

**BRING RECYCLING**  
**(A Nonprofit Corporation)**  
**Independent Auditors' Report**  
**and**  
**Financial Statements**  
**June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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## Financial Statements

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# **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, 2021, 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, 2021 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 2020 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated January 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mueller, Gans, Stearns, Remusson LLP*

Eugene, Oregon  
January 17, 2022

**BRING RECