

Marketing Education Retail Alliance, Inc.
Baton Rouge, Louisiana
June 30, 2025

Table of Contents

Independent Auditor's Report	Page	3
Financial Statements		
Statements of Financial Position	Page	6
Statements of Activities	Page	7
Statements of Functional Expenses	Page	8
Statements of Cash Flows	Page	9
Notes to Financial Statements	Page	10
Supplementary Information		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	Page	14
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 <i>Government Auditing Standards</i>	Page	15
Schedule of Findings and Responses	Page	17
Summary Schedule of Prior Audit Findings	Page	18



**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Brittany B. Thames, CPA
Kevin M. Rodriguez, CPA

Independent Auditor's Report

To the Board of Directors
Marketing Education Retail Alliance, Inc.
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Marketing Education Retail Alliance, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Marketing Education Retail Alliance, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marketing Education Retail Alliance, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 5 to the financial statements, Marketing Education Retail Alliance, Inc.'s revenue is derived entirely from a cooperative endeavor agreement with an agency of the State of Louisiana. The agreement was not renewed for the 2026 fiscal year. As a result, Marketing Education Retail Alliance, Inc. is dormant as of the date of this report. Our opinion is not modified with respect to this matter.

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.

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 Marketing Education Retail Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Marketing Education Retail Alliance, Inc.'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marketing Education Retail Alliance, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer, as required by the Louisiana Legislative Auditor, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer 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*, we have also issued our report dated October 16, 2025, on our consideration of Marketing Education Retail Alliance, Inc.'s internal control over financial reporting and on our 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 our 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 Marketing Education Retail Alliance, Inc.'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 Marketing Education Retail Alliance, Inc.'s internal control over financial reporting and compliance.

Hawthorn, Waymouth & Carroll, LLP

October 16, 2025

Marketing Education Retail Alliance, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ -	\$ 19
Total assets	<u>\$ -</u>	<u>\$ 19</u>
Liabilities		
Accounts payable	\$ -	\$ 19
Total liabilities	-	19
Net Assets, Without Donor Restrictions	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 19</u>

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

Marketing Education Retail Alliance, Inc.
Statements of Activities
Years Ended June 30, 2025 and 2024

	<u>Without Donor Restrictions</u>	
	<u>2025</u>	<u>2024</u>
Revenue and Other Support		
State grant	\$ 675,105	\$ 675,528
Contribution of nonfinancial assets	<u>3,661</u>	<u>3,211</u>
Total revenue and other support	<u>678,766</u>	<u>678,739</u>
Expenses		
Program services	597,590	599,574
General and administrative expenses	<u>81,176</u>	<u>79,165</u>
Total expenses	<u>678,766</u>	<u>678,739</u>
Change in Net Assets	-	-
Net Assets, beginning of year	<u>-</u>	<u>-</u>
Net Assets, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Marketing Education Retail Alliance, Inc.
Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

	<u>June 30, 2025</u>			<u>June 30, 2024</u>		
	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Administrative Expenses						
Contract services	\$ 70,099	\$ 38,201	\$ 108,300	\$ 81,435	\$ 37,365	\$ 118,800
Equipment rental	5,178	2,822	8,000	5,484	2,516	8,000
Office rent	5,825	3,175	9,000	6,169	2,831	9,000
Telephone	1,780	970	2,750	1,885	865	2,750
Office supplies	1,942	1,058	3,000	2,372	1,088	3,460
Marketing/Outreach to schools	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total administrative expenses	<u>87,324</u>	<u>46,226</u>	<u>133,550</u>	<u>99,845</u>	<u>44,665</u>	<u>144,510</u>
Operating Expenses						
Accounting/bookkeeping	-	24,000	24,000	-	24,000	24,000
Professional services	-	10,950	10,950	-	10,500	10,500
Education consultant	<u>19,000</u>	<u>-</u>	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Total operating expenses	<u>19,000</u>	<u>34,950</u>	<u>53,950</u>	<u>19,000</u>	<u>34,500</u>	<u>53,500</u>
Travel	<u>66</u>	<u>-</u>	<u>66</u>	<u>465</u>	<u>-</u>	<u>465</u>
Marketing Education Grants	<u>491,200</u>	<u>-</u>	<u>491,200</u>	<u>480,264</u>	<u>-</u>	<u>480,264</u>
Total expenses	<u><u>\$ 597,590</u></u>	<u><u>\$ 81,176</u></u>	<u><u>\$ 678,766</u></u>	<u><u>\$ 599,574</u></u>	<u><u>\$ 79,165</u></u>	<u><u>\$ 678,739</u></u>

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

Marketing Education Retail Alliance, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets without donor restrictions	\$ -	\$ -
Adjustments to reconcile change in net assets without donor restrictions to net cash used in operating activities:		
Decrease in liabilities:		
Accounts payable	_____ (19)	_____ (519)
Net cash used in operating activities	_____ (19)	_____ (519)
Net Decrease in Cash	(19)	(519)
Cash, beginning of year	_____ 19	_____ 538
Cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ 19</u></u>

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

Marketing Education Retail Alliance, Inc.
Notes to Financial Statements
June 30, 2025

Note 1-Nature of Operations

Marketing Education Retail Alliance, Inc. (MERA) is a nonprofit organization formed to enhance the current marketing education, entrepreneurship, and workforce development programs in Louisiana by providing learning opportunities, workforce training, and certification programs for Louisiana high school students, which will in turn produce a more knowledgeable workforce for Louisiana. MERA's revenue is derived from a cooperative endeavor agreement (CEA) with an agency of the State of Louisiana, to channel funds directly to the classroom through a grant process, for worthy, creative, and innovative opportunities to assist students in achieving their full potential. MERA works with local and national merchants and businesses through the Louisiana Retailers Association (LRA) to ensure the best preparation of our future leaders.

