



FACE TO FACE ENRICHMENT CENTER

Independent Auditor's Report and Financial Statements  
For the Year Ended December 31, 2024

Wharton CPA, LLC

**Face To Face Enrichment Center  
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## **Independent Auditor's Report**

**To the Board of Directors of Face To Face Enrichment Center:**

### ***Opinion***

I have audited the accompanying financial statements of Face To Face Enrichment Center (Face To Face), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Face To Face Enrichment Center as of December 31, 2024, 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.

### ***Basis for Opinion***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Face To Face Enrichment Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards generally accepted in the United States of America, and for the design, implementation, 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 Face To Face Enrichment Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 auditor's report that includes my 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, I:

- 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 Face To Face Enrichment Center'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Face To Face Enrichment Center's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

## **Other Information**

My 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 is presented for purposes of additional analysis and are 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 my 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*, I have also issued my report dated January 28, 2025, on my consideration of Face To Face Enrichment Center's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Face To Face Enrichment Center's 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 Face To Face Enrichment Center's internal control over financial reporting and compliance.

*Wharton CPA, LLC*

New Orleans, Louisiana  
September 13, 2025

**Face To Face Enrichment Center  
Statement of Financial Position  
As of December 31, 2024**

<b><u>Assets</u></b>	
Cash	\$ 25,801
Grants Receivables	1,985,704
Lease Asset	<u>291,854</u>
<b>Total Assets</b>	<b><u>\$ 2,303,359</u></b>
<b><u>Liabilities and Net Assets</u></b>	
<b>Liabilities</b>	
Salary and Taxes Payable	\$ 9,943
Lease Payable	<u>284,552</u>
<b>Total Liabilities</b>	<b>\$ 294,495</b>
<b><u>Net Assets</u></b>	
Without Donor Restrictions	\$ 467,927
With Donor Restrictions	<u>1,540,937</u>
<b>Total Net Assets</b>	<b><u>2,008,864</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 2,303,359</u></b>

The accompanying notes are an integral part of these financial statements.

**Face To Face Enrichment Center**  
**Statement of Activities**  
**For the Year Ended December 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND OTHER REVENUES:</b>			
Government Grants	\$ -	\$ 1,404,317	\$ 1,404,317
Public Support	2,191	-	2,191
Net Assets Released from Restrictions	<u>1,816,711</u>	<u>(1,816,711)</u>	<u>-</u>
<b>Total support and other revenues</b>	<u>\$ 1,818,902</u>	<u>\$ (412,394)</u>	<u>\$ 1,406,508</u>
<b>Functional Expenses</b>			
Program Services	\$ 1,236,209	\$ -	\$ 1,236,209
Management & General	<u>108,619</u>	<u>-</u>	<u>108,619</u>
<b>Total Expenses</b>	1,344,828	-	1,344,828
<b>Change in Net Assets</b>	<u>474,074</u>	<u>(412,394)</u>	<u>61,680</u>
Unreimbursed Bank Transfer	(20,000)	-	(20,000)
<b>Net Assets At Beginning Of Year</b>	<u>13,853</u>	<u>1,953,331</u>	<u>1,967,184</u>
<b>Net Assets At End Of Year</b>	<u><u>\$ 467,927</u></u>	<u><u>\$ 1,540,937</u></u>	<u><u>\$ 2,028,864</u></u>

The accompanying notes are an integral part of these financial statements.

**Face To Face Enrichment Center**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2024**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Total Expenses</u>
Payroll Expenses	\$ 750,335	\$ 11,970	\$ 762,305
Employee Benefits	58,110	10,486	68,596
Professional Fees	114,523	1,428	115,951
Occupancy	163,786	32,785	196,571
Interest	-	2,219	2,219
Program Supplies	39,532	2,813	42,345
Advertising and Marketing	26,263	3,722	29,985
Event Costs	-	20,352	20,352
Insurance	934	997	1,931
Office Expense	55,316	11,205	66,521
Phone, Internet, Web	6,042	6,366	12,408
Staff Training	2,450	1,671	4,121
Travel	18,918	2,605	21,523
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>\$ 1,236,209</u>	<u>\$ 108,619</u>	<u>\$ 1,344,828</u>

The accompanying notes are an integral part of these financial statements.

