

MISSION POSSIBLE

FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020

MISSION POSSIBLE

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September 3, 2021

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Mission Possible
Findlay, OH 45840

Opinion

We have audited the accompanying financial statements of Mission Possible (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021, and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mission Possible and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Possible's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Mission Possible's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Possible's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ridge & Company CPA

MISSION POSSIBLE
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 283,929	\$ 434,986
Investments - NOTE 8	103,921	90,772
Investment in Community Foundation - NOTE 12	13,613	10,819
Prepaid Expenses	3,398	1,159
Accounts Receivable		913
Property and Equipment - NOTE 6	1,328,383	1,381,479
Interest in Joint Ministry Operations - NOTE 7	(26,650)	(39,223)
TOTAL ASSETS	\$ 1,706,594	\$ 1,880,905
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 15,210	\$ 12,293
Canadian Interest in Joint Ministry Capital Assets - NOTE 7	139,468	146,829
TOTAL LIABILITIES	154,678	159,122
NET ASSETS		
Without Donor Restrictions	1,227,182	1,427,884
With Donor Restrictions - NOTE 9	324,734	293,899
TOTAL NET ASSETS	1,551,916	1,721,783
TOTAL LIABILITIES AND NET ASSET	\$ 1,706,594	\$ 1,880,905

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 271,851	\$ 521,231	\$ 793,082
Interest and Dividends	150	5,972	6,122
Realized Gain on Sale of Investments		1,910	1,910
Unrealized Appreciation on Investments		16,170	16,170
Change in Community Foundation	559	2,235	2,794
Miscellaneous Income	15,194	103,896	119,090
Net Assets Released from Restrictions - NOTE 9	620,579	(620,579)	-
TOTAL SUPPORT AND REVENUE	908,333	30,835	939,168
EXPENSES			
Program Services:			
Haiti	763,097		763,097
Dominican Republic	169,939		169,939
Fundraising	73,201		73,201
General and Administrative	110,722		110,722
TOTAL EXPENSES	1,116,959	-	1,116,959
TRANSFER OF CAPITAL ASSETS			
Transfer of capital assets per Joint Ministry Agreement	7,924	-	7,924
CHANGE IN NET ASSETS	(200,702)	30,835	(169,867)
NET ASSETS, beginning of year	1,427,884	293,899	1,721,783
NET ASSETS, end of year	\$ 1,227,182	\$ 324,734	\$ 1,551,916

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
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 10	647,099	(647,099)	-
TOTAL SUPPORT AND REVENUE	1,377,499	78,477	1,455,976
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
TOTAL EXPENSES	1,179,580	-	1,179,580
TRANSFER OF CAPITAL ASSETS			
Transfer of capital assets per Joint Ministry Agreement	3,755	-	3,755
CHANGE IN NET ASSETS	201,674	78,477	280,151
NET ASSETS, beginning of year	1,226,210	215,422	1,441,632
NET ASSETS, end of year	\$ 1,427,884	\$ 293,899	\$ 1,721,783

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	PROGRAM SERVICES			Total Program Services	Fundraising	General and Administrative	Total Expenses
	Haiti	Dominican Republic					
Joint Ministry Support - NOTE 11	\$ 628,539	\$ 127,710	\$ 756,249	\$ -	\$ -	\$ -	\$ 756,249
Salaries and Payroll Taxes	109,213	22,526	131,739	56,362	71,156	259,257	
Printing and Media	391	130	521	4,170	521	5,212	
Depreciation	22,802	18,664	41,466		12,194	53,660	
Office Supplies, Dues, Etc.	810	241	1,051	2,519	7,495	11,065	
Professional Fees					12,400	12,400	
Travel and Transportation		1	1	955	2,202	3,158	
Postage and Shipping	759	379	1,138	3,035	2,276	6,449	
Occupancy (Utilities, Insurance, Etc.)	388	191	579	1,736	1,736	4,051	
Telephone	195	97	292	292	97	681	
Banquet and Event Expense				3,876		3,876	
Personnel				256	9	265	
Required Governmental Fees					636	636	
Total Expenses	\$ 763,097	\$ 169,939	\$ 933,036	\$ 73,201	\$ 110,722	\$ 1,116,959	

