

BRING RECYCLING
(A Nonprofit Corporation)
Independent Auditors' Report
and
Financial Statements
June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Contents

Independent Auditors' Report	1-2
-------------------------------------	-----

Financial Statements

Statements of Financial Position	3-4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-16

Mueller Yuva Osterman Rasmusson LLP

Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
BRING Recycling
Eugene, Oregon

We have audited the accompanying financial statements of BRING Recycling (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional 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 relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

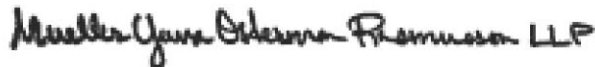
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRING Recycling as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited BRING Recycling's 2018 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Mueller, Gary, Steven, Remusson LLP". The signature is written in a cursive, somewhat stylized font.

Eugene, Oregon
September 16, 2019

BRING RECYCLING
Statements of Financial Position
June 30, 2019
(With Comparative Totals for June 30, 2018)

	<u>Assets</u>	
	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 369,052	\$ 331,905
Accounts receivable	61,439	50,488
Pledges receivable	-	850
Inventories	204,838	184,415
Other current assets	2,179	500
	<u>637,508</u>	<u>568,158</u>
Long-term assets		
Property and equipment, net	2,372,539	2,441,007
Cash restricted for Garden Art Project	23,873	23,873
Other long-term assets	1,395	11,627
	<u>2,397,807</u>	<u>2,476,507</u>
Total assets	<u><u>\$ 3,035,315</u></u>	<u><u>\$ 3,044,665</u></u>

BRING RECYCLING
Statements of Financial Position
June 30, 2019
(With Comparative Totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 34,534	\$ 19,780
Accrued payroll and related expenses	38,601	26,201
Accrued vacation	10,275	13,519
Deferred revenue	16,475	15,144
Notes payable, current portion	<u>14,800</u>	<u>16,645</u>
Total current liabilities	<u>114,685</u>	<u>91,289</u>
Notes payable, net of current portion	<u>514,048</u>	<u>531,916</u>
Total liabilities	<u>628,733</u>	<u>623,205</u>
Net assets		
Without donor restrictions:		
Unrestricted-net investment in property and equipment	1,843,691	1,892,446
Unrestricted-board designated	75,263	89,648
Unrestricted-available for operations	<u>463,755</u>	<u>414,643</u>
Total net assets without donor restrictions	2,382,709	2,396,737
With donor restrictions	<u>23,873</u>	<u>24,723</u>
Total net assets	<u>2,406,582</u>	<u>2,421,460</u>
Total liabilities and net assets	<u>\$ 3,035,315</u>	<u>\$ 3,044,665</u>

BRING RECYCLING
Statements of Activities
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
Revenues and support				
Non-cash donations	\$ 766,873	\$ -	\$ 766,873	\$ 644,976
Non-donated items sold, net	74,080	-	74,080	87,774
Contracts, grants, and donations	83,787	318,597	402,384	401,342
Sponsorships	22,962	-	22,962	32,287
Event income	17,324	-	17,324	7,264
Miscellaneous income	3,494	-	3,494	18,806
Interest income	1,277	-	1,277	426
Net assets released from restrictions	319,447	(319,447)	-	-
Total revenue and support	<u>1,289,244</u>	<u>(850)</u>	<u>1,288,394</u>	<u>1,192,875</u>
Expenses				
Program services:				
Recycling	824,342	-	824,342	752,350
Public education	340,352	-	340,352	294,306
Total program services	<u>1,164,694</u>	<u>-</u>	<u>1,164,694</u>	<u>1,046,656</u>
Supporting services:				
Management and general	115,271	-	115,271	130,820
Fundraising	23,307	-	23,307	23,408
Total supporting services	<u>138,578</u>	<u>-</u>	<u>138,578</u>	<u>154,228</u>
Total expenses	<u>1,303,272</u>	<u>-</u>	<u>1,303,272</u>	<u>1,200,884</u>
Change in net assets	(14,028)	(850)	(14,878)	(8,009)
Net assets, beginning of year	<u>2,396,737</u>	<u>24,723</u>	<u>2,421,460</u>	<u>2,429,469</u>
Net assets, end of year	<u>\$ 2,382,709</u>	<u>\$ 23,873</u>	<u>\$ 2,406,582</u>	<u>\$ 2,421,460</u>

