

# **La Liga**

**Financial Statements  
for the year ended  
December 31, 2023**

**DRAFT - subject to review**

# La Liga

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**Frank Barcalow CPA, P.L.L.C.**  
**Certified Public Accountant**

**Independent Auditor's Report**

To the Board of Directors  
La Liga  
Santa Fe, New Mexico

**Opinion**

We have audited the accompanying financial statements of La Liga (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2023, and the related statement of support, revenue, and expenses—modified cash basis 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 assets, liabilities, and net assets of La Liga as of December 31, 2023, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 La Liga 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.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

**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 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.

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In performing an audit in accordance with generally accepted 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 La Liga'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 La Liga'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.

*Frank Barcalow CPA, P.L.L.C.*

Frank Barcalow CPA, P.L.L.C.  
Richmond, Virginia  
April 5, 2024

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**Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis  
December 31, 2023**

	<u>2023</u>
<b>Assets</b>	
<b>Current assets</b>	
Cash	\$ <u>27,648</u>
<b>Total current assets</b>	<u>27,648</u>
<b>Property and equipment</b>	
Furniture, fixtures and equipment	<u>25,447</u>
	25,447
Less accumulated depreciation	<u>25,447</u>
	<u>-</u>
<b>Total assets</b>	\$ <u><u>27,648</u></u>
<b>Liabilities and net assets</b>	
<b>Current liabilities</b>	
Liabilities	\$ <u>-</u>
<b>Total current liabilities</b>	<u>-</u>
<b>Net assets - without donor restrictions</b>	
General	27,648
<b>Total net assets</b>	<u>27,648</u>
<b>Total liabilities and net assets</b>	\$ <u><u>27,648</u></u>

See notes to financial statements.

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**Statement of Revenue, Expenses, and Changes in Net Assets - Modified Cash Basis  
For the Year Ended December 31, 2023**

	<b>2023</b>
	Without Donor Restrictions
<b>Support and revenue</b>	
Grants	\$ 1,350,000
<b>Total support and revenue</b>	<u>1,350,000</u>
<b>Expenses</b>	
Program Services	1,325,095
Administrative Costs	<u>25,009</u>
<b>Total expenses</b>	<u>1,350,104</u>
<b>Change in net assets</b>	(104)
<b>Net assets at beginning of year</b>	<u>27,752</u>
<b>Net assets at end of year</b>	\$ <u><u>27,648</u></u>

See notes to financial statements.

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**Statement of Functional Expenses - Modified Cash Basis  
For the Year Ended December 31, 2023**

	<b>Program Services</b>	<b>Administrative Costs</b>	<b>2023 Total Costs</b>
Contributions, gifts, grants, and similar amounts paid out	\$ 781,322	\$ -	\$ 781,322
Depreciation and depletion	6,283	2,200	8,483
Professional fees	32,368	8,500	40,868
Office expenses	-	14,309	14,309
Film Expenses including C.Conn	505,122	-	505,122
<b>Total expenses</b>	<b>\$ 1,325,095</b>	<b>\$ 25,009</b>	<b>\$ 1,350,104</b>

See notes to financial statements.

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**Notes to Financial Statements  
December 31, 2023****Note 1 - Nature of activities and summary of significant accounting policies*****Nature of activities***

La Liga is a nonprofit corporation that furthers its exempt purposes by producing an educational documentary about COVID-19 pandemic and its socio-economic impacts.

***Basis of presentation***

The accompanying financial statements have been prepared on a modified cash basis of accounting that includes recording of depreciation on long-lived assets, recording investments at fair market value and payroll tax withholdings.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions - net assets available for use in general operations and net assets with donor restrictions - donor imposed restrictions are temporary in nature such as those that will be met by the passage of time or other events specified by the donor.

***Estimates***

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

***Property and equipment***

Property, plant and equipment are stated at cost, if purchased, and at fair value at date of receipt, if donated. Expenditures of \$5,000 or more for acquisition, renewals and betterments are capitalized, whereas maintenance and repair costs are charged to expense as incurred. When properties are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is credited or charged to operations. The assets are depreciated over their useful lives ranging from three to seven years.

***Cash equivalents***

The Organization considers highly liquid debt instruments purchased with an original maturity date of three months or less to be cash equivalents.

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**Notes to Financial Statements  
December 31, 2023****Note 1 - Summary of significant accounting policies (continued)*****Functional expenses***

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on funding basis.

***Income taxes***

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation is also exempt from New Mexico income taxes and, therefore, has made no provision for the federal or New Mexico income taxes. In addition, the Internal Revenue Service has determined that the corporation is a "private foundation" within the meaning of Section 509(a) of the Code. The Corporation's income tax returns are potentially subject to examination by the Internal Revenue Service generally for three years after being filed. The Corporation has no uncertain tax positions for the current year or prior year.

***Net Assets***

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**Note 2 - Related party**

The Organization paid \$17,311 to a board member for professional services.

**Note 3 - Concentration**

The Organization receives 100% of its income from one donor, which is controlled by a board member.

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**Notes to Financial Statements  
December 31, 2023**

**Note 4 - Property and equipment accumulated depreciation**

A summary of property and equipment accumulated depreciation follows:

	<u>2023</u>
Film equipment	<u>\$ 25 447</u>
	<u>\$ 25 447</u>

Depreciation expense aggregated \$8,483 in the current year.

**Note 5 - Concentration of credit risk**

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash. Cash accounts are maintained in financial institutions located in New Mexico. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for the year ended 2023. Amounts slightly exceed the insured maximum balance from time to time, but management does not believe there is a significant risk.

**Note 6 - Subsequent events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 5, 2024, the date the financial statements were issued.

**Note 7 - 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:

	<u>2023</u>
Cash and cash equivalents	<u>\$ 27 648</u>
	<u>\$ 27 648</u>