



**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2022**

**MESILLA VALLEY CASA  
TABLE OF CONTENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**INTRODUCTORY SECTION**

Official Roster	1
-----------------	---

**FINANCIAL SECTION**

Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14

**COMPLIANCE SECTION**

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> .	15-16
---	-------

**SUPPLEMENTARY INFORMATION**

Schedule of Findings and Responses	17
Exit Conference	18

**MESILLA VALLEY CASA  
OFFICIAL ROSTER**

**BOARD OF DIRECTORS**

Brent Shelly	President
Kristi Martin	Vice President
Brenda J. Allred	Treasurer
Rebecca Cram	Secretary
Wendy Beserra	Director
Deborah Moore	Director
Lupe Nevarez	Director

**ADMINISTRATIVE STAFF**

Doreen Gallegos	Executive Director
-----------------	--------------------

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Mesilla Valley CASA  
Las Cruces, NM

### **Opinion**

We have audited the accompanying financial statements of Mesilla Valley CASA, a nonprofit organization, which comprise the statement of financial position as of June 30, 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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mesilla Valley CASA as of June 30, 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.

### **Basis for Opinion**

We conducted our audit 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 Mesilla Valley CASA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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 any conditions or events, considered in the aggregate, that raise substantial doubt about Mesilla Valley CASA'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**

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 it 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 judgement 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 judgement 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 disclosure in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mesilla Valley CASA'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mesilla Valley CASA'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.

#### **Report on Summarized Comparative Information**

We have previously audited Mesilla Valley CASA's 2021 financial statements, and in our report dated February 28, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022, on our consideration of Mesilla Valley CASA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Mesilla Valley CASA'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 Mesilla Valley CASA's internal control over financial reporting and compliance.



Ollie D. Waters, CPA, CMA  
Waters & Company, LLC  
Albuquerque, New Mexico  
December 19, 2022

**MESILLA VALLEY CASA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)**

ASSETS:

	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 666,649	\$ 590,443
Grant Receivable (Note 3)	47,185	51,692
Prepaid Expenses (Note 4)	<u>5,809</u>	<u>2,174</u>
Total Current Assets	<u>719,643</u>	<u>644,309</u>
Fixed Assets		
Property & Equipment (Note 5)	49,327	28,047
Less Accumulated Depreciation (Note 5)	<u>(20,907)</u>	<u>(14,449)</u>
Net Fixed Assets	<u>28,420</u>	<u>13,598</u>
Total Assets	<u><u>\$ 748,063</u></u>	<u><u>\$ 657,907</u></u>

LIABILITIES:

Current Liabilities		
Accounts Payable	\$ 6,253	\$ 10,875
Payroll Tax Liabilities	622	600
Accrued Compensated Absences (Note 6)	33,332	28,965
Benefits Payable	500	900
Capital Lease Payable - Current Portion	<u>-</u>	<u>1,503</u>
Total Current Liabilities	<u>40,707</u>	<u>42,843</u>
Total Liabilities	<u><u>\$ 40,707</u></u>	<u><u>\$ 42,843</u></u>

NET ASSETS:

Without Donor Restrictions (Note 7)	<u>707,356</u>	<u>615,064</u>
Total Net Assets	<u>707,356</u>	<u>615,064</u>
Total Liabilities & Net Assets	<u><u>\$ 748,063</u></u>	<u><u>\$ 657,907</u></u>

MESILLA VALLEY CASA, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)

	<b>2022</b>	<b>2021</b>
	<b>TOTAL</b>	<b>TOTAL</b>
REVENUE:		
Grant Income (Note 8)	\$ 337,658	\$ 395,200
Contributions	107,980	62,745
Fundraising Income	-	-
Investment Return	71	726
Other Income	-	2,992
In-Kind Contributions	-	-
Total Revenue	<u>445,709</u>	<u>461,663</u>
EXPENSES:		
Program Services	270,185	273,353
General & Administrative	68,082	56,842
Fundraising (Note 9)	15,150	16,596
Total Expenses	<u>353,417</u>	<u>346,791</u>
Change in Net Assets	92,292	114,872
Net Assets at Beginning of Year	<u>615,064</u>	<u>500,192</u>
Net Assets at End of Year	<u>\$ 707,356</u>	<u>\$ 615,064</u>

