(9,270)	
30,000	(6,720)	20,150	
--	29,600	--	
--	57,420	--	
2,000	(134)	3,160	
10,400	(7,872)	1,714	
--	--	--	
<u>137,400</u>	<u>81,341</u>	<u>126,527</u>	
2,000	335	2,153	
4,800	--	4,196	
--	--	10,782	
--	(7,398)	4,744	
1,425	(137)	1,425	
5,000	--	--	
7,365	5,138	1,849	
5,992	1,660	1,024	
7,000	1,905	3,170	
--	(29,600)	--	
--	--	249	
8,788	1,755	8,062	
--	(677)	723	
2,200	(337)	3,750	
--	--	3,000	
--	(927)	3,347	
71,248	(4,421)	61,820	
--	(2,505)	3,362	
6,500	3,910	11,578	
--	(123)	1,128	
8,000	2,363	6,435	
4,500	1,210	108	
2,400	(1,633)	346	
--	(56,029)	--	
<u>137,218</u>	<u>(85,511)</u>	<u>133,251</u>	
182	(4,170)	(6,724)	
--	--	(4)	
<u>\$ 182</u>	<u>\$ (4,170)</u>	(6,728)	
		<u>99,482</u>	
		<u>\$ 92,754</u>	

See Notes to Financial Statements.



IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,988)	\$ (6,728)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,398	4,744
Loss on disposal of assets	--	4
(Increase) decrease in accounts receivable	(53,315)	4,239
Decrease in accrued interest receivable	--	2,631
Decrease in due from affiliate	--	7,270
(Increase) in prepaid expenses	(220)	(1,004)
Increase (decrease) in accounts payable	56,048	(1,969)
Increase in accrued payroll	13	2,684
(Decrease) in payroll taxes withheld and payable	(514)	(373)
Increase in rental deposit	<u>300</u>	<u>100</u>
Net cash provided by operating activities	<u>5,722</u>	<u>11,598</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of certificates of deposit	--	49,989
Purchase of certificates of deposit	(1,224)	(22,091)
Purchase of building	--	(29,530)
Purchase of building improvements	(9,181)	(9,266)
Purchases of equipment	<u>(2,379)</u>	<u>(5,026)</u>
Net cash (used in) investing activities	<u>(12,784)</u>	<u>(15,924)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments from (transfers to) Scholarship Fund	1,757	3,051
Principal payments	<u>(2,160)</u>	<u>(474)</u>
Net cash provided by (used in) financing activities	<u>(403)</u>	<u>2,577</u>
Net decrease in cash and cash equivalents	(7,465)	(1,749)
Cash and cash equivalents, beginning of year	<u>17,530</u>	<u>19,279</u>
Cash and cash equivalents, end of year	<u>\$ 10,065</u>	<u>\$ 17,530</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 4,332</u>	<u>\$ 1,024</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Land and building purchase financed with long-term debt	<u>\$ --</u>	<u>\$ 53,000</u>

See Notes to Financial Statements.



IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Iberia Industrial Development Foundation (IDF) is a nonprofit corporation organized under the laws of the State of Louisiana for the purpose of promoting industrial and economic development for the Parish of Iberia.

A. Support and expenses

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

B. Allowance for doubtful accounts:

The IDF considers accounts receivable, if any, to be fully collectible; accordingly, no allowance for doubtful accounts is required.

C. Sales tax revenue:

Ordinance 87-09-552 of the Iberia Parish Council, passed September 9, 1987, called for the imposition of a 2% hotel and motel tax in Iberia Parish for the benefit of the IDF. Under an agreement with the same, the Iberia Parish Government acts as collecting agent for the tax, less a 2% fee for administrative purposes.

D. Contributions:

Included in support is a contribution from the City of New Iberia and the Iberia Parish Government, both in the amount of \$5,000 for 1999 and 1998.

E. Membership dues:

Membership dues are recognized as revenues on the calendar year basis. Membership is completely voluntary and dues, currently \$150 annually, are decided by the member-elected board of directors.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

F. Property and equipment:

Expenses for the acquisition of property and equipment are capitalized at cost. Similarly, the fair value of donated furniture and equipment is capitalized. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Building and improvements	25 years
Furniture and equipment	5 - 10 years

G. Federal income taxes:

The Foundation is an exempt organization for federal income tax purposes under Section 501(c)(6) of the Internal Revenue Code. However, certain rental activities of the Foundation are not exempt from income tax as further discussed in Note 6.

H. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Investments:

Investments which consist of certificates of deposit, are presented in the financial statements at cost which approximates fair market value.

J. Cash and cash equivalents:

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Note 2. Note Payable

At December 31, 1999, the Foundation has a note payable to a bank totaling \$50,366. The note is payable in monthly installments of \$499 and is secured by a collateral mortgage note dated September 21, 1998. Interest accrues at 7.75%. The note matures on September 25, 2013. Maturities are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 2,164	\$ 3,828	\$ 5,992
2001	2,338	3,654	5,992
2002	2,526	3,466	5,992
2003	2,729	3,263	5,992
2004	2,948	3,044	5,992
Thereafter	<u>37,661</u>	<u>14,119</u>	<u>51,780</u>
	<u>\$ 50,366</u>	<u>\$ 31,374</u>	<u>\$ 81,740</u>

NOTES TO FINANCIAL STATEMENTS

Note 3. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>1999</u>	<u>1998</u>
Remaining contributions for Master Plan	\$ --	\$ 5,000
Remaining contributions for Scholarships	<u>4,234</u>	<u>5,991</u>
	<u>\$ 4,234</u>	<u>\$10,991</u>

Note 4. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose.

