



**ANTIOCH, TN**

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**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**



## Independent Accountant's Review Report

The Board of Directors  
Friends of Mill Ridge Park  
Antioch, TN

I have reviewed the accompanying financial statements of Friends of Mill Ridge Park (the Organization), which comprise the related statements of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### 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.

### Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of the Organization and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Mullins PC*

Bethesda, Maryland  
May 17, 2023

Certified Public Accountants



**Friends of Mill Ridge Park**

**Statement of Financial Position  
December 31, 2022**

**Assets**

Cash and Cash Equivalents	<u>\$ 131,552</u>
<b>Total Assets</b>	<u>\$ 131,552</u>

**Liabilities and Net Assets**

**Liabilities**

Accounts Payable and Accrued Expenses	<u>\$ 2,316</u>
Total Liabilities	<u>2,316</u>

**Net Assets**

Without Donor Restrictions	<u>129,236</u>
Total Net Assets	<u>129,236</u>

<b>Total Liabilities and Net Assets</b>	<u>\$ 131,552</u>
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*See Accompanying Notes to Financial Statements*

*See Independent Accountant's Review Report*

**Friends of Mill Ridge Park**

**Statement of Activities  
For The Year Ended December 31, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues</b>			
Grants and Contributions	\$ 225,105	\$ -	\$ 225,105
PPP Forgivable Loan	17,187	-	17,187
Rental Income	6,000	-	6,000
Interest Income	148	-	148
Net Assets Released from Restrictions	15,000	(15,000)	-
Total Revenues	<u>263,440</u>	<u>(15,000)</u>	<u>248,440</u>
<b>Expenses</b>			
Program Services	167,889	-	167,889
Supporting Services			
General and Administrative	82,934	-	82,934
Fundraising	23,052	-	23,052
Total Supporting Services	<u>105,986</u>	<u>-</u>	<u>105,986</u>
Total Expenses	<u>273,875</u>	<u>-</u>	<u>273,875</u>
Changes in Net Assets	(10,435)	(15,000)	(25,435)
Net Assets, Beginning of Year	<u>139,671</u>	<u>15,000</u>	<u>154,671</u>
Net Assets, End of Year	<u>\$ 129,236</u>	<u>\$ -</u>	<u>\$ 129,236</u>

*See Accompanying Notes to Financial Statements*

*See Independent Accountant's Review Report*

**Friends of Mill Ridge Park**

**Statement of Functional Expenses  
For The Year Ended December 31, 2022**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u><b>Total</b></u>
Personnel Costs	\$ 108,726	\$ 38,831	\$ 7,767	\$ <b>155,324</b>
Professional Services	-	30,362	9,798	<b>40,160</b>
Office Expense	15,001	5,358	1,071	<b>21,430</b>
Travel	-	730	-	<b>730</b>
Meetings and Events	39,940	1,000	3,805	<b>44,745</b>
Technology and Website	2,125	759	152	<b>3,036</b>
Insurance	2,097	749	150	<b>2,996</b>
Advertising and Promotion	-	5,145	108	<b>5,253</b>
Other	-	-	201	<b>201</b>
Total	<u>\$ 167,889</u>	<u>\$ 82,934</u>	<u>\$ 23,052</u>	<u>\$ <b>273,875</b></u>

*See Accompanying Notes to Financial Statements*

*See Independent Accountant's Review Report*

**Friends of Mill Ridge Park**

**Statement of Cash Flows**  
**For The Year Ended December 31, 2022**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ (25,435)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities	
Forgivable Loan - PPP	(17,187)
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable and Accrued Expenses	<u>342</u>
Net Cash Provided by (Used in) Operating Activities	<u>(42,280)</u>
Increase (Decrease) in Cash and Cash Equivalents	(42,280)
Cash and Cash Equivalents, Beginning of Year	<u>173,832</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 131,552</u></b>

*See Accompanying Notes to Financial Statements*

*See Independent Accountant's Review Report*

**Friends of Mill Ridge Park**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**1. ORGANIZATION PURPOSE**

Friends of Mill Ridge Park (the Organization) was founded to enhance and advocate for Mill Ridge Park to strengthen the community in Southeast Davidson County, Tennessee. The Organization intends Mill Ridge Park to be a destination park that welcomes the diverse community of Southeast Davidson County with facilities, programs, services, activities, and events for outdoor recreation, education, conservation and cultural enrichment.