**Face To Face Enrichment Center  
Statement of Cash Flows  
For the Year Ended December 31, 2024**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ 61,680
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Amortization of ROU asset	(203,034)
Changes in Operating Assets and Liabilities	
Grants Receivable	(32,374)
Salaries and Taxes Payable	9,943
Unreimbursed Bank Transfer	(20,000)
(ROU) lease liability	<u>194,568</u>
Net Cash Provided by Operating Activities	10,783

**Cash Flows From Investing Activities:**

Purchase/Sale of Investments, Securities, and Fixed Assets	<u>-</u>
Net Cash Used by Investing Activities	-

**Cash Flows From Financing Activities:**

Net Cash Provided by Financing Activities	<u>-</u>
Net Cash Increase for Period	10,783
Cash, At Beginning of Period, January 1, 2024	<u>15,018</u>
Cash, At End of Period, December 31, 2024	<u><u>\$ 25,801</u></u>

The accompanying notes are an integral part of these financial statements.

**Face To Face Enrichment Center**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**1. Organization**

**General** – Face to Face Enrichment Center is a non-profit organization headquartered in Baton Rouge, LA with additional offices in Metairie, LA, Hammond, LA, Houston TX and Dallas TX. Face to Face Enrichment Center is committed to providing educational, mentoring, and outreach services to residents of Southeast Louisiana and Texas, in an effort to improve lives. Their primary focus is on disadvantaged youth.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting** – Face To Face Enrichment Center’s financial statements are prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles, whereby revenue is recorded when earned and expenses are recorded when incurred.

**Property, Furniture, and Equipment** – Property, furniture, and equipment are recorded at cost, when purchased and at fair market value, when received as a donation. Expenditures of \$1,000 or more, along with improvements that extend the useful life of assets are capitalized. The straight-line method of depreciation is used for the assets owned by Face To Face Enrichment Center. The estimated useful lives of these assets, which consists of property, furniture, and equipment range from 3 to 30 years.

**Income Taxes** – Face To Face Enrichment Center has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code. Tax years 2021, 2022, and 2023 remain open for potential examination of taxing authorities. The agency’s financial exposure would exist as it relates to potential unrelated business income.

**Estimates** – Management uses estimate and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Functional Expenses** – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. These expenses were allocated based on estimates of time and effort.

**Face To Face Enrichment Center**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation** - Financial Accounting Standards Board (FASB) Accounting Standards Codification “ASC” 958, Not-for-Profit Entities, requires net assets and changes in net assets be reported for in two classifications. A description of the two types of Net Assets categories is described below:

Net Assets with donor imposed restrictions – Gifts of cash and other assets which have donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified as unrestricted net assets.

Net Assets without donor imposed restrictions – Gifts of cash and other assets absent of donor imposed restrictions. This category of net assets also includes assets previously restricted where restrictions have expired or been met.

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When the donor 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 restriction and are reported in the statement of activities as net assets released from restrictions.

**Contributions of Nonfinancial Assets** – *Accounting Standards Update No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) (ASU 2020-07).*

*ASU 2020-07* requires contributed nonfinancial assets to be presented in a separate line item in the statement of activities, separate from contributions of cash and other financial assets. Additionally, non-profits are required to separate the contributed nonfinancial assets recognized in the statement of activities by category that describes the type of contributed nonfinancial assets.

**Statement of Cash Flow** – For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less, and which are not held for investing purposes.

**Face To Face Enrichment Center**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**Summary of Significant Accounting Policies (Continued)**

**New Accounting Pronouncement** – FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). Under the new standard, lessees will be required to recognize lease assets and liabilities for all leases, with certain exceptions, on their Statement of Financial Position.

Under the new standard, both financing leases and operating leases would create an asset (right-of-use, or ROU asset) and a liability, initially measured at the present value of the lease payments, to be reflected on the statement of financial position. For leases whose term is 12 months or less, however, lessees may make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. This standard applies to fiscal years beginning on or after December 15, 2021. The organization has reviewed and considered the impact of this new pronouncement on its financial statements and the appropriate ROU asset and lease liability is recorded.

