
CENTER FOR PLANNING EXCELLENCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020



CENTER FOR PLANNING EXCELLENCE, INC.

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DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Planning Excellence, Inc.
Baton Rouge, Louisiana

Opinion

We have audited the accompanying financial statements of Center for Planning Excellence, Inc. (CPEX), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CPEX as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center for Planning Excellence, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CPEX's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPEX's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CPEX's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of CPEX's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPEX's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 30, 2022

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,159,560	\$ 1,413,787
Restricted cash and cash equivalents	37,500	-
Investments	875,837	358,418
Accounts receivable	320,740	328,310
Prepaid expenses	13,643	13,898
Total current assets	2,407,280	2,114,413
 <u>PROPERTY AND EQUIPMENT, net</u>	 7,937	 6,748
Total assets	\$ 2,415,217	\$ 2,121,161

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 93,740	\$ 291,756
Refundable advances	435,429	478,767
Agency obligation payable	37,500	-
Total liabilities	566,669	770,523
 <u>NET ASSETS</u>		
Without donor restrictions	1,848,548	1,350,638
Total net assets	1,848,548	1,350,638
Total liabilities and net assets	\$ 2,415,217	\$ 2,121,161

The accompanying notes are an integral part of these statements.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Year ended December 31, 2021		
	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Consulting	\$ 1,013,344	\$ -	\$ 1,013,344
Membership contributions	137,699	-	137,699
Grants	150,000	885,243	1,035,243
Event	40,951	-	40,951
In-kind	10,500	-	10,500
Investments and other	77,488	-	77,488
	1,429,982	885,243	2,315,225
Net assets released from restrictions	885,243	(885,243)	-
Total revenues and support	2,315,225	-	2,315,225
EXPENSES			
Program services:			
Communication and Advocacy	67,541	-	67,541
Community planning	1,009,001	-	1,009,001
Coastal/resilience	176,671	-	176,671
Total program services	1,253,213	-	1,253,213
Support services:			
Administration	486,049	-	486,049
Fundraising	78,053	-	78,053
Total support services	564,102	-	564,102
Total expenses	1,817,315	-	1,817,315
Change in net assets	497,910	-	497,910
NET ASSETS			
Beginning of year	1,350,638	-	1,350,638
End of year	\$ 1,848,548	\$ -	\$ 1,848,548

The accompanying notes are an integral part of these statements.

Year ended December 31, 2020

Without donor restrictions	With donor restrictions	Total
\$ 780,028	\$ -	\$ 780,028
118,941	-	118,941
150,000	1,562,484	1,712,484
50,500	-	50,500
9,275	-	9,275
29,963	-	29,963
1,138,707	1,562,484	2,701,191
1,562,484	(1,562,484)	-
2,701,191	-	2,701,191
212,978	-	212,798
1,299,773	-	1,299,773
242,704	-	242,704
1,755,455	-	1,755,275
543,810	-	543,810
57,089	-	57,089
600,899	-	600,899
2,356,354	-	2,356,354
344,837	-	344,837
1,005,801	-	1,005,801
<u>\$ 1,350,638</u>	<u>\$ -</u>	<u>\$ 1,350,638</u>

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 497,910	\$ 344,837
Adjustments for non-cash items:		
Depreciation	5,051	4,697
Net unrealized gain on investments	(64,596)	(21,937)
Change in operating assets and liabilities:		
Accounts receivable	7,570	(125,286)
Prepaid expenses	255	512
Accounts payable and accrued expenses	(198,016)	207,934
Agency obligation payable	37,500	-
Refundable advances	(43,338)	155,729
Net cash provided by operating activities	<u>242,336</u>	<u>566,486</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(452,823)	(5,909)
Purchase of property and equipment	(6,240)	-
Net cash used in investing activities	<u>(459,063)</u>	<u>(5,909)</u>
Net change in cash and cash equivalents	(216,727)	560,577
Cash and cash equivalents, restricted cash and cash equivalents, beginning of year	<u>1,413,787</u>	<u>853,210</u>
Cash and cash equivalents, restricted cash and cash equivalents, end of year	<u>\$ 1,197,060</u>	<u>\$ 1,413,787</u>
Classified as:		
Cash and cash equivalents	\$ 1,159,560	\$ 1,413,787
Restricted cash and cash equivalents	37,500	-
	<u>\$ 1,197,060</u>	<u>\$ 1,413,787</u>

