

MEXICO AND CENTRAL AMERICA MISSIONS
(A CALIFORNIA NON-PROFIT ORGANIZATION)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2019**

**MEXICO AND CENTRAL AMERICA MISSIONS
(A CALIFORNIA NON-PROFIT ORGANIZATION)**

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TABLE OF CONTENTS

Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8
Schedule of Program Expenses	9

INDEPENDENT AUDITOR'S REPORT#

To the Board of Trustees of
Mexico and Central America Missions
Irvine, California

We have audited the accompanying financial statements of Mexico and Central America Missions (a California nonprofit organization) which comprise the statement of financial position as of September 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mexico and Central America Missions as of September 30, 2019, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Bharmal & Associates, Inc.
Irvine, CA
April 24, 2020

**MEXICO AND CENTRAL AMERICA MISSIONS
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019**

ASSETS

Cash and Cash Equivalents	\$ 748,944
Other Current Assets	<u>\$ 18,000</u>
TOTAL ASSETS	<u><u>\$ 766,944</u></u>

LIABILITIES

Accounts Payable	\$ -
TOTAL LIABILITIES	<u>-</u>

NET ASSETS

Unrestricted	480,653
Restricted	<u>286,291</u>
TOTAL NET ASSETS	<u>\$ 766,944</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 766,944</u></u>

See accompanying notes and independent auditor's report

MEXICO AND CENTRAL AMERICA MISSIONS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
OCTOBER 1, 2018 TO SEPTEMBER 30, 2019

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE			
Program revenue	\$ 437,562	372,924	\$ 810,485
Investment	175		175
	<u>437,736</u>	<u>372,924</u>	<u>810,660</u>
Net assets released from restrictions	259,688	(259,688)	
TOTAL REVENUE	<u>697,424</u>	<u>113,236</u>	<u>810,660</u>
 EXPENSES			
Program	\$ 703,395	-	\$ 703,395
Administration	34,083	-	34,083
TOTAL EXPENSES	<u>737,477</u>	<u>-</u>	<u>737,477</u>
 CHANGE IN NET ASSETS	<u>(40,053)</u>	<u>113,236</u>	<u>73,183</u>
 NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	<u>\$ 520,706</u>	<u>\$ 173,055</u>	<u>\$ 693,761</u>
Prior period adjustment	-	-	-
NET ADJUSTED ASSETS (DEFICIT), BEGINNING OF YEAR	<u>520,706</u>	<u>173,055</u>	<u>693,761</u>
 NET ASSETS (DEFICIT) AT END OF YEAR	<u><u>\$ 480,653</u></u>	<u><u>\$ 286,291</u></u>	<u><u>\$ 766,944</u></u>

See accompanying notes and independent auditor's report

**MEXICO AND CENTRAL AMERICA MISSIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR OCTOBER 1, 2018 TO SEPTEMBER 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 73,183
Prior period adjustment	-
Adjustments to reconcile changes in net assets to net cash provided by operating activities	\$ -
Increase/(Decrease) in:	
Other Current Assets	\$ (18,000)
Accounts Payable	\$ -
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ 55,183</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
	\$ -
NET CASH USED BY INVESTING ACTIVITIES	<u>\$ -</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
	\$ -
NET CASH USED BY FINANCING ACTIVITIES	<u>\$ -</u>
 NET INCREASE / (DECREASE) IN CASH	 <u>\$ 55,183</u>
 CASH AT BEGINNING OF YEAR	 \$ 693,761
 CASH AT END OF YEAR	 <u><u>\$ 748,944</u></u>

See accompanying notes and independent auditor's report

MEXICO AND CENTRAL AMERICA MISSIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

**ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

Organization Operations:

Mexico and Central America Missions was established in 2005 in California for the advancement of mission work in Mexico and Central America. The organization operates out of its headquarters in Irvine, California. Mexico and Central America Missions is dedicated to promoting, encouraging and fostering, by all legitimate means, the dissemination of religious and moral teaching and instruction for the support of worship in association with a fellowship of thirty-nine churches in the United States and nine other countries.

