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IBERIA INDUSTRIAL
DEVELOPMENT FOUNDATION

FINANCIAL REPORT

DECEMBER 31, 1998

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 JUN 02 1999

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

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CPA Professional Accounting Corporation.

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, 1998 and 1997, 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, 1998 and 1997, 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 April 2, 1999 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 & Breaux, L.L.P.
New Iberia, Louisiana
April 2, 1999

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

STATEMENTS OF FINANCIAL POSITION
December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,530	\$ 19,279
Certificate of deposit	22,091	49,989
Accounts receivable	261	4,500
Accrued interest receivable	--	2,631
Due from affiliate	--	7,270
Prepaid expenses	<u>1,004</u>	<u>--</u>
Total current assets	<u>40,886</u>	<u>83,669</u>
FIXED ASSETS		
Land	11,000	--
Building	71,530	--
Building improvements	9,266	--
Equipment	28,316	28,939
Less accumulated depreciation	<u>(16,826)</u>	<u>(17,727)</u>
	<u>103,286</u>	<u>11,212</u>
RESTRICTED ASSETS		
Cash	<u>5,991</u>	<u>9,042</u>
OTHER ASSETS		
Investments	<u>100</u>	<u>100</u>
Total assets	<u>\$ 150,263</u>	<u>\$ 104,023</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 635	\$ 2,604
Accrued payroll	2,684	--
Payroll taxes withheld and payable	1,564	1,937
Rental deposit	100	--
Current maturities of long-term debt	<u>1,991</u>	<u>--</u>
Total current liabilities	6,974	4,541
LONG-TERM DEBT, less current maturities	<u>50,535</u>	<u>--</u>
Total liabilities	<u>57,509</u>	<u>4,541</u>
NET ASSETS		
Unrestricted	81,763	90,440
Temporarily restricted	<u>10,991</u>	<u>9,042</u>
Total net assets	<u>92,754</u>	<u>99,482</u>
Total liabilities and net assets	<u>\$ 150,263</u>	<u>\$ 104,023</u>

See Notes to Financial Statements.

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

STATEMENTS OF ACTIVITIES
Years Ended December 31, 1998 and 1997

	<u>1998</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT:			
Sales tax revenue	\$ 94,934	\$ --	\$ 94,934
Contributions	10,000	5,839	15,839
Less: uncollectible contributions	(9,270)	--	(9,270)
Membership revenue	20,150	--	20,150
Interest revenue	2,849	311	3,160
Miscellaneous revenue	1,714	--	1,714
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>4,201</u>	<u>(4,201)</u>	<u>--</u>
Total revenues and other support	<u>124,578</u>	<u>1,949</u>	<u>126,527</u>
EXPENSES:			
Management and general:			
Administrative fees	--	--	--
Advertising	2,153	--	2,153
Automobile	4,196	--	4,196
Contract labor	10,782	--	10,782
Depreciation	4,744	--	4,744
Dues and subscriptions	1,425	--	1,425
Insurance	1,849	--	1,849
Interest	1,024	--	1,024
Job development	3,170	--	3,170
Miscellaneous	249	--	249
Office	8,062	--	8,062
Postage	723	--	723
Promotional	--	--	--
Professional fees	3,750	--	3,750
Rent	3,000	--	3,000
Repairs and maintenance	3,347	--	3,347
Salaries, wages, benefits and payroll taxes	61,820	--	61,820
Scholarships	3,362	--	3,362
Special projects	11,578	--	11,578
Taxes and licenses	1,128	--	1,128
Telephone	6,435	--	6,435
Travel and conventions	108	--	108
Utilities	<u>346</u>	<u>--</u>	<u>346</u>
	<u>133,251</u>	<u>--</u>	<u>133,251</u>
Change in net assets before loss on disposal	(8,673)	1,949	(6,724)
Loss on disposal of fixed assets	<u>(4)</u>	<u>--</u>	<u>(4)</u>
Change in net assets after loss on disposal	(8,677)	1,949	(6,728)
Net assets at beginning of year	<u>90,440</u>	<u>9,042</u>	<u>99,482</u>
Net assets at end of year	<u>\$ 81,763</u>	<u>\$ 10,991</u>	<u>\$ 92,754</u>

See Notes to Financial Statements.

