

**MISSION POSSIBLE**

**FINANCIAL STATEMENTS**

**Years Ended June 30, 2019 and 2018**

# MISSION POSSIBLE

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September 7, 2019

## **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, 2019 and 2018, 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ridge & Company CPA

**MISSION POSSIBLE**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 58,287	\$ 78,825
Certificates of Deposit	3,532	3,527
Investments - NOTE 8	98,147	95,540
Investment in Community Foundation - NOTE 12	11,455	11,205
Accounts Receivable	38,107	2,882
Property and Equipment - NOTE 6	1,442,246	1,468,762
Interest in Joint Ministry Operations - NOTE 7	(45,115)	(40,639)
<b>TOTAL ASSETS</b>	<b>\$ 1,606,659</b>	<b>\$ 1,620,102</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 9,159	\$ 16,242
Canadian Interest in Joint Ministry Capital Assets - NOTE 7	155,868	150,845
<b>TOTAL LIABILITIES</b>	165,027	167,087
<b>NET ASSETS</b>		
Without Donor Restrictions	1,235,374	1,272,737
With Donor Restrictions - NOTE 9	206,258	180,278
<b>TOTAL NET ASSETS</b>	<b>1,441,632</b>	<b>1,453,015</b>
<b>TOTAL LIABILITIES AND NET ASSET</b>	<b>\$ 1,606,659</b>	<b>\$ 1,620,102</b>

The accompanying notes are an integral part of the financial statements

**MISSION POSSIBLE**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 162,201	\$ 746,526	\$ 908,727
Donated Goods	2,734		2,734
Interest and Dividends	292	5,902	6,194
Realized Gain on Sale of Investments		390	390
Unrealized Appreciation on Investments		(85)	(85)
Change in Community Foundation	250		250
Miscellaneous Income	51,317	213,902	265,219
Net Assets Released from Restrictions - NOTE 9	940,655	(940,655)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,157,449</b>	<b>25,980</b>	<b>1,183,429</b>
<b>EXPENSES</b>			
Program Services:			
Haiti	838,170		838,170
Dominican Republic	198,465		198,465
Fundraising	70,217		70,217
General and Administrative	111,618		111,618
<b>TOTAL EXPENSES</b>	<b>1,218,470</b>	<b>-</b>	<b>1,218,470</b>
<b>TRANSFER OF CAPITAL ASSETS</b>			
Transfer of capital assets per Joint Ministry Agreement	23,658	-	23,658
<b>CHANGE IN NET ASSETS</b>	<b>(37,363)</b>	<b>25,980</b>	<b>(11,383)</b>
<b>NET ASSETS, beginning of year</b>	<b>1,272,737</b>	<b>180,278</b>	<b>1,453,015</b>
<b>NET ASSETS, end of year</b>	<b>\$ 1,235,374</b>	<b>\$ 206,258</b>	<b>\$ 1,441,632</b>

The accompanying notes are an integral part of the financial statements

**MISSION POSSIBLE**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 191,443	\$ 891,664	\$ 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	38,209	108,916	147,125
Net Assets Released from Restrictions - NOTE 9	699,635	(699,635)	-
<b>TOTAL SUPPORT AND REVENUE</b>	934,752	307,712	1,242,464
<b>EXPENSES</b>			
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
<b>TOTAL EXPENSES</b>	1,323,840	-	1,323,840
<b>TRANSFER OF CAPITAL ASSETS</b>			
Transfer of capital assets per Joint Ministry Agreement	28,621	-	28,621
<b>CHANGE IN NET ASSETS</b>	(360,467)	307,712	(52,755)
<b>NET ASSETS, beginning of year</b>	1,633,204	(127,434)	1,505,770
<b>NET ASSETS, end of year</b>	\$ 1,272,737	\$ 180,278	\$ 1,453,015