Note 2-Summary of Significant Accounting Policies

A. Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of MERA and changes therein are classified and reported as follows:

Net assets without donor restrictions: net assets not subject to donor stipulations.

Net assets with donor restrictions: net assets subject to donor stipulations that: a) restrict their use to a specific purpose which will be satisfied by actions of MERA or the passage of time; or b) require that they be maintained in perpetuity by MERA; generally, the donor of these assets permits MERA to use all or part of the income earned.

As of June 30, 2025 and 2024, MERA had no net assets with donor restrictions.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the estimates that were used.

C. Cash and Cash Equivalents

For purposes of the statements of cash flows, MERA considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2025 and 2024.

Marketing Education Retail Alliance, Inc.
Notes to Financial Statements
June 30, 2025

Note 2-Summary of Significant Accounting Policies (Continued)

D. Grants

MERA receives funding to provide grants to Louisiana high schools based on specific requirements included in the agreement. The grant is a nonreciprocal transaction and includes conditions stipulated by the entity and is, therefore, accounted for as a conditional contribution. Public support is recognized as conditions are satisfied, primarily as expenses are incurred. Cash received from the grant prior to incurring allowable expenses is recorded as deferred revenue.

E. Contribution of Nonfinancial Assets

Contribution of nonfinancial assets is reflected as revenue and expense in the accompanying financial statements at its estimated fair market value at the date of receipt. Nonfinancial assets were donated to the Organization to assist with cost of professional fees in the amount of \$3,661 and \$3,211 for the years ended June 30, 2025 and 2024, respectively.

F. Functional Expenses

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are allocated to program and supporting services on the basis of periodic time and expenses studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and operation of MERA.

G. Income Taxes

MERA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity other than a private foundation within the meaning of Section 509(a). Accordingly, no provision has been made for income taxes.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If MERA were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

H. Liquidity Management

As part of its liquidity management, MERA has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. As of June 30, 2025, MERA had no assets or liabilities.

Marketing Education Retail Alliance, Inc.
Notes to Financial Statements
June 30, 2025

Note 3-Related Party

MERA is related to LRA through common governance. LRA provides administrative and operating support for program services to MERA, through a contract renewed annually contingent upon MERA receiving CEA funding. The total amount paid for these services for the years ended June 30, are as follows:

	<u>2025</u>	<u>2024</u>
Contract services	\$ 108,300	\$ 118,800
Equipment rental	8,000	8,000
Office rent	9,000	9,000
Telephone	2,750	2,750
Office supplies	3,000	3,460
Professional fees	3,661	3,211
Marketing/ Outreach to schools	<u>2,500</u>	<u>2,500</u>
	<u>\$ 137,211</u>	<u>\$ 147,721</u>

Note 4-Contingencies

MERA has a CEA with an agency of the State of Louisiana, which is governed by various rules and regulations. Costs charged to the CEA are subject to audit and adjustment by the state agency; therefore, to the extent that MERA has not complied with the rules and regulations governing the CEA, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the CEA; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs disallowed would be recognized in the period agreed upon by the agency and MERA.

Note 5-Economic Dependency

MERA receives all of its revenue from a CEA administered by an agency of the State of Louisiana. The CEA amount is appropriated each year by the state government. If significant budget cuts are made at the federal and/or state level, the amount of funds received by MERA could be reduced significantly by an amount that could adversely impact its operations.

On June 12, 2025, MERA's CEA was not renewed, and MERA will not be seeking alternative sources of funding for the year ended June 30, 2026. However, MERA will remain open and may pursue new funding in the future.

Note 6-Subsequent Events

MERA evaluated all subsequent events through October 16, 2025, the date the financial statements were available to be issued. As a result, MERA noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Supplementary Information

**Marketing Education Retail Alliance, Inc.
Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
Year Ended June 30, 2025**

Agency Head Name: Jessica Elliott, Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 0
Benefits – insurance	0
Benefits – retirement	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

No payments were made to the administrator from public funds.



**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Brittany B. Thames, CPA
Kevin M. Rodriguez, CPA

**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 of
Marketing Education Retail Alliance, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marketing Education Retail Alliance, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025, 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 our report thereon dated October 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marketing Education Retail Alliance, Inc.'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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marketing Education Retail Alliance, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Marketing Education Retail Alliance, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marketing Education Retail Alliance, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawthorn, Waymouth & Carroll, LLP

October 16, 2025

Marketing Education Retail Alliance, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2025

Part I - Summary of Audit Results

- 1) An unmodified opinion has been expressed on the financial statements of Marketing Education Retail Alliance, Inc. as of and for the year ended June 30, 2025, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be a significant deficiency were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II - Financial Statement Findings

No findings were noted.

**Marketing Education Retail Alliance, Inc.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025**

Part I – Financial Statement Findings

No findings were noted.

Part II – Management Letter

A management letter was not issued for the year ended June 30, 2024.