The accompanying notes are an integral part of these statements.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program			Support		Total
	Communication and Advocacy	Community Planning	Coastal/ Resilience	Administration	Fundraising	
Salaries, payroll taxes, and benefits	\$ 52,519	\$ 567,771	\$ 113,472	\$ 434,998	\$ 37,637	\$ 1,206,397
Professional services	9,246	380,409	48,147	23,089	18,312	479,203
Travel and meetings	1,466	17,979	7,711	701	12,467	40,324
Occupancy	1,284	10,255	1,846	8,345	681	22,411
Equipment rental and maintenance	1,519	12,264	3,131	7,137	2,137	26,188
Printing, postage and shipping	17	5,188	48	151	5,014	10,418
Insurance	619	6,946	1,196	4,519	436	13,716
Depreciation	211	2,316	429	1,937	158	5,051
Office supplies	164	2,024	423	2,477	286	5,374
Bank fees	6	764	11	52	746	1,579
Dues and subscriptions	490	3,085	257	2,643	179	6,654
	<u>\$ 67,541</u>	<u>\$ 1,009,001</u>	<u>\$ 176,671</u>	<u>\$ 486,049</u>	<u>\$ 78,053</u>	<u>\$ 1,817,315</u>

The accompanying notes are an integral part of this statement.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program			Support		Total
	Communication and Advocacy	Community Planning	Coastal/ Resilience	Administration	Fundraising	
Salaries, payroll taxes, and benefits	\$ 113,345	\$ 248,796	\$ 156,780	\$ 480,406	\$ 35,161	\$ 1,034,488
Professional services	85,622	1,022,254	66,932	25,371	6,748	1,206,927
Travel and meetings	2,230	5,368	1,554	1,468	4,052	14,672
Occupancy	5,106	11,376	6,628	19,696	1,454	44,260
Equipment rental and maintenance	2,331	5,325	7,190	8,239	2,753	25,838
Printing, postage and shipping	2,352	1,550	121	217	5,111	9,351
Insurance	1,215	2,695	1,658	5,106	366	11,040
Depreciation	509	1,151	711	2,165	161	4,697
Office supplies	256	822	413	816	175	2,482
Bank fees	12	436	15	69	1,108	1,640
Dues and subscriptions	-	-	702	257	-	959
	<u>\$ 212,978</u>	<u>\$ 1,299,773</u>	<u>\$ 242,704</u>	<u>\$ 543,810</u>	<u>\$ 57,089</u>	<u>\$ 2,356,354</u>

The accompanying notes are an integral part of this statement.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and operations

Center for Planning Excellence, Inc. (CPEX), a Louisiana corporation, is a not-for-profit organization established to cultivate progressive and sustainable design and planning practices that build upon the most distinctive and regionally unique traditions in Louisiana. CPEX is a resource that supports Louisiana communities with models, tools, and expertise for inclusive participatory planning and decision-making processes to help them define and realize their visions.

Basis of presentation

The financial statements have been prepared on the accrual basis of accounting and, accordingly, include all significant receivables, other assets, payables, and other liabilities.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). CPEX is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CPEX. These net assets may be used at the discretion of CPEX's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CPEX or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, refundable advances, and depreciation.

Cash and cash equivalents

For purposes of the statements of cash flow, CPEX considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Restricted cash and cash equivalents

Restricted cash and cash equivalents represent cash restricted for a specific purpose at December 31, 2021. CPEX is acting as the fiscal sponsor of a grant on behalf of a local government, and grant funds of \$37,500 were received during the year ended December 31, 2021. The funds will pass through CPEX to the local government as work on the related project is completed. Because CPEX will not retain these grant funds, \$37,500 has been recorded as an agency obligation payable in the statement of financial position at December 31, 2021, and the same amount has been recorded as restricted cash and cash equivalents. These restricted amounts are considered cash and cash equivalents for purposes of the statements of cash flows.

Investment valuation and income recognition

Investments are carried at net asset value (NAV) of the units held by CPEX at year-end. Investment income includes dividends and interest earned on investments, the realized net gain and/or loss from trade of investments, and net unrealized gain and/or loss resulting from market value fluctuations of investments held at year-end relative to cost. Investment earnings are recorded net of related expenses.

Accounts receivable

Accounts receivable are recorded at net realizable value. Accounts receivable are closely monitored, and accounts considered to be uncollectible are generally written off when such conclusions are reached. Management considered all receivables to be collectible at December 31, 2021 and 2020; therefore, an allowance for doubtful accounts had not been established at those dates. CPEX does not require collateral to secure receivables.