The accompanying notes are an integral part of the financial statements

**MISSION POSSIBLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2019

	PROGRAM SERVICES				Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic	Total Program Services				
Joint Ministry Support - NOTE 11	\$ 698,220	\$ 156,819	\$ 855,039	\$ -	\$ -	\$ -	\$ 855,039
Salaries and Payroll Taxes	112,714	21,740	134,454	54,804	62,628	251,886	251,886
Donated Goods			-		2,734	2,734	2,734
Printing and Media	428	143	571	4,570	571	5,712	5,712
Depreciation	24,251	18,693	42,944		12,252	55,196	55,196
Office Supplies, Dues, Etc.	947	267	1,214	2,696	13,453	17,363	17,363
Professional Fees			-		13,025	13,025	13,025
Travel and Transportation			-	939	2,412	3,351	3,351
Postage and Shipping	743	372	1,115	2,972	2,229	6,316	6,316
Occupancy (Utilities, Insurance, Etc.)	319	157	476	1,429	1,429	3,334	3,334
Telephone	548	274	822	822	274	1,918	1,918
Banquet and Event Expense			-	1,985		1,985	1,985
Required Governmental Fees			-		611		611
<b>Total Expenses</b>	<b>\$ 838,170</b>	<b>\$ 198,465</b>	<b>\$ 1,036,635</b>	<b>\$ 70,217</b>	<b>\$ 111,618</b>	<b>\$ 1,218,470</b>	<b>\$ 1,218,470</b>

The accompanying notes are an integral part of the financial statements



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

	PROGRAM SERVICES			Total Program Services	Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic					
Joint Ministry Support - NOTE 11	\$ 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
<b>Total Expenses</b>	<b>\$ 883,460</b>	<b>\$ 233,434</b>	<b>\$ 1,116,894</b>	<b>\$ 90,043</b>	<b>\$ 116,903</b>	<b>\$ 1,323,840</b>	

The accompanying notes are an integral part of the financial statements

**MISSION POSSIBLE**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (11,383)	\$ (52,755)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Transfer to Capital Assets per Joint Ministry Agreement	14,000	20,000
Depreciation	55,196	54,631
Change in Community Foundation Investment	(250)	(461)
Realized (Gains)/Loss on Investments	(390)	(1,491)
Unrealized (Appreciation)/Depreciation on Investments	85	(2,563)
(Increase)/Decrease in Accounts Receivable	(35,225)	(1,215)
(Increase)/Decrease in Interest in Joint Ministry	4,476	23,429
Increase/(Decrease) in Accounts Payable and Accrued Expenses	(7,083)	2,865
	19,426	42,440
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Certificates of Deposit	(5)	(6)
Purchases of Investment Securities	(5,902)	(4,273)
Proceeds from Sale of Investment Securities	3,600	12,100
Purchase of Equipment	(37,657)	(48,042)
	(39,964)	(40,221)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(20,538)	2,219
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	78,825	76,606
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	\$ 58,287	\$ 78,825

The accompanying notes are an integral part of the financial statements

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***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 two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

*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, 2019 and 2018, the Organization's uninsured cash balances totaled \$-0-.

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***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 2015, 2016 and 2017 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 net assets without donor restrictions 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 net assets with donor restrictions to net assets without donor restrictions 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 net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restrictions.

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***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, 2019 and 2018 was 77.4477 and 62.8518 gourdes to one United States dollar, respectively. The average exchange rate for the Dominican Republic for the fiscal years ended June 30, 2019 and 2018 was 49.7520 and 47.7908 pesos to one United States dollar, respectively.

Foreign currency translation for Haiti resulted in an aggregate exchange gain/(loss) of (\$2,097) and \$126 for the fiscal years ended June 30, 2019 and 2018, respectively.

Foreign currency translation for the Dominican Republic resulted in an aggregate exchange gain of \$1,188 and \$52 for the fiscal years ended June 30, 2019 and 2018, respectively.

***NOTE 3 – CASH FLOW INFORMATION***

No amounts were paid for income taxes or interest in 2019 or 2018. There were no noncash financing or investing activities for the years ended June 30, 2019.