SEE INDEPENDENT AUDITOR'S REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

# Draft-for discussion purposes only

**MESILLA VALLEY CASA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)**

	<u>PROGRAM</u> <u>SERVICES</u>	<u>GENERAL &amp;</u> <u>ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>2022</u> <u>TOTAL</u>	<u>2021</u> <u>TOTAL</u>
EXPENSES:					
Salaries	\$ 167,366	\$ 41,289	\$ 11,437	\$ 220,092	\$ 220,315
Payroll taxes	12,905	3,184	882	16,971	16,937
Employee benefits (Note 9)	3,042	750	208	4,000	5,700
Occupancy (Note 10)	21,823	2,950	-	24,773	21,153
Office expenses	14,003	3,280	956	18,239	10,932
Training	17,268	-	-	17,268	5,500
Advertising	12,925	-	-	12,925	24,479
Professional Fees	-	12,762	-	12,762	13,696
Insurance	5,347	1,319	365	7,031	6,643
Donations	4,792	-	-	4,792	4,173
Telephone	3,625	894	248	4,767	6,278
Fundraising expenses	-	-	1,012	1,012	2,817
Fees	-	958	-	958	898
Postage	612	151	42	805	393
Interest	-	545	-	545	577
Travel	19	-	-	19	1,434
Depreciation (Note 5)	6,458	-	-	6,458	4,866
Total Expenses	<u>\$ 270,185</u>	<u>\$ 68,082</u>	<u>\$ 15,150</u>	<u>\$ 353,417</u>	<u>\$ 346,791</u>



**MESILLA VALLEY CASA, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from contributors	107,980	62,745
Cash received from government grants	342,165	374,006
Cash received from interest	71	726
Cash received from other income	-	2,992
Cash paid to and on behalf of employees	(237,072)	(235,675)
Cash paid for expenses	(114,155)	(99,448)
Net cash provided (used) by operating activities	<u>98,989</u>	<u>105,346</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in Fixed Assets	(21,280)	(4,789)
Net cash provided (used) by investing activities	<u>(21,280)</u>	<u>(4,789)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on capital lease	(1,503)	(1,283)
Net cash provided (used) by financing activities	<u>(1,503)</u>	<u>(1,283)</u>
Net increase (decrease) in cash and cash equivalents	76,206	99,274
Cash and cash equivalents at beginning of year	<u>590,443</u>	<u>491,169</u>
Cash and cash equivalents at end of year	<u>\$ 666,649</u>	<u>\$ 590,443</u>

SEE INDEPENDENT AUDITOR'S REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

**MESILLA VALLEY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Note 1. Summary of Significant Accounting Policies**

**A. Function of Entity**

Mesilla Valley CASA (Court Appointed Special Advocates), Inc., a nonprofit organization, was incorporated under laws of the State of New Mexico on September 17, 1993. Mesilla Valley CASA was organized for the purpose of advocating for the best interests of abused and neglected children and supports the development, growth and continuation of programs which recruit and train volunteers to serve as court appointed special advocates for children involved in abuse, neglect, families in need of supervision, and juvenile dependency proceedings.

Mesilla Valley CASA is funded by Dona Ana County 3<sup>rd</sup> Judicial District, Administrative Office of the Courts 3<sup>rd</sup> Judicial District, The City of Las Cruces, Department of Justice Victims of Crime Act grant, The United Way, The National CASA Association, and The NM Community Foundation, Lineberry Foundation, the Con Alma Health Foundation, Sunland Park Casino, La Liga, Atria, and St. Andrews Episcopal Church. Additional support is received from individual and corporate contributions.

Mesilla Valley CASA is governed by a Board of Directors, which has the responsibility for determining policy and for the execution and evaluation of programs and activities conducted by the Organization. The Board is limited to a minimum of five members and a maximum of fifteen members. The term served by a Board member is one year.

