

**KEDILA FAMILY LEARNING CENTER  
FINANCIAL STATEMENTS  
WITH  
ACCOUNTANT'S COMPILATION REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2018**



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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

## **ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors  
**KEDILA FAMILY LEARNING CENTER, INC**  
New Orleans, Louisiana

Management is responsible for the accompanying financial statements of Kedila Family Learning Center (**KEDILA**), which comprise of the Statement of Position as of December 31, 2018, and the related statement of Activities and changes in net assets and statement of cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying schedules of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

**VGR, CPA**

A handwritten signature in blue ink, appearing to read 'J. A. H. P.', is written over a faint, light blue grid background.

New Orleans, Louisiana

June 27, 2019

**KEDILA FAMILY LEARNING CENTER, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018**

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ASSETS

Assets:		
Cash and equivalents (NOTES 2 and 6)	\$	63,592
Grants Receivable		26,888
Equipment net of accumulated depreciation and amortization of \$46,196 (NOTE 7)		<u>54,010</u>
Total assets		<u>\$ 144,490</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable		\$ 22,791
Loans Payable		60,033
Salaries payable (NOTE 6)		<u>1,663</u>
Total liabilities		<u>84,487</u>
Net Assets (NOTE 2):		
With out restriction -		<u>60,003</u>
Total net assets		<u>60,003</u>
Total liabilities and net assets		<u>\$ 144,490</u>

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

**KEDILA FAMILY LEARNING CENTER, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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<u>Revenues and Other Support</u>	
Grants income	\$ 255,140
Program income	<u>740</u>
Total revenues and other support	<u>255,880</u>
<u>Expenses</u>	
Program services	179,259
Support services	18,821
Fundraising	<u>-0-</u>
Total expenses	<u>198,080</u>
Change in net assets	57,800
Net assets, beginning of year	<u>2,203</u>
Net assets, end of year	<u>\$ 60,003</u>

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

**KEDILA FAMILY LEARNING CENTER, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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Cash Flows from Operating Activities:

Change in net assets	\$57,800
Adjustments to reconcile change in net assets to net cash provide by operating activities:	
Depreciation expense	800
Increase/Decrease in:	
Increase in Salaries payable	588
Increase in Accounts payable	274
Increase in Loans Payable	11,384
Increase in Grants Receivable	(9,319)
Net cash used in operating activities	61,527
Net Increase in cash	61,527
Cash, beginning of year	<u>2,065</u>
Cash, end of year	\$ <u><u>63,592</u></u>

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

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 – ORGANIZATION:

KEDILA FAMILY LEARNING CENTER, INC (**KEDILA**) is a non-profit organization formed in 2005. **KEDILA** is committed to providing education, training, affordable and safe housing and support services to the constituents it serves. **KEDILA**'s mission and vision is to provide hope to those who are left behind as they continue with their daily struggles. **KEDILA** prides itself as an organization "*Where the Journey to Learning Begins*" by providing the following programs: After School Remediation and Enrichment; Summer Camps; Freedom Schools; Teen Pregnancy Prevention; Child Abuse Prevention; Mentoring; YouthBuild; (a Skilled Job Training for young adults between ages 16-30 years old that did not complete high school) as well as basic computer training. In addition to all the great programs **KEDILA** offers It also serves as a resource center for the its community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:  
Principles of Accounting

**KEDILA** is a non-profit community-based organization whose financial statements are prepared on the accrual basis. **KEDILA** has also been classified as an entity that is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code and qualifies for deductible contributions as provided by Section 170(b)(1)(A)(vi).

KEDILA's Forms 990, *Return of Organization Exempt from Income Tax*, and Forms 990-T, *Exempt Organization Business Income Tax Return*, for the years ending December 31, 2015, 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

KEDILA's exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in the financial statements for federal or state income taxes.

Basis of Reporting

**Basis of presentation** – The financial statements of KEDILA have been in accordance with U.S. generally accepted accounting principles, which require KEDILA to report information regarding its financial position and activities according to the following classifications.

