

**Mexico Medical Missions**  
Combined Financial Statements  
For the Years Ended December 31, 2019 and 2018

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Mexico Medical Missions  
Houston, Texas

We have audited the accompanying combined financial statements of Mexico Medical Missions (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors of  
Mexico Medical Missions  
Re: Independent Auditors' Report

**Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Mexico Medical Missions as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

  
Briggs & Veselka Co.  
Briggs & Veselka Co.  
Houston, Texas

November 16, 2020

**MEXICO MEDICAL MISSIONS**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 114,254	\$ 110,387
Contributions receivable	30,825	76,940
Inventory	20,000	20,000
Related party note receivable	9,622	-
Other current assets	<u>7,140</u>	<u>7,140</u>
Total current assets	181,841	214,467
Property and equipment, net	<u>702,294</u>	<u>817,134</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 884,135</u></b>	<b><u>\$ 1,031,601</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 12,995	\$ 10,924
Note payable	<u>-</u>	<u>1,378</u>
Total liabilities	12,995	12,302
Net assets		
Without donor restrictions	871,140	999,299
With donor restrictions	<u>-</u>	<u>20,000</u>
Total net assets	<u>871,140</u>	<u>1,019,299</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 884,135</u></b>	<b><u>\$ 1,031,601</u></b>

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

**MEXICO MEDICAL MISSIONS**  
**COMBINED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Cash donations	\$ 988,223	\$ -	\$ 988,223
Noncash donations	262,007	-	262,007
Hospital income	10,484	-	10,484
Gain on disposal of property and equipment	6,699	-	6,699
Other	593	-	593
Net assets released from restrictions	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
Total support and revenue	1,288,006	(20,000)	1,268,006
Expenses			
Program services			
Medical services	1,332,272	-	1,332,272
Supporting services			
General and administrative	66,545	-	66,545
Fundraising	<u>17,348</u>	<u>-</u>	<u>17,348</u>
Total supporting services	<u>83,893</u>	<u>-</u>	<u>83,893</u>
Total expenses	<u>1,416,165</u>	<u>-</u>	<u>1,416,165</u>
Changes in net assets	(128,159)	(20,000)	(148,159)
Net assets, beginning of year	<u>999,299</u>	<u>20,000</u>	<u>1,019,299</u>
NET ASSETS, END OF YEAR	<u>\$ 871,140</u>	<u>\$ -</u>	<u>\$ 871,140</u>

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

**MEXICO MEDICAL MISSIONS**  
**COMBINED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Cash donations	\$ 875,844	\$ 20,000	\$ 895,844
Noncash donations	213,081	-	213,081
Hospital income	1,235	-	1,235
Gain on disposal of property and equipment	3,500	-	3,500
Net assets released from restrictions	<u>44,528</u>	<u>(44,528)</u>	<u>-</u>
Total support and revenue	1,138,188	(24,528)	1,113,660
Expenses			
Program services			
Medical services	1,195,020	-	1,195,020
Supporting services			
General and administrative	77,016	-	77,016
Fundraising	<u>8,802</u>	<u>-</u>	<u>8,802</u>
Total supporting services	<u>85,818</u>	<u>-</u>	<u>85,818</u>
Total expenses	<u>1,280,838</u>	<u>-</u>	<u>1,280,838</u>
Changes in net assets	(142,650)	(24,528)	(167,178)
Net assets, beginning of year	<u>1,141,949</u>	<u>44,528</u>	<u>1,186,477</u>
NET ASSETS, END OF YEAR	<u>\$ 999,299</u>	<u>\$ 20,000</u>	<u>\$ 1,019,299</u>

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

**MEXICO MEDICAL MISSIONS**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program	Supporting Services		Total
	Services	General and	Fundraising	
	Medical	Administrative		
	Services			
Salaries and wages	\$ 331,366	\$ 15,831	\$ -	\$ 347,197
Automobile	58,482	-	-	58,482
Aviation	114,221	-	-	114,221
Communication	17,023	1,520	-	18,543
Community health	257,852	-	-	257,852
Computer	-	-	7,229	7,229
Depreciation	182,311	-	-	182,311
Education	45,975	-	-	45,975
Hospital	244,344	-	-	244,344
Insurance	-	7,140	-	7,140
Licenses and permit	-	299	-	299
Payroll taxes	24,637	1,500	-	26,137
Professional fees	-	22,318	-	22,318
Travel	10,788	8,538	267	19,593
Tuberculosis	27,299	-	-	27,299
Utilities	15,981	190	-	16,171
Other	1,993	9,209	9,852	21,054
Total expenses	<u>\$ 1,332,272</u>	<u>\$ 66,545</u>	<u>\$ 17,348</u>	<u>\$ 1,416,165</u>

