

**MILL COMMUNITY MINISTRIES
GREENVILLE, SOUTH CAROLINA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

**MILL COMMUNITY MINISTRIES
GREENVILLE, SOUTH CAROLINA**

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**DON WYANT JR., CPA
321 SHADOW RIDGE CIRCLE
SIMPSONVILLE, SC 29681
864-346-8673**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mill Community Ministries
Greenville, South Carolina

We have audited the accompanying statement of financial position of Mill Community Ministries, (a non-profit Organization), which comprise the financial position as of December 31, 2018, and the related statements of statement of activates, statement of function expenses and cash flows for the year 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 to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 controls 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mill Community Ministries as a December 31, 2018, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "D. Wyant Jr. CPA". The signature is written in a cursive style with a large initial "D" and "W".

Don Wyant Jr., CPA
Simpsonville, South Carolina
April 27, 2019

MILL COMMUNITY MINISTRIES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

Assets

Current Assets:

Cash	\$	305,056
Notes and loans receivable		1,250
Total Current Assets		<u>306,306</u>

Fixed Assets:

Vehicles		35,355
Leasehold improvements		113,799
		<u>149,154</u>
Less: Accumulated Depreciation		<u>(125,081)</u>
Total Property, Plant and Equipment		<u>24,073</u>

Total Assets \$ 330,379

Liabilities and Net Assets

Current Liabilities:

Accounts payable and accrued liabilities	\$	-
Total Current Liabilities		<u>-</u>

Long-term liabilities		-
Total liabilities		<u>-</u>

Net Assets

Unrestricted		330,379
Restricted		-
Total Net Assets		<u><u>330,379</u></u>

Total Liabilities and Net Assets \$ 330,379

The accompanying notes are an integral part of these financial statements.

**MILL COMMUNITY MINISTRIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Unrestricted	Temporarily Restricted	Total
Revenues, Gains, and Other Support			
Cash donations - Grants	\$ 250,614	\$ -	\$ 250,614
Cash donations - Churches	77,996	-	77,996
Cash donations - Individuals	67,140	-	67,140
Cash donations - Businesses	64,753	-	64,753
Cash donations - Other	22,132	-	22,132
Fundraising events, net of fundraising expenses of \$18,584	61,471	-	61,471
Business Academy	3,600	-	3,600
Cowork	50,814	-	50,814
Bike Shop, net of costs of goods sold of \$8,964	16,377	-	16,377
Gross sales of inventory, net of costs of cost of goods sold of \$21,237	11,809	-	11,809
Other income	13,748	-	13,748
Total Revenues, Gains, and Other Support	640,454	-	640,454
Expenses and Losses:			
Program Services	415,623	-	415,623
Management and General	91,879	-	91,879
Total Expenses	507,502	-	507,502
Changes in Net Assets	132,952	-	132,952
Net Assets, Beginning of Year	197,427	-	197,427
Net Assets, End of Year	\$ 330,379	\$ -	330,379

The accompanying notes are an integral part of these financial statements.

MILL COMMUNITY MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Expenses before Depreciation			
Salaries and wages	\$ 204,990	\$ 51,248	\$ 256,238
Payroll taxes	15,318	3,829	19,147
Employee benefits	9,106	2,276	11,382
Advertising	-	3,041	3,041
Insurance	8,727	574	9,301
Meals	6,098	678	6,776
Occupancy	54,738	8,277	63,015
Office expense	14,032	6,014	20,046
Professional fees	-	2,873	2,873
Program research and development	8,389	-	8,389
Program service supplies	44,938	-	44,938
Repairs and maintenance	7,373	-	7,373
Staff Development	-	2,378	2,378
Travel	1,181	506	1,687
Utilities	16,859	4,216	21,075
Total Expenses Before Depreciation	<u>391,749</u>	<u>85,910</u>	<u>477,659</u>
Depreciation of Fixed assets	<u>23,874</u>	<u>5,969</u>	<u>29,843</u>
Total Expenses	<u>\$ 415,623</u>	<u>\$ 91,879</u>	<u>\$ 507,502</u>

The accompanying notes are an integral part of these financial statements.

