

**KEDILA FAMILY LEARNING CENTER
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**



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

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of **KEDILA FAMILY LEARNING CENTER (KEDILA)**, which comprise the statement of financial position as of DECEMBER 31, 2025, and the related statements of activity, 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 **KEDILA** as of DECEMBER 31, 2025, 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. 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 **KEDILA** and to meet my 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 opinions.

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 includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT **(CONTINUED)**

Management's Responsibility, Continued

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 **KEDILA'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 Responsibility 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 **KEDILA'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.

Auditor's Responsibility for the Audit of the Financial Statements, Continued

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **KEDILA'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.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenditures 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 consolidated 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.



VGR, CPA

New Orleans, Louisiana

June 25, 2026

KEDILA FAMILY LEARNING CENTER, INC
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>
ASSETS	
Assets	
Cash and equivalents (NOTES 2 and 6)	\$77,543
Grants Receivable	58,066
Fixed assets net of accumulated depreciation and amortization of 4,000 (NOTE 7)	-
Total Assets	\$135,608
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts Payable	\$ 17,921
Salaries Payable	33,024
Line of Credit	<u>32,351</u>
Total Liabilities	<u>\$83,297</u>
Net Assets	
With out restriction	(5,754)
Restricted	<u>58,066</u>
Total Net Assets	<u>52,312</u>
Total Liabilities and Net Assets	<u><u>\$135,608</u></u>

The accompanying notes are an integral part of these financial statements

KEDILA FAMILY LEARNING CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025

	<u>Without</u> <u>Restriction</u>	<u>With</u> <u>Restriction</u>	<u>Total</u>
<u>INCOME</u>			
Corporate Grants	\$ 35,000	\$ -	\$ 35,000
Government Grants	-	586,972	586,972
Other Income	250	-	250
Net Assets Released from Restriction	528,906	(528,906)	-
Total Income	<u>\$ 564,156</u>	<u>\$ 58,066</u>	<u>\$ 622,222</u>
 <u>EXPENSES</u>			
Program Services	\$589,972	-	\$ 589,972
Support Services	13,779	-	13,779
Fundraising	-	-	-
Total Expenses	<u>\$ 603,751</u>	<u>\$ -</u>	<u>\$ 603,751</u>
 Change in net assets	(39,595)	58,066	18,471
 Net assets, beginning of year	<u>33,841</u>	<u>-</u>	<u>33,841</u>
 Net assets, end of year	<u><u>\$ (5,754)</u></u>	<u><u>\$ 58,066</u></u>	<u><u>\$ 52,312</u></u>

The accompanying notes are an integral part of these financial statements

KEDILA FAMILY LEARNING CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows from Operating Activities

Change in net assets	\$ 18,471
Adjustments to reconcile change in net assets to net cash provided by operating activities.	
Decrease in grants receivable	20,222
Decrease in loans to officer	24,453
Decrease in accounts payable	(10,238)
Decrease in notes payable	(12,000)
Increase in Salaries payable	4,119
Net cash provided by operating activities	45,027

Cash Flows from Financing Activities

Decrease in Line of Credit	(8,997)
Net cash used in financing activities	(8,997)
Net Increase in cash and equivalents	36,030
Cash - Beginning of year	41,513
Cash - End of year	\$ 77,543

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

KEDILA FAMILY LEARNING CENTER, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Support Services	Fundraising	Total
Salaries	\$ 293,535	\$ -	\$ -	\$ 293,535
Fringe Benefits	3,634	-	-	3,634
Payroll Taxes	22,309	-	-	22,309
Telephone/Internet	-	1,769	-	1,769
Program Supplies	23,130	-	-	23,130
Travel	4,537	1,489	-	6,026
Supplies	-	2,133	-	2,133
Postage	43	293	-	336
Donations	-	1,350	-	1,350
Professional Service	105,600	2,000	-	107,600
Payroll Service Fees	3,230	146	-	3,376
Bus Drivers	129,595	-	-	129,595
Field Trips	1,359	-	-	1,359
Rent	3,000	-	-	3,000
Interest Expense	-	4,370	-	4,370
Other Expenses	-	229	-	229
TOTAL	<u>\$589,972</u>	<u>\$13,779</u>	<u>\$0</u>	<u>\$603,751</u>

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

KEDILA FAMILY LEARNING CENTER, INC
NOTES TO THE FINANCIAL STATEMENTS

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, 2024, 2023 and 2022 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

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.

KEDILA FAMILY LEARNING CENTER, INC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. CONTINUED:

A 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, 2025 **KEDILA** had \$68,466 in 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.

Concentration of credit risk

Kedila maintains cash balances at a national bank. The Federal Deposit Insurance Corporation (FDIC) provides on non-interest bearing accounts and all other deposits up to \$250,000. At DECEMBER 31, 2025, **Kedila** deposits totaling \$77,543 at a national bank. As such **Kedila** had no uninsured bank balances.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:
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 supporting services benefitted.

