
CENTER FOR PLANNING EXCELLENCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

CENTER FOR PLANNING EXCELLENCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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*, 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.

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 19 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, 2023, 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, 2023

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,527,839	1,159,560
Restricted cash and cash equivalents	37,500	37,500
Investments	789,629	875,837
Accounts receivable	383,317	320,740
Prepaid expenses	12,614	13,643
Total current assets	2,750,899	2,407,280
<u>PROPERTY AND EQUIPMENT, net</u>	35,485	7,937
<u>OPERATING LEASE RIGHT-OF-USE ASSET, net</u>	71,226	-
Total assets	\$ 2,857,610	\$ 2,415,217

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 213,632	93,740
Refundable advances	653,792	435,429
Operating lease liability, current portion	35,428	-
Agency obligation payable	37,500	37,500
Total current liabilities	940,352	566,669
<u>LONG-TERM LIABILITIES</u>		
Operating lease liability, long-term portion	35,798	-
Total liabilities	976,150	566,669
<u>NET ASSETS</u>		
Without donor restrictions	1,881,460	1,848,548
Total net assets	1,881,460	1,848,548
Total liabilities and net assets	\$ 2,857,610	\$ 2,415,217

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, 2022 AND 2021

	Year ended December 31, 2022		
	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Consulting	\$ 1,247,120	\$ -	\$ 1,247,120
Membership contributions	141,930	-	141,930
Grants	138,500	806,577	945,077
Event	111,625	-	111,625
In-kind	28,800	-	28,800
Investments and other	(82,864)	-	(82,864)
	1,585,111	806,577	2,391,688
Net assets released from restrictions	806,577	(806,577)	-
Total revenues and support	2,391,688	-	2,391,688
EXPENSES			
Program services:			
Communication and Advocacy	112,888	-	112,888
Community planning	1,038,551	-	1,038,551
Coastal/resilience	564,623	-	564,623
Total program services	1,716,062	-	1,716,062
Support services:			
Administration	549,189	-	549,189
Fundraising	93,525	-	93,525
Total support services	642,714	-	642,714
Total expenses	2,358,776	-	2,358,776
Change in net assets	32,912	-	32,912
NET ASSETS			
Beginning of year	1,848,548	-	1,848,548
End of year	\$ 1,881,460	\$ -	\$ 1,881,460

The accompanying notes are an integral part of these statements.

Year ended December 31, 2021

Without donor restrictions	With donor restrictions	Total
\$ 1,013,344	\$ -	\$ 1,013,344
137,699	-	137,699
150,000	885,243	1,035,243
40,951	-	40,951
10,500	-	10,500
77,488	-	77,488
1,429,982	885,243	2,315,225
885,243	(885,243)	-
2,315,225	-	2,315,225
67,541	-	67,541
1,009,001	-	1,009,001
176,671	-	176,671
1,253,213	-	1,253,213
486,049	-	486,049
78,053	-	78,053
564,102	-	564,102
1,817,315	-	1,817,315
497,910	-	497,910
1,350,638	-	1,350,638
<u>\$ 1,848,548</u>	<u>\$ -</u>	<u>\$ 1,848,548</u>

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 32,912	\$ 497,910
Adjustments for non-cash items:		
Depreciation	6,909	5,051
Net unrealized (gain) loss on investments	106,535	(64,596)
Change in operating assets and liabilities:		
Accounts receivable	(62,577)	7,570
Prepaid expenses	1,029	255
Accounts payable and accrued expenses	119,892	(198,016)
Agency obligation payable	-	37,500
Refundable advances	218,363	(43,338)
Net cash provided by operating activities	423,063	242,336
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(20,327)	(452,823)
Purchase of property and equipment	(34,457)	(6,240)
Net cash used in investing activities	(54,784)	(459,063)
 Net change in cash and cash equivalents	368,279	(216,727)
 Cash and cash equivalents, restricted cash and cash equivalents, beginning of year	1,197,060	1,413,787
 Cash and cash equivalents, restricted cash and cash equivalents, end of year	\$ 1,565,339	\$ 1,197,060
 Classified as:		
Cash and cash equivalents	\$ 1,527,839	\$ 1,159,560
Restricted cash and cash equivalents	37,500	37,500
	\$ 1,565,339	\$ 1,197,060