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

**KEDILA** has adopted the provisions of FASB Accounting Standards Codification, Topic 958, "Accounting for Not-for-Profit Entities", and reports its financial position and activities according to two classes of net assets according to externally (donor) imposed restrictions. The description of the two net asset categories is as follows:

**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 the organization. These net assets may be used at the discretion of KEDILA's management and the 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 KEDILA or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 statements of activities.

As of December 31, 2018 **KEDILA** did not have any restricted or temporarily restricted net assets.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, **KEDILA** considers all short-term, highly liquid investments with maturity of three months or less at the time of purchase to be cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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supporting services benefitted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Promises to Give

Contributions are recognized when the donor makes a promise to give to KEDILA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Improvements which significantly extend the useful life of an asset and purchases of buildings, land and equipment at a cost of \$1,000 or greater are capitalized. The straight-line method of depreciation is used for the assets owned by KEDILA. The estimated useful lives of these assets range from 3 to 40 years.

Support and Revenues

Revenues received under grant programs are recognized when earned. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the board of directors.

Fair Value

**KEDILA** has adopted certain provisions of FASB Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures." ASC Topic 820 refines the definition of fair value, establishes specific

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED: requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. ASC Topic 820 requires **KEDILA** to maximize the use of observable market inputs, minimize the use of unobservable market inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurement

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements – Adopted

On August 18, 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities(Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. **KEDILA** has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. The preparation of financial statements in conformity with generally accepted

In June 2018 the FASB issued ASU No. 2018-08 Not-for-Profit Entities (Topic 958), “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU will be effective for **KEDILA** for annual periods beginning after December 15, 2018. **KEDILA** is currently assessing the impact of the pronouncement on

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:  
New Accounting Pronouncements – Adopted, Continued:  
its financial statements.

The FASB has issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606), to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry specific guidance as well as help financial statement users better understand the

nature, amount, timing and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This ASU will be effective for KEDILA for annual periods beginning after December 15, 2018. KEDILA is currently assessing the impact of this pronouncement on the financial statements.

In January 2016, the FASB has issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lease recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, leases and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. This ASU will be effective for financial statements issued for annual periods beginning after December 15, 2019. KEDILA is currently assessing the impact of this pronouncement on its financial statements.

NOTE 3 - ECONOMIC DEPENDENCY:

The primary sources of revenue for **KEDILA** are grants provided through various funding agencies. The continued success of **KEDILA** is dependent upon the renewal of these grants and obtaining other grants from the funding sources.

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 4 - INCOME TAXES:

**KEDILA** is a tax-exempt organization under section 501(C)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **KEDILA's** tax status be challenged in the future, 2015 2016, 2017 and 2018 tax years are open for examination by the IRS.

NOTE 5 - COMMITMENTS AND CONTINGENCIES:

Participation in Grant Programs

**KEDILA** is a recipient of grant funds from various funding sources. The administration of the program and activities funded by the grants are under the control and administration of **KEDILA** and are subject to audit and/or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820, fair value is defined as the price that **KEDILA** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **KEDILA** assets or liabilities. The inputs are summarized in the three broad levels listed below:

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 6 -FAIR VALUE MEASUREMENTS OF  
FINANCIAL ASSETS AND LIABILITIES: CONTINUED**

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 -Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 -Pricing inputs are unobservable for the investment and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **KEDILA's** assessment of the

significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. All investments are considered level 1 investments.

The carrying value and the estimated fair values of **KEDILA's** financial instruments at December 31, 2018 are as follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 63,592	\$ 63,592
Contracts Receivable	26,888	26,888
Accounts Payable	22,791	22,791
Salaries Payable	1,663	1,663

**KEDILA FAMILY LEARNING CENTER, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 7 - EQUIPMENT:

	<u>Balance at</u> <u>01/01/18</u>	<u>Additions</u> <u>(Reductions)</u>	<u>Balance at</u> <u>12/31/18</u>
Equipment	\$ 4,000	\$ -0-	\$ 4,000
Vehicles	42,996	-0-	42,996
Building	53,210	-0-	53,210
Accumulated depreciation	<u>(45,396)</u>	<u>(800)</u>	<u>(46,196)</u>
Net Equipment	\$ <u>54,810</u>	\$ <u>___(800)</u>	\$ <u>54,010</u>

Depreciation expense for the year ended December 31, 2018 totaled \$800.

