

MEXICO MEDICAL MISSIONS

COMBINED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

MEXICO MEDICAL MISSIONS
Houston, Texas

COMBINED FINANCIAL STATEMENTS
For the Years Ended December 31, 2021 and 2020

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENTS OF FINANCIAL POSITION.....	3
COMBINED STATEMENTS OF ACTIVITIES	4
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES	6
COMBINED STATEMENTS OF CASH FLOWS	8
NOTES TO COMBINED FINANCIAL STATEMENTS.....	9

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the combined financial statements of Mexico Medical Missions (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2021, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Mexico Medical Missions as of December 31, 2021, and the changes in their net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Mexico Medical Missions 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.

Other Matter

The financial statements of Mexico Medical Missions for the year ended December 31, 2020, were audited by other auditors, who expressed an unmodified opinion on those statements on November 15, 2021.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mexico Medical Missions' ability to continue as a going concern for one year from the date the combined financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Mexico Medical Missions' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mexico Medical Missions' 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.


Crowe LLP

Houston, Texas
September 12, 2022

MEXICO MEDICAL MISSIONS
COMBINED STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 290,771	\$ 266,395
Contributions receivable	29,937	34,466
Inventory	20,000	20,000
Related party note receivable	6,714	8,248
Other assets	7,140	7,140
Property and equipment, net	<u>644,660</u>	<u>545,709</u>
Total assets	<u>\$ 999,222</u>	<u>\$ 881,958</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 261	\$ 13,422
Total liabilities	<u>261</u>	<u>13,422</u>
Net assets		
Without donor restrictions	818,010	762,702
With donor restrictions	<u>180,951</u>	<u>105,834</u>
Total net assets	<u>998,961</u>	<u>868,536</u>
Total liabilities and net assets	<u>\$ 999,222</u>	<u>\$ 881,958</u>

See accompanying notes to combined financial statements.

MEXICO MEDICAL MISSIONS
 COMBINED STATEMENT OF ACTIVITIES
 For the year ended December 31, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Support and revenue			
Cash donations	\$ 785,579	\$ 372,892	\$ 1,158,471
Noncash donations	559,624	-	559,624
Hospital income	21,405	-	21,405
Gain on disposal of property and equipment	3,194	-	3,194
Other	3,118	-	3,118
Net assets released from restrictions	<u>297,775</u>	<u>(297,775)</u>	<u>-</u>
Total support and revenue	1,670,695	75,117	1,745,812
Expenses			
Program services			
Medical services	1,517,780	-	1,517,780
Supporting services			
General and administrative	87,129	-	87,129
Fundraising	<u>10,478</u>	<u>-</u>	<u>10,478</u>
Total supporting services	<u>97,607</u>	<u>-</u>	<u>97,607</u>
Total expenses	<u>1,615,387</u>	<u>-</u>	<u>1,615,387</u>
Changes in net assets	55,308	75,117	130,425
Net assets, beginning of year	<u>762,702</u>	<u>105,834</u>	<u>868,536</u>
Net assets, end of year	<u><u>\$ 818,010</u></u>	<u><u>\$ 180,951</u></u>	<u><u>\$ 998,961</u></u>

See accompanying notes to combined financial statements.

MEXICO MEDICAL MISSIONS
 COMBINED STATEMENT OF ACTIVITIES
 For the year ended December 31, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and revenue			
Cash donations	\$ 755,644	\$ 322,991	\$ 1,078,635
Noncash donations	289,674	-	289,674
Hospital income	10,951	-	10,951
Other	403	-	403
Net assets released from restrictions	<u>217,157</u>	<u>(217,157)</u>	<u>-</u>
Total support and revenue	1,273,829	105,834	1,379,663
Expenses			
Program services			
Medical services	1,285,733	-	1,285,733
Supporting services			
General and administrative	87,703	-	87,703
Fundraising	<u>8,831</u>	<u>-</u>	<u>8,831</u>
Total supporting services	<u>96,534</u>	<u>-</u>	<u>96,534</u>
Total expenses	<u>1,382,267</u>	<u>-</u>	<u>1,382,267</u>
Changes in net assets	(108,438)	105,834	(2,604)
Net assets, beginning of year	<u>871,140</u>	<u>-</u>	<u>871,140</u>
Net assets, end of year	<u>\$ 762,702</u>	<u>\$ 105,834</u>	<u>\$ 868,536</u>

See accompanying notes to combined financial statements.

