

MISSION POSSIBLE

FINANCIAL STATEMENTS

Years Ended June 30, 2018 and 2017

MISSION POSSIBLE

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Ridge & Company
Certified Public Accountant

314 W. HardIn Street, Findlay, Ohio 45840
p: 419.424.1835, f: 419.424.2107
www.ridgecpas.com

September 21, 2018

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Mission Possible
Findlay, OH 45840

We have audited the accompanying financial statements of Mission Possible (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 Mission Possible as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting princip

Ridge + Company CPA

MISSION POSSIBLE
STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	\$ 78,825	\$ 76,606
Certificates of Deposit	3,527	3,521
Investments - NOTE 9	95,540	99,313
Investment in Community Foundation - NOTE 13	11,205	10,744
Accounts Receivable	2,882	1,667
Property and Equipment - NOTE 7	1,468,762	1,484,285
Interest in Joint Ministry Operations - NOTE 8	(40,639)	(17,210)
	\$ 1,620,102	\$ 1,658,926
TOTAL ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 16,242	\$ 13,377
Canadian Interest in Joint Ministry Capital Assets - NOTE 8	150,845	139,779
	167,087	153,156
TOTAL LIABILITIES		
NET ASSETS		
Unrestricted	1,272,737	1,633,204
Temporarily Restricted - NOTE 10	104,628	(203,084)
Permanently Restricted - NOTE 11	75,650	75,650
	1,453,015	1,505,770
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSET	\$ 1,620,102	\$ 1,658,926

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 82,527	\$ 1,000,580	\$ -	\$ 1,083,107
Donated Goods	3,408			3,408
Interest and Dividends	105	4,204		4,309
Realized Gain on Sale of Investments	1,491			1,491
Unrealized Appreciation on Investments		2,563		2,563
Change in Community Foundation	461			461
Miscellaneous Income	147,125			147,125
Net Assets Released from Restrictions - NOTE 10	699,635	(699,635)		-
TOTAL SUPPORT AND REVENUE	<u>934,752</u>	<u>307,712</u>	<u>-</u>	<u>1,242,464</u>
EXPENSES				
Program Services:				
Haiti	883,460			883,460
Dominican Republic	233,434			233,434
Fundraising	90,043			90,043
General and Administrative	116,903			116,903
TOTAL EXPENSES	<u>1,323,840</u>	<u>-</u>	<u>-</u>	<u>1,323,840</u>
TRANSFER OF CAPITAL ASSETS				
Transfer of capital assets per Joint Ministry Agreement	28,621			28,621
CHANGE IN NET ASSETS	<u>(360,467)</u>	<u>307,712</u>	<u>-</u>	<u>(52,755)</u>
NET ASSETS, beginning of year	<u>1,633,204</u>	<u>(203,084)</u>	<u>75,650</u>	<u>1,505,770</u>
NET ASSETS, end of year	<u>\$ 1,272,737</u>	<u>\$ 104,628</u>	<u>\$ 75,650</u>	<u>\$ 1,453,015</u>

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 51,362	\$ 768,458	\$ -	\$ 819,820
Donated Goods	19,463			19,463
Interest and Dividends	184	4,206		4,390
Realized Gain on Sale of Investments	(43)			(43)
Unrealized Depreciation on Investments		7,966		7,966
Change in Community Foundation	1,282			1,282
Miscellaneous Income	121,964			121,964
Gain on sale of Fixed Assets	(205)			(205)
Net Assets Released from Restrictions - NOTE 10	958,345	(958,345)		-
TOTAL SUPPORT AND REVENUE	<u>1,152,352</u>	<u>(177,715)</u>	<u>-</u>	<u>974,637</u>
EXPENSES				
Program Services:				
Haiti	745,723			745,723
Dominican Republic	192,810			192,810
Fundraising	77,408			77,408
General and Administrative	117,578			117,578
TOTAL EXPENSES	<u>1,133,519</u>	<u>-</u>	<u>-</u>	<u>1,133,519</u>
TRANSFER OF CAPITAL ASSETS				
Transfer of capital assets per Joint Ministry Agreement	26,920			26,920
CHANGE IN NET ASSETS	45,753	(177,715)	-	(131,962)
NET ASSETS, beginning of year	<u>1,587,451</u>	<u>(25,369)</u>	<u>75,650</u>	<u>1,637,732</u>
NET ASSETS, end of year	<u>\$ 1,633,204</u>	<u>\$ (203,084)</u>	<u>\$ 75,650</u>	<u>\$ 1,505,770</u>