Property and equipment

Property and equipment are stated at historical cost. Donated property is recorded at its estimated fair market value on the date received, which is then treated as cost. Additions, renewals, and improvements that extend the life of assets are capitalized. Replacements, maintenance, and repairs that do not increase the values or extend the lives of the respective assets are expensed as incurred.

Depreciation is recorded using the straight-line method over the estimated useful life of the asset that ranges from three to ten years. When assets are retired or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recognized for that period.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Impairment of long-lived assets and long-lived assets to be disposed

CPEX reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

No impairments were recognized for the years ended December 31, 2021 and 2020.

Revenue recognition

Revenues from consulting contracts are recognized over the term of the contract. CPEX has determined that revenues from such contracts are attributable to one performance obligation, and CPEX recognizes revenue as the services are performed. Progress toward completion of CPEX's consulting contracts is measured by the completion of various tasks as set forth in the scope of work. The transaction price is fixed in the contract, and there is no variable consideration. There is no significant financing component as payment is received shortly after invoicing.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions.

Net assets with donor restrictions or net assets without donor restrictions are increased, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grants receive the same accounting treatment as contributions if management determines there are no donor-imposed conditions. Revenues from grants that are determined to have donor-imposed conditions are recognized as the related expenses are incurred, with unexpended funds recorded as refundable advances.

Income taxes

CPEX is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

CPEX applies accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. CPEX recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. CPEX has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it had any material uncertain tax positions at December 31, 2021 and 2020.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Employee benefit plans

CPEX sponsors a simple individual retirement account plan for eligible employees electing to establish an account. CPEX provides matching contributions of a maximum of 3% of eligible compensation. Employees are eligible after one year of service. Participants are fully vested in contributions to their individual retirement account. Employer contributions to the retirement plan were \$20,380 and \$19,930 for the years ended December 31, 2021 and 2020, respectively.

Vacation leave

Vacation leave is earned at varying rates for two to four weeks depending on length of service. Vacation expires on the anniversary of the employee's hire date. Amounts related to such vacation leave have been accrued accordingly and included in accrued expenses.

Paycheck Protection Program Loan

On March 27, 2020, the federal Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law, which was intended to provide economic relief and emergency assistance for individuals, families, and businesses affected by COVID-19. In conjunction with the CARES Act, CPEX applied for assistance under the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP provides qualifying businesses with funds to pay payroll costs including benefits. These funds can also be used to pay interest on mortgages, rent, and utilities.

In May 2020, CPEX received an unsecured loan in the amount of \$192,400 under the PPP. The term of the loan was two years, and the loan accrued interest at a fixed rate of 1.00%. An additional feature of this program is that some portion or all of the amounts borrowed under the PPP may effectively be converted to a grant through a special loan forgiveness provision if certain criteria are met. Management believed that CPEX had substantially met the conditions for release of its obligation, and \$192,400 was recognized as grant revenue during the year ended December 31, 2020. The loan was forgiven by the SBA on March 9, 2021.

In February 2021, CPEX received an additional unsecured loan in the amount of \$192,400 under the Second Draw PPP. The term of the loan was five years, and the loan accrued interest at a fixed rate of 1.00%. Management believes that CPEX has substantially met the conditions for release of its obligation, and \$192,400 has been recognized as grant revenue during the year ended December 31, 2021. The loan was forgiven by the SBA subsequent to year-end on February 9, 2022.

Functional expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among programs and supporting services on the following basis: (1) personnel expenses are allocated based on an estimate of employee time spent on each function, and (2) other costs that cannot be directly attributed to a particular function are allocated based on employee time. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CPEX.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Accounting pronouncements issued but not yet adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02 and related amendments, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires not-for-profit entities to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the year ending December 31, 2022.

CPEX is currently assessing the impact of these pronouncements on its financial statements.

2. Liquidity and Availability of Financial Assets

The following represents CPEX's financial assets at December 31, 2021 and 2020:

Financial assets at year-end:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents - unrestricted	\$ 1,159,560	\$ 1,413,787
Investments	875,837	358,418
Accounts receivable	<u>320,740</u>	<u>328,310</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,356,137</u>	<u>\$ 2,100,515</u>

3. Net Assets

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors of the various programs. The primary funds released from net assets with donor restrictions during the year ended December 31, 2021, were community planning program expenditures of \$453,949, coastal/resilience program expenditures of \$238,894, and COVID-19 administrative expenditures of \$192,400. The primary funds released from net assets with donor restrictions during the year ended December 31, 2020, were community planning program expenditures of \$1,126,908, coastal/resilience program expenditures of \$209,596, communication and advocacy program expenditures of \$33,580, and COVID-19 administrative expenditures of \$192,400.