<u>1998</u>		<u>1997</u>	
<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Total</u>	
\$ 75,000	\$ 19,934	\$ 85,583	
12,500	3,339	38,270	
--	(9,270)	--	
30,000	(9,850)	26,275	
3,000	160	3,385	
--	1,714	--	
<u>--</u>	<u>--</u>	<u>--</u>	
<u>120,500</u>	<u>6,027</u>	<u>153,513</u>	
--	--	4,583	
--	(2,153)	2,000	
4,800	604	4,000	
--	(10,782)	96	
--	(4,744)	3,379	
1,425	--	1,834	
1,415	(434)	1,415	
--	(1,024)	--	
8,000	4,830	6,890	
--	(249)	793	
4,500	(3,562)	3,034	
--	(723)	971	
--	--	2,419	
3,200	(550)	2,100	
5,500	2,500	--	
--	(3,347)	1,333	
75,873	14,053	67,758	
--	(3,362)	1,200	
7,000	(4,578)	22,448	
--	(1,128)	--	
11,000	4,565	5,809	
9,500	9,392	9,618	
<u>--</u>	<u>(346)</u>	<u>--</u>	
<u>132,213</u>	<u>(1,038)</u>	<u>141,680</u>	
(11,713)	4,989	11,833	
<u>--</u>	<u>(4)</u>	<u>(195)</u>	
<u>\$ (11,713)</u>	<u>\$ 4,985</u>	11,638	
		<u>87,844</u>	
		<u>\$ 99,482</u>	

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

STATEMENTS OF CASH FLOWS
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (6,728)	\$ 11,638
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,744	3,379
Loss on disposal of assets	4	195
(Increase) decrease in accounts receivable	4,239	(4,500)
(Increase) decrease in accrued interest receivable	2,631	(2,631)
(Increase) decrease in due from affiliate	7,270	(7,270)
(Increase) in prepaid expenses	(1,004)	--
Increase (decrease) in accounts payable	(1,969)	2,604
Increase in accrued payroll	2,684	--
Increase (decrease) in payroll taxes withheld and payable	(373)	394
Increase in rental deposit	<u>100</u>	<u>--</u>
Net cash provided by operating activities	<u>11,598</u>	<u>3,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of certificates of deposit	49,989	--
Purchase of certificates of deposit	(22,091)	(49,989)
Purchase of investment	--	(100)
Purchase of building	(29,530)	--
Purchase of building improvements	(9,266)	--
Purchases of equipment	<u>(5,026)</u>	<u>(6,964)</u>
Net cash (used in) investing activities	<u>(15,924)</u>	<u>(57,053)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments from (transfers to) Scholarship Fund	3,051	(9,042)
Principal payments	<u>(474)</u>	<u>--</u>
Net cash provided by (used in) financing activities	<u>2,577</u>	<u>(9,042)</u>
Net (decrease) in cash	(1,749)	(62,286)
Cash and cash equivalents, beginning of year	<u>19,279</u>	<u>81,565</u>
Cash and cash equivalents, end of year	<u>\$ 17,530</u>	<u>\$ 19,279</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 1,024</u>	<u>\$ --</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Land and building purchase financed with long-term debt	<u>\$ 53,000</u>	<u>\$ --</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 was a contribution from the City of New Iberia and the Iberia Parish Government, both in the amount of \$5,000 for 1998 and 1997. Other contributions included a grant from the Wal-Mart Foundation of \$0 and \$2,500 for 1998 and 1997.

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:

Expenditures 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 IDF qualifies for an exemption from federal income tax under Section 501(c)(6) of the Internal Revenue code. Therefore, no provision for income taxes is made in the accompanying financial statements.