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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

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 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 measurements.

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

KEDILA FAMILY LEARNING CENTER, INC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

(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 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.

KEDILA FAMILY LEARNING CENTER, INC
NOTES TO THE 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.

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, 2024, 2023 and 2022 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

KEDILA FAMILY LEARNING CENTER, INC
NOTES TO THE FINANCIAL STATEMENTS

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

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:

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, 2025 are as follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 77,543	\$ 77,543
Grants Receivable	68,466	68,466
Accounts Payable	(17,921)	(17,921)
Salaries Payable	(33,024)	(33,024)
Notes Payable	(32,351)	(32,351)

KEDILA FAMILY LEARNING CENTER, INC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - FIXED ASSETS:

	Balance at 12/31/2024	Additions (Reductions)	Balance at 12/31/2025
Equipment	4,000.00	-	4,000.00
Accumulated Depreciation	(4,000.00)	-	(4,000.00)
Total Fixed Assets	-0-	-0-	-0-

Depreciation expense for the years ended DECEMBER 31, 2025 totaled \$-0-.

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, 2025 for services.

NOTE 9 - GRANTS RECEIVABLE:

Grants receivable consists of outstanding payments from a federal agency grant which totaled \$78,288 as of DECEMBER 31, 2025. 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 12.50% with varying monthly payments with interest expense for the year ended DECEMBER 31, 2025 totaling 4,339. The balance of the line of credit as of DECEMBER 31, 2025 was \$32,351.

KEDILA FAMILY LEARNING CENTER, INC
NOTES TO THE FINANCIAL STATEMENTS

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 January 1, 2025 to June 27, 2026, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNCTIONAL EXPENSES

KEDILA FAMILY LEARNING CENTER, INC
SCHEDULE OF FEDERAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>GRANTOR</u>	<u>CFDA NUMBER</u>	<u>ENTITY NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>ACTIVITY</u>
<u>U.S. Department of Education</u>				
<u>Awards From A Pass-Through Entity</u>				
<u>Louisiana Department of Education</u>				
21 st Century Community Learning Centers	84.287	N/A	-0-	586,972
Total U.S. Department of Education				<u>586,972</u>
<u>Total Expenditures of Federal Awards</u>				\$ <u>586,972</u>

KEDILA FAMILY LEARNING SERVICES
AGENCY HEAD COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name:	Dipo Mosadomi	
Purpose		Amount
Salary	-	86,160.00
Benefits - insurance	-	-
Benefits - retirement	-	-
Benefits - other	-	-
Car allowance	-	-
Vehicle provided by organization	-	-
Per diem	-	-
Reimbursements	-	-
Travel	-	-
Registration fees	-	-
Conference Travel	-	-
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) per diem, and registration fees



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the **Governing Board of KEDILA FAMILY LEARNING CENTER** and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **January 1, 2025 through December 31, 2025**. **KEDILA's** management is responsible for those C/C areas identified in the SAUPs.

KEDILA FAMILY LEARNING CENTER (KEDILA) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **January 1, 2025 through December 31, 2025**. 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 and associated findings are as follows:

Written Policies and Procedures

1. 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:¹
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**², 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results of Procedures: I reviewed the policies and procedures manual and noted no exceptions to the above procedures

Board or Finance Committee³

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results of Procedures: I noted no exceptions to the above procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁶ (or all accounts if less than 5). Randomly select one month from

the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) 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.

Results of Procedures : I noted no exceptions to the above procedures

Collections (excluding electronic funds transfers)⁷

- 4. Obtain a listing of deposit sites⁸ 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).
- 5. For each deposit site selected, obtain a listing of collection locations⁹ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

⁷ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁸ A deposit site is a physical location where a deposit is prepared and reconciled.

⁹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results of Procedures: I noted no exceptions to the above procedures.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

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

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Procedures: I noted no exceptions to the above procedures.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹⁰. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should

have 10 transactions subject to testing)¹¹. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results of Procedures I noted no exceptions to the above procedures.

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe 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).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Procedures: I noted no exceptions to the above procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as*
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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:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results of Procedures: I noted no exceptions to the above procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials¹⁴ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials¹⁵ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results of Procedures: I noted no exceptions to the above procedures.

Ethics¹⁶

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results of Procedures: I noted no exceptions to the above procedures.

Debt Service¹⁷

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
 22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
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Results of Procedures: I noted no exceptions to the above procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises¹⁸ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁹

Results of Procedures: I noted no exceptions to the above procedures.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results of Procedures: I noted no exceptions to the above procedures.

Sexual Harassment²⁰

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results of Procedures: Based on the Statewide Agreed Upon Procedures Kedila is not subject to the procedure since it is a private not-for-profit.

I was engaged by **KEDILA** 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 applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had 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 **KEDILA** 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.

A handwritten signature in black ink, appearing to be 'A R'.

New Orleans, LA

June 25, 2026