**MILL COMMUNITY MINISTRIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash Flows from Operating Activities	
Change in Net Assets	\$ 132,952
Adjustments to changes in net assets to to net cash from operating activities	
Depreciation	29,843
Investment in loans receivable, net	350
Increase in accounts payable and accrued expenses	-
Net cash used in operating activities	<u>163,145</u>
 Cash Flows Used in Investing Activities:	
Purchases of fixed assets	-
Net cash used in investing activities	<u>-</u>
 Cash Flows Used in Financing Activities:	
Net cash used in financing activities	<u>-</u>
 Net Increase in Cash	163,145
Cash, Beginning of Year	<u>141,911</u>
Cash, End of Year	<u><u>\$ 305,056</u></u>

The accompanying notes are an integral part of these financial statements.

**MILL COMMUNITY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Note 1 –Significant Accounting Policies

Organization

Mill Community Ministries (the “Organization”) is a not-for-profit organization exempt from income tax under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. The Organization was formed in June 2012. Mill Community Ministries exist to unite with God's vision for individual life change and holistic transformation of under-resourced communities. Our vision is to build relationships, leverage resources, and empower individuals to transform their communities. Mill Community Ministries is the umbrella organization for Mill Village Farms, Village Launch (formerly known as Nasha Lending), Village Wrench, and JustFaith Greenville.

Mill Village Farms empowers the next generation of youth by creating employment opportunities for a diverse crew of youth and training teens through holistic educational experiences including personal finance, soft-skills, nutrition/cooking, entrepreneurship, and mindfulness. Mill Village Farms provides healthy food in Greenville, SC by growing and harvesting produce, selling FoodShare boxes and making plants available to individuals and community gardens.

Village Launch (formerly Nasha Lending) equips under-resourced entrepreneurs to become providers, creators and producers in their community. We provide training, mentoring, and community for aspiring entrepreneurs to start and grow their businesses through our Business Entrepreneur Academy, which focuses on under-represented entrepreneurs. In addition, we operate a co-working space for entrepreneurs and non-profits to collaboratively impact our community.

Village Wrench develops leaders in our community through bicycle repair. We lead five monthly neighborhood bicycle free repair sites; train teens through our 6-Cycle mentor program, which teaches youth character and bike-mechanic skills; employ teenagers and providing job-skill training at the bike shop; offer Earn-a-Bike, a program that allows community members to earn bicycles by volunteering in their neighborhoods; and provide a public repair space for people to work on their bicycles themselves, using spare parts from salvaged bicycles that would have otherwise made their way to the landfill.

JustFaith Greenville prepares people of faith to heal our world by convening and connecting faithful people toward community transformation. As a local expression of a national movement, we offer programs and resources that sustain people of faith in their compassionate commitment to build a more just and peaceful world.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned. Expenditures are recognized in the accounting period in which the liability is incurred.

Financial Statement Presentation

The Organization adopted Accounting Standards Codification (“ASC”) 958-205, “Not-for-Profit Presentation of Financial Statements”. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows. As permitted by the standard, the Organization does not use fund accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash and cash equivalents.

Loans Receivable

Loans receivable relate to our Nasha Lending program. As of December 31, 2018, the Organization had loans receivable under this program of \$1,250. These loans have a 0% interest rate.

Fixed Assets

Fixed assets are recorded at cost if purchased and at its fair market value if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the fixed assets. Depreciation expense for the year ended December 31, 2018 was \$29,843.

Renewals and improvements which extend the useful lives of assets are capitalized at cost. Maintenance and repairs are included as expenses in the statement of activities.

Contributions

The Organization adopted ASC 958-205 “Not-for-Profit Entities Presentation of Financial Statements”, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net asset upon satisfaction of the time or purpose of the restriction.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Costs are allocated between fund raising, management and general or the appropriate program based on evaluation of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The cost of advertising is expensed as incurred. Advertising expenses were \$3,041 during the year ended December 31, 2018.

Note 2 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through April 27, 2019, the date which the financial statements were available to be issued. The Organization has not evaluated subsequent events after April 27, 2019.