**Public Support and Revenue** – Contributions to the Organization are recognized when cash, securities of other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for unrestricted use unless specifically restricted by donors.

For programs, consulting fees, and exchange-type grants and contracts, revenue is recognized when earned in accordance with ASC 606, *Revenue from Contracts with Customers*. Program fees and payments under exchange-type grants and contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

**Subsequent Events** - The agency has evaluated its December 31, 2024 financial statements through the date that the financial statements were issued September 13, 2025 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Face To Face Enrichment Center  
Notes to the Financial Statements  
For the Year Ended December 31, 2024**

**Summary of Significant Accounting Policies (Continued)**

**Economic Dependency-** Face To Face Enrichment Center receives its funding primarily through contributions and grant programs. The continuance of this program is dependent upon the agency's ability to obtain contributions and new funding from grant programs. Also, any funding considered not properly spent in accordance with funders' terms may be subject to recapture.

**Advertising-** Advertising costs are expensed as incurred and totaled \$29,985 for the year ended December 31, 2024.

- 3. Cash and Cash Equivalents** – Face To Face Enrichment Center's cash and cash equivalents consists of cash on deposit with local banks. There were -0- funds on deposit, in excess of FDIC Insurance limits at December 31, 2024.
- 4. Promises To Give-** Unconditional promises to give are recorded as receivables and revenue when received. **Face To Face** distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. At December 31, 2024, \$1,985,704 of promises to give are outstanding from the Department of Justice. Promises to give have not been discounted due to immateriality of discounts and are being reported at face value and are due as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2024	\$1,985,704

- 5. Unreimbursed Bank Transfer** – In May 2024, the agency's accountant noted a fraudulent transaction during the monthly bank reconciliation. The transaction was a transfer of \$20,000 to a bank account not owned by the agency and a person not recognized by agency personnel. The Executive Director requested an investigation of the transaction by the Consumer Financial Protection Agency, as well as by their local bank. The funds were never reimbursed by the agency's local banking institution.

**Face To Face Enrichment Center**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

- 6. Net Assets With Donor Restrictions** – As of December 31, 2024, net assets with donor restrictions are available for the following:

Purpose and time restricted net assets	\$ 1,540,937
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For the year ended December 31, 2024, net assets of \$1,816,711 were released from donor restrictions resulting from satisfaction of time and/or purpose restrictions.

- 7. Grants and Contributions** – Grants and contributions revenue consisted of the following for the year ended December 31, 2024:

Federal Grants	\$1,254,317
State and local grants	<u>150,000</u>
Total Grants and Contributions	<u>\$1,404,317</u>

- 8. Commitments and Contingencies-** As a recipient of government grants, there are various guidelines, regulations etc. The programs and activities funded by those grants, are subject to audit and/or review. Any grant awards found not to be properly spent in accordance with the terms, conditions, and regulations associated with them, may be subject to recapture.

- 9. Liquidity and Availability of Financial Assets** - The following reflects the Agency's financial assets as of December 31, 2024, reduced by amounts not available for general use due to contractual or donor-imposed restrictions within one year of the Statement of Financial Position date:

Financial assets	\$ 2,001,562
Less: Amounts unavailable for general expenditures within one year due to donor-imposed restrictions	
Restricted cash and cash equivalents	-0-
Promises to give	1,985,704
Less: Board Designated Assets-Operating Reserve	<u>10,000</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u><u>5,858</u></u>

As part of the Organization's liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Face-to-Face Enrichment Center

*Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer*

**Year Ended December 31, 2024**

Agency Head Name: Gabrielle Johnson

<b>Purpose</b>	<b>Amount</b>
Salary	\$113,374
Benefits-insurance	\$4,258.80
Benefits-retirement	\$4,534.96
Benefits-<list any other here>	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	

\*an example of an unvouchered expense would be a travel advance



**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**

**To the Board of Directors of Face To Face Enrichment Center:**

I 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 Face To Face Enrichment Center (a nonprofit organization) ("Face To Face") which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated September 13, 2025.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Face To Face Enrichment Center's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Face To Face Enrichment Center's internal control. Accordingly, I do not express an opinion on the effectiveness of Face To Face Enrichment Center'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. My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Face To Face Enrichment Center's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, as presented in the schedule of findings and questioned costs as item 2024-1 and 2024-2.

### **Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Face To Face's response to the finding identified in my audit and described in the accompanying schedule of findings and questioned costs. Face To Face's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I do not express an opinion on the response.

### **Purpose of this Report**

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

*Wharton CPA, LLC*

New Orleans, Louisiana  
September 13, 2025

**FACE TO FACE ENRICHMENT CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**2024-1 Late Audit Report Filing**

Condition: The audit for the year ended December 31, 2024 was not completed and submitted until September 2025.

Criteria: The Louisiana State audit law (LRS 24:513) requires the agency to complete its reporting requirements to the State within six (6) months following the end of its fiscal year.

Cause: The agency's accountant was replaced prior to the completion of the December 31, 2024 financials.

Effect: The audit is late and not in compliance with State and Federal reporting requirements.

Recommendation: It is recommended that the Agency completes its year-end financial statements in a timely manner.

Management Response: Management will take the proper steps to ensure the financial statements are completed timely.

Note : 2024-1 is a repeat finding from the December 31, 2023 audit.

**2024-2 Unauthorized Bank Transfer**

Condition: An unauthorized bank transfer in the amount of \$20,000 was made in May 2024 to a bank account not owned by the agency.

Criteria: Internal controls require procedures to be in place to safeguard all agency assets. The agency's accountant identified the fraud during monthly bank reconciliations and the Executive Director requested an investigation by the banking institution as well as the Consumer Financial Protection Bureau. However, the banking institution did not find it necessary to reimburse the agency.

Cause: The agency determined that the transaction was fraudulent and the \$20,000 was transferred to a different bank and to a person unknown to agency personnel. It was indeterminable as to how the person accessed the agency's bank account.

Effect: The agency has \$20,000 less in funds to perform agency operations and the agency had to close all bank accounts and re-open new accounts.

Recommendation: It is recommended that the Agency protect its bank accounts through appropriate internal control procedures.

Management Response: Management will take the proper steps to ensure that banking information is safeguarded. The agency will continue to perform monthly bank reconciliations so they can be aware of potential fraud as soon as it occurs, if it occurs.



FACE TO FACE ENRICHMENT CENTER

Report On Statewide Agreed-Upon Procedures  
On Compliance and Control Areas  
For the Year Ended December 31, 2024

Wharton CPA, LLC

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Face To Face Enrichment Center:

I 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 year ended December 31, 2024. Face To Face Enrichment Center's management is responsible for those C/C areas identified in the SAUPs.

Face To Face Enrichment Center (Face to Face) 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 year ended December 31, 2024. 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 I performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

I was engaged by Face To Face Enrichment Center to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs for the year ended December 31, 2024. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Face To Face Enrichment Center and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.

*Wharton CPA, LLC*

Wharton CPA, LLC  
New Orleans, LA  
September 13, 2025

FACE TO FACE ENRICHMENT CENTER  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
DECEMBER 31, 2024

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 “I 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 exception 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.

No exception noted.

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

No exception 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 exception 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 exception noted.

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- 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 exception noted.

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

No exception 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 exception 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 procedure was not performed, as it is deemed not applicable to non-profit organizations.

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

This procedure was not performed, as it is deemed not applicable to non-profit organizations.

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- 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.

No exceptions noted.

- 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 procedure was not performed, as it is deemed not applicable to the Entity.

**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 exception 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.

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- 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.

This procedure was not performed, as the Entity 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.

This procedure was not performed, as the Entity has no prior audit findings to resolve.

**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:

Public funds were deposited into and disbursed from one bank account. No exceptions were noted as a result of performing this procedure.

I obtained the bank reconciliation for the month ended December 31, 2024, resulting in 1 bank reconciliation 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 exception 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 exception noted.

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- 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 exception 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.