There were no net assets with donor restrictions at December 31, 2021 or 2020.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. Investment Income

CPEX has cash in money market accounts and amounts invested in a pooled separate account held by the Baton Rouge Area Foundation that pay interest. Investment income on investments was comprised of the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net unrealized gains on investments	\$ 64,596	21,937
Dividends and interest	16,989	10,993
Investment fees	<u>(4,097)</u>	<u>(2,967)</u>
	<u>\$ 77,488</u>	<u>29,963</u>

5. Property and Equipment, net

The composition of property and equipment at December 31, 2021 and 2020 was as follows:

	<u>Estimated useful lives</u>	<u>2021</u>	<u>2020</u>
Computer and video equipment	3 - 5 years	\$ 108,757	\$ 102,517
Furniture and fixtures	5 - 10 years	<u>6,957</u>	<u>7,535</u>
		115,714	110,052
Less accumulated depreciation		<u>(107,777)</u>	<u>(103,304)</u>
Property and equipment, net		<u>\$ 7,937</u>	<u>\$ 6,748</u>

Depreciation expense totaled \$5,051 and \$4,697 for the years ended December 31, 2021 and 2020, respectively.

6. Fair Value of Financial Instruments

The *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheets. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments from its disclosure requirements. Therefore, the aggregate fair value amounts presented do not represent the underlying value of CPEX.

In accordance with this guidance, CPEX groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three levels of the fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

6. Fair Value of Financial Instruments (continued)

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement, determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Money market and pooled investment accounts: Valued at the net asset value (NAV) of units held by CPEX at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CPEX's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents, for each of the fair-value hierarchy levels, CPEX's financial assets that are measured at fair value on a recurring basis at December 31, 2021 and 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled Investment Account at December 31, 2021	<u>\$ -</u>	<u>\$ 875,837</u>	<u>\$ -</u>
Pooled Investment Account at December 31, 2020	<u>\$ -</u>	<u>\$ 358,418</u>	<u>\$ -</u>

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. Operating Leases

CPEX previously leased an office facility under an operating lease with a two-year term, expiring December 31, 2022. That lease was amended during 2021 to reduce the space occupied by CPEX and to modify the term to one year ending on December 31, 2021. Total rent expense under that lease was \$14,820 and \$36,338 during the years ended December 31, 2021 and 2020, respectively.

CPEX is currently leasing an office facility on a month-to-month basis with a monthly rental payment of \$3,000. This lease is considered a related party transaction, as a CPEX board member is a member of the lessor of this office facility.

8. Concentrations of Credit Risk

Financial instruments which potentially subject CPEX to concentrations of credit risk consist principally of unsecured accounts receivable and temporary cash investments. CPEX maintains its cash investments with national financial institutions. The balances, at times, may exceed federally insured limits. Management believes the credit risk associated with these deposits is minimal.

9. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2022, and determined that there were no events that occurred that required additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

This organization is not required to report the total compensation, reimbursements, and benefits paid to the agency head as these costs are supported by private funds.

See Independent Auditors' Report.

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Center for Planning Excellence, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Center For Planning Excellence, Inc. (CPEX), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CPEX's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CPEX's internal control. Accordingly, we do not express an opinion on the effectiveness of CPEX's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ABC Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CPEX's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPEX's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 30, 2022

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are
not considered to be material weaknesses? _____ yes x none reported

B. Findings - Financial Statement Audit

None.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES

B. Findings - Financial Statement Audit

None.

INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Center for Planning Excellence, Inc. and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **January 1, 2021 through December 31, 2021**. **Center for Planning Excellence, Inc.’s (CPEX or the Entity)** management is responsible for those C/C areas identified in the SAUPs.

CPEX has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period **January 1, 2021 through December 31, 2021**. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

A - Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

The Entity has written policies for Purchasing; however, the policies do not contain attribute (1) regarding the initiation process, attribute (2) regarding the process of how vendors are added to the vendor list or attribute (3) regarding the preparation of purchase requisitions and purchase orders, (5) documentation required to be maintained for all bids and price quotes.