BRING RECYCLING
Statements of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Program Services		
	<u>Recycling</u>	<u>Public Education</u>	<u>Total Program Services</u>
Personnel			
Salaries	\$ 285,045	\$ 219,290	\$ 504,335
Payroll taxes	35,518	20,348	55,866
Employee benefits	55,072	12,946	68,018
Temporary labor	183,104	5,359	188,463
Total personnel	<u>558,739</u>	<u>257,943</u>	<u>816,682</u>
Operating expenses			
Advertising	1,138	13,268	14,406
Dues and subscriptions	423	1,014	1,437
Event expenses	-	3,853	3,853
Gas and fuel	7,232	356	7,588
Transport	597	-	597
Insurance	17,320	3,333	20,653
Interest and bank fees	32,812	3,302	36,114
Licenses, fees, dues, and taxes	1,816	891	2,707
Loss on disposal of property	13,936	1,897	15,833
Maintenance and repair - facilities	4,587	-	4,587
Maintenance and repair - vehicles	9,289	-	9,289
Meetings and conferences	946	1,832	2,778
Miscellaneous	40	548	588
Newsletter	1,503	6,958	8,461
Other services	24,077	14,179	38,256
Postage and mail	234	694	928
Professional services	9,690	6,271	15,961
Rent expense	2,378	210	2,588
Supplies	26,908	6,026	32,934
Utilities and telephone	24,767	6,086	30,853
Total operating expenses	<u>179,693</u>	<u>70,718</u>	<u>250,411</u>
Total functional expenses before depreciation and amortization	738,432	328,661	1,067,093
Depreciation and amortization	<u>85,910</u>	<u>11,691</u>	<u>97,601</u>
Total functional expenses	<u>\$ 824,342</u>	<u>\$ 340,352</u>	<u>\$ 1,164,694</u>

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

BRING RECYCLING
Statements of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	<u>Supporting Services</u>		<u>2019 Total</u>	<u>2018 Total</u>
	<u>Management and General</u>	<u>Fundraising</u>		
Personnel				
Salaries	\$ 26,983	\$ 13,390	\$ 544,708	\$ 497,125
Payroll taxes	4,950	1,021	61,837	61,959
Employee benefits	22,823	-	90,841	70,012
Temporary labor	604	-	189,067	172,433
Total personnel	<u>55,360</u>	<u>14,411</u>	<u>886,453</u>	<u>801,529</u>
Operating expenses				
Advertising	-	-	14,406	13,229
Dues and subscriptions	2,882	590	4,909	4,936
Event expenses	3,522	35	7,410	1,799
Gas and fuel	8	-	7,596	6,741
Transport	-	-	597	1,037
Insurance	6,111	-	26,764	25,959
Interest and bank fees	8,290	-	44,404	44,150
Licenses, fees, dues, and taxes	525	-	3,232	1,635
Loss on disposal of property	1,915	-	17,748	-
Maintenance and repair - facilities	1,267	-	5,854	2,296
Maintenance and repair - vehicles	43	-	9,332	3,735
Meetings and conferences	434	-	3,212	6,108
Miscellaneous	-	-	588	187
Newsletter	2,325	1,503	12,289	12,817
Other services	6,461	-	44,717	69,356
Postage and mail	232	385	1,545	1,318
Professional services	6,036	2,962	24,959	29,555
Rent expense	-	-	2,588	370
Supplies	4,770	3,421	41,125	35,228
Utilities and telephone	3,283	-	34,136	31,565
Total operating expenses	<u>48,104</u>	<u>8,896</u>	<u>307,411</u>	<u>292,021</u>
Total functional expenses before depreciation and amortization	103,464	23,307	1,193,864	1,093,550
Depreciation and amortization	<u>11,807</u>	<u>-</u>	<u>109,408</u>	<u>107,334</u>
Total functional expenses	<u>\$ 115,271</u>	<u>\$ 23,307</u>	<u>\$ 1,303,272</u>	<u>\$ 1,200,884</u>