**B. Tax Exempt Status**

Mesilla Valley CASA is exempt from Federal Income taxes under section 501C (3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509 (A) of the Code.

**C. Basis of Accounting**

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than received, and expenses are recognized when the related liability is incurred rather than when paid.

**D. Financial Statement Presentation**

The accompanying financial statements have been prepared following the guidance required under the Accounting Standards Codification (ASC) 958-605 “*Not for Profit Entities – Revenue Recognition*” and (ASC) 958-205, “*Not for Profit Entities – Presentation of Financial Statements.*” Under guidance expressed in these codifications, “An organization’s net assets and its revenues, expenses, gains and losses are classified based on whether they are restricted by donors. Amounts for each of these two classes of net assets; *net assets with donor restriction*, and *net assets without donor restriction*, are required to be displayed in a statement of financial position and amounts of change in each of these classes of net assets are required to be displayed in a statement of activities. Recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expire is required. Expirations of restrictions that simultaneously increase one class of net assets and decrease another (reclassifications) are reported separately from other transactions in the statement of activities”.

Amounts for Mesilla Valley CASA’s total assets, liabilities and net assets are to be reported in a statement of financial position; the change in Mesilla Valley CASA’s net assets is reported in a statement of activities; and the change in its cash and cash equivalents is reported in a statement of cash flows.

MESILLA VALLEY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**Note 1. Summary of Significant Accounting Policies - continued**

**E. Liquidity Assessment**

Mesilla Valley CASA's financial assets available within one year of the statement of position date for general expenditure are as follows:

Cash and Cash equivalents	\$666,649
Grant Receivable	<u>47,185</u>
Total	<u>\$713,834</u>

**F. Revenue Recognition**

Grant Income- Mesilla Valley CASA has concluded that performance obligations associated with grant funding are satisfied upon the successful completion and reporting of the activities specified. Grant revenue is recognized monthly and quarterly, depending upon the terms of the specific agreement.

Contribution Income- Mesilla Valley CASA generally recognizes contribution income upon the receipt of funds.

**G. Statement of Cash Flows**

For purposes of the statement of cash flows, Mesilla Valley CASA considers all highly liquid investments as cash equivalents. On June 30, 2022, Mesilla Valley CASA did not own any assets considered to be cash equivalents. Cash includes cash held in checking accounts at local banking institutions.

**H. Grant Receivables**

Grant receivables represent the amount expended during the grant period but reimbursed by the grantor after year-end. When revenues are received in the next year, the receivable will then be reduced.

**I. Fair Values Measured on Recurring Basis**

In September 2006, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. As of July 1, 2015, Mesilla Valley CASA has adopted ASC 820.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

MESILLA VALLEY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**Note 1. Summary of Significant Accounting Policies - continued**

Basis of Fair Value Measurement

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth, by level within the fair value hierarchy, Mesilla Valley CASA's assets and liabilities at fair value as of June 30, 2022. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

No assets met the criteria for disclosure on June 30, 2022.

**J. Fixed Assets**

Fixed assets are stated at cost. Mesilla Valley CASA capitalizes all acquisitions at cost in excess of \$500 with a useful life of more than one year. Depreciation, which includes the assets recorded under capital leases, is computed principally using the straight-line method over the estimated useful lives of individual assets. Asset lives range from three to seven years.

**K. Estimates**

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

**L. Contribution of Services**

Contributions of services are recognized in the financial statements of Mesilla Valley CASA only if the services received (a) create or enhance nonfinancial assets of (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

MESILLA VALLEY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**Note 1. Summary of Significant Accounting Policies - continued**

**M. Donated Property and Equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Mesilla Valley CASA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Mesilla Valley CASA reclassifies *net assets with donor restriction* to *net assets without donor restriction* at that time.

**N. Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**O. Restricted and Unrestricted Support and Revenue**

Contributions received are recorded as *net assets without donor restriction*, or *net assets with donor restriction*, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in *net assets without donor restriction* if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in *net assets with donor restriction*. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), *net assets with donor restriction* are reclassified to *net assets without donor restriction* and reported in the Statement of Activities as net assets released from restrictions.