- c) ***Disbursements***, including processing, reviewing, and approving

No exceptions noted.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions noted.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

This C/C area is not applicable for CPEX, as it is a nonprofit entity.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This C/C area is not applicable for CPEX, as it is a nonprofit entity.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Entity has no written policies for Disaster Recovery/ Business Continuity.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

B - Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable – CPEX is not a governmental entity.

C - Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 7 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending April 30, 2021, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

D - Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected the 1 deposit site and performed the procedures below.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for the deposit site selected in procedure #4 was provided and included 1 collection location. No exceptions were noted as a result of performing this procedure.

We selected the 1 collection location for the 1 deposit site identified in #4 above. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the deposits selected and:

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3, as applicable. One bank account had no deposits into the account during the year and another account had only one deposit during the year. We obtained supporting documentation for a total of 7 deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

The Entity does not maintain sequentially pre-numbered receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

The Entity does not maintain sequentially pre-numbered receipts, system reports, or other related collection documentation. As such, we were unable to perform the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

E - Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 location and performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

There is no formal requisition and purchase order approval process.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for the one payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For 1 of the 5 disbursements selected for our procedures, only one employee was involved in approving payment to the vendor.

F - Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we randomly selected 5 cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We randomly selected a total of 20 transactions for the 5 cards selected in procedure #12 and performed the specified procedures. No exceptions noted.

G - Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Of the 5 reimbursements selected for our procedures, none used a per diem. No exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

H - Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Not applicable, as all contracts were for professional services which are not subject to Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Not applicable. CPEX is not subject to any laws that require board approval. Additionally, the CPEX contract policy requires board approval only for contracts of \$100,000 or more. None of the contracts tested met that threshold.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We randomly selected 1 payment for the 5 contracts selected in procedure #15 and performed the specified procedures. No exceptions noted.

I - Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 employee that terminated during the fiscal period and performed the specified procedures. No exceptions were noted as a result of performing this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

This C/C area is not applicable for CPEX, as it is a nonprofit entity

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

This C/C area is not applicable for CPEX, as it is a nonprofit entity.

K - Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

This C/C area is not applicable for CPEX, as it is a nonprofit entity.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This C/C area is not applicable for CPEX, as it is a nonprofit entity.

L - Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriation of funds were noted during 2021.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

M - Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

N - Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements.

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

- b) Number of sexual harassment complaints received by the agency;

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

- e) Amount of time it took to resolve each complaint.

This C/C area is not applicable for CPEX, as it is a nonprofit entity and has not agreed to comply with the provisions of the Prevention of Sexual Harassment Law as a condition for the receipt of public funds.

Corrective Action

27. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See attached.

We were engaged by **CPEX** to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of **CPEX** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Baton Rouge, LA
June 30, 2022



June 30, 2022

The management of Center for Planning Excellence, Inc. provides the following response and corrective action plan for the exceptions noted in the Statewide Agreed-Upon Procedures for the fiscal period January 1, 2021 through December 31, 2021:

Written Policies and Procedures

1.b) CPEX will revise its written policies for purchasing regarding attribute (1) regarding the initiation process, attribute (2) regarding the process of how vendors are added to the vendor list or attribute (3) regarding the preparation of purchase requisitions and purchase orders, and (5) documentation required to be maintained for all bids and price quotes.

1.k) CPEX will formalize its policies for Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Collections

7.a-b) CPEX, once it has opened a new operating account, will obtain a book of sequentially pre-numbered deposit slips for physical deposits.

Non-Payroll Disbursements (excluding credit card purchases/payments, travel reimbursements, and petty cash purchases)

9a) CPEX will create a policy outlining how, above a certain price threshold, at least two employees should be involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

10b) CPEX will create a policy outlining how, above a certain price threshold, at least two employees should be involved in processing and approving payments to vendors.

Camille Manning-Broome
President and CEO

Lauren Marschall
Director of Operations

Preston Castille, Jr., Chair
President, Helix Community Schools

Jim Brandt, Vice Chair
Owner, Brandt + Associates

Robert Schneckeburger, Treasurer
Senior Regional President - Western Region,
Hancock Whitney Bank

Kelsey Kornick Funes, Secretary
Partner, Phelps Dunbar LLP

Steve Cochran
Director, Restore the Mississippi River Delta
VP, Coastal Resilience, Environmental
Defense Fund

Helena Cunningham
Founder/CEO, National Housing
Consultant Services

Ronnie Daigle
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