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 Expenses
	Haiti	Dominican Republic	Total Program Services	Fundraising	General and Administrative	
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.	1,138	327	1,465	2,945	9,342	13,752
Professional Fees			-		13,650	13,650
Travel and Transportation			-	1,257	2,259	3,516
Postage and Shipping	911	455	1,366	3,643	2,733	7,742
Occupancy (Utilities, Insurance, Etc.)	321	158	479	1,436	1,436	3,351
Telephone	251	125	376	376	125	877
Banquet and Event Expense			-	4,716		4,716
Personnel			-	871	74	945
Required Governmental Fees			-		611	611
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
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (169,867)	\$ 280,151
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	53,660	55,482
Change in Community Foundation Investment	(2,794)	636
Realized (Gains)/Loss on Investments	(1,910)	(1,791)
Unrealized (Appreciation)/Depreciation on Investments	(16,170)	(760)
(Increase)/Decrease in Accounts Receivable	913	37,194
(Increase)/Decrease in Prepaid Expenses	(2,239)	(1,159)
(Increase)/Decrease in Interest in Joint Ministry	(12,573)	(5,892)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	2,917	3,134
	(148,063)	366,995
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Certificates of Deposit		3,532
Purchases of Investment Securities	(7,269)	(10,074)
Proceeds from Sale of Investment Securities	12,200	20,000
Purchase of Equipment	(7,925)	(3,756)
	(2,994)	9,702
NET CASH USED BY INVESTING ACTIVITIES		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(151,057)	376,697
CASH AND CASH EQUIVALENTS, Beginning of Year	434,986	58,289
CASH AND CASH EQUIVALENTS, End of Year	\$ 283,929	\$ 434,986

The accompanying notes are an integral part of the financial statements

MISSION POSSIBLE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

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, 2021 and 2020, the Organization's uninsured cash balances totaled \$0 and \$184,931.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

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 2017, 2018 and 2019 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, 2021 and 2020

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, 2021 and 2020 was 84.5447 and 97.9215 gourdes to one United States dollar, respectively. The average exchange rate for the Dominican Republic for the fiscal years ended June 30, 2021 and 2020 was 56.6920 and 52.9355 pesos to one United States dollar, respectively.

Foreign currency translation for Haiti resulted in an aggregate exchange gain/(loss) of \$2,458 and (\$694) for the fiscal years ended June 30, 2021 and 2020, respectively.

Foreign currency translation for the Dominican Republic resulted in an aggregate exchange gain/(loss) of (\$1,988) and (\$1,483) for the fiscal years ended June 30, 2021 and 2020, respectively.

NOTE 3 – CASH FLOW INFORMATION

No amounts were paid for income taxes or interest in 2021 or 2020. There were no noncash financing or investing activities for the years ended June 30, 2021.

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, 2021 and 2020

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>2021</u>	<u>2020</u>
Building and Improvements	\$ 1,652,521	\$ 1,653,059
Land and Land Improvements	408,061	406,491
Machinery and Equipment	126,478	150,115
Vehicles	140,867	146,867
Furniture and Fixtures	26,440	27,513
Work in Progress	<u>51,502</u>	<u>45,148</u>
	2,405,869	2,429,193
Less: Accumulated Depreciation	<u>1,077,486</u>	<u>1,047,714</u>
Net Property and Equipment	<u>\$ 1,328,383</u>	<u>\$ 1,381,479</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, 2021 of (\$26,650), consisting of (\$19,646) from the Dominican Republic and (\$7,004) from Haiti and (\$39,223) at June 30, 2020, consisting of (\$37,247) from the Dominican Republic and (\$1,976) from Haiti. Mission Possible also has an amount due (a liability) to Canada of \$139,468 and \$146,829, representing Canada's interest in the assets purchased or constructed in the field as of June 30, 2021 and 2020, respectively.

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

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>2021</u>	<u>2020</u>
Joint Ministry Support	\$ 573,196	\$ 569,236
Other Revenue	166,642	104,335
Total Expenses	(719,341)	(663,924)
Transfer of capital assets to Joint Ministry	<u>(7,924)</u>	<u>(3,755)</u>
Changes in Net Assets	12,573	5,892
Net Assets, beginning of year	<u>(39,223)</u>	<u>(45,115)</u>
Net Assets, end of year	<u>\$ (26,650)</u>	<u>\$ (39,223)</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, 2021:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Mutual Funds	<u>\$ 75,129</u>	<u>\$ 103,921</u>	<u>\$ 28,792</u>
Total	<u>\$ 75,129</u>	<u>\$ 103,921</u>	<u>\$ 28,792</u>

Unrealized appreciation at June 30, 2021 is calculated as follows:

Excess of market value compared to cost:

June 30, 2021	\$ 28,792
July 1, 2020	<u>12,622</u>
Appreciation on Investments	<u>\$ 16,170</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

NOTE 8 – INVESTMENTS (continued)

Investment return is summarized as follows:

Interest and Dividends	\$	6,122
Net realized and unrealized gains/(losses)		18,080
 Total investment return	 \$	 24,202

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:

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

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		11,862
 Appreciation on Investments	 \$	 760

Investment return is summarized as follows:

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

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Scholarships	\$ 75,650	\$ 75,650
Community Foundation Funds	10,890	8,655
Bibles, Hymn Books and Christian Literature	10,895	10,895

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

Construction	\$ 117,000	\$ 125,774
Staff and Missionary Support	16,543	10,271
Feeding	10,200	
Benevolence	16,494	16,494
School Desks	5,606	
School Supplies	1,171	1,219
Mission Teams	59,805	44,836
Gift Funds	430	105
Seminars	50	
	<hr/>	<hr/>
Total Net Assets with Donor Restrictions	<u>\$ 324,734</u>	<u>\$ 293,899</u>

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

	<u>2021</u>	<u>2020</u>
Sponsorship	\$ 446,681	\$ 459,460
Construction	9,109	(88,631)
Scholarships (endowment earnings)	10,903	15,000
Mission Teams	2,587	101,300
Staff and Missionary Support	136,793	128,620
Gift Funds		1,380
Scholarships	740	660
Mission Fund – DR	76	700
Mission Fund - Haiti	1,480	2,931
Benevolence		(16,494)
Seminars	1	364
Bibles, Hymn Books and Christian Literature		(10,895)
Feeding Program	6,934	46,512
School Supplies –Haiti	68	(704)
Spiritual Ministries	4,510	765
Event Sponsor		4,595
Communications – Haiti	500	
Degeance School – Haiti	50	
Generators		1,500
School Desks – Haiti	70	
Women’s Health – Haiti	77	36
	<hr/>	<hr/>
Total Released from Restrictions	<u>\$ 620,579</u>	<u>\$ 647,099</u>

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

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 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, 2021 is as follows:

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	Total Endowment Assets
Donor-restricted endowment funds	\$ 28,271	\$ 75,650	\$ 103,921
Total Funds	\$ 28,271	\$ 75,650	\$ 103,921

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

NOTE 10 – INVESTMENTS - DONOR DESIGNATED ENDOWMENTS (continued)

Changes in endowment nets assets as of June 30, 2021 are as follows:

	With Donor Restrictions (earnings)	With Donor Restrictions (principal)	Total Endowment Assets
Endowment net assets, beginning	\$ 15,122	\$ 75,650	\$ 90,772
Investment Income	7,882		7,882
Net appreciation/(depreciation)	16,170		16,170
Appropriation of Endowment assets for expenditure	(10,903)		(10,903)
Endowment net assets, end of year	<u>\$ 28,271</u>	<u>\$ 75,650</u>	<u>\$ 103,921</u>

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	<u>\$ 15,122</u>	<u>\$ 75,650</u>	<u>\$ 90,772</u>

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	(15,000)		(15,000)
Endowment net assets, end of year	<u>\$ 15,122</u>	<u>\$ 75,650</u>	<u>\$ 90,772</u>

MISSION POSSIBLE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

NOTE 11 – JOINT MINISTRY SUPPORT

At June 30, 2021 and 2020, program services provided to the field as Joint Ministry support have been recognized in the financial statements in the amounts of \$756,249 and \$807,192. Summarized information for the fiscal years then ended, is as follows:

	<u>2021</u>	<u>2020</u>
Draws to the field	\$ 646,555	\$ 581,046
(Increase)/Decrease in Interest to Joint Ministry	(12,573)	(5,892)
Allocated Expenses:		
Salaries and Payroll Taxes	95,332	88,139
Travel	1,515	2,001
Postage and Shipping	2,167	1,663
Spiritual Program		364
Occupancy (Utilities, Insurance, Etc.)	1,736	1,436
Telephone	292	376
Haiti External Project Grants	10,903	15,256
Personnel	108	
Office Supplies, Dues, Etc.	923	394
Medical – Haiti	9,257	1,645
Mission Team Expense	34	120,764
	<u>122,267</u>	<u>232,038</u>
Total Allocated Expenses		
	<u>\$ 756,249</u>	<u>\$ 807,192</u>
Total Joint Ministry Support		

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, 2021 and 2020, the fund had a value of \$13,613 and \$10,819, respectively, which is reported in the Statement of Financial Position as Investment in Community Foundation.

Total funds at the Community Foundation at June 30, 2021 and 2020 amounted to \$14,336 and \$11,267 which includes the above investments as well as additional funds contributed by outside donors to the organization’s fund at the Community Foundation.

MISSION POSSIBLE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2020

NOTE 13 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 3, 2021, the date the financial statements were available to be issued.

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 - CHANGE IN ACCOUNTING PRINCIPLE

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The adoption of this standard for the year ended June 30, 2021 did not result in a change to the accounting for Mission Possible's revenue. Management believes the standard improves the usefulness and understandability of Mission Possible's financial reporting.