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, 2022

	Program			Support		Total
	Communication and Advocacy	Community Planning	Coastal/ Resilience	Administration	Fundraising	
Salaries, payroll taxes, and benefits	\$ 90,282	\$ 629,462	\$ 237,876	\$ 465,744	\$ 47,776	\$ 1,471,140
Professional services	9,402	220,095	207,092	30,199	9,879	476,667
Travel and meetings	1,020	98,071	87,545	3,845	17,051	207,532
Occupancy	4,892	37,507	12,762	22,510	3,159	80,830
Equipment rental and maintenance	3,305	7,825	6,220	8,294	2,425	28,069
Printing, postage and shipping	177	16,204	2,221	644	10,181	29,427
Insurance	1,180	8,326	3,324	6,467	658	19,955
Depreciation	429	2,991	1,130	2,124	235	6,909
Office supplies	1,434	8,419	2,746	5,093	686	18,378
Bank fees	10	3,407	25	44	1,108	4,594
Dues and subscriptions	757	5,506	3,682	4,225	367	14,537
Miscellaneous	-	738	-	-	-	738
	<u>\$ 112,888</u>	<u>\$ 1,038,551</u>	<u>\$ 564,623</u>	<u>\$ 549,189</u>	<u>\$ 93,525</u>	<u>\$ 2,358,776</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, 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

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, right-of-use assets, operating lease liabilities, 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, 2022 and 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, 2022 and 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 owned 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, 2022 and 2021; therefore, an allowance for doubtful accounts had not been established at those dates. CPEX does not require collateral to secure receivables. The balance of accounts receivable at January 1, 2021, was \$328,310.

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, 2022 and 2021.

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.

Contributions of nonfinancial assets (in-kind contributions)

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. CPEX adopted this ASU during the year ended December 31, 2022. The ASU was applied on a retrospective basis, and the adoption had no impact to net asset as of December 31, 2022, or 2021.

In-kind contributions are recorded as contributions based on their fair value as of the date of the contribution. In-kind contributions reported in the statements of activities for the years ended December 31, 2022 and 2021, were \$28,800 and \$10,500, respectively, and substantially all consisted of contributed meeting expenses supporting the Community Planning program. There were no donor-imposed restrictions.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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, 2022 and 2021.

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 \$22,753 and \$20,380 for the years ended December 31, 2022 and 2021, respectively.

Vacation leave

Vacation leave is earned at varying rates for two to four weeks depending on length of service. Employees may carry over up to forty hours of unused vacation to the following calendar year. 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 February 2021, CPEX received an 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 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, 2021. The loan was forgiven by the SBA on February 9, 2022.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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.

Leases

In February 2016, the FASB issued guidance as ASC 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial condition. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. CPEX adopted the standard and recognized and measured leases existing at, or entered into after January 1, 2022, using the modified retrospective approach, with certain practical expedients available. The adoption of ASC 842 did not result in any adjustments to net position or changes in the timing or amounts of lease costs. Comparable periods continue to be presented under the guidance of the previous standard.

CPEX determines if an arrangement is a lease at the inception of the contract. For leases with terms greater than twelve months, ROU assets and lease liabilities are recognized at the contract commencement date based on the present value of lease payments over the lease term. ROU assets represent CPEX's right to use the underlying asset for the lease term. Lease liabilities present CPEX's obligation to make lease payments arising from these contracts. CPEX used the risk-free rate at January 1, 2022, in determining the present value of lease payments. CPEX's operating leases in effect prior to January 1, 2022, were recognized at the present value of the remaining payments on the remaining lease term as of January 1, 2022.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. The estimated useful life of ROU assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. CPEX's lease agreements generally do not contain any material residual value guarantees, restrictions or covenants.

CPEX has elected to apply the short-term lease exemption to all classes of assets where leases that have a term of 12 months or less are excluded from the measurement of the right-of-use asset and lease liability. There were no short-term lease costs during 2022.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability of Financial Assets

The following represents CPEX's financial assets at December 31, 2022 and 2021:

Financial assets at year-end:	2022	2021
Cash and cash equivalents - unrestricted	\$ 1,527,839	\$ 1,159,560
Investments	789,629	875,837
Accounts receivable	383,317	320,740
Financial assets available to meet general expenditures over the next twelve months	\$ 2,700,785	\$ 2,356,137

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, 2022, were community planning program expenditures of \$372,943 and coastal/resilience program expenditures of \$433,634. 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.