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2018

	PROGRAM SERVICES			Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic	Total Program Services			
Joint Ministry Support - NOTE 13	\$ 731,509	\$ 188,153	\$ 919,662	\$ -	\$ -	\$ 919,662
Salaries and Payroll Taxes	124,547	24,999	149,546	60,910	67,169	277,625
Donated Goods					3,408	3,408
Printing and Media	659	220	879	7,029	879	8,787
Depreciation	23,686	18,699	42,385		12,246	54,631
Office Supplies, Dues, Etc.	806	224	1,030	2,480	7,261	10,771
Professional Fees					12,680	12,680
Travel and Transportation	6	21	27	4,342	6,132	10,501
Postage and Shipping	918	459	1,377	3,671	2,753	7,801
Occupancy (Utilities, Insurance, Etc.)	774	381	1,155	3,465	3,464	8,084
Telephone	555	278	833	833	278	1,944
Banquet and Event Expense				7,296		7,296
Personnel				17	72	89
Required Governmental Fees					561	561
Total Expenses	\$ 883,460	\$ 233,434	\$ 1,116,894	\$ 90,043	\$ 116,903	\$ 1,323,840

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

	PROGRAM SERVICES			Total Program Services	Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic					
Joint Ministry Support - NOTE 13	\$ 612,908	\$ 149,644	\$ 762,552	\$ -	\$ -	\$ -	\$ 762,552
Salaries and Payroll Taxes	106,523	21,634	128,157	50,098	59,453	237,708	
Donated Goods	73		73		19,390	19,463	
Printing and Media	542	180	722	9,373	903	10,998	
Depreciation	20,835	19,256	40,091		5,600	45,691	
Office Supplies, Dues, Etc.	2,105	619	2,724	4,513	7,644	14,881	
Professional Fees					12,328	12,328	
Travel and Transportation	36	135	171	2,385	3,352	5,908	
Postage and Shipping	1,170	585	1,755	4,681	3,510	9,946	
Occupancy (Utilities, Insurance, Etc.)	986	485	1,471	4,412	4,412	10,295	
Telephone	545	272	817	818	273	1,908	
Personnel				18	77	95	
Banquet and Event Expense				1,110		1,110	
Required Governmental Fees					636	636	
Total Expenses	\$ 745,723	\$ 192,810	\$ 938,533	\$ 77,408	\$ 117,578	\$ 1,133,519	

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (52,755)	\$ (131,962)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Transfer to Capital Assets per Joint Ministry Agreement	20,000	2,206
Depreciation	54,631	45,691
Change in Community Foundation Investment	(461)	(1,282)
Realized (Gains)/Loss on Investments	(1,491)	43
Unrealized (Appreciation)/Depreciation on Investments	(2,563)	(7,966)
Loss/(Gain) on Sale of Fixed Assets	-	205
(Increase)/Decrease in Accounts Receivable	(1,215)	5,504
(Increase)/Decrease in Interest in Joint Ministry	23,429	(26,512)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	2,865	(17,695)
	42,440	(131,768)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	(6)	(5)
Purchases of Investment Securities	(4,273)	(17,076)
Proceeds from Sale of Investment Securities	12,100	12,827
Collections on Note Receivable		112,500
Purchase of Equipment	(48,042)	(176,927)
	(40,221)	(68,681)
NET CASH USED BY INVESTING ACTIVITIES		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,219	(200,449)
CASH AND CASH EQUIVALENTS, Beginning of Year	76,606	277,055
CASH AND CASH EQUIVALENTS, End of Year	\$ 78,825	\$ 76,606
INTEREST PAID	\$ -	\$ -
TAXES PAID	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Mission Possible (the Organization) is a not-for-profit corporation organized under the laws of the State of Ohio on April 25, 1979, to be an interdenominational corporation organized exclusively for charitable, religious, and educational purposes to promote health, education, and Christian teaching in third world countries. Revenues are received primarily from contributions to the Organization.