**P. Expense Allocation**

The costs of providing various programs have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Q. Prior –Year Comparative Information**

The financial statements include prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with financial statements for the year ended June 30, 2021, from which the summarized information was derived.

MESILLA VALLEY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**Note 1. Summary of Significant Accounting Policies - continued**

**R. Uncertain Tax Positions**

Mesilla Valley CASA annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. As of June 30, 2022, there were no uncertain tax positions noted. Mesilla Valley CASA's policy is to classify income tax penalties and interest, when applicable, according to their natural classification. Under the statute of limitations, Mesilla Valley CASA's tax returns are no longer subject to examination by tax authorities for years prior to 2019.

**S. Subsequent Events**

Management has evaluated subsequent events through December 19, 2022, the date which the financial statements were available to issue.

**Note 2. Cash Balances**

Mesilla Valley CASA's cash balance on the Statement of Financial Position consists of the following on June 30, 2021:

	<u>Bank Statement Balance</u>	<u>Reconciled Balance</u>
Checking	\$309,032	\$303,696
Savings	<u>362,953</u>	<u>362,953</u>
Total	<u>\$671,985</u>	<u>\$666,649</u>

On June 30, 2022, the total bank balance in the bank accounts were \$671,985 of which \$489,940 was insured by federal depository insurance leaving \$182,045 uninsured and uncollateralized. Mesilla Valley CASA has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk.

**Note 3. Grant Receivable**

Grant receivables represent the following amounts due to Mesilla Valley CASA on June 30, 2022:

<u>Grantor</u>	<u>Amount</u>
VOCA	\$28,180
AOC 3 <sup>rd</sup> Judicial	9,137
NCASA	1,525
City of Las Cruces	<u>8,343</u>
Total	<u>\$47,185</u>

**Note 4. Prepaid Expense**

Prepaid expense represents amounts paid in advance for the following.

Rent	\$4,000
Insurance	1,009
Other	<u>800</u>
Total	<u>\$5,809</u>

MESILLA VALLEY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**Note 5. Property & Equipment**

The component of property and equipment on June 30, 2022, are as follows:

Computer equipment	\$13,214
Furniture and fixtures	<u>36,113</u>
Total property & equipment	49,327
Less accumulated depreciation	<u>20,907</u>
Net property & equipment	<u>\$28,420</u>

Depreciation expense for the year ended June 30, 2022, was \$6,458.

**Note 6. Accrued Compensated Absences**

Employees of Mesilla Valley CASA earn annual leave based on stated policies. Annual leave is payable to the employee upon termination. These accrued amounts are shown as a liability on the statement of financial position and the related change in liability is reflected as an expense for the year in which the change occurs.

**Note 7. Net Assets**

Mesilla Valley CASA classifies its net assets into the following categories:

*Without Donor Restrictions* – net assets that are not subject to donor-imposed stipulations. This includes certain amounts designated by the Board for grants, endowments, and other purposes.

*With Donor Restrictions* – net assets subject to donor-imposed stipulations that may or will be met either by actions of Mesilla Valley CASA and/or the passage of time or are subject to donor-imposed restrictions that Mesilla Valley CASA permanently maintain them.

**Note 8. Grant Income**

Grant income represents support received by Mesilla Valley CASA from the following funding sources:

<u>Grant Name</u>	<u>Amount</u>
City of Las Cruces	\$ 59,500
AOC 3 <sup>rd</sup> Judicial	113,600
VOCA	103,857
National CASA Association	40,701
Doña Ana County – 3 <sup>rd</sup> Judicial	<u>20,000</u>
Total Grant Income	<u>\$337,658</u>

**Note 9. Retirement Plans**

Mesilla Valley CASA participates in a defined contribution retirement plan administered by American Funds. This plan is for the benefit of all eligible professional and support staff of Mesilla Valley CASA who qualify under applicable participation requirements. The plan provides for Mesilla Valley CASA to contribute \$100 per pay period to the IRA of eligible employees. Retirement expense for the year ended June 30, 2022, totaled \$4,000.