The Organization's programs are funded primarily by grants and contributions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

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 in perpetuity. There were no net assets with perpetual donor restrictions.

**Use of Estimates**

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures. Accordingly, actual results could differ from those estimates.

**Property and Equipment**

Property and equipment are recorded at cost, or if donated, such assets are capitalized at the estimated fair value at the date of receipt. The Organization capitalizes all expenditures for property and equipment over \$500. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets which range from three to seven years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged as expenses when incurred. As of December 31, 2022, there was no property and equipment.

*See Independent Accountant's Review Report*



**Friends of Mill Ridge Park**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

**Functional Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services benefits based on employee time and effort.

**Income Tax Status**

The Organization is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code.

**Uncertain Tax Positions**

The Organization follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), which provides guidance on accounting for uncertainty in income taxes recognized in the Organization's financial statements, if any. As of December 31, 2022, the Organization had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements.

The Organization's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through December 31, 2022, there have been no matters that would have resulted in an accrual for interest and/or penalties.

**Leases**

The Organization records a right-of-use asset and lease liability for its operating leases. The right-of-use asset is amortized over the shorter of the lease term or the economic life of the leased asset. The associated lease liability represents the net present value of the future amounts due under the lease, calculated using a risk-free rate of return selected based on the term of the lease. For real estate leases, non-lease components are separated from lease components for accounting purposes. The Organization does not apply the recognition requirements under ASC Topic 842 (Leases) to short-term leases.

*See Independent Accountant's Review Report*

**Friends of Mill Ridge Park**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncements**

In 2016, FASB issued ASU 2016-02, Leases (Topic 842). Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. The new standard applies to finance and operating leases entered into after the standard was issued. The Organization does not have any leases requiring recognition on the statement of financial position.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. This standard was adopted in the current fiscal year and did not have a significant impact on the financial statements.

**Subsequent Events**

Management has evaluated events for disclosure in these financial statements through May 17, 2023, which is the date the financial statements are available to be issued.

**3. CONCENTRATION OF CREDIT RISK**

The Organization maintains cash accounts in banks that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At December 31, 2022, the Organization's balances did not exceed the insured limit.

**4. NET ASSETS**

Net assets with donor restrictions were as follow for 2022:

	Beginning of Year	Contributions	Releases	End of Year
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Construction	\$ 15,000	\$ -	\$ (15,000)	\$ -

As of December 31, 2022, net assets without donor restrictions were undesignated.

**Friends of Mill Ridge Park**

**Notes to Financial Statements  
For the Year Ended December 31, 2022**

**5. LEASES**

The Organization has a rental agreement with Metropolitan Government of Nashville and Davidson County for property in Antioch Tennessee. The agreement was for twelve months terminating on December 31, 2022. No monthly rent is due from this lease. The rental agreement was renewed through December 31, 2023.

On June 23, 2021, the Organization entered into an agreement with The Nashville Food Project for access to its property. The agreement calls for a monthly payment of \$600. On August 23, 2022, the agreement was amended to change the monthly payment to \$200. The agreement can be terminated with thirty days' notice. As of December 31, 2022, the expected rental payments to be received in 2023 are \$2,400.

**6. AVAILABILITY AND LIQUIDITY**

The following represents Organization's financial assets at December 31, 2022:

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 131,552
Total Financial Assets	131,552

Less Amounts Not Available To Be Used Within One Year:

Quasi Endowment Established by the Board	-
	-

Financial Assets Available to Meet General Expenditures

Over the Next Twelve Months	\$ 131,552
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The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due.