NOTE 8 - BOARD OF DIRECTORS COMPENSATION:

The board of directors operates on a voluntary basis, as such there were no payments made to any board member during the year ended December 31, 2018 for services.

NOTE 9 - GRANTS RECEIVABLE:

Grants receivable consists of outstanding payments from the Workforce Innovation and Opportunity program grant which totaled \$26,888 as of December 31, 2018. These amounts are deemed collectible as such, there has been no adjustment made to an account for an allowance for doubtful accounts.

NOTE 10 - LINE OF CREDIT:

The agency has a line of credit with a local bank. It is renewed annually and has an interest rate of 9.5% with varying monthly payments with interest expense for the years ended December 31, 2018 \$4,397. The balance of the line of credit as of December 31, 2018 was \$47,970.

NOTE 11 - SUBSEQUENT EVENTS:

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **KEDILA** has evaluated subsequent events and the reason for selecting that date. **KEDILA** evaluated subsequent events from June 17, 2019 date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**

KEDILA FAMILY LEARNING CENTER, INC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Support Services	Fundraising	Total
Salaries	\$117,710	-	\$0	\$117,710
Fringe Benefits	13,456	-	-	\$13,456
Storage	827	-	-	\$827
Rent	6,564	-	-	\$6,564
Telephone/Internet	601	2,524	-	\$3,125
Travel	3,245	11	-	\$3,256
Education and Training	6,757	-	-	\$6,757
Program Supplies	8,960	-	-	\$8,960
Office Supplies	573	-	-	\$573
Computers	839	-	-	\$839
Printing	580	-	-	\$580
Professional Service	5,875	-	-	\$5,875
Payroll Service Fees	980	-	-	\$980
Accounting	-	7,050	-	\$7,050
Contributions	300	-	-	\$300
Bus Drivers	4,980	-	-	\$4,980
Insurance - General Liability	4,162	-	-	\$4,162
Incentives	2,850	-	-	\$2,850
Interest	-	8,148	-	\$8,148
Meals and Refreshments	-	174	-	\$174
Bank Charges	-	114	-	\$114
Depreciation	-	800	-	\$800
	-	-	-	-
<b>TOTAL</b>	<u><u>\$179,259</u></u>	<u><u>\$18,821</u></u>	<u><u>\$0</u></u>	<u><u>\$198,080</u></u>

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

**KEDILA FAMILY LEARNING CENTER, INC**  
**SCHEDULE OF FEDERAL EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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<u>GRANTOR</u>	<u>CFDA NUMBER</u>	<u>ENTITY NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>ACTIVITY</u>
<b><u>U.S. Department of Health &amp; Urban Development</u></b>				
<u>Awards From A Pass-Through Entity</u>				
<u>City of New Orleans</u>				
Community Development Block Grants	14.218	N/A	-0-	59,350
<b>Total U.S. Department of Housing and Urban Development</b>				<u>59,350</u>
<b><u>U.S. Department of Labor</u></b>				
<u>Awards From A Pass-Through Entity</u>				
<u>Jefferson Parish</u>				
Workforce Innovation and Opportunity Act	17.259	N/A	-0-	69,748
<b>Total U.S. Department of Labor</b>				<u>69,748</u>
<b>Total Expenditures of Federal Awards</b>				<b>\$ <u>129,098</u></b>

**KEDILA FAMILY LEARNING SERVICES**  
**AGENCY HEAD COMPENSATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Agency Head Name:	Dipo Mosadomi	
<u>Purpose</u>		<u>Amount</u>
Salary		47,610.00
Benefits - insurance		-
Benefits - retirement		-
Benefits - other		-
Car allowance		-
Vehicle provided by organization		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference Travel		2,000.00
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-

Act 706 of the 2014 Legislative Session requires the disclosure of the total compensation, reimbursement, benefits, and other payments made to the agency head, political subdivision head or Chief executive officer, related to the position; including but not limited to travel housing, unvouchered expenses (such as travel advances) oer diem, and registration fees.