MESILLA VALLEY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**Note 10. Operating Leases**

Mesilla Valley CASA leases its program offices under an operating lease. The lease on the program offices expires in 2027. Rental expense under the operating lease was approximately \$24,773 for 2022. The future remaining lease payments under the program office lease agreement is as follows:

Year ended June 30,	
2023	\$ 27,600
2024	27,600
2025	27,600
2026	27,600
2027	<u>16,100</u>
Total	<u>\$126,500</u>

**Note 11. Fundraising**

Mesilla Valley CASA sponsors events in order to raise awareness for their mission, to raise funds for the organization and to persuade potential donors to make contributions. For the year ended June 30, 2022, fund raising expense was \$15,150. Funds raised as a result of these expenses were approximately \$107,980. This resulted in a fundraising ratio of 14% (\$15,150 in expenses divided by \$107,980 in revenue).

**Note 12. New Accounting Standards**

Leases

In February 2016, the FASB issued ASU 2016-02 *Leases* (FASB Codification Topic 842) which significantly changes the accounting for leases in the financial statements of lessees and supersedes FASB Codification Topic 840. With this update, GAAP now will require lessees under operating leases to recognize a liability in the statement of financial position and an 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 election not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. Cash flows related to operating leases will continue to be reported within operating activities on the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2021.

**Note 13. Contingency**

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization had declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting operations across a range of industries. The extent of the impact of COVID-19 on Mesilla Valley CASA’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the services provided, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent of which COVID-19 may impact Mesilla Valley CASA’s financial condition or results of operations is uncertain.

**Note 14. Concentrations of Risk**

Funding from government agencies constitute 75% of Mesilla Valley CASA’s support. This funding is vulnerable to changes in the legislative priorities of the federal, state, and local governments. The management of Mesilla Valley CASA does not expect that the support from these sources will be lost in the near term.



**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  
Mesilla Valley CASA, Inc.  
Las Cruces, New Mexico

**INDEPENDENT AUDITOR'S REPORT**

We 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 Mesilla Valley CASA, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mesilla Valley CASA'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 Mesilla Valley CASA's internal control. Accordingly, we do not express an opinion on the effectiveness of Mesilla Valley CASA'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 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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Mesilla Valley CASA'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 determination of financial statement amounts. 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*.

**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 our 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.



Ollie D. Waters, CPA, CMA  
Waters and Associates, LLC  
Albuquerque, NM  
December 19, 2022

**MESILLA VALLEY CASA, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2022**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

*Financial Statements:*

1. Type of auditors' report issued	Unmodified
 Internal control over financial reporting:	
1. Material Weaknesses identified?	No
2. Significant Deficiencies identified that are not considered to be Material Weaknesses?	None Reported
3. Noncompliance material to financial statements noted?	No

*Federal Awards:*

Internal control over major programs:	
1. Material Weaknesses identified?	N/A
2. Significant Deficiencies identified that are not considered to be Material Weaknesses?	N/A

Type of auditor's report issued on compliance for major programs	N/A
--	-----

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	N/A
---	-----

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
N/A	N/A
Dollar threshold used to distinguish between Type A and Type B programs	N/A
Auditee qualified as low risk	N/A

**SECTION II –FINANCIAL STATEMENT FINDINGS**

**PRIOR YEAR FINDINGS:**

No matters were noted

**CURRENT YEAR FINDINGS:**

No matters were noted

**SECTION III – FEDERAL AWARDS FINDINGS**

N/A

**MESILLA VALLEY CASA, INC.  
EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2022**

An exit conference was held with the management of Mesilla Valley CASA, Inc. on January 3, 2023. In attendance were the following:

**Representing Mesilla Valley CASA, Inc.**

Wendy Besera	President
Brenda J. Amico	Treasurer
Frank Martin	Director
Luis Navarro	Director
Grent E. Shelley	Director
Doreen Gallegos	Executive Director
Brandie White	Program Director
Amy Borunda	Accountant

**Representing the Auditors**

Ollie D. Waters, CPA, CMA Auditor