

**MILL COMMUNITY MINISTRIES
GREENVILLE, SOUTH CAROLINA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

**MILL COMMUNITY MINISTRIES
GREENVILLE, SOUTH CAROLINA**

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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, 2019, 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, 2019, 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
June 30, 2020

**MILL COMMUNITY MINISTRIES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

Assets

Current Assets:

Cash		\$	214,618
Total Current Assets			214,618

Fixed Assets:

Vehicles			35,355
Leasehold improvements			113,799
			149,154
Less: Accumulated Depreciation			(149,154)
Total Property, Plant and Equipment			-

Total Assets

\$ 214,618

Liabilities and Net Assets

Current Liabilities:

Accounts payable and accrued liabilities		\$	739
Total Current Liabilities			739

Long-term liabilities			-
Total liabilities			739

Net Assets

Without Donor Restrictions			213,879
With Donor Restrictions			-
Total Net Assets			213,879

Total Liabilities and Net Assets

\$ 214,618

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

**MILL COMMUNITY MINISTRIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Revenues, Gains, and Other Support	
Cash donations - Grants	\$ 240,887
Cash donations - Churches	74,846
Cash donations - Individuals	87,104
Cash donations - Businesses	51,429
Cash donations - Other	26,670
Fundraising events, net of fundraising expenses of \$26,408	60,361
Business Academy	4,125
Cowork	59,380
Bike Shop, net of costs of goods sold of \$16,248	12,262
Gross sales of inventory, net of costs of cost of goods sold of \$49,889	12,012
Other income	3,617
Total Revenues, Gains, and Other Support	<u>632,693</u>
Expenses and Losses:	
Program Services	625,019
Management and General	124,174
Total Expenses	<u>749,193</u>
Changes in Net Assets	(116,500)
Net Assets, Beginning of Year	<u>330,379</u>
Net Assets, End of Year	<u><u>\$ 213,879</u></u>

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

MILL COMMUNITY MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Expenses before Depreciation			
Salaries and wages	\$ 374,733	\$ 66,129	\$ 440,862
Payroll taxes	29,498	5,205	34,703
Employee benefits	22,580	3,985	26,565
Advertising	-	15,488	15,488
Insurance	12,961	1,440	14,401
Meals	5,888	1,963	7,851
Occupancy	69,038	12,183	81,221
Office expense	9,471	2,368	11,839
Professional fees	-	2,340	2,340
Program service supplies	48,079	-	48,079
Repairs and maintenance	9,687	-	9,687
Staff Development	200	4,319	4,519
Travel	1,286	322	1,608
Utilities	21,741	4,216	25,957
Total Expenses Before Depreciation	605,162	119,958	725,120
Depreciation of Fixed assets	19,857	4,216	24,073
Total Expenses	\$ 625,019	\$ 124,174	\$ 749,193

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

**MILL COMMUNITY MINISTRIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Cash Flows from Operating Activities	
Change in Net Assets	\$ (116,500)
Adjustments to changes in net assets to to net cash from operating activities	
Depreciation	24,073
Investment in loans receivable, net	1,250
Increase in accounts payable and accrued expenses	739
Net cash used in operating activities	<u>(90,438)</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 Decrease in Cash	(90,438)
Cash, Beginning of Year	305,056
Cash, End of Year	<u><u>\$ 214,618</u></u>

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

MILL COMMUNITY MINISTRIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 exists 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 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. We operate a co-working space for entrepreneurs and non-profits to collaboratively impact our community. In addition, we operate an affordable incubator kitchen offered to our alumni in the food industry.

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.

Village Engage (formerly JustFaith Greenville) transforms communities by compelling people of faith to build a more just and compassionate Greenville. We do this through education, engagement, and action. Specifically, we facilitate JustFaith programs, host social justice events in Greenville, and call participants to action through community organizing and advocacy.

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” effective July 1, 2019. Under ASC 958-205, net assets, revenues, expenses and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. The Organization’s board may designate assets without restrictions for specific operation purposes from time to time.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained into perpetuity.

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.

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, 2019 was \$24,073.

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.

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 \$,15,488 during the year ended December 31, 2019.

Note 2 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through June 30, 2020, the date which the financial statements were available to be issued. The Organization has not evaluated subsequent events after June 30, 2020.