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

BRING RECYCLING
Statements of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ (14,878)	\$ (8,009)
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation and amortization	109,408	107,334
(Gain) loss on disposal of property and equipment	17,748	(212)
(Increase) decrease in assets:		
Accounts receivable	(10,951)	2,534
Pledges receivable	850	1,100
Inventories	(20,423)	2,725
Other current assets	(1,679)	(51)
Increase (decrease) in liabilities:		
Accounts payable	14,754	1,907
Accrued payroll and related expenses	12,400	(1,094)
Accrued vacation	(3,244)	1,317
Deferred revenue	1,331	6,700
	105,316	114,251
Cash flows from investing activities		
Proceeds from sale of property and equipment	-	500
Purchases of property and equipment	(48,456)	(28,226)
Deposit for Garden Art Project	-	(10,000)
	(48,456)	(37,726)
Cash flows from financing activities		
Principal payments on note payable	(19,713)	(15,818)
	37,147	60,707
Net increase in cash and cash equivalents	37,147	60,707
Cash and cash equivalents, beginning of year	331,905	271,198
Cash and cash equivalents, end of year	\$ 369,052	\$ 331,905
Supplemental cash flow information		
Cash paid for interest	\$ 25,805	\$ 27,127

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Nature of operations – BRING Recycling (BRING) is a non-profit organization that collects reusable materials, provides resource conservation education, and is an outlet for the purchase of reusable materials for the Lane County, Oregon community. BRING’s retail operations are conducted at the Planet Improvement Center at the Franklin Boulevard site.

Program services – BRING relies primarily on funding from the sale of reusable donated items by individuals and businesses and contracts with governmental and municipal agencies to provide resource conservation education programs.

Basis of accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation – Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified into the following categories:

Net assets without donor restrictions – Consists of net assets for use in general operations and not subject to donor-imposed restrictions. The board has designated, from net assets without donor restrictions, net assets for operating and other reserves.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Donor-imposed restrictions are temporary in nature, and will be met by the passage of time or other events specified by the by the donor.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets, either through the donor-stipulated purpose being fulfilled or the stipulated time period elapsing or both, are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

(Continued)

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents – Cash and cash equivalents include petty cash, checking accounts, and money market accounts. For financial statement purposes, BRING considers all highly liquid investments purchased with an original maturity of three months or less to be cash. BRING may maintain cash in accounts which exceeds amounts insured by governmental agencies and has not experienced any losses in such accounts. There were no such amounts at June 30, 2019 and 2018.

Receivables – Receivables are stated at the amount BRING expects to collect from outstanding balances at year-end. Credit risk associated with receivables is periodically reviewed by management on an account-by-account basis. An allowance account is established if considered necessary based on past history of collections and financial viability of the customer. No such allowance was considered necessary at June 30, 2019 and 2018.

Pledges are recorded at their net realizable value by discounting amounts to be received in future years by the appropriate risk-free interest rate. Pledges receivable in less than one year are reported as current assets. Pledges receivable were \$0 and \$850 at June 30, 2019 and 2018, respectively. No allowance has been provided for pledge receivable as they are considered to be collectible as of June 30, 2019 and 2018.

Inventories – Inventory consists of donated items including doors, windows, and various other building materials. Donated inventories are stated at estimated fair market value as noted in the accounting policy for revenue recognition. The stated inventory amount for donated inventory is based on an estimated net realizable value by applying the value to a physical count taken at year-end. Purchased inventories are stated at the lower of cost or net realizable value which were \$24,104 and \$18,476 at June 30, 2019 and 2018, respectively.