MEXICO MEDICAL MISSIONS
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended December 31, 2021

	Program Services	Supporting Services		Total
	Medical Services	General and Administrative	Fundraising	
Salaries and wages	\$ 393,523	\$ 27,790	\$ -	\$ 421,313
Automobile	91,995	-	-	91,995
Aviation	98,992	-	-	98,992
Communication	25,581	663	-	26,244
Community health	327,772	-	-	327,772
Computer	-	-	3,151	3,151
Depreciation	179,458	-	-	179,458
Education	4,499	-	-	4,499
Hospital	320,557	-	-	320,557
Insurance	-	7,140	-	7,140
Licenses and permit	-	266	-	266
Payroll taxes	24,571	3,000	-	27,571
Professional fees	-	26,821	-	26,821
Travel	11,443	10,000	-	21,443
Tuberculosis	299	-	-	299
Utilities	14,925	505	-	15,430
Other	24,165	10,944	7,327	42,436
Total expenses	<u>\$ 1,517,780</u>	<u>\$ 87,129</u>	<u>\$ 10,478</u>	<u>\$ 1,615,387</u>

See accompanying notes to combined financial statements.

MEXICO MEDICAL MISSIONS
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended December 31, 2020

	Program Services	Supporting Services		Total
	Medical Services	General and Administrative	Fundraising	
Salaries and wages	\$ 396,793	\$ 34,786	\$ -	\$ 431,579
Automobile	58,573	-	-	58,573
Aviation	97,743	-	-	97,743
Communication	20,848	1,312	-	22,160
Community health	271,192	-	-	271,192
Computer	-	-	3,396	3,396
Depreciation	173,420	-	-	173,420
Education	7,553	-	-	7,553
Hospital	199,616	-	-	199,616
Insurance	-	7,140	-	7,140
Licenses and permit	-	1,944	-	1,944
Payroll taxes	19,043	1,670	-	20,713
Professional fees	-	23,865	-	23,865
Travel	10,735	7,084	-	17,819
Tuberculosis	12,849	-	-	12,849
Utilities	14,357	158	-	14,515
Other	3,011	9,744	5,435	18,190
Total expenses	<u>\$ 1,285,733</u>	<u>\$ 87,703</u>	<u>\$ 8,831</u>	<u>\$ 1,382,267</u>

See accompanying notes to combined financial statements.

MEXICO MEDICAL MISSIONS
 COMBINED STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Changes in net assets from operations	\$ 130,425	\$ (2,604)
Adjustments to reconcile changes in net assets from operations to net cash from operating activities:		
Depreciation	179,458	173,420
Gain on sale of property and equipment	(3,194)	-
Donated property and equipment	(178,694)	-
Changes in operating assets and liabilities:		
Contributions receivable	4,529	(3,641)
Accounts payable and accrued liabilities	<u>(13,161)</u>	<u>427</u>
Net cash from operating activities	119,363	167,602
Cash flows from investing activities		
Collections from note receivable – related party	1,534	1,374
Proceeds from sale of property and equipment	5,584	-
Purchases of property and equipment	<u>(102,105)</u>	<u>(16,835)</u>
Net cash from investing activities	<u>(94,987)</u>	<u>(15,461)</u>
Net change in cash and cash equivalents	24,376	152,141
Cash and cash equivalents, beginning of year	<u>266,395</u>	<u>114,254</u>
Cash and cash equivalents, end of year	<u>\$ 290,771</u>	<u>\$ 266,395</u>

See accompanying notes to combined financial statements.

