

MISSION POSSIBLE

FINANCIAL STATEMENTS

Years Ended June 30, 2020 and 2019

MISSION POSSIBLE

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August 28, 2020

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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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 434,986	\$ 58,287
Certificates of Deposit		3,532
Investments - NOTE 8	90,772	98,147
Investment in Community Foundation - NOTE 12	10,819	11,455
Prepaid Expenses	1,159	
Accounts Receivable	913	38,107
Property and Equipment - NOTE 6	1,381,479	1,442,246
Interest in Joint Ministry Operations - NOTE 7	(39,223)	(45,115)
	\$ 1,880,905	\$ 1,606,659
TOTAL ASSETS		
 LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 12,293	\$ 9,159
Canadian Interest in Joint Ministry Capital Assets - NOTE 7	146,829	155,868
	159,122	165,027
TOTAL LIABILITIES		
 NET ASSETS		
Without Donor Restrictions	1,427,884	1,226,210
With Donor Restrictions - NOTE 9	293,899	215,422
	1,721,783	1,441,632
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSET	\$ 1,880,905	\$ 1,606,659

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 602,383	\$ 609,306	\$ 1,211,689
Donated Goods			-
Interest and Dividends	753	5,088	5,841
Realized Gain on Sale of Investments	14	1,777	1,791
Unrealized Appreciation on Investments		760	760
Change in Community Foundation	(127)	(509)	(636)
Miscellaneous Income	127,377	109,154	236,531
Net Assets Released from Restrictions - NOTE 9	647,099	(647,099)	-
	<u>1,377,499</u>	<u>78,477</u>	<u>1,455,976</u>
EXPENSES			
Program Services:			
Haiti	776,866		776,866
Dominican Republic	215,025		215,025
Fundraising	75,805		75,805
General and Administrative	111,884		111,884
	<u>1,179,580</u>	<u>-</u>	<u>1,179,580</u>
TRANSFER OF CAPITAL ASSETS			
Transfer of capital assets per Joint Ministry Agreement	3,755	-	3,755
	<u>201,674</u>	<u>78,477</u>	<u>280,151</u>
CHANGE IN NET ASSETS			
NET ASSETS, beginning of year	<u>1,226,210</u>	<u>215,422</u>	<u>1,441,632</u>
NET ASSETS, end of year	<u>\$ 1,427,884</u>	<u>\$ 293,899</u>	<u>\$ 1,721,783</u>

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
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	50	200	250
Miscellaneous Income	51,317	213,902	265,219
Net Assets Released from Restrictions - NOTE 10	940,655	(940,655)	-
TOTAL SUPPORT AND REVENUE	<u>1,157,249</u>	<u>26,180</u>	<u>1,183,429</u>
EXPENSES			
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
TOTAL EXPENSES	<u>1,218,470</u>	<u>-</u>	<u>1,218,470</u>
TRANSFER OF CAPITAL ASSETS			
Transfer of capital assets per Joint Ministry Agreement	23,658	-	23,658
CHANGE IN NET ASSETS	(37,563)	26,180	(11,383)
NET ASSETS, beginning of year	<u>1,263,773</u>	<u>189,242</u>	<u>1,453,015</u>
NET ASSETS, end of year	<u>\$ 1,226,210</u>	<u>\$ 215,422</u>	<u>\$ 1,441,632</u>

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	PROGRAM SERVICES			Total Program Services	Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic					
Joint Ministry Support - NOTE 11	\$ 634,151	\$ 173,041	\$ 807,192	\$ -	\$ -	\$ -	\$ 807,192
Salaries and Payroll Taxes	115,152	22,100	137,252	56,315	68,871		262,438
Printing and Media	398	133	531	4,246	531		5,308
Depreciation	24,544	18,686	43,230		12,252		55,482
Office Supplies, Dues, Etc. Professional Fees	1,138	327	1,465	2,945	9,342		13,752
Travel and Transportation			-	1,257	13,650		13,650
Postage and Shipping	911	455	1,366	3,643	2,259		3,516
Occupancy (Utilities, Insurance, Etc.)	321	158	479	1,436	2,733		7,742
Telephone	251	125	376	376	1,436		3,351
Banquet and Event Expense			-	4,716	125		877
Personnel			-	871	74		4,716
Required Governmental Fees			-		611		945
Total Expenses	\$ 776,866	\$ 215,025	\$ 991,891	\$ 75,805	\$ 111,884		\$ 1,179,580

The accompanying notes are an integral part of the financial statements

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

	PROGRAM SERVICES			Total Program Services	Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic					
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	
Donated Goods			-		2,734	2,734	
Printing and Media	428	143	571	4,570	571	5,712	
Depreciation	24,251	18,693	42,944		12,252	55,196	
Office Supplies, Dues, Etc.	947	267	1,214	2,696	13,453	17,363	
Professional Fees			-		13,025	13,025	
Travel and Transportation			-	939	2,412	3,351	
Postage and Shipping	743	372	1,115	2,972	2,229	6,316	
Occupancy (Utilities, Insurance, Etc.)	319	157	476	1,429	1,429	3,334	
Telephone	548	274	822	822	274	1,918	
Banquet and Event Expense			-	1,985		1,985	
Required Governmental Fees			-		611		
Total Expenses	\$ 838,170	\$ 198,465	\$ 1,036,635	\$ 70,217	\$ 111,618	\$ 1,218,470	