Basis of Accounting - The accounts of the organization are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation - The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 period. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments - The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Other routine expenditures for maintenance and repairs are charged to costs and expensed as incurred. Depreciation is computed using primarily the straight-line method.

Concentration of Credit Risk - The Organization maintains its cash balances at several financial institutions located in Findlay, Ohio. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At both June 30, 2018 and 2017, the Organization's uninsured cash balances totaled \$-0-

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization's Forms 990, *Returns of Organization Exempt from Income Tax*, for the years ending 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Expense Allocation - The costs of providing the joint ministry and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program services, general and administrative, and fundraising activities which have benefited.

Donated Property and Equipment - Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Contributions- Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restrictions.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable - Accounts receivable are reported at their net realizable value. The organization considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to expense when that determination is made.

NOTE 2 – FOREIGN CURRENCY TRANSLATION

In accordance with the Joint Ministry Agreement between Mission Possible and Mission Possible Canada, all of the capital assets purchased or constructed between Haiti and the Dominican Republic are transferred back to the Mission Possible balance sheet. Therefore, the assets transferred are translated at the average exchange rate in effect during the fiscal year as required by Statement of Financial Accounting Standards (SFAS) No. 52. The average exchange rate for Haiti for the fiscal years ended June 30, 2018 and 2017 was 62.8518 and 64.9720 gourdes to one United States dollar, respectively. The average exchange rate for the Dominican Republic for the fiscal years ended June 30, 2018 and 2017 was 47.7908 and 45.9550 pesos to one United States dollar, respectively.

Foreign currency translation for Haiti resulted in an aggregate exchange gain/loss of \$126 and \$2,319 for the fiscal years ended June 30, 2018 and 2017, respectively.

Foreign currency translation for the Dominican Republic resulted in an aggregate exchange gain of \$52 and \$213 for the fiscal years ended June 30, 2018 and 2017, respectively.

NOTE 3 – CASH FLOW INFORMATION

No amounts were paid for income taxes or interest in 2018 or 2017. There were no noncash financing activities for the years ended June 30, 2018 or 2017 and noncash investing activities consisted of \$-0- and \$12,870 of donated securities for the fiscal years ended June 30, 2018 and 2017.

NOTE 4 – DONATED SERVICES

The Organization utilized contributed services for a variety of necessary functions that would otherwise need to be purchased. These services have been performed by individuals working in the United States, and include clerical and communications functions. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 5 – DONATED FACILITIES

Since April 1, 2006, Mission Possible entered into several leases with Bishop Kandel Rentals, LLC, for donated office space and parking located in the City of Findlay, Ohio. The most recent lease was renewed on a month to month basis thru January 31, 2017, at which time Mission Possible moved into their new building. The value of the donated use of facilities included in the financial statements is based on the actual fair market rent that would otherwise be paid. For the years ended June 30, 2018 and 2017, the amount included in donated goods was \$-0- and \$19,390, respectively.

Kurt Bishop, President of Mission Possible, through April 1, 2017, was also a member of Bishop-Kandel Rentals, LLC.

NOTE 6 – FAIR VALUE

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Cash and cash equivalents – The carrying amount reported in the Statement of Financial Position approximates fair value because of the short maturity of those instruments.

Investments – The fair value of investments in marketable equity and debt securities is based on quoted market prices in active markets (all Level 1 measurements).

NOTE 7 – PROPERTY AND EQUIPMENT

Property and Equipment include the following:

	<u>2018</u>	<u>2017</u>
Building and Improvements	\$ 1,675,721	\$ 1,645,592
Land and Land Improvements	393,868	381,259
Machinery and Equipment	143,813	138,985
Vehicles	146,867	146,867
Furniture and Fixtures	27,512	26,457
Work in Progress		579
	<hr/> 2,387,781	<hr/> 2,339,739
Less: Accumulated Depreciation	919,019	855,454
	<hr/> \$1,468,762	<hr/> \$ 1,484,285
Net Property and Equipment		

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 8 – JOINT MINISTRY AGREEMENT

The organization participates in a Joint Ministry Agreement with Mission Possible Canada, a not-for-profit organization operating in Canada. Joint ministry activities are conducted under the name Mission Possible International. Mission Possible International was established to facilitate the pooling of resources of both of the organizations, and is supported primarily by funding from both of the organizations. At June 30, 2018 and 2017 the organization has recorded an interest (a (liability)/asset) in the joint ministry operations of (\$40,639) and (\$17,210) as well as an amount due (a liability) to Canada of \$150,845 and \$139,779 representing Canada's interest in the assets purchased or constructed in the field.