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, 1998, the Foundation had a note payable to a bank totaling \$52,526. 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>
1999	\$ 1,991	\$ 4,001	\$ 5,992
2000	2,151	3,841	5,992
2001	2,323	3,669	5,992
2002	2,510	3,482	5,992
2003	2,711	3,281	5,992
Thereafter	<u>40,840</u>	<u>17,431</u>	<u>58,271</u>
	<u>\$ 52,526</u>	<u>\$ 35,705</u>	<u>\$ 88,231</u>

NOTES TO FINANCIAL STATEMENTS

Note 3. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>1998</u>	<u>1997</u>
Remaining contributions for Master Plan	\$ 5,000	\$ --
Remaining contributions for Scholarships	<u>5,991</u>	<u>9,042</u>
	<u>\$10,991</u>	<u>\$ 9,042</u>

Note 4. Net Assets Released from Restrictions

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

	<u>1998</u>	<u>1997</u>
Purpose restrictions accomplished:		
Special Project Incubator	\$ --	\$13,585
Scholarships awarded	3,362	1,200
Co-sponsorship contribution (Job Fair)	--	2,000
Iberia Incubator contribution for IDF moving expenses	--	7,270
Miscellaneous	<u>839</u>	<u>8</u>
	<u>\$ 4,201</u>	<u>\$24,063</u>

Note 5. Operating Lease

The Foundation has entered into a noncancellable operating lease for a copy machine. The following is a schedule of the future minimum lease payments under the operating lease as of December 31, 1998:

<u>Year Ending</u>		
1999		\$ 3,840
2000		<u>3,520</u>
		<u>\$ 7,360</u>

Rent expense for the year ended December 31, 1998 was \$4,475.



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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, 1998, and have issued our report thereon dated April 2, 1999. 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. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to management of the Iberia Industrial Development Foundation in a separate letter dated April 2, 1999.

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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 & Sney, L.L.P.

New Iberia, Louisiana

April 2, 1999

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 1998

I. Summary of Auditors' Results

The following summarizes the auditors' results:

- a. An unqualified opinion was issued on the financial statements of the Iberia Industrial Development Foundation, Inc. as of and for the year ended December 31, 1998;
- b. The audit did not disclose any reportable conditions in internal control;
- c. The audit did not disclose any noncompliance considered material to the financial statements of the Iberia Industrial Development Foundation, Inc.;
- d. The audit was not subject to OMB Circular A-133;
- e. The audit was not subject to OMB Circular A-133;
- f. The audit was not subject to OMB Circular A-133;
- g. A management letter was issued;
- h. The audit was not subject to OMB Circular A-133;
- I. The audit was not subject to OMB Circular A-133;

II. Findings in Accordance with Government Auditing Standards

No findings in accordance with Government Auditing Standards were disclosed by the audit.

III. Findings and Questioned Costs for Federal Awards

The audit was not subject to OMB Circular A-133.

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1998

REF NO.	DESCRIPTION OF FINDING	CORRECTIVE ACTION TAKEN (YES, NO, PARTIALLY)	PLANNED CORRECTIVE ACTION/PARTIAL CORRECTIVE ACTION TAKEN
I.	Findings in Accordance with <u>Government Auditing Standards</u>		
	None.		
II.	Findings Related to Federal Awards		
	None.		
III.	Management Letter Findings		
	Fixed Assets	Yes	A fixed asset inventory count was conducted during the year ended December 31, 1998.
	In-Kind Contributions	No	

IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDING
For the Year Ended December 31, 1998

I. Findings in Accordance with Government Auditing Standards

None.

II. Findings Related to Federal Awards

None.

III. Management Letter Findings

In-Kind Contributions

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



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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, 1998, 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 & Breau, L.L.P.
BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.

George J. Jaffray III
Partner

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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, 1998 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 its financial statements immediately.