***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.

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***NOTE 5 – 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 6 – PROPERTY AND EQUIPMENT***

Property and Equipment include the following:

	<u>2019</u>	<u>2018</u>
Building and Improvements	\$ 1,653,059	\$ 1,653,059
Land and Land Improvements	404,912	393,868
Machinery and Equipment	143,813	143,813
Vehicles	146,867	146,867
Furniture and Fixtures	27,513	27,512
Work in Progress	49,275	22,662
	<hr/>	<hr/>
	2,425,439	2,387,781
Less: Accumulated Depreciation	983,193	919,019
	<hr/>	<hr/>
Net Property and Equipment	<u>\$ 1,442,246</u>	<u>\$ 1,468,762</u>

***NOTE 7 – 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. The organization has recorded an interest (a (liability)/asset) in the joint ministry operations at June 30, 2019 of (\$45,115), consisting of (\$30,926) from the Dominican Republic and (\$14,189) from Haiti and (\$40,639) at June 30, 2018, consisting of (\$34,252) from the Dominican Republic and (\$6,387) from Haiti. Mission Possible also has an amount due (a liability) to Canada of \$155,868 and \$150,845, representing Canada’s interest in the assets purchased or constructed in the field as of June 30, 2019 and 2018, respectively.

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***NOTE 7 – JOINT MINISTRY AGREEMENT (continued)***

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>2019</u>	<u>2018</u>
Joint Ministry Support	\$ 539,875	\$ 675,765
Other Revenue	68,919	120,452
Total Expenses	(589,612)	(791,025)
Transfer of capital assets to Joint Ministry	<u>(23,658)</u>	<u>(28,621)</u>
Changes in Net Assets	(4,476)	(23,429)
Net Assets, beginning of year	<u>(40,639)</u>	<u>(17,210)</u>
 Net Assets, end of year	 <u>\$ (45,115)</u>	 <u>\$ (40,639)</u>

***NOTE 8 – 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, 2019:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Mutual Funds	<u>\$ 86,285</u>	<u>\$ 98,147</u>	<u>\$ 11,862</u>
Total	<u>\$ 86,285</u>	<u>\$ 98,147</u>	<u>\$ 11,862</u>

Unrealized depreciation at June 30, 2019 is calculated as follows:

Excess of market value compared to cost:

June 30, 2019	\$ 11,862
July 1, 2018	<u>11,947</u>
Depreciation on Investments	<u>\$ (85)</u>

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**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

**NOTE 8 – INVESTMENTS (continued)**

Investment return is summarized as follows:

Interest and Dividends	\$	6,194
Net realized and unrealized gains/(losses)		305
Total investment return	\$	6,499

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:

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

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		9,384
Appreciation on Investments	\$	2,563

Investment return is summarized as follows:

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

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes:

	2019	2018
Scholarships	\$ 75,650	\$ 95,540
Gift Funds		687
Bibles, Hymn Books and Christian Literature		1,041



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**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (continued)***

Construction	\$ 30,189	\$ 64,964
Staff and Missionary Support	4,500	9,191
Benevolence		32
School Supplies		294
Mission Teams	95,919	7,077
Sewing Class/Machines - Haiti		341
Women’s Health – Haiti		1,111
	<u>                    </u>	<u>                    </u>
Total Net Assets with Donor Restrictions	<u>\$ 206,258</u>	<u>\$ 180,278</u>

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

	<u>2019</u>	<u>2018</u>
Sponsorship	\$ 538,409	\$ 237,053
Construction	81,525	51,932
Scholarships (endowment earnings)	26,097	12,100
Mission Teams	115,355	237,285
Staff and Missionary Support	120,936	131,957
Gift Funds	2,246	6,520
Scholarships	4,260	1,039
Mission Fund – DR	975	400
Mission Fund - Haiti	2,521	(55,921)
Benevolence	52	16,994
Seminars	1,747	(10,619)
Bibles, Hymn Books and Christian Literature	1,040	10,597
Feeding Program	35,287	33,529
School Supplies –Haiti	591	527
Spiritual Ministries	955	13,909
Event Sponsor	2,457	5,090
Degeance School – Haiti	3,750	50
U.S. Office Building		30
Sewing Class/Machines – Haiti	341	1,118
Women’s Health – Haiti	2,111	6,045
	<u>                    </u>	<u>                    </u>
Total Released from Restrictions	<u>\$ 940,655</u>	<u>\$ 699,635</u>

***NOTE 10 – 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

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**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***NOTE 10 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)***

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 net assets with donor restrictions (principal) (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 net assets with donor restrictions (principal) is classified as net assets with donor restrictions (earnings) 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.