In accordance with the Joint Ministry Agreement, the Organization holds legal title of the joint ministry capital assets and upon termination of the Joint Ministry Agreement, the joint ministry capital assets will be disposed of according to Article 5.2(c) of the Joint Ministry Agreement. Mission Possible International issues separate financial statements.

Summarized information for the fiscal years is as follows:

	<u>2018</u>	<u>2017</u>
Joint Ministry Support	\$ 675,765	\$ 594,333
Other Revenue	120,452	132,868
Total Expenses	(791,025)	(673,769)
Transfer of capital assets to Joint Ministry	<u>(28,621)</u>	<u>(26,920)</u>
Changes in Net Assets	(23,429)	26,512
Net Assets, beginning of year	<u>(17,210)</u>	<u>(43,722)</u>
Net Assets, end of year	<u>\$ (40,639)</u>	<u>\$ (17,210)</u>

NOTE 9 – INVESTMENTS

Investment securities are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following as of June 30, 2018:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Mutual Funds	\$ 83,593	\$ 95,540	\$ 11,947
Total	<u>\$ 83,593</u>	<u>\$ 95,540</u>	<u>\$ 11,947</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 9 – INVESTMENTS (continued)

Unrealized appreciation at June 30, 2018 is calculated as follows:

Excess of market value compared to cost:	
June 30, 2018	\$ 11,947
July 1, 2017	<u>9,385</u>
Appreciation on Investments	<u>\$ 2,562</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 4,309
Net realized and unrealized gains/(losses)	<u>4,054</u>
Total investment return	<u>\$ 8,363</u>

Investment securities are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following as of June 30, 2017:

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
	<u> </u>	<u> </u>	<u> </u>
Mutual Funds	\$ 89,928	\$ 99,313	\$ 9,385
Total	<u>\$ 89,928</u>	<u>\$ 99,313</u>	<u>\$ 9,385</u>

Unrealized depreciation at June 30, 2017 is calculated as follows:

Excess of market value compared to cost:	
June 30, 2017	\$ 9,385
July 1, 2016	<u>1,419</u>
Depreciation on Investments	<u>\$ 7,966</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 4,390
Net realized and unrealized gains/(losses)	<u>7,923</u>
Total investment return	<u>\$ 12,313</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Scholarships (Endowment Earnings)	\$ 19,890	\$ 23,663
Sponsorship		(188,047)
Scholarships		(11,662)
Gift Funds	687	1,453
Bibles, Hymn Books and Christian Literature	1,041	11,592
Feeding Program		(3,884)
Construction	64,964	6,962
Seminars		(11,193)
Staff and Missionary Support	9,191	2,640
Benevolence	32	16,994
School Supplies	294	
Mission Teams	7,077	938
Mission Fund - Haiti		(58,790)
Spiritual Ministries		160
Sewing Class/Machines - Haiti	341	1,159
Women's Health – Haiti	1,111	4,931
	<hr/>	<hr/>
Total Temporarily Restricted Net Assets	<u>\$ 104,628</u>	<u>\$ (203,084)</u>

Net assets were released from donor restrictions by expenses satisfying the purpose specified by donors as follows:

	<u>2018</u>	<u>2017</u>
Sponsorship	\$ 237,053	\$ 524,778
Construction	51,932	63,644
Scholarships (endowment earnings)	12,100	
Mission Teams	237,285	174,706
Staff and Missionary Support	131,957	121,973
Gift Funds	6,520	9,049
Scholarships	1,039	3,000
Mission Fund – DR	400	830
Mission Fund - Haiti	(55,921)	13,744
Benevolence	16,994	
Seminars	(10,619)	2,132
Bibles, Hymn Books and Christian Literature	10,597	1,316

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS (continued)

