

MISSION POSSIBLE
FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

MISSION POSSIBLE

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September 25, 2017

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, 2017 and 2016, 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 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 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, 2017 and 2016, 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, 2017 and 2016

	2017	2016
ASSETS		
Cash and Cash Equivalents	\$ 76,606	\$ 277,055
Certificates of Deposit	3,521	3,516
Investments - NOTE 9	99,313	87,141
Investment in Community Foundation - NOTE 14	10,744	9,462
Accounts Receivable	1,667	7,171
Note Receivable - NOTE 11		112,500
Property and Equipment - NOTE 7	1,484,285	1,361,851
Interest in Joint Ministry Operations - NOTE 8	(17,210)	(43,722)
	\$ 1,658,926	\$ 1,814,974
TOTAL ASSETS		
 LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 13,377	\$ 31,072
Canadian Interest in Joint Ministry Capital Assets - NOTE 8	139,779	146,170
	153,156	177,242
TOTAL LIABILITIES		
 NET ASSETS		
Unrestricted	1,633,204	1,587,451
Temporarily Restricted - NOTE 10	(203,084)	(25,369)
Permanently Restricted - NOTE 12	75,650	75,650
	1,505,770	1,637,732
TOTAL NET ASSETS		
 TOTAL LIABILITIES AND NET ASSETS	\$ 1,658,926	\$ 1,814,974

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 Loss on Sale of Investments	(43)			(43)
Unrealized Appreciation on Investments		7,966		7,966
Change in Community Foundation	1,282			1,282
Miscellaneous Income	121,964			121,964
Loss 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 ACTIVITIES
Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 200,119	\$ 790,408	\$ -	\$ 990,527
Donated Goods	42,399			42,399
Interest and Dividends	359	4,560		4,919
Realized Gain on Sale of Investments	271			271
Unrealized Depreciation on Investments		(4,397)		(4,397)
Change in Community Foundation	(538)			(538)
Miscellaneous Income	117,714			117,714
Gain on sale of Fixed Assets	8,334			8,334
Net Assets Released from Restrictions - NOTE 10	887,727	(887,727)		-
TOTAL SUPPORT AND REVENUE	<u>1,256,385</u>	<u>(97,156)</u>	<u>-</u>	<u>1,159,229</u>
EXPENSES				
Program Services:				
Haiti	931,886			931,886
Dominican Republic	189,698			189,698
Fundraising	82,070			82,070
General and Administrative	120,346			120,346
TOTAL EXPENSES	<u>1,324,000</u>	<u>-</u>	<u>-</u>	<u>1,324,000</u>
TRANSFER OF CAPITAL ASSETS				
Transfer of capital assets per Joint Ministry Agreement	107,533			107,533
CHANGE IN NET ASSETS	39,918	(97,156)	-	(57,238)
NET ASSETS, beginning of year	<u>1,547,533</u>	<u>71,787</u>	<u>75,650</u>	<u>1,694,970</u>
NET ASSETS, end of year	<u>\$ 1,587,451</u>	<u>\$ (25,369)</u>	<u>\$ 75,650</u>	<u>\$ 1,637,732</u>

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	
Banquet and Event Expense				1,110		1,110	
Personnel				18	77	95	
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
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2016

	PROGRAM SERVICES			Total Program Services	Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic					
Joint Ministry Support - NOTE 13	\$ 800,745	\$ 150,597	\$ 951,342	\$ -	\$ -	\$ -	\$ 951,342
Salaries and Payroll Taxes	103,562	18,250	121,812	53,417	56,458	231,687	231,687
Donated Goods	5,645		5,645	3,514	33,240	42,399	42,399
Printing and Media	180	60	240	7,539	496	8,275	8,275
Depreciation	18,628	19,344	37,972		909	38,881	38,881
Office Supplies, Dues, Etc.	852	242	1,094	2,167	6,162	9,423	9,423
Professional Fees			-		12,206	12,206	12,206
Travel and Transportation	22	84	106	2,645	4,171	6,922	6,922
Postage and Shipping	1,027	513	1,540	4,107	3,080	8,727	8,727
Occupancy (Utilities, Insurance, Etc.)	591	291	882	2,644	2,644	6,170	6,170
Telephone	634	317	951	951	317	2,219	2,219
Banquet and Event Expense			-	5,086		5,086	5,086
Required Governmental Fees			-		663	663	663
Total Expenses	\$ 931,886	\$ 189,698	\$ 1,121,584	\$ 82,070	\$ 120,346	\$ 1,324,000	\$ 1,324,000