	<u>1999</u>	<u>1998</u>
Purpose restrictions accomplished:		
Scholarships awarded	\$ 2,505	\$ 3,362
Master plan expenses	34,600	--
Grant payments	57,420	--
Miscellaneous	<u>1,676</u>	<u>839</u>
	<u>\$96,201</u>	<u>\$ 4,201</u>

Note 5. Operating Lease

The Foundation has entered into a noncancellable operating lease for a copy machine. The future minimum lease payments are \$3,520 at December 31, 1999. This amount will be paid during next fiscal year.

Rent expense for the year ended December 31, 1999 was \$4,266.

Note 6. Income Taxes on Unrelated Business Income

Beginning in 1999, the Foundation has unrelated business income as a result of its rental of debt-financed property. However, after considering expenses directly connected with or allocable to the debt-financed property, the result is a net loss. Therefore, there is no provision for income taxes in the financial statements.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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To the Board of Directors of the  
Iberia Industrial Development Foundation  
New Iberia, Louisiana

We have audited the financial statements of the Iberia Industrial Development Foundation (a Louisiana nonprofit corporation) as of and for the year ended December 31, 1999, and have issued our report thereon dated March 15, 2000. We conducted our 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 the Iberia Industrial Development Foundation's financial statements are free of material misstatement, we 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 those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our 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 our audit, we considered the Iberia Industrial Development Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Foundation's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 1999-1.

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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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness. We also noted another matter involving the internal control over financial reporting that we have reported to management of the Foundation in a separate letter dated March 15, 2000.

This report is intended for the information of the Foundation's board of directors, management, and the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

*Broussard, Poché, Lewis & Dixon, L.L.P.*  
New Iberia, Louisiana  
March 15, 2000

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 1999

We have audited the financial statements of Iberia Industrial Development Foundation as of and for the year ended December 31, 1999, and have issued our report thereon dated March 15, 2000. We conducted our 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. Our audit of the financial statements as of December 31, 1999, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No  
Reportable Conditions  Yes  None reported

Compliance

Compliance Material to Financial Statements  Yes  No

Section II - Financial Statement Findings

1999-1. The Foundation does not have an adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Foundation may not be large enough to permit procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 1999

Section I. Internal Control and Compliance Material to the Financial Statements

None reported.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

In-kind Contributions

Recommendation: The Iberia Industrial Development Foundation should take appropriate measures to record all in-kind contributions in the financial statements in the period the services are received. Under SFAS No. 116, contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that would typically need to be purchased if not provided by donation should be recorded at their fair values in the period received.

Current status: This same finding is included in the current year's management letter.





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March 15, 2000

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To the Board of Directors of the  
Iberia Industrial Development Foundation  
New Iberia, Louisiana

During our audit of the financial statements of the Iberia Industrial Development Foundation as of and for the year ended December 31, 1999, we developed the attached item which we believe merit your attention.

The comment and suggestion outlined on the following page is being presented for your consideration as a way in which operating procedures may be improved. We will be happy to discuss in greater detail the item presented. If you have any questions concerning this comment and suggestion, or if we can be of further assistance, please contact us at your convenience.

We wish to express our appreciation for your cooperation during our audit.

Very truly yours,

*Broussard, Poche, Lewis & Breaux, L.L.P.*  
BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.

*George J. Trappey III*  
Partner

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1997

*Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants*

## In-Kind Contributions

### Finding:

It was noted during our audit of the financial statements as of and for the year ended December 31, 1999 where in-kind contributions were received by the Iberia Industrial Development Foundation but not recorded in the financial statements.

### Recommendation:

The Iberia Industrial Development Foundation should take appropriate measures to record all in-kind contributions in the financial statements in the period the services are received. Under SFAS No. 116, contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that would typically need to be purchased if not provided by donation should be recorded at their fair values in the period received.

### Response:

The Foundation will begin recording all in-kind contributions in it's financial statements immediately.



*Iberia Industrial Development Foundation*

May 5, 2000

Dr. Daniel Kyle  
Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Iberia Industrial Development Foundation respectfully submits the following corrective action plan for the year ended December 31, 1999.

Name and address of independent public accounting firm:  
Broussard, Poche', Lewis & Breaux, L.L.P.  
Certified Public Accountants  
P. O. Box 9631  
New Iberia, Louisiana 70562-9631

Audit period: January 1, 1999 through December 31, 1999

The finding from the 1999 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule. Section I of the schedule, Summary of Auditor's Reports, does not include findings and is not addressed.

Section II - Financial Statement Findings

1999-1 Segregation of duties

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Action taken: Due to the small size of the administrative staff, complete segregation of duties is not possible. However, Foundation officials will continue to monitor the situation.

Sincerely,

Iberia Industrial Development Foundation

D. C. Jones  
President & CEO