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



**MEXICO MEDICAL MISSIONS**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	Program Services	Supporting Services		
	Medical Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 291,223	\$ 17,635	\$ -	\$ 308,858
Automobile	70,555	-	-	70,555
Aviation	90,134	-	-	90,134
Communication	19,108	1,419	-	20,527
Community health	204,226	-	-	204,226
Computer	-	-	3,742	3,742
Depreciation	181,595	-	-	181,595
Education	23,181	-	-	23,181
Hospital	250,514	-	-	250,514
Insurance	-	7,140	-	7,140
Licenses and permit	-	775	-	775
Payroll taxes	24,451	1,500	-	25,951
Professional fees	-	22,151	-	22,151
Travel	15,096	10,262	41	25,399
Utilities	17,719	154	-	17,873
Other	7,218	15,980	5,019	28,217
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 1,195,020</u>	<u>\$ 77,016</u>	<u>\$ 8,802</u>	<u>\$ 1,280,838</u>

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

**MEXICO MEDICAL MISSIONS**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Changes in net assets from operations	\$ (148,159)	\$ (167,178)
Adjustments to reconcile changes in net assets from operations to net cash from operating activities:		
Depreciation	182,311	181,595
Gain on disposal of property and equipment	(6,699)	(3,500)
Changes in operating assets and liabilities:		
Contributions receivable	46,115	(37,616)
Other current assets	-	32,469
Accounts payable and accrued liabilities	2,071	10,824
Net cash from operating activities	<u>75,639</u>	<u>16,594</u>
Cash flows from investing activities		
Issuance of note receivable – related party	(10,154)	-
Collections from note receivable – related party	532	-
Proceeds from sale of property and equipment	11,500	3,500
Purchases of property and equipment	<u>(72,272)</u>	<u>(187,660)</u>
Net cash from investing activities	<u>(70,394)</u>	<u>(184,160)</u>
Cash flows from financing activities		
Payment of note payable	<u>(1,378)</u>	<u>(3,713)</u>
Net cash from financing activities	<u>(1,378)</u>	<u>(3,713)</u>
Net change in cash and cash equivalents	3,867	(171,279)
Cash and cash equivalents, beginning of year	<u>110,387</u>	<u>281,666</u>
Cash and cash equivalents, end of year	<u>\$ 114,254</u>	<u>\$ 110,387</u>

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

**MEXICO MEDICAL MISSIONS**  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Mexico Medical Missions is a nonprofit Colorado corporation registered on February 13, 1989. Mexico Medical Missions provides medical services to the people of the Sierra Madre Mountains in Chihuahua, Mexico. Mexico Medical Missions' primary medical center is located in the town of Samachique, Chihuahua, and includes outpatient facilities, dental suite, adult and pediatric medical wards, a lab, X-ray services and modern surgical suite. Mexico Medical Missions receives its support through voluntary donations from individuals, churches and foundations.

Asociacion Pro-Indigena A.C. is a nonprofit Mexican civil association registered on May 14, 1998 in Chihuahua, Mexico. Asociacion Pro-Indigena A.C. was formed to foster, establish and/or administer health clinics, medical dispensaries, and general centers for health, sports and culture that will contribute to better the life of the natives. Asociacion Pro-Indigena A.C. was created to act as the Mexican nonprofit partner of the Mexico Medical Missions as required by the laws of Mexico.

**Basis of Combination** – The combined financial statements include the accounts of the Mexico Medical Missions and Asociacion Pro-Indigena A.C. (collectively, the “Organization”). All significant inter-organization accounts and transactions have been eliminated in combination.

**Basis of Presentation** – The combined financial statements have been prepared in accordance with standards of the American Institute of Certified Public Accountants' Industry Audit and Accounting Guide, *Not-for-Profit-Entities*, and in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization presents their financial statements on the accrual method of accounting in accordance with GAAP. Accounting principles and methods of applying those principles which materially affect the determination of financial position, results of activities, cash flows and changes in net assets are summarized below.

**Financial Statements Presentation** – The Organization reports information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors (Board).
- **Net Assets With Donor Restrictions** – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature and can be fulfilled by action of the Board pursuant to those restrictions or that expire by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that they be maintained permanently by the Board.

The Organization had net assets with donor restrictions amounting to \$-0- and \$20,000 at December 31, 2019 and 2018, respectively, for program expenses.

**Cash and Cash Equivalents** – Cash and cash equivalents include cash on hand, cash in banks, and highly liquid instruments with an original maturity of three months or less from date of purchase.

**Contributions Receivable** – Contributions receivable represents unconditional promises to give that are expected to be collected within one year and are recorded at net realizable value. The Organization provides an allowance for uncollectible amounts based on review of specific account balances and considering historical experience, and accounts are written off when they become uncollectible. At December 31, 2019 and 2018, the Organization deemed that no allowance for doubtful accounts was necessary.