The accompanying notes are an integral part of the financial statements

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STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (131,962)	\$ (57,238)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Transfer to Capital Assets per Joint Ministry Agreement	2,206	1,110
Depreciation	45,691	38,881
Change in Community Foundation Investment	(1,282)	538
Realized (Gains)/Loss on Investments	43	(271)
Unrealized (Appreciation)/Depreciation on Investments	(7,966)	4,397
Loss/(Gain) on Sale of Fixed Assets	205	(8,334)
(Increase)/Decrease in Accounts Receivable	5,504	(7,171)
(Increase)/Decrease in Deposits		64
(Increase)/Decrease in Interest in Joint Ministry	(26,512)	37,766
Increase/(Decrease) in Accounts Payable and Accrued Expenses	(17,695)	(4,230)
	(131,768)	5,512
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	(5)	(3,519)
Sales of Certificates of Deposit		3,514
Purchases of Investment Securities	(17,076)	(13,700)
Proceeds from Sale of Investment Securities	12,827	9,411
Note Receivable Issued		(225,000)
Collections on Note Receivable	112,500	112,500
Purchase of Equipment	(176,927)	(295,412)
Proceeds from Sale of Property		225,000
	(68,681)	(187,206)
NET CASH USED BY INVESTING ACTIVITIES		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(200,449)	(181,694)
CASH AND CASH EQUIVALENTS, Beginning of Year	277,055	458,749
CASH AND CASH EQUIVALENTS, End of Year	\$ 76,606	\$ 277,055
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, 2017 and 2016

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 June 30, 2017 and 2016 the Organization's uninsured cash balances totaled \$-0- and \$22,689.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

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 2013, 2014 and 2015 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, 2017 and 2016

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, 2017 and 2016 was 64.9720 and 55.7018 gourdes to one United States dollar, respectively. The average exchange rate for the Dominican Republic for the fiscal years ended June 30, 2017 and 2016 was 45.9550 and 44.9550 pesos to one United States dollar, respectively.

Foreign currency translation for Haiti resulted in an aggregate exchange gain of \$2,319 and exchange loss of \$6,352 for the fiscal years ended June 30, 2017 and 2016, respectively.

Foreign currency translation for the Dominican Republic resulted in an aggregate exchange gain of \$213 and \$630 for the fiscal years ended June 30, 2017 and 2016, respectively.

NOTE 3 – CASH FLOW INFORMATION

No amounts were paid for income taxes or interest in 2017 or 2016. There were no noncash financing activities for the years ended June 30, 2017 or 2016 and noncash investing activities consisted of \$12,870 and \$9,141 of donated securities for the fiscal years ended June 30, 2017 and 2016.

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, 2017 and 2016

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, 2017 and 2016, the amount included in donated goods was \$19,390 and \$33,240, respectively.

Kurt Bishop, President of Mission Possible, through April 1, 2017, is 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>2017</u>	<u>2016</u>
Building and Improvements	\$ 1,645,592	\$ 1,327,734
Land and Land Improvements	381,259	301,239
Machinery and Equipment	138,985	135,941
Vehicles	146,867	146,867
Furniture and Fixtures	26,457	23,257
Work in Progress	579	229,223
	<hr/> 2,339,739	<hr/> 2,164,261
Less: Accumulated Depreciation	855,454	802,410
	<hr/>	<hr/>
Net Property and Equipment	<u>\$ 1,484,285</u>	<u>\$ 1,361,851</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

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, 2017 and 2016 the organization has recorded an interest (a liability)/asset in the joint ministry operations of (\$17,210) and (\$43,722) as well as an amount due (a liability) to Canada of \$139,779 and \$146,170 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>2017</u>	<u>2016</u>
Joint Ministry Support	\$ 594,333	\$ 749,426
Other Revenue	132,868	125,314
Total Expenses	(673,769)	(804,973)
Transfer of capital assets to Joint Ministry	<u>(26,920)</u>	<u>(107,533)</u>
Changes in Net Assets	26,512	(37,766)
Net Assets, beginning of year	<u>(43,722)</u>	<u>(5,956)</u>
Net Assets, end of year	<u>\$ (17,210)</u>	<u>\$ (43,722)</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, 2017:

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

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 9 – INVESTMENTS (continued)

Unrealized appreciation 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>
Appreciation 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>

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, 2016:

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Mutual Funds	\$ 85,722	\$ 87,141	\$ 1,419
Total	<u>\$ 85,722</u>	<u>\$ 87,141</u>	<u>\$ 1,419</u>

Unrealized depreciation at June 30, 2016 is calculated as follows:

Excess of market value compared to cost:

June 30, 2016	\$	1,419
July 1, 2015		<u>5,816</u>
Depreciation on Investments	\$	<u>(4,397)</u>

Investment return is summarized as follows:

Interest and Dividends	\$	4,919
Net realized and unrealized gains/(losses)		<u>(4,126)</u>
Total investment return	\$	<u>793</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Scholarships (Endowment Earnings)	\$ 23,663	\$ 11,491
Sponsorship	(188,047)	(87,540)
Bible School Project		3,371
Scholarships	(11,662)	(9,262)
Gift Funds	1,453	5,081
Bibles, Hymn Books and Christian Literature	11,592	11,048
Feeding Program	(3,884)	10,600
Construction	6,962	48,692
Seminars	(11,193)	(9,702)
Staff and Missionary Support	2,640	8,617
Benevolence	16,994	15,129
Mission Teams	938	9,750
Mission Fund - Haiti	(58,790)	(47,335)
Spiritual Ministries	160	
Sewing Class/Machines - Haiti	1,159	509
Women's Health – Haiti	4,931	4,182
	<hr/>	<hr/>
Total Temporarily Restricted Net Assets	<u>\$ (203,084)</u>	<u>\$ (25,369)</u>

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

	<u>2017</u>	<u>2016</u>
Sponsorship	\$ 524,778	\$ 456,247
Construction	63,644	28,143
Mission Teams	174,706	155,401
Staff and Missionary Support	121,973	106,250
Gift Funds	9,049	4,863
Scholarships	3,000	3,000
Mission Fund – DR	830	650
Mission Fund - Haiti	13,744	53,381
Benevolence		321
Seminars	2,132	4,403
Bibles, Hymn Books and Christian Literature	1,316	
Feeding Program	28,846	44,341

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS (continued)

School Supplies –Haiti	\$ 19	\$ 966
Spiritual Ministries	360	480
Event Sponsor	4,815	12,863
Deyemon School – Haiti		1,555
Bible School Project	3,371	
U.S. Office Building	3,360	10,577
Sports Equipment – Haiti		1,039
Sewing Class/Machines – Haiti		91
Women’s Health – Haiti	2,402	3,156
	<hr/>	<hr/>
Total Released from Restrictions	<u>\$ 958,345</u>	<u>\$ 887,727</u>

NOTE 11 - NOTE RECEIVABLE

At October 23, 2015, Mission Possible had an outstanding notes receivable due from Torch Worship Center. The note was due in monthly installments of \$18,750, starting January 1, 2016, interest at 0% for 12 months, maturing December 1, 2016. The note was guaranteed by the land and building located in Deyemon, Haiti. The balance at June 30, 2017 and 2016 was \$-0- and \$112,500, respectively.

NOTE 12 – 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

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NOTE 12 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)

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, 2017 is as follows:

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

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>

Endowment net asset composition by type of fund as of June 30, 2016 is as follows:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds	\$ 11,491	\$ 75,650	\$ 87,141
Total Funds	<u>\$ 11,491</u>	<u>\$ 75,650</u>	<u>\$ 87,141</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 12 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)

Changes in endowment nets assets as of June 30, 2016 are as follows:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning	\$ 11,328	\$ 75,650	\$ 86,978
Investment Income	4,560		4,560
Net appreciation/(depreciation)	(4,397)		(4,397)
Endowment net assets, end of year	\$ 11,491	\$ 75,650	\$ 87,141

NOTE 13 – JOINT MINISTRY SUPPORT

At June 30, 2017 and 2016, program services provided to the field as Joint Ministry support have been recognized in the financial statements in the amounts of \$762,552 and \$951,342. Summarized information for the fiscal years then ended, is as follows:

	<u>2017</u>	<u>2016</u>
Draws to the field	\$ 580,483	\$ 666,460
(Increase)/Decrease in Interest to Joint Ministry	(26,512)	37,766
Allocated Expenses:		
Salaries and Payroll Taxes	73,566	73,414
Travel	3,225	3,855
Postage and Shipping	1,939	3,360
Spiritual Program	1,243	
School Program	5,664	1,147
Leadership Program		8,702
Occupancy (Utilities, Insurance, Etc.)	4,412	2,644
Telephone	817	951
Haiti Communications	400	960
Personnel	103	906
Office Supplies, Dues, Etc.	3,256	919
Construction/Repair	45	
Benevolence/Relief		6,000
Mission Center – Haiti	(17,115)	57
Medical – Haiti	10,026	3,908
Mission Team Expense	121,000	140,293
Total Allocated Expenses	<u>208,581</u>	<u>247,116</u>
Total Joint Ministry Support	<u>\$ 762,552</u>	<u>\$ 951,342</u>

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NOTES TO FINANCIAL STATEMENTS
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NOTE 14 – 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, 2017 and 2016, the fund had a value of \$10,744 and \$9,462, respectively, which is reported in the Statement of Financial Position as Investment in Community Foundation.

Total funds at the Community Foundation at June 30, 2017 and 2016 amounted to \$11,087 and \$9,762 which includes the above investments as well as additional funds contributed by outside donors to the organization's fund at the Community Foundation.

NOTE 15 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 25, 2017, the date the financial statements were available to be issued.