- 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:

From each of the listings provided, we haphazardly selected one collection location for each deposit site. 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 exception noted.

- 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 exception 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;

No exception noted.

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- 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 exception 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 exception 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:

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

No exception noted.

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

No exception noted.

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

No exception noted.

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- 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).

No exception noted.

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

No exception 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. From the listing provided, we selected the one location identified 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 #5 was provided. 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;

No exception noted.

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

No exception 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 exception noted.

- 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 exception 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 exception 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 each payment processing location selected in procedure #5A was provided related to the reporting period. From each of the listings provided, I haphazardly selected five 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 exception noted.

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- 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 exception 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.

A listing of non-payroll electronic disbursements for the Entity's main operating account selected in procedure #3A was provided. From the listing provided, we haphazardly selected five electronic disbursements and performed the specified procedures.

No exception noted.

**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. There was only one.

- 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, I haphazardly selected one card used during the fiscal period. I haphazardly selected one monthly statement for the card selected and performed the procedures noted below.

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- 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 exception noted.

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

No exception noted.

- C. Using the monthly statements or combined statements selected under procedure #6B 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.

No exception noted.

**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. Exclusively field trips.

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- 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](http://www.gsa.gov));

No exception 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 exception 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 exception noted.

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

No exception 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. From the listing provided, we haphazardly selected five 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;

No exception noted.

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- 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);

No exception noted.

- 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

This procedure was not performed, as the selected contracts was not amended during the fiscal period.

- 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.

No exception 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.

Obtained and selected 5 employees.

- 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

No exceptions noted.

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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.

No exceptions noted.

- 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.

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**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
  - 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 procedure was not performed, as it is deemed not applicable to non-profit organizations.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170. This procedure was not performed, as it is deemed not applicable to non-profit organizations.

**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 procedure was not performed, as it is deemed not applicable to non-profit organizations.

- 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 procedure was not performed, as it is deemed not applicable to non-profit organizations.

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**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.

Management represented that there were no misappropriations of public funds and assets during the fiscal period by anyone in the agency. However, there was an incident of random bank fraud during May 2024, whereby hackers unknown to the agency and bank made transfers from the agency bank account. The agency head did not contact the Legislative Auditor or District attorney of its domicile.

- 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 exception noted.

**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.

I 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.

I performed the procedure and discussed the results with management.

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- 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.

I performed the procedure and discussed the results with management.

- C. 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.

There were two terminated employees during the fiscal year and management presented evidence of removing them from the agency network and independent access to the building.

**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 procedure was not performed, as it is deemed not applicable to non-profit organizations.

- 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).

This procedure was not performed, as it is deemed not applicable to non-profit organizations.

- 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;
- ii. Number of sexual harassment complaints received by the agency;

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- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

This procedure was not performed, as it is deemed not applicable to non-profit organizations.

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MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN**

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**Schedule B**

**2024-1 Unauthorized Bank Transfer**

Condition: An unauthorized bank transfer in the amount of \$20,000 was made in May 2024 to a bank account not owned by the agency.

Criteria: Internal controls require procedures to be in place to safeguard all agency assets. The agency's accountant identified the fraud during monthly bank reconciliations, reported the theft to the Executive Director who then reported the theft to the Board Treasurer. She also requested an investigation by the banking institution as well as the Consumer Financial Protection Bureau. However, the banking institution did not find it necessary to reimburse the agency.

Cause: The agency determined that the transaction was fraudulent and the \$20,000 was transferred to a different bank and to a person unknown to agency personnel. It was indeterminable as to how the person accessed the agency's bank account.

Effect: The agency has \$20,000 less in funds to perform agency operations and the agency had to close all bank accounts and re-open new accounts.

Recommendation: It is recommended that the Agency protect its bank accounts through appropriate internal control procedures. It is also recommended that the agency inform the LLA and local district attorney in writing and immediately whenever theft of funds occur, even when it is believed to be someone outside of the agency. The agency should comply with LRS 24:523.

Management Response: Management will take the proper steps to ensure that banking information is safeguarded. The agency will continue to perform monthly bank reconciliations so they can be aware of potential fraud as soon as it occurs, if it occurs.