**MEXICO MEDICAL MISSIONS**  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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**Inventory** – Inventory is stated at fair value at the time of donation on a first-in, first-out basis. Inventory consists of donated finished goods. The Organization assesses its inventory for slow-moving and obsolete items and record a reserve when deemed necessary. The Organization determined that no valuation allowance was necessary at December 31, 2019 and 2018.

**Property and Equipment** – Property and equipment consists of purchased, constructed and donated assets. Purchased and constructed property and equipment are recorded at cost less accumulated depreciation. Donated property and equipment are recorded at fair value at the time of donation. Depreciation is provided on the straight-line method over the estimated useful life of the property and equipment, ranging from five to twenty years. Costs incurred on construction in progress are capitalized as incurred and depreciation commences when the asset is placed in service. When property and equipment are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the account and any gain or loss is included in the changes in net assets from operations.

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

**Impairment of Long-Lived Assets** – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Impairment charge is recognized if the carrying amount of the asset exceeds its fair value less estimated cost to sell. No impairment charges were recorded during 2019 and 2018.

**Income Recognition** – All contributions are recognized as income when received or unconditionally promised to the Organization. Contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions that are not permanently restricted are reported as net assets with donor restrictions and then reclassified to net assets without donor restrictions upon expiration of the restriction.

Income from hospital services are recorded as increases in net assets without donor restrictions in the period in which the related services are performed.

**Noncash Donations** – Donated noncash assets are recorded at their fair values in the period received (*see Note 3*). Contributions with donor-imposed stipulations regarding the purpose or how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed services are recognized as income, and are included in noncash donations in the combined statements of activities (*see Notes 3 and 5*), if the services received create or enhance nonfinancial assets, require specialized skills provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributed services are recorded at the fair market value of the services provided. Contributed services that do not meet the above criteria are not recognized as income and are not reported in the accompanying financial statements.

**Allocation of Expenses** – The cost of program or supporting services activities have been summarized on a functional basis in the combined statements of activities. The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses by function have been allocated among program, general and administrative expenses, or fundraising expenses, as estimated by management.

**MEXICO MEDICAL MISSIONS**  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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Expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Travel	Time and effort
Salaries, wages and taxes	Time and effort
Communication	Full time equivalent

**Income Taxes** – Mexico Medical Missions qualifies as a public charity under the Internal Revenue Code (IRC) and has been determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501(c)(3) of the IRC. Additionally, the Asociacion Pro-Indigena A.C. is subject to certain foreign income taxes in its respective jurisdiction. There was no foreign income tax recorded during 2019 and 2018 in the combined financial statements.

Uncertain tax positions are recognized in the financial statements only if that position is more-likely-than-not of being sustained upon examination by taxing authorities, based on the technical merits of the position. For 2019 and 2018, Mexico Medical Missions did not recognize any uncertain tax positions or any interest and penalties related to uncertain tax positions.

**Use of Estimates** – The preparation of financial statements in conformity with GAAP 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 periods. Actual results could materially differ from those estimates. Significant estimates include, but are not limited to, the fair value of noncash donations, the useful lives of property and equipment and impairment loss.

**Concentrations of Credit Risk** – Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents and contributions receivable. At times, the Organization maintains deposits in federally insured financial institutions in excess of federally insured limits. Management monitors the credit ratings and concentrations of risk with these financial institutions on a continuing basis to safeguard cash deposits.

From time-to-time, the Organization receives large contributions from a small number of donors who may represent a significant portion of recorded contributions.

**Recently Adopted Pronouncement** – In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. These amendments clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit (NFP) organizations and business enterprises. The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the Organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. This is important because such classification affects the timing of contribution revenue and expense recognition. With some exceptions, the guidance is effective for annual periods beginning after December 15, 2018 if the NFP is a resource recipient.

The effects of this pronouncement are presented in the financial statements.

**MEXICO MEDICAL MISSIONS**  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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**Upcoming Accounting Pronouncements** – In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers (Topic 606)*, establishing a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This update provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services and will supersede most of the existing revenue recognition guidance, including industry-specific guidance.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU will require most leases to be recognized on the combined statements of financial position as lease assets and lease liabilities and will require both quantitative and qualitative disclosures regarding key information about leasing arrangements. Lessor accounting is largely unchanged. The standard may be early adopted and requires a modified retrospective transition approach to apply.

In June 2020, the FASB issued ASU No. 2020-05, *Revenue From Contracts With Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, to defer these two standards. Under the deferral for revenue recognition and leases, private NFP organizations can apply the standard to fiscal years beginning after December 15, 2019 and December 15, 2021.