There were no net assets with donor restrictions at December 31, 2022 or 2021.

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, 2022 and 2021:

	2022	2021
Net unrealized gains (losses) on investments	(\$ 106,535)	64,596
Dividends and interest	30,597	16,989
Investment fees	(6,926)	(4,097)
	(\$ 82,864)	77,488

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

5. Property and Equipment, net

The composition of property and equipment at December 31, 2022 and 2021 was as follows:

	<u>Estimated useful lives</u>	<u>2022</u>	<u>2021</u>
Computer and video equipment	3 - 5 years	\$ 116,973	\$ 108,757
Furniture and fixtures	5 - 10 years	<u>33,197</u>	<u>6,957</u>
		150,170	115,714
Less accumulated depreciation		<u>(114,685)</u>	<u>(107,777)</u>
Property and equipment, net		<u>\$ 35,485</u>	<u>\$ 7,937</u>

Depreciation expense totaled \$6,909 and \$5,051 for the years ended December 31, 2022 and 2021, 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.
- 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.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

6. Fair Value of Financial Instruments (continued)

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, 2022 and 2021.

Pooled investment accounts: Valued at the net asset value (NAV) of units owned 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, 2022 and 2021.

	Level 1	Level 2	Level 3
Pooled Investment Account at December 31, 2022	\$ -	\$ 789,629	\$ -
Pooled Investment Account at December 31, 2021	\$ -	\$ 875,837	\$ -

7. Operating Leases

CPEX leases an office facility under an operating lease with a three-year term, expiring December 1, 2024. This lease is considered a related party transaction, as a CPEX board member is a member of the lessor of this office facility. CPEX has the option to renew this lease for two additional terms of three and a half years each. Management does not believe it is reasonably certain that the option to renew will be exercised; therefore, the renewal period has not been factored into the ROU assets and lease liabilities recognized. Amounts recognized at January 1, 2022, related to ROU assets and related lease liabilities were approximately \$106,000.

Other information related to leases is as follows as of and for the year ended December 31, 2022:

Operating cash flows from operating leases	\$	36,000
ROU assets obtained in exchange for lease obligations	\$	-
Weighted average remaining lease term		1.92 years
Weighted average discount rate		1.04%

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. **Operating Leases** (continued)

As lessee, operating lease liabilities under non-cancellable leases (excluding short-term) leases are as follows:

Years Ending December 31:	
2023	\$ 36,000
2024	<u>36,000</u>
Total lease payments	72,000
Less: interest	<u>(774)</u>
Total	<u><u>\$ 71,226</u></u>

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, 2023, 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, 2022 and 2021, 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, 2023.

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 CPEX'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, 2023

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES

B. Findings - Financial Statement Audit

None.

CENTER FOR PLANNING EXCELLENCE, INC.

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT ACCOUNTANTS' 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, 2022 through December 31, 2022**. **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, 2022 through December 31, 2022**. 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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, Louisiana
June 30, 2023

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

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 13 “*we performed the procedure and discussed the results with management.*” If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

ii. ***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, attribute (3) regarding the preparation of purchase requisitions and purchase orders, or attribute (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving

No exceptions noted.

iv. ***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.

v. ***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 rates of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

vi. ***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.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- vii. ***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.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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.

- ix. ***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.

- x. ***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.

- xi. ***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.

We performed the procedure and discussed the results with management.

- xii. ***Prevention of 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.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

2) Board or Finance Committee

A. 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:

- i. Observe whether 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 exceptions noted.

- ii. 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. *Alternatively, for those entities reporting on the not-for-profit 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.

- iii. 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.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Not applicable – there were no audit findings reported in the prior year audit.

3) Bank Reconciliations

A. 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 5 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

From the listing provided, we selected all 5 bank accounts (1 main operating and 4 additional) and obtained the bank reconciliations for the month ending August 31, 2022, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- i. 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.

- ii. Bank reconciliations include written evidence that a member of management or a 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.

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

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. 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 selected the 1 deposit site and performed the procedures below.