MEXICO MEDICAL MISSIONS
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

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, a dental suite, adult and pediatric medical wards, a lab, X-ray services, and a 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 lives 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 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 \$180,951 and \$105,834 at December 31, 2021 and 2020, 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; accounts are written off when they become uncollectible. At December 31, 2021 and 2020, the Organization deemed that no allowance for doubtful accounts was necessary.

(Continued)

MEXICO MEDICAL MISSIONS
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Inventory: Inventory consists of donated finished goods. Inventory is stated at fair value at the time of donation on a first-in, first-out basis. The Organization assesses its inventory for slow-moving and obsolete items and records a reserve when deemed necessary. The Organization determined that no valuation allowance was necessary at December 31, 2021 and 2020.

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 2021 and 2020.

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.

(Continued)

MEXICO MEDICAL MISSIONS
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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.

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, Asociacion Pro-Indigena A.C. is subject to certain foreign income taxes in its respective jurisdiction. There was no foreign income tax recorded during 2021 and 2020 in the 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 2021 and 2020, 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.

Upcoming Accounting Pronouncements: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (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, *Leases (Topic 842): Effective Dates for Certain Entities*, to defer these two standards. Under the deferral for leases, private not for profit organizations can apply the standard to fiscal years beginning after and December 15, 2021.

(Continued)

MEXICO MEDICAL MISSIONS
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The Organization elected to defer this standard and is currently assessing the effects that this pronouncement may have on the financial statements and related disclosures.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the combined statements of activities and changes in net assets, apart from contributions of cash or other financial assets. It also requires a not-for-profit to disclose contributed nonfinancial assets recognized within the combined statements of activities and changes in net assets disaggregated by category that depicts the type of contributed nonfinancial assets and includes additional disclosure requirements for each category of contributed nonfinancial assets recognized. The ASU is effective for a not-for-profit entity for annual periods beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact this standard will have on the financial statements and related disclosures.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 574,746	\$ 483,537
Vehicles	853,441	675,898
Buildings	<u>960,797</u>	<u>960,797</u>
	2,388,984	2,120,232
Less: accumulated depreciation	<u>(1,744,324)</u>	<u>(1,574,523)</u>
Total property and equipment, net	<u>\$ 644,660</u>	<u>\$ 545,709</u>

Depreciation expense was \$179,458 and \$173,420 for 2021 and 2020, 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>2021</u>	<u>2020</u>
Contributed services	\$ 217,500	\$ 225,000
Equipment	178,694	-
Medical supplies	<u>163,430</u>	<u>64,674</u>
Total noncash donations	<u>\$ 559,624</u>	<u>\$ 289,674</u>

(Continued)

MEXICO MEDICAL MISSIONS
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

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 2021, the Organization received cash and noncash donations from members of the Board and employees amounting to \$107,422 and \$117,500, respectively (see Notes 1 and 3). During 2020, the Organization received cash and noncash donations from members of the Board and employees amounting to \$78,748 and \$155,000, respectively.

NOTE 6 – 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.

During 2021 and 2020, many countries around the world, including the United States of America, were impacted by the COVID-19 outbreak. While the virus is continuing to evolve, its implications could involve interruptions to supply chains, unavailability of personnel, and reductions in revenues. 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.

NOTE 7 – 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 \$1,300 and \$800 during 2021 and 2020, respectively. The lease expires in October 2028.

(Continued)

MEXICO MEDICAL MISSIONS
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 8 – LIQUIDITY AND AVAILABILITY

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

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 290,771	\$ 266,395
Contributions receivable	<u>29,937</u>	<u>34,466</u>
Total financial assets	320,708	300,861
Financial assets not available for general expenditure:		
Less: net assets with donor restrictions	<u>(180,951)</u>	<u>(105,834)</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 139,757</u>	<u>\$ 195,027</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 9 – SUBSEQUENT EVENTS

Management has evaluated events and transactions for potential recognition and disclosure through September 12, 2022, the date the financial statements were available to be issued.