CENTER FOR PLANNING EXCELLENCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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CENTER FOR PLANNING EXCELLENCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility 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; this responsibility includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Postlethwaite & Netterville

Opinion

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

Emphasis of a Matter – Correction of Error

As discussed in Note 2 to the financial statements, beginning net assets have been restated to correct an error in refundable advances which resulted in an understatement of net position of $97,783 at December 31, 2019. Our opinion is not modified with respect to this matter.

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 15 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 *Governmental Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a report dated June 25, 2021, on our consideration of CPEX's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 our 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 25, 2021

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	1,413,787
Investments		358,418
Accounts receivable		328,310
Prepaid expenses		13,898
Total current assets		2,114,413
PROPERTY AND EQUIPMENT, net		6,748
Total assets	$	2,121,161

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	291,756
Refundable advances		478,767
Total liabilities		770,523
NET ASSETS		
Without donor restrictions		1,350,638
With donor restrictions		-
Total net assets		1,350,638
Total liabilities and net assets	$	2,121,161

The accompanying notes are an integral part of this statement.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Consulting	$ 780,028	$ -	$ 780,028
Membership contributions	118,941	-	118,941
Grants	150,000	1,562,484	1,712,484
Event	50,500	-	50,500
In-kind	9,275	-	9,275
Investments and other	29,963	-	29,963
	1,138,707	1,562,484	2,701,191
Net assets released from restrictions	1,562,484	(1,562,484)	-
Total revenues and support	2,701,191	-	2,701,191
EXPENSES			
Program services:			
Baton Rouge	212,978	-	212,978
Community planning	1,299,773	-	1,299,773
Coastal/resilience	242,704	-	242,704
Total program services	1,755,455	-	1,755,455
Support services:			
Administration	543,810	-	543,810
Fundraising	57,089	-	57,089
Total support services	600,899	-	600,899
Total expenses	2,356,354	-	2,356,354
Change in net assets	344,837	-	344,837
NET ASSETS			
Beginning of year - as restated (Note 2)	1,005,801	-	1,005,801
End of year	$ 1,350,638	$ -	$ 1,350,638

The accompanying notes are an integral part of this statement.

CENTER FOR PLANNING EXCELLENCE, INC.
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	$ 344,837
Adjustments for non-cash items:	
Depreciation	4,697
Net unrealized gain on investments	(21,937)
Change in operating assets and liabilities:	
Accounts receivable	(125,286)
Prepaid expenses	512
Accounts payable and accrued expenses	207,934
Deferred revenue	155,729
Net cash provided by operating activities	566,486
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(5,909)
Net cash used in investing activities	(5,909)
Net change in cash and cash equivalents	560,577
Cash and cash equivalents - beginning of year	853,210
Cash and cash equivalents - end of year	$ 1,413,787

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		
	Baton Rouge	Community Planning	Coastal/ Resilience	Administration	Fundraising	Total
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
	$ 212,978	$ 1,299,773	$ 242,704	$ 543,810	$ 57,089	$ 2,356,354

The accompanying notes are an integral part of this statement.

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.

1. Summary of Significant Accounting Policies (continued)

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, 2020; therefore, an allowance for doubtful accounts had not been established at that date. 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.

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 year ended December 31, 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.

1. Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

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, 2020.

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 $19,930 for 2020.

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.

1. Summary of Significant Accounting Policies (continued)

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 (Note 9). 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 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, 2020. The loan was forgiven by the SBA subsequent to year-end on March 9, 2021.

In February 2021, CPEX received an additional unsecured loan in the amount of $192,400 under the Second Draw PPP. See Note 10.

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.

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. Restatement of Net Assets

During the year ended December 30, 2020, CPEX discovered an error related to refundable advances recorded at December 31, 2019. The error resulted in an understatement of grant revenues of $97,783 for the year ended December 31, 2019. The accompanying financial statements for 2020 reflect the following changes from amounts previously presented as a result of this error: a $97,783 increase in net assets at December 31, 2019.

Net assets at December 31, 2019 – as previously reported	$ 908,018
Correction of error	97,783
Net assets at December 31, 2019 – as restated	$ 1,005,801

3. Liquidity and Availability of Financial Assets

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

Financial assets at year-end:	
Cash	$ 1,413,787
Investments	358,418
Accounts receivable	328,310
Financial assets available to meet general expenditures over the next twelve months	$ 2,100,515

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 year ended December 31, 2020:

Net unrealized gains on investments	$ 21,937
Dividends and interest	10,993
Investment fees	(2,989)
	$ 29,941

5. Property and Equipment, net

Property at December 31, 2020, consists of the following:

	Estimated Useful Lives	Amount
Computer and video equipment	3 – 5 years	$ 102,517
Furniture and fixtures	5 – 10 years	7,535
		110,052
Less: accumulated depreciation		(103,304)
Property, net		$ 6,748

Depreciation expense totaled $4,697 for the year ended December 31, 2020.

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.

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, 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.

Fair Value of Assets Measured on a Recurring Basis

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, 2020.

	Level 1	Level 2	Level 3
Pooled Investment Account at December 31, 2020	$ -	$ 358,418	$ -

7. Operating Leases

CPEX leases an office facility under an operating lease with a two-year term, expiring December 31, 2022. Total rent expense was $36,338 during the year ended December 31, 2020.

The future minimum lease payments related to the lease are as follows:

Year ending December 31st	Amount
2021	$ 14,820
2022	14,820
	$ 29,640

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. Contingencies

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The COVID-19 pandemic negatively impacted the global economy and created significant volatility and disruption of financial markets. Given the continued spread of COVID-19 throughout the United States, the related impact, if any, on CPEX's operational and financial performance will depend on evolving factors that cannot be predicted at this time.

10. Subsequent Events

In February 2021, CPEX received an unsecured loan in the amount of $192,400 under the Second Draw PPP. The term of the loan is five years, and the loan accrues interest at a fixed rate of 1.00%. As described in Note 1, under the provisions of the program, each borrower can apply for forgiveness for all or a portion of the PPP loan based on the use of the loan proceeds in accordance with the terms of the CARES Act.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 25, 2021, and determined that there were no other events 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***

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A Professional Accounting Corporation

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 statement of financia1 position as of December 31, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2021.

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 CPEX'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 the 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 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 may exist that have not been identified.

Postlethwaite & Netterville

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPEX's financial statements are free of 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 25, 2021

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2020

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.

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES

B. Findings - Financial Statement Audit

None.