Property and equipment – Purchased property and equipment is stated at cost. Contributed property is stated at its fair market value at the date of the gift. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated assets 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 support. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major betterments and new equipment are capitalized. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts and resulting gains or losses are reflected in revenues and expenses. Depreciation is computed using the straight-line method over the estimated useful life of the property and equipment. The estimated useful lives for buildings are 40 years and vehicles, office and other equipment is 5-15 years. BRING capitalizes items in excess of \$500. All other items are expensed in the year of acquisition.

Other long-term assets – Other long-term assets consist primarily of deposits.

(Continued)

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (Continued)

Revenue recognition – Contributions, pledges, and grants received are recorded as support that is without donor restrictions or with donor restrictions. Classification is based on the existence and nature of any donor restrictions imposed on the contribution or grant. Deferred revenue consists of amounts received in advance under contracts or grant and is recognized when the services are performed.

BRING receives donations of reusable items, which include building, industrial, and fabrication materials, at the BRING retail location. Revenue is recorded when the items are donated at their fair market value on the date of gift. The fair market value is estimated based on the value of the eventual sales price by item. To benefit the environment by keeping materials out of landfills, BRING purchases and stocks recycled and various other environmentally friendly new and surplus items which are sold at its retail location.

Fee for service revenue is recognized when the service is performed. Proceeds from fundraising events are recognized as revenue during the period that the fundraising events occur. Amounts received by BRING prior to the event are classified as deferred revenue.

Contributed services – Contributed services are reflected in the financial statement at the fair value of the services received. The contributions are recognized if the services received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The amounts are also recorded as operating expenditures unless they relate to buildings or improvements, in which case they are capitalized. During the years ended June 30, 2019 and 2018, BRING received in-kind service contributions with a fair value of \$0 and \$3,379, respectively.

Volunteers are used extensively in a supporting role in the Planet Improvement Center, with special events and fundraising and in site construction. Many program services would not be performed without the services of these volunteers. Contributions of these volunteer services are not included in the financial statements in accordance with the criteria for recognition under accounting standards for not-for-profit organizations.

Functional expense allocation – The costs of providing various programs and other supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Directly identifiable expenses are charged to the specific programs and supporting services to which they relate. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. The expenses that are allocated include: payroll expenses, taxes and benefits, which are allocated on the basis of time and effort, as well as, depreciation, interest, office and other occupancy.

(Continued)

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (Continued)

Advertising – BRING expenses advertising costs as incurred. Total advertising expense was \$14,406 and \$13,229 for the years ended June 30, 2019 and 2018, respectively.

Income taxes – BRING is an Oregon not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Therefore, only income derived from unrelated business activities is subject to federal income tax. BRING reported no taxable unrelated business income for the years ended June 30, 2019 and 2018 and management believes BRING meets the requirements to maintain its tax-exempt status.

Use of estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications – Certain reclassifications have been made to the prior year’s comparative information to conform to the presentation of the current financial statements. The reclassifications had no effect on the change in net assets for the prior year.

New Accounting Pronouncement – During the year ended June 30, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board’s Accounting Standards Update No. 2016-14 – Presentation of Financial Statements of Not-for-Profit Entities. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and disclosures related to functional allocation of expenses were expanded. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

The accompanying information from the 2018 financial statements has been restated to conform to the 2019 presentation and disclosure requirements of ASU 2016-14.

Note 2 – Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United State of America. Accordingly, such information should be read in conjunction with BRING’s financial statements for the year ended June 30, 2018, from which the summarized information was derived.

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 3 – Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Land and improvements	\$ 1,386,077	\$ 1,396,090
Buildings	1,792,600	1,789,000
Artwork	52,581	33,793
Office equipment and furniture	29,033	47,658
Equipment, stationary and mobile	89,370	84,812
Vehicles	72,110	72,110
	<u>3,421,771</u>	<u>3,423,463</u>
Accumulated depreciation and amortization	<u>(1,049,232)</u>	<u>(982,456)</u>
Property and equipment, net	<u>\$ 2,372,539</u>	<u>\$ 2,441,007</u>

Artwork includes \$18,788 of expenditures for the Garden Art Project which is still in progress as of June 30, 2019. The completed project is expected to use the remaining donor designated funds.