The accompanying notes are an integral part of the financial statements

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STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 280,151	\$ (11,383)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Transfer to Capital Assets per Joint Ministry Agreement		14,000
Depreciation	55,482	55,196
Change in Community Foundation Investment	636	(250)
Realized (Gains)/Loss on Investments	(1,791)	(390)
Unrealized (Appreciation)/Depreciation on Investments	(760)	85
(Increase)/Decrease in Accounts Receivable	37,194	(35,225)
(Increase)/Decrease in Prepaid Expenses	(1,159)	
(Increase)/Decrease in Interest in Joint Ministry	(5,892)	4,476
Increase/(Decrease) in Accounts Payable and Accrued Expenses	3,134	(7,083)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	366,995	19,426
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit		(5)
Sales of Certificates of Deposit	3,532	
Purchases of Investment Securities	(10,074)	(5,902)
Proceeds from Sale of Investment Securities	20,000	3,600
Purchase of Equipment	(3,756)	(37,657)
NET CASH USED BY INVESTING ACTIVITIES	9,702	(39,964)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	376,697	(20,538)
CASH AND CASH EQUIVALENTS, Beginning of Year	58,287	78,825
CASH AND CASH EQUIVALENTS, End of Year	\$ 434,984	\$ 58,287

The accompanying notes are an integral part of the financial statements

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

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 June 30, 2020 and 2019, the Organization's uninsured cash balances totaled \$184,931 and \$-0-.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

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 2016, 2017 and 2018 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.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

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, 2020 and 2019 was 97.9215 and 77.4477 gourdes to one United States dollar, respectively. The average exchange rate for the Dominican Republic for the fiscal years ended June 30, 2020 and 2019 was 52.9355 and 49.7520 pesos to one United States dollar, respectively.

Foreign currency translation for Haiti resulted in an aggregate exchange gain/(loss) of (\$694) and (\$2,097) for the fiscal years ended June 30, 2020 and 2019, respectively.

Foreign currency translation for the Dominican Republic resulted in an aggregate exchange gain/(loss) of (\$1,483) and \$1,188 for the fiscal years ended June 30, 2020 and 2019, respectively.

NOTE 3 – CASH FLOW INFORMATION

No amounts were paid for income taxes or interest in 2020 or 2019. There were no noncash financing or investing activities for the years ended June 30, 2020.

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, 2020 and 2019

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>2020</u>	<u>2019</u>
Building and Improvements	\$ 1,653,059	\$ 1,653,059
Land and Land Improvements	406,491	404,912
Machinery and Equipment	150,115	143,813
Vehicles	146,867	146,867
Furniture and Fixtures	27,513	27,512
Work in Progress	45,148	49,275
	2,429,193	2,425,439
Less: Accumulated Depreciation	1,047,714	983,193
Net Property and Equipment	\$ 1,381,479	\$ 1,442,246

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, 2020 of (\$39,223), consisting of (\$37,247) from the Dominican Republic and (\$1,976) from Haiti and (\$45,115) at June 30, 2019, consisting of (\$30,926) from the Dominican Republic and (\$14,189) from Haiti. Mission Possible also has an amount due (a liability) to Canada of \$146,826 and \$155,868, representing Canada’s interest in the assets purchased or constructed in the field as of June 30, 2020 and 2019, respectively.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

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>2020</u>	<u>2019</u>
Joint Ministry Support	\$ 569,236	\$ 539,875
Other Revenue	104,335	68,919
Total Expenses	(663,924)	(589,612)
Transfer of capital assets to Joint Ministry	<u>(3,755)</u>	<u>(23,658)</u>
Changes in Net Assets	5,892	(4,476)
Net Assets, beginning of year	<u>(45,115)</u>	<u>(40,639)</u>
Net Assets, end of year	<u>\$ (39,223)</u>	<u>\$ (45,115)</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, 2020:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Mutual Funds	<u>\$ 78,150</u>	<u>\$ 90,772</u>	<u>\$ 12,622</u>
Total	<u>\$ 78,150</u>	<u>\$ 90,772</u>	<u>\$ 12,622</u>

Unrealized appreciation at June 30, 2020 is calculated as follows:

Excess of market value compared to cost:

June 30, 2020	\$ 12,622
July 1, 2019	<u>11,862</u>
Appreciation on Investments	<u>\$ 760</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

NOTE 8 – INVESTMENTS (continued)

Investment return is summarized as follows:

Interest and Dividends	\$	5,841
Net realized and unrealized gains/(losses)		2,551
 Total investment return	 \$	 <u>8,392</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, 2019:

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

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		11,947
 Depreciation on Investments	 \$	 <u>(85)</u>

Investment return is summarized as follows:

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

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
Scholarships	\$ 75,650	\$ 75,650
Community Foundation Funds	8,655	9,164
Bibles, Hymn Books and Christian Literature	10,895	

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

Construction	\$ 125,774	\$ 30,189
Staff and Missionary Support	10,271	4,500
Benevolence	16,494	
School Supplies	1,219	
Mission Teams	44,836	95,919
Gift Funds	105	
	<hr/>	<hr/>
Total Net Assets with Donor Restrictions	<u>\$ 293,899</u>	<u>\$ 215,422</u>

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

	<u>2020</u>	<u>2019</u>
Sponsorship	\$459,460	\$ 538,409
Construction	(88,631)	81,525
Scholarships (endowment earnings)	15,000	26,097
Mission Teams	101,300	115,355
Staff and Missionary Support	128,620	120,936
Gift Funds	1,380	2,246
Scholarships	660	4,260
Mission Fund – DR	700	975
Mission Fund - Haiti	2,931	2,521
Benevolence	(16,494)	52
Seminars	364	1,747
Bibles, Hymn Books and Christian Literature	(10,895)	1,040
Feeding Program	46,512	35,287
School Supplies –Haiti	(704)	591
Spiritual Ministries	765	955
Event Sponsor	4,595	2,457
Degeance School – Haiti		3,750
Generators	1,500	
Sewing Class/Machines – Haiti		341
Women’s Health – Haiti	36	2,111
	<hr/>	<hr/>
Total Released from Restrictions	<u>\$ 647,099</u>	<u>\$ 940,655</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, 2020 and 2019

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, 2020 is as follows:

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	Total Endowment Assets
Donor-restricted endowment funds	\$ 15,122	\$ 75,650	\$ 90,772
Total Funds	\$ 15,122	\$ 75,650	\$ 90,772

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

NOTE 10 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)

Changes in endowment nets assets as of June 30, 2020 are as follows:

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	Total Endowment Assets
Endowment net assets, beginning	\$ 22,497	\$ 75,650	\$ 98,147
Investment Income	6,865		6,865
Net appreciation/(depreciation)	760		760
Appropriation of Endowment assets for expenditure	<u>(15,000)</u>		<u>(15,000)</u>
Endowment net assets, end of year	<u>\$ 15,122</u>	<u>\$ 75,650</u>	<u>\$ 90,772</u>

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	<u>\$ 22,497</u>	<u>\$ 75,650</u>	<u>\$ 98,147</u>
Total Funds	<u>\$ 22,497</u>	<u>\$ 75,650</u>	<u>\$ 98,147</u>

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	<u>(3,600)</u>		<u>(3,600)</u>
Endowment net assets, end of year	<u>\$ 22,497</u>	<u>\$ 75,650</u>	<u>\$ 98,147</u>

MISSION POSSIBLE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

NOTE 11 – JOINT MINISTRY SUPPORT

At June 30, 2020 and 2019, program services provided to the field as Joint Ministry support have been recognized in the financial statements in the amounts of \$807,192 and \$855,039. Summarized information for the fiscal years then ended, is as follows:

	<u>2020</u>	<u>2019</u>
Draws to the field	\$581,046	\$ 614,386
(Increase)/Decrease in Interest to Joint Ministry	(5,892)	4,476
Allocated Expenses:		
Salaries and Payroll Taxes	88,139	90,465
Travel	2,001	1,495
Postage and Shipping	1,663	1,278
Spiritual Program	364	85
School Program		4,491
Occupancy (Utilities, Insurance, Etc.)	1,436	1,429
Telephone	376	822
Haiti External Project Grants	15,256	
Personnel		286
Office Supplies, Dues, Etc.	394	366
Construction/Repair		486
Mission Center - Haiti		831
Medical – Haiti	1,645	8,982
Mission Team Expense	120,764	125,161
	<u>232,038</u>	<u>236,177</u>
Total Allocated Expenses	<u>232,038</u>	<u>236,177</u>
Total Joint Ministry Support	<u>\$ 807,192</u>	<u>\$ 855,039</u>

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, 2020 and 2019, the fund had a value of \$10,819 and \$11,455, 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, 2020 and 2019

NOTE 12 – INVESTMENT IN COMMUNITY FOUNDATION (continued)

Total funds at the Community Foundation at June 30, 2020 and 2019 amounted to \$11,267 and \$11,848 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 August 28, 2020, the date the financial statements were available to be issued.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Organization's income. Other financial impact could occur though such potential impact is unknown at this time.

NOTE 14 – RECLASSIFICATIONS

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

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Mission Possible has \$439,222 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 \$434,986, various receivables of \$913, prepaid expenses of \$1,159 and short-term investments of \$2,164.