

**LOUISIANA IMMERSIVE TECHNOLOGIES
ENTERPRISE COMMISSION**

FINANCIAL REPORT

JULY 31, 2017

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Commissioners
Louisiana Immersive Technologies
Enterprise Commission
Lafayette, Louisiana

Management is responsible for the accompanying financial statements of Louisiana Immersive Technologies Enterprise Commission, which comprise the statement of net position as of July 31, 2017, and the related statement of revenues, expenses and changes in net position and cash flows for the month then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in the schedule of compensation, benefits and other payments to agency head is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Commission's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Emphasis of Matter

Total capital transfers out to the University amounted to \$14,248,753. As of July 31, 2017 all assets and liabilities of the Commission were transferred over to the University of Louisiana at Lafayette. The Commission was dissolved effective July 31, 2017.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles in the United States of America require to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic and historical context.



Lafayette, Louisiana
December 18, 2017

LOUISIANA IMMERSIVE TECHNOLOGIES
ENTERPRISE COMMISSION

STATEMENT OF NET POSITION
July 31, 2017
See Independent Accountants' Report

ASSETS

Total assets \$ -

LIABILITIES AND NET POSITION

LIABILITIES

Total liabilities \$ -

NET POSITION

Total net position \$ -

Total liabilities and net position \$ -

LOUISIANA IMMERSIVE TECHNOLOGIES
ENTERPRISE COMMISSION

STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION

Month Ended July 31, 2017

See Independent Accountants' Report

Operating revenues:	
Lease revenue	\$ 49,114
Total operating revenues	<u>\$ 49,114</u>
Operating expenses:	
Salaries and employee benefits	\$ 13,566
Accounting and auditing	14,454
Depreciation expense	55,073
Dues and memberships	3,333
Insurance	43,829
Internet	300
IT support	7,773
Legal	3,438
Repairs and maintenance	23,537
Supplies	2,026
Telephone	1,341
Utilities	18,000
Waste disposal	235
Other	180
Total operating expenses	<u>\$ 187,085</u>
Operating loss	<u>\$ (137,971)</u>
Non-operating revenues (expenses):	
Interest income	\$ 1,247
Capital transfers out	<u>(14,248,753)</u>
Total non-operating expenses	<u>\$ (14,247,506)</u>
Change in net position	\$ (14,385,477)
Net position, beginning	<u>14,385,477</u>
Net position, ending	<u>\$ -</u>

LOUISIANA IMMERSIVE TECHNOLOGIES
ENTERPRISE COMMISSION

STATEMENT OF CASH FLOWS
Month Ended July 31, 2017
See Independent Accountants' Report

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for lessees and venue usage	\$ 7,809
Payments to suppliers for goods and services	(145,689)
Payments to employees and for employee related costs	<u>(13,941)</u>

Net cash used in operating activities \$ (151,821)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital transfer to University	<u>\$ (1,453,042)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>\$ 1,247</u>
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Net decrease in cash \$ (1,603,616)

Cash, beginning of year 1,603,616

Cash, end of year \$ -

RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES

Operating loss \$ (137,971)

Adjustments to reconcile operating loss to
net cash used in operating activities:

Depreciation	55,073
Change in assets and liabilities –	
Decrease in receivables	4,091
Decrease in prepaid expenses	3,333
Decrease in accounts payable	(30,576)
Decrease in unearned revenue	(45,396)
Decrease in accrued payroll	<u>(375)</u>

Net cash used in operating activities \$ (151,821)

LOUISIANA IMMERSIVE TECHNOLOGIES
ENTERPRISE COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
For the One Month Ended July 31, 2017

Agency Head: Doug Menefee, Chairman

There was no compensation, benefits or other payments to agency head for the month ending July 31, 2017.

See Independent Accountants' Report.

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LOUISIANA IMMERSIVE TECHNOLOGIES
ENTERPRISE COMMISSION

SCHEDULE OF FINDINGS AND RESPONSES
For the One Month Ended July 31, 2017

Finding: **#2018-001 Segregation of Duties**

Condition: The Commission does not have an adequate segregation of duties in the accounting department. One individual prepares deposit slips, enters deposits into the accounting system, and reconciles the cash account. The same individual is involved in the accounts payable function, having the ability to print checks, and in the payroll function, having access to the online payroll system and the ability to approve payroll.

Criteria: An effective system of internal control requires a proper segregation of duties so that no one individual handles a transaction from its inception to its completion.

Cause: The Commission has a limited number of employees within the accounting department.

Effect: Ineffective system of internal controls within the accounting function.

Recommendation: While we recognize that the Commission may not be a large enough entity to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. Keeping in mind the limited number of employees to which duties can be assigned, the Commission should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: We have segregated duties as much as possible with the resources available.

LOUISIANA IMMERSIVE TECHNOLOGIES
ENTERPRISE COMMISSION

SCHEDULE OF PRIOR FINDINGS
For the One Month Ended July 31, 2017

Finding: **#2017-001 Segregation of Duties**

Recommendation: While we recognize that the Commission may not be a large enough entity to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. Keeping in mind the limited number of employees to which duties can be assigned, the Commission should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: NOT RESOLVED: Repeat finding at 2018-001.