- B. 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 (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 #4A 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 #4A 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.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- ii. Each employee responsible for collecting cash is not also 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.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

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

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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 10 deposits and:

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3A, as applicable. One bank account had no deposits into the account during the year. We obtained supporting documentation for a total of 8 deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

The Entity does not maintain sequentially pre-numbered receipts.

- ii. 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.

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

No exceptions noted.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- iv. Observe that 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).

For one of the eight deposits tested, the deposit was made three days after the collection date.

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

No exceptions noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. 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 randomly selected 1 location and performed the procedures below.

- B. For each location selected under #5A 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, then 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 #5A 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.

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

There is no formal requisition and purchase order approval process.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

- iii. 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.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

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- iv. 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; and

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

- C. For each location selected under #5A 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 #5A 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.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

We randomly selected 5 non-payroll-related electronic disbursements for the main operating account selected in procedure #3A and performed the specified procedures. No exceptions noted.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

- B. 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

- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exceptions noted.

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

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that 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 observe 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 26 transactions for the 5 cards selected in procedure #6B and performed the specified procedures. For 1 of the 26 transactions selected for testing, there was no supporting receipt or invoice. This transaction was an auto-renewal for a subscription that management was aware of. For 2 of the 3 transactions selected for testing that were meal charges, there was no documentation of the of the individuals that participated in the meal.

CENTER FOR PLANNING EXCELLENCE, INC.
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

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

- A. 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, and 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.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than 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.

- ii. 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.

- iii. 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 Policies and Procedures”, procedure #1A(vii); and

No exceptions noted.

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

No exceptions noted.

8) Contracts

- A. 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. *Alternatively, 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.

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

- i. Observe whether 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.

- ii. Observe whether 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.

- iii. If the contract was amended (e.g., change order), observe that 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, the documented approval); and

No exceptions noted.

- iv. 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 #8A and performed the specified procedures. No exceptions noted.

9) Payroll and Personnel

- A. 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 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 and performed the specified procedures. No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A 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 selected in procedure #9A.

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- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

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

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees 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 randomly selected 2 employees and performed the specified procedures. No exceptions were noted as a result of performing this procedure.

- D. 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.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

- ii. Observe whether the entity maintains documentation which demonstrates that 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.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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

11) Debt Service

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

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

- B. 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.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

No misappropriation of funds were noted during 2022.

- B. 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.

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13) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.

- iii. 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.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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. Observe that 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).

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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. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. 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.

- ii. 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.

- iii. 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.

- iv. 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.

- v. 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.



June 30, 2023

Attachment B

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 Coalition
VP, Coastal Resilience, Environmental
Defense Fund

Helena Cunningham
Founder/CEO, National Housing
Consultant Services

Ronnie Daigle
President, R. J. Daigle & Sons
Contractors Inc.
Co-CEO, Daigle Industries

Cordell Haymon
CEO, Petroleum Service Corporation
(Retired)

Mary Landrieu
Senior Policy Advisor,
Van Ness Feldman

Camille Manning-Broome
President/CEO,
Center for Planning Excellence

Dr. Somesh Nigam
SVP and Chief Analytics & Data Officer,
Blue Cross Blue Shield of Louisiana

Paul Rainwater
Senior Consultant, Cornerstone
Governmental Affairs

Randy Roussel
Partner, Phelps Dunbar LLP

Ashley Shelton
President/CEO, Power Coalition

Dr. Robert Twilley
Interim Vice President, LSU Office of
Research & Economic Development

Erin Monroe Wesley
Market VP for Greater Louisiana, Cox
Communications

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, 2022 through December 31, 2022:

Written Policies and Procedures

1.A.ii) 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, and attribute (5) documentation required to be maintained for all bids and price quotes. For attribute (3), given the nature of typical expenditures and size of the organization, management does not believe the benefits of implementing a purchase requisition and purchase order system outweigh the costs.

Collections (excluding electronic funds transfers)

4.D.i) Given the nature of typical deposits and size of the organization, management does not believe that the benefits of using sequentially pre-numbered deposit slips outweighs the costs.

4.D.iv) CPEX, per its policy, makes deposits as soon as practicable after deposits are received, and will continue.

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

5.B.i) 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.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

6.C. CPEX will remind employees of its policy to note all individuals involved in any meal expenses.

Camille Manning-Broome

Camille Manning-Broome
President and CEO

Lauren Marschall

Lauren Marschall
Director of Operations