Feeding Program	\$ 33,529	\$ 28,846
School Supplies –Haiti	527	19
Spiritual Ministries	13,909	360
Event Sponsor	5,090	4,815
Degeance School – Haiti	50	
Bible School Project		3,371
U.S. Office Building	30	3,360
Sewing Class/Machines – Haiti	1,118	
Women’s Health – Haiti	6,045	2,402
	<hr/>	<hr/>
Total Released from Restrictions	\$ 699,635	\$ 958,345

NOTE 11 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS

The Organization’s endowment consists of an individual fund established for scholarship purposes. Its endowment includes a single donor-restricted fund. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization’s investment policies.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 11 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)

Spending: The Organization has a spending understanding where they will only spend interest income. The Organization feels that its limited spending of the endowment funds will allow the endowment funds to be preserved, which is consistent with the Organization's objective as stated above.

Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds	\$ 19,890	\$ 75,650	\$ 95,540
Total Funds	\$ 19,890	\$ 75,650	\$ 95,540

Changes in endowment nets assets as of June 30, 2018 are as follows:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning	\$ 23,663	\$ 75,650	\$ 99,313
Investment Income	4,204		4,204
Net appreciation/(depreciation)	2,563		2,563
Appropriation of Endowment assets for expenditure	(10,540)		(10,540)
Endowment net assets, end of year	\$ 19,890	\$ 75,650	\$ 95,540

Endowment net asset composition by type of fund as of June 30, 2017 is as follows:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds	\$ 23,663	\$ 75,650	\$ 99,313
Total Funds	\$ 23,663	\$ 75,650	\$ 99,313

MISSION POSSIBLE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 11 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)

Changes in endowment nets assets as of June 30, 2017 are as follows:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning	\$ 11,491	\$ 75,650	\$ 87,141
Investment Income	4,206		4,206
Net appreciation/(depreciation)	7,966		7,966
Endowment net assets, end of year	<u>\$ 23,663</u>	<u>\$ 75,650</u>	<u>\$ 99,313</u>

NOTE 12 – JOINT MINISTRY SUPPORT

At June 30, 2018 and 2017, program services provided to the field as Joint Ministry support have been recognized in the financial statements in the amounts of \$919,662 and \$762,552. Summarized information for the fiscal years then ended, is as follows:

	<u>2018</u>	<u>2017</u>
Draws to the field	\$ 591,956	\$ 580,483
(Increase)/Decrease in Interest to Joint Ministry	23,430	(26,512)
Allocated Expenses:		
Salaries and Payroll Taxes	92,335	73,566
Travel	6,823	3,225
Postage and Shipping	1,377	1,939
Spiritual Program	2,090	1,243
School Program	14,926	5,664
Occupancy (Utilities, Insurance, Etc.)	3,465	4,412
Telephone	833	817
Haiti Communications	4	400
Personnel		103
Office Supplies, Dues, Etc.	853	3,256
Construction/Repair	5,994	45
Mission Center - Haiti	719	(17,115)
Medical – Haiti	7,978	10,026
Mission Team Expense	166,879	121,000
Total Allocated Expenses	<u>298,378</u>	<u>208,581</u>
Total Joint Ministry Support	<u>\$ 919,662</u>	<u>\$ 762,552</u>

MISSION POSSIBLE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

NOTE 13 – INVESTMENT IN COMMUNITY FOUNDATION

On June 30, 2015, Mission Possible transferred funds to the Hancock County Community Foundation to establish a fund. This fund was established to support the work of the Organization in perpetuity. Under the terms of the agreement, in the first quarter of each year, the organization can receive a distribution based on a specified formula and the needs of the organization, with the excess returning to principal. Additionally, Mission Possible can request up to twenty percent of the value of the investment portfolio once every five years. The Hancock County Community Foundation has no variance power over the funds. At June 30, 2018 and 2017, the fund had a value of \$11,205 and \$10,744, respectively, which is reported in the Statement of Financial Position as Investment in Community Foundation.

Total funds at the Community Foundation at June 30, 2018 and 2017 amounted to \$11,562 and \$11,087 which includes the above investments as well as additional funds contributed by outside donors to the organization's fund at the Community Foundation.

NOTE 14 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 21, 2018, the date the financial statements were available to be issued.