NOLA BUSINESS ALLIANCE, INC.

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

Sean M. Bruno
Certified Public Accountants, LLC

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Sean M. Bruno
Certified Public Accountants, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
NOLA Business Alliance, Inc.
New Orleans, Louisiana

Opinion

I have audited the accompanying financial statements of the **NOLA Business Alliance, Inc. (the Alliance)**, (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Basis for Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Alliance** as of December 31, 2022, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

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 judgment 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 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 **the Alliance'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 **the Alliance'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.

Report on Supplementary 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 on page 21 is presented for purposes of additional analysis and is not 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 October 2, 2023 on my consideration of **the Alliance'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 **the Alliance'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 **the Alliance's** internal control over financial reporting and compliance.

Sean M. Bruno

SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

October 2, 2023

NOLA Business Alliance, Inc.
Statement of Financial Position
As of December 31, 2022

ASSETS

Cash and cash equivalents (NOTES 2 and 3)	$	4,225,696
Pledges receivable		45,000
Grants receivables		20,852
Other receivable		4,800
Prepaid Expenses		18,728
Fixed assets net of depreciation $ 150,111 (NOTE 4)		59,334
Deposits		20,034
Total Assets	$	4,394,444

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	$	27,485
Compensated Absences		174,615
Line of credit (NOTE 12)		300,000
Total Liabilities		502,100
Net Assets		
With donor restrictions (NOTE 2)		3,377,546
Without donor restrictions (NOTE 2)		514,798
Total Net Assets		3,892,344
Total liabilities and net assets	$	4,394,444

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

NOLA Business Alliance, Inc.
Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Grants and contracts	$ 282,593	$ 2,420,000	$ 2,702,593
Private contributions	155,000	-	155,000
PPP loan forgiveness	536,940	-	536,940
Service fees	92,050	-	92,050
Interest	4,895	-	4,895
Employee Retention Credit	524,017	-	524,017
Miscellaneous	11,355	-	11,355
Net assets released from restrictions (Note 2)	3,393,346	(3,393,346)	-
Total Revenues and Support	5,000,196	(973,346)	4,026,850
Expenses			
Program services	4,149,457	-	4,149,457
Support services	1,278,747	-	1,278,747
Fundraising	216,501	-	216,501
Total Expenses	5,644,705	-	5,644,705
Change in net assets	(644,509)	(973,346)	(1,617,855)
Net Assets			
Beginning of the year	5,510,199	-	5,510,199
Net asset adjustments	(4,350,892)	4,350,892	-
Beginning of the year Net Assets restated	1,159,307	4,350,892	5,510,199
End of year	$ 514,798	$ 3,377,546	$ 3,892,344

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

NOLA Business Alliance, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Service	Management and General	Fundraising	Total
Salaries and wages	$ 1,155,613	$ 615,705	$ 114,118	$ 1,885,436
Advertising	26	-	-	26
Conference and meeting expense	272,224	19,654	4,978	296,856
Database and research expense	88,275	7,044	413	95,732
Depreciation	17,852	10,010	3,036	30,898
Insurance	18,813	10,549	3,199	32,561
Marketing	269,623	72,866	22,096	364,585
Membership dues	7,922	7,869	386	16,177
Bank charges	127	18,663	-	18,790
Supplies	8,321	4,249	1,289	13,859
Printing	3,779	1,088	21	4,888
Professional services	741,460	75,189	22,801	839,450
Rent and parking	204,010	114,394	34,690	353,094
Repairs and maintenance	4,313	2,419	733	7,465
Staff development	12,938	7,641	371	20,950
Sub-recipient cost	1,233,336	259,296	393	1,493,025
Subscriptions	17,779	23,553	146	41,478
Telephone and communications	30,724	13,412	4,067	48,203
Travel	57,808	14,021	3,721	75,550
Postage	4,514	138	43	4,695
Corporate	-	987	-	987
	$ 4,149,457	$ 1,278,747	$ 216,501	$ 5,644,705

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

NOLA Business Alliance, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash Flows from Operating Activities	
Change in net assets	$ (1,617,855)
Fixed asset adjustment	(12,825)
Adjustments to reconcile change in net assets to net cash provided by operations activities	
Depreciation	30,898
(Increase) decrease in grants receivables	(20,852)
(Increase) decrease in receivables	469,754
(Increase) decrease in prepaid	(1,413)
Increase (Decrease) in accounts payable	(6,068)
Increase (Decrease) in payroll liabilities	(78)
Net cash used in operating activities	(1,158,439)
Cash Flows from Investing Activities	
Purchase of property and equipment	(1,870)
Net cash used in investing activities	(1,870)
Cash Flows from Financing Activities	
PPP Loan Forgiveness	(536,940)
Net cash used in financing activities	(536,940)
Net decrease in cash and cash equivalents	(1,697,249)
Cash and cash equivalents - January 1, 2022	5,922,945
Cash and cash equivalents - December 31, 2022	$ 4,225,696
SUPPLEMENTAL DISCLOSURES	
Interest paid with cash	$ -

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

NOTE 1 - ORGANIZATION:

The **NOLA Business Alliance, Inc. (the Alliance)** was organized in 2011 as a non-profit organization with the task of leading the economic development initiative for the City of New Orleans.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis Presentation

For the year ended December 31, 2022, **the Alliance** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis Presentation, Continued

statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources. **The Alliance** adopted this standard for the year ended December 31, 2022 and its implementation is reflected in the financial statements.

A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of Net Assets Without Donor Restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. At December 31, 2022, **the Alliance** had Net Assets Without Donor Restrictions that totaled $514,798.

Net Assets With Donor Restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. At December 31, 2022, **the Alliance** had Net Assets With Donor Restrictions that totaled $3,377,546.

Net assets totaling $3,393,346 as of December 31, 2022 were released from donor imposed temporary restrictions by incurring expenses satisfying the restricted purposes and by occurrence of the events specified by the donor. assets and construction costs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis Presentation, Continued

Contributions

The Alliance accounts for contributions in accordance with FASB ASC Section 958-605, *Not-for-Profit Entities, Revenue Recognition*, accounting for contributions received and contributions made. In accordance with FASB ASC Section 958-605, contributions are recorded as Net Assets Without Donor Restrictions or Net Assets With Donor Restrictions depending on the existence and nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenues are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and represented in the Statement of Activities as net assets released from restrictions.

Fixed Assets

The Alliance capitalizes all fixed asset purchases with a unit cost greater than $500 and a useful life greater than one year. Fixed assets are stated at cost if purchased, or at fair market value at the date of the gift, if donated. Depreciation on office furniture and equipment is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Cash and Cash Equivalents

Cash consists solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows.

Fair Value

The Alliance adopted certain provisions of Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements which are codified in FASB ASC Topic 820. ASC Topic 820 refines the definition of fair value, established specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further ASC Topic 820 require **the Alliance** 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.

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 program and supporting services benefited.

NOTE 3 - FIXED ASSETS:

Changes in office furniture and equipment and leasehold improvements during the year ended December 31, 2022 were as follows:

Description	Balance December 31, 2021	Additions (Deletions)	Accumulated Depreciation/ Amortization	Balance December 31, 2022
Office furniture and fixtures	$ 111, 522	$ -0-	$ (67,442)	$ 44,080
Computer and software	86,127	11,796	(82,669)	13,384
Leasehold Improvements	9,936	(9,936)	-0-	-0-
Total	$ 207,585	$ 1,860	$(150,111)	$ 59,334

Depreciation / Amortization expense for the year ended December 31,2022 totaled $30,898.

NOTE 4 - INCOME TAXES:

The Alliance is exempt from corporate income taxes 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 **the Alliance's** tax status be challenged in the future, the 2019, 2020, and 2021 tax years are open for examination by the IRS.

NOTE 5 - CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject **the Alliance** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. At December 31, 2022, **the Alliance** had cash and cash equivalents in the bank totaling $4,225,696.

The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2022, **the Alliance's** uninsured cash balances totaled $3,760,889.

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 **the Alliance** 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.

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

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Pricing inputs are other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability 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 asset or liability 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. **The Alliance'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 assets/liabilities. All assets/liabilities are considered Level 1 assets/liabilities.

The carrying amounts of the assets and the liabilities reported in the Statement of Financial Position approximate fair value because of the terms and relatively short maturity of those financial instruments.

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

The following table summarizes the valuation of **the Alliance's** financial instruments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of December 31, 2022 are as follows:

	Carry Value	Fair Value
Cash and cash equivalents	$ 4,225,696	$ 4,225,696
Pledges receivables	$ 45,000	$ 45,000
Grants receivables	$ 20,852	$ 20,852
Other receivables	$ 4,800	$ 4,800
Accounts payable	$ 27,485	$ 27,485

NOTE 7 - RELATED PARTY TRANSACTION:

There are no related party transactions for the year ended December 31, 2022.

NOTE 8 - GRANTS AND CONTRACTS:

The Alliance is the recipient of grants and contracts from various sources in the amount of $2,681,741. The grants and contracts were primarily utilized to support the activities of the **NOLA Business Alliance, Inc.**.

The Alliance was primarily funded through the following grants and contracts for the year ended December 31, 2022.

Funding Source	Revenue
Grants:	
Business Support	$ 2,681,741
Total Grants and Contracts	$ 2,681,741

NOTE 9 - COMMITMENTS AND CONTINGENCIES:

Grants and Contracts

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

Operating Lease

The Alliance leases office space under the terms of an operating lease. The terms of the lease is eleven year (132 months) beginning May14, 2018. The base increases after 12 months, 18 months, 30 months, and 66 months. Future minimum lease payments under the terms of the operating lease as of December 31, 2022 were:

2022	$ 332,886
2023	253,950
2024	260,722
2025	260,722
2026	260,722
Total	$1,369,002

The office space rent expense totaled $60,249 for the year ended December 31, 2022.

NOTE 10 - LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$848,150
Receivables	25,652
	$873,802

Management has a goal to maintain sufficient financial resources on hand to meet sixty (60) days of normal operating expenses.

NOTE 11 - NEW ACCOUNTING PRONOUCEMENTS:

In May 2014, the FASB issued ASU No. 2014-09 *Revenue from Contracts with Customers*, (Topic 606) which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. This standard is effective for fiscal years beginning after December 31, 2018. The standard permits the use of either the retrospective or cumulative effect transition method. **The Alliance** has implemented ASU 2014-09 and has adjusted the presentation of financial statements and related disclosures.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The ASU amendments include changes related to how certain equity investments are measured, how changes are recognized in the fair value of certain financial liabilities measured under the fair value option, and how financial assets and liabilities are disclosed and presented on **the Alliance's** financial statements. Additionally, the ASU will also require entities to present financial assets and financial liabilities separately, grouped by measurement category and form of financial asset in the statement of financial position or in the accompanying notes to the financial statements. Entities will also no longer have to disclose the methods and significant assumptions for financial instruments measured at amortized cost, but will be required to measure such instruments under the "exit price" notion for disclosure purposes.

NOTE 11 - NEW ACCOUNTING PRONOUCEMENTS, CONTINUED:

The ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted only as of annual reporting periods beginning after December 15, 2017. **The Alliance** has implemented the ASU 2016-01 and has adjusted the presentation of the financial statements accordingly.

In February 2016, the FASB issued ASU no. 2016-02, *Leases* (Topic 842) which requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. For public business entities, certain not-for-profit entities, and certain employee benefit plans, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. **The Alliance** is currently assessing the impact on these pronouncements on its financial statements. The implementation date has been extended to entities with fiscal years beginning after December 15, 2021.

In November 2019, the FASB issued ASU 2019-10, *Financial Instruments – Credits Losses (Topic 326), Derivative and Hedging (Topic 815) and Leases (Topic 842) which amended ASU 2016-02.* This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires companies to recognize lease assets and liabilities on the statement of financial position and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2020 with early adoption permitted. In June 2020, the FASB issued ASU 2020-05, which amends the effective date of the standards on Topic 842 to give immediate relief to certain entities as a result of the widespread adverse economic effects and business disruptions caused by the coronavirus disease 2019 (COVID-19) pandemic. The Board deferred the effective date of Topic 842 for private companies, private-not-for-profit entities, and public non-for-profit entities. The deferral only applies if those entities have not yet issued their financial statements (or made their financial statements available for issuance) as of June 3, 2020. **The Alliance** expects to adopt ASU 2020-05 for fiscal years beginning after December 15, 2021 but does not believe that this standard will have a material impact or its financial statements or disclosures.