Note 4 – Notes Payable

Notes payable consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Note payable to Summit Bank, due in monthly installments of \$3,364, bearing interest at the index rate plus 3.00%, subject to change every five years with the next rate change in August 2020 (effective rate of 4.86% at June 30, 2019), matures July 2025, secured by Franklin Boulevard property.	\$ 528,848	\$ 543,415
Note payable to City of Springfield, paid off during 2019.	-	5,146
	<u>528,848</u>	<u>548,561</u>
Less current portion	<u>14,800</u>	<u>16,645</u>
Note payable, net of current portion	<u>\$ 514,048</u>	<u>\$ 531,916</u>

(Continued)

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 4 – Notes Payable (Continued)

Future minimum payments for the year ended June 30, 2019 are as follows:

2020	\$ 14,800
2021	15,625
2022	16,360
2023	17,173
2024	17,996
Thereafter	446,894

Note 5 – Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 consist of:

	2019	2018
Garden Art Project Fund	\$ 23,873	\$ 23,873
Pledges receivable – operations	-	850
Total net assets with donor restrictions	\$ 23,873	\$ 24,723

Note 6 – Liquidity and Reserves

BRING has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. BRING’s objective is to maintain liquid financial assets without donor restrictions sufficient to cover sixty days of program expenditures. The board designated net assets could be drawn upon to meet obligations if the board approves that action.

(Continued)

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 6 – Liquidity and Reserves (Continued)

The following reflects the financial assets as of June 30, 2019 and 2018, reduced by amounts not available for general expenditures within one year of the statements of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 369,052	\$ 331,905
Cash restricted for Garden Art Project	23,873	23,873
Accounts receivable	61,439	50,488
Pledges receivable	<u>-</u>	<u>850</u>
 Total financial assets	 454,364	 407,116
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	(23,873)	(24,723)
 Board designated net assets	 <u>(75,263)</u>	 <u>(89,648)</u>
 Financial assets available to meet cash needs for expenditures within one year	 <u>\$ 355,228</u>	 <u>\$ 292,745</u>

Note 7 – Revenues from the Sale of Donated and Purchased Inventory

During the years ended June 30, BRING received donations of reusable items and also purchased inventory, which were sold as follows:

	<u>2019</u>	<u>2018</u>
Sale of reusable donated items	\$ 746,450	\$ 637,586
Change in inventory	<u>20,423</u>	<u>7,390</u>
 Non-cash donations of reusable items	 <u>\$ 766,873</u>	 <u>\$ 644,976</u>
 Sale of purchased items	 \$ 169,074	 \$ 174,988
Cost of sales of purchased items	<u>(94,994)</u>	<u>(87,214)</u>
 Non-donated items sold, net	 <u>\$ 74,080</u>	 <u>\$ 87,774</u>

BRING RECYCLING
Notes to Financial Statements
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

Note 8 – Employee Benefit Plan

BRING sponsors a 403(b) retirement plan established January 1, 2009. Employees are eligible to participate in the plan at their date of hire and are eligible to receive employer contributions after one year of employment. Contributions to the plan are made at the discretion of the Board of Directors. The Board approved employer matching contributions to the plan during the years ended June 30, 2019 and 2018 of \$7,173 and \$7,056, respectively.

Note 9 – Accounting for Uncertain Tax Positions

BRING recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. BRING's income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations. BRING would recognize interest and penalties related to income tax matters in operating expenses. Management has concluded that there were no uncertain tax positions as of June 30, 2019 and 2018. BRING is no longer subject to income tax examinations by tax authorities for years ended prior to June 30, 2016.

Note 10 – Commitments and Contingencies

Amounts received or receivable from contracts are subject to audit and adjustment by grantor agencies. Any disallowed costs could become a liability of BRING. Management believes that all costs charged to the contracts are allowable.

Note 11 – Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 16, 2019, which represents the date the financial statements were available to be issued.