The Organization elected to defer these standards and is currently assessing the effects that these pronouncements may have on the financial statements and related disclosures.

**NOTE 2 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 478,929	\$ 463,707
Vehicles	663,671	632,923
Buildings	<u>960,797</u>	<u>960,797</u>
	2,103,397	2,057,427
Less: accumulated depreciation	<u>(1,401,103)</u>	<u>(1,240,293)</u>
Total property and equipment, net	<u>\$ 702,294</u>	<u>\$ 817,134</u>

Depreciation expense was \$182,311 and \$181,595 for 2019 and 2018, respectively.

**NOTE 3 – NONCASH DONATIONS**

Noncash donations (*see Notes 1 and 5*) are recorded at their fair values and consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Contributed services	\$ 155,000	\$ 130,500
Medical equipment and supplies	<u>107,007</u>	<u>82,581</u>
Total noncash donations	<u>\$ 262,007</u>	<u>\$ 213,081</u>

**NOTE 4 – FOREIGN OPERATIONS**

The Organization is engaged primarily in providing medical services to the people of the Sierra Madre Mountains in Chihuahua, Mexico. Operations outside the United States of America are subject to risk inherent in operating under different legal systems and various political, social and economic environments. Among the risks are changes in existing laws, different tax regulations, government price or foreign exchange controls, political instability, drug trafficking, political activism or the continuation or escalation of gang activities and restrictions on currency exchange. The United States of America has issued travel warnings to its citizens about the risk of traveling to certain places in Mexico, including the state of Chihuahua, due to threats of safety and security posed by organized criminal groups.

The financial position and results of operations of the Organization are maintained using the U.S. dollar. From time-to-time, the Organization enters into transactions using the local currency, the Mexican peso. These transactions are converted into the U.S. dollar at the time of the transaction.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

During 2019, the Organization received cash and noncash donations from members of the Board and employees amounting to \$92,000 and \$155,000, respectively (*see Notes 1 and 3*). During 2018, the Organization received cash and noncash donations from members of the Board and employees amounting to \$85,775 and \$130,500, respectively.

In August 2019, the Organization refinanced a government sponsored mortgage in Mexico for an employee of the Organization. The unsecured note receivable in the amount of approximately \$10,000 is payable in monthly principal and interest payments of \$165, which are reduced from the employee's paycheck. The note bears interest at 5% per annum and matures July 2025. The outstanding balance of the note receivable was \$9,622 at December 31, 2019.

**NOTE 6 – NOTE PAYABLE**

On December 15, 2015, the Organization entered into a note payable to finance the purchase of equipment. The note accrued interest at 16% per annum and was payable in monthly installments amounting to \$373, with principal due upon maturity on January 6, 2019. The note was secured by the equipment purchased. The outstanding balance of the note payable was \$1,378 as of December 31, 2018, and was paid in full January 2019.

**NOTE 7 – RISK AND CONTINGENCIES**

From time-to-time, the Organization is subject to various litigations and other claims in the normal course of operations. The Organization establishes liabilities in connection with legal actions that management deems to be probable and estimable. No amounts have been accrued in the financial statements with respect to any matters.

Due to certain risks from operating in the state of Chihuahua, the Organization is unable to obtain property insurance. Accordingly, the Organization is at risk in the event that their property and equipment sustain substantial damage.

**MEXICO MEDICAL MISSIONS**  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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**NOTE 8 – COMMITMENTS**

The Organization has an operating lease agreement with the local government of the state of Chihuahua for hospital space with annual rental fees of one metric ton of beans or the equivalent cash price, which was approximately \$782 and \$571 during December 31, 2019 and 2018, respectively. The lease expires in October 2028.

**NOTE 9 – LIQUIDITY AND AVAILABILITY**

The following represents the Organization’s financial assets at December 31:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 114,254	\$ 110,387
Contributions receivable	<u>30,825</u>	<u>76,940</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 145,079</u>	<u>\$ 187,327</u>

The Organization regularly monitors liquidity required to meet its operational needs. For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities and support services to be general expenditures. The Organization anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Further, the founders of the Organization may fund operating cash flow deficits on a discretionary basis should it become necessary.

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent to year-end, many countries around the world, including the United States, were impacted by the coronavirus (the “virus” or COVID-19) outbreak. While the virus is continuing to evolve, its implications could involve interruptions to supply chains, unavailability of personnel, and reductions in contributions, affecting results of operations and cash flows.

In addition, the Organization may be impacted by the broader effects of COVID-19 as a result of the negative impact the virus has had on the global economy and major financial markets. At this time, the Organization is not aware of any material risk to the financial statements and cannot quantify the extent the virus may have on the Organization’s financial information.

Management has evaluated events and transactions for potential recognition and disclosure through November 16, 2020, the date the financial statements were available to be issued.