NOTE 11 - NEW ACCOUNTING PRONOUCEMENTS, CONTINUED:

In August 2016, the FASB issued Accounting Standards Update (ASU) ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which significantly changes the presentation requirements for financial statements of not-for-profit entities. The amendments are intended to improve the guidance on net asset classification as well as the information presented in the financial statements and notes regarding liquidity, financial performance and cash flows for not-for-profit entities. Specifically, the ASU: 1) reduces complexity and improves understandability of net asset classifications, 2) improves transparency and utility of information regarding an entity's liquidity, 3) improves consistency in the type of information provided about expenses, and 4) improves consistency in the reporting of operating cash flows in the statement of cash flows. The ASU is effective for annual periods beginning after December 15, 2017. **The Alliance** has implemented ASU 2016-14 and has adjusted the presentation of the financial statements accordingly.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash.* The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The amendments in this Update are effective for nonpublic entities for annual periods beginning after December 15, 2018, with early adoption permitted. **The Alliance** does not expect the new guidance to have a material impact on **the Alliance's** financial statements.

NOTE 12 - LINE OF CREDIT

The Alliance has an unsecured line of credit with a financial institution in the amount of $300,000 with a variable interest rate of 7.75%, **the Alliance** borrowed $300,000 of the line of credit as of December 31, 2022.

NOTE 13 - SUBSEQUENT EVENTS:

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **the Alliance** has evaluated subsequent events and the reason for selecting that date. **The Alliance** evaluated subsequent events from January 1, 2023 to October 2, 2023, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

NOLA BUSINESS ALLIANCE, INC.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER (STATEMENT C)
FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name/Title: Norman Barnum IV, President / CEO

PURPOSE	**AMOUNT**
Salary	$ 257,094
Benefits-health insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Benefits-executive parking	2,460
Car allowance	9,000
Reimbursements	15,440
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Other (Gas and vehicle maintenance)	-

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.

See Accompanying Independent Auditor's Report

Sean M. Bruno
Certified Public Accountants, LLC

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Society of Louisiana
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INDEPENDENT AUDITOR'S 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
NOLA Business Alliance, Inc.
New Orleans, Louisiana

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 **NOLA Business Alliance, Inc. (the Alliance)** (a non-profit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements 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 October 2, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the Alliance'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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Alliance's** internal control. Accordingly, I do not express an opinion on the effectiveness of **the Alliance's** internal control.

Report Internal Control Over Financial Reporting, Continued

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 weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the Alliance'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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

INDEPENDENT AUDITOR'S 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*

(CONTINUED)

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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sean M. Bruno

SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

October 2, 2023

NOLA BUSINESS ALLIANCE, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION 1 SUMMARY OF INDEPENDENT AUDITORS' REPORT

1. The independent auditors' report expresses an unmodified opinion on the financial statements of **the Alliance.**

2. No significant deficiencies in internal control relating to the audit of the financial statements were reported in the 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.*

3. There was an instances of noncompliance material to the financial statements of **the Alliance** that is reported in the 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.*

4. No management letter was issued for the year ended December 31, 2022.

SECTION II FINANCIAL STATEMENT FINDINGS

COMPLIANCE

2022-001 - Untimely Submission of Audit Report

Criteria

Pursuant to the requirement of Louisiana Statute R.S 24:513 A.(5)(a)(i), annual financial reports shall be completed within six (6) months of the close of an entity's fiscal year. If the due date falls on a Saturday, Sunday, or federal Holiday, the reporting package is due the next business day.

Conditions

The December 31, 2022 report was not submitted within the prescribed time frame.

Context

The audit report was outstanding six (6) months after the entity's fiscal year.

Cause

Management failed to ensure that the audit report was issued within prescribed timeline.

Effect

The Alliance has not complied with the audit reporting requirement of Louisiana Statute R.S. 24:513 A.(5)(a)(i).

Recommendation

I recommend that management of **The Alliance** take steps to ensure that the report is submitted within the prescribed deadlines.

Management's Response

The Alliance concurs with this finding. Delay was mainly due to not engaging an auditor in a timely manner. **The Alliance** will submit future audits in a timely manner.

NOLA BUSINESS ALLIANCE, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

There were no findings reported in the prior year's audit.