*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, 2019 is as follows:

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	Total Endowment Assets
Donor-restricted endowment funds	\$ 22,497	\$ 75,650	\$ 98,147
Total Funds	\$ 22,497	\$ 75,650	\$ 98,147

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***NOTE 10 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)***

Changes in endowment nets assets as of June 30, 2019 are as follows:

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	Total Endowment Assets
Endowment net assets, beginning	\$ 19,890	\$ 75,650	\$ 95,540
Investment Income	6,292		6,292
Net appreciation/(depreciation)	(85)		(85)
Appropriation of Endowment assets for expenditure	(3,600)		(3,600)
Endowment net assets, end of year	<u>\$ 22,497</u>	<u>\$ 75,650</u>	<u>\$ 98,147</u>

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

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	Total Endowment Assets
Donor-restricted endowment funds	\$ 19,890	\$ 75,650	\$ 95,540
Total Funds	<u>\$ 19,890</u>	<u>\$ 75,650</u>	<u>\$ 95,540</u>

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

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	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	<u>\$ 19,890</u>	<u>\$ 75,650</u>	<u>\$ 95,540</u>

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***NOTE 11 – JOINT MINISTRY SUPPORT***

At June 30, 2019 and 2018, program services provided to the field as Joint Ministry support have been recognized in the financial statements in the amounts of \$919,662 and \$919,662. Summarized information for the fiscal years then ended, is as follows:

	<u>2019</u>	<u>2018</u>
Draws to the field	\$ 614,386	\$ 591,956
(Increase)/Decrease in Interest to Joint Ministry	4,476	23,430
Allocated Expenses:		
Salaries and Payroll Taxes	90,465	92,335
Travel	1,495	6,823
Postage and Shipping	1,278	1,377
Spiritual Program	85	2,090
School Program	4,491	14,926
Occupancy (Utilities, Insurance, Etc.)	1,429	3,465
Telephone	822	833
Haiti Communications		4
Personnel	286	
Office Supplies, Dues, Etc.	366	853
Construction/Repair	486	5,994
Mission Center - Haiti	831	719
Medical – Haiti	8,982	7,978
Mission Team Expense	125,161	166,879
	<hr/>	<hr/>
Total Allocated Expenses	236,177	298,378
	<hr/>	<hr/>
Total Joint Ministry Support	\$ 855,039	\$ 919,662

***NOTE 12 – 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, 2019 and 2018, the fund had a value of \$11,455 and \$11,205, respectively, which is reported in the Statement of Financial Position as Investment in Community Foundation.

**MISSION POSSIBLE**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

***NOTE 12 – INVESTMENT IN COMMUNITY FOUNDATION (continued)***

Total funds at the Community Foundation at June 30, 2019 and 2018 amounted to \$11,848 and \$11,562 which includes the above investments as well as additional funds contributed by outside donors to the organization’s fund at the Community Foundation.

***NOTE 13 – SUBSEQUENT EVENTS***

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 7, 2019, the date the financial statements were available to be issued.

***NOTE 14 – IMPLEMENTATION OF ACCOUNTING STANDARD***

In August 2016, the Financial Accounting Standards Board (FASB) issued an update to Not-for-Profit accounting to help charities, foundations, universities, and other Not-for-Profit Organizations to better tell their “Financial Story”. The Accounting Standards Update (ASU) No.2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, deals largely with financial statement presentation issues – how organizations convey how they spend and invest their resources. The standard requires an organization to classify their assets into two categories – those with donor restriction and those without. The update also aims to enhance information about an organization’s expenses through a new expense analysis that shows expenses broken down by nature and function. Further, the update will require organizations to provide information that shows how they manage their access to cash over the next twelve months and retain liquidity. The update goes into effect for financial statements issued for fiscal year beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Mission Possible has elected to adopt ASU 2016-14 as of and for the year ending June 30, 2019, and retrospectively for the year ended June 30, 2018.

***NOTE 15 – RECLASSIFICATIONS***

Certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s financial statements presentation.

***NOTE 16 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS***

Mission Possible has \$70,217 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures without donor or other restrictions limiting use, consisting of cash of \$26,287, certificates of deposit of \$3,532, various receivables of \$38,107, and short-term investments of \$2,291.