Summary of significant Accounting policies:

Classification of Net Assets

The Organization has adopted Statement FASB ASC Topic 958 Not-for-profit Entities. Under FASB ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to three groups as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Organization's operations or that have been designated by the Board for a particular purpose. At September 30, 2019, unrestricted net assets were \$480,653.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors or grantors for specific programs or time period. At September 30, 2019, temporarily restricted net assets were \$286,291.
- Permanently restricted net assets represent amounts that donors or grantors have stipulated be held in perpetuity. At September 30, 2019, the Organization does not have any permanently restricted net assets.

Basis of Accounting

These financial statements were prepared using the accrual basis of accounting. Under this method, revenues are recorded in the period earned and when the amount and timing of the revenue can be reasonably determined. Expenses and asset additions are recognized at the time a liability arises which is normally at the time title passes or a service is received.

Grants

The organization records income from grants in the period designated by the donor. As of September 30, 2019 the organization had not received any grants during the year.

Nature of Estimates

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

Contributions

Mexico and Central America Missions has elected to adopt ASC No. 958-605 (formally SFAS No. 116), "Revenue Recognition – Contribution Received." Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in temporary or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes

The organization has been granted tax-exempt status by the Internal Revenue Service under IRC section 501(c)(3) and by the California Franchise Tax Board under Revenue and Tax section 23701(d). Accordingly, no provision for income taxes is included in the financial statements.

Commitments/Related Parties:

The organization has contracted for administrative and accounting services to be provided by an officer of the corporation. The full contract is for \$21,000 annually, to be paid in monthly installments of \$1,750.

Since Mexico and Central America Missions does not employ any ordained ministers, the organization relies on the service of ministers employed by its associated churches in order to fulfill its mission. Mexico and Central America Missions has entered into an agreement with the Los Angeles International Church of Christ (LAICC) to receive pastoral services from ministers employed by LAICC. The ministers assist with counseling, teaching and leadership training, their

services focus mainly on helping ministers in churches associated with Mexico and Central America Missions.

Cash and cash equivalents

The Organization considers all amounts in checking accounts, money market accounts, petty cash, and certificates of deposit with a maturity of ninety days or less when purchased to be cash and cash equivalents.

Income Taxes

The Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the fiscal year ended September 30, 2019, the Organization had no tax liability on unrelated business activity. Furthermore, no income tax expense has been recorded in the accompanying financial statements. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal Returns of Organization Exempt from Income Tax (Form 990) for September 30, 2019, 2018, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Date of Management Review

The Organization's management reviewed and evaluated subsequent events through April 24, 2020 and no events have occurred subsequent to the statement of financial position dated September 30, 2019 that would require adjustments to, or disclosure in, the financial statements.

**MEXICO AND CENTRAL AMERICA MISSIONS
SCHEDULE OF PROGRAM EXPENSES
FOR THE YEAR OCTOBER 1, 2018 TO SEPTEMBER 30, 2019**

MISSION SUPPORT EXPENSES

Mission Support- MXC Northeast	\$	104,140
Mission Support- Guadalajara	\$	18,000
Mission Support- Tijuana	\$	60,800
Mission Support- Querataro	\$	3,000
Mission Support- Monterrey	\$	74,400
Mission Support- Puebla	\$	23,400
Mission Support- Guatemala	\$	51,300
Mission Support- Honduras	\$	57,491
Mission Support- Costa Rica	\$	23,400
Mission Support- Nicaragua	\$	59,550
Mission Support- C.A. Ldrshp Tr	\$	128,283
Mission Support- Panama	\$	19,800
Mission Support- Belize	\$	13,265
Mission Support- L. Mendez	\$	11,000
Mission Support- MX Campus Min	\$	35,004
TOTAL MISSION SUPPORT EXPENSES:	\$	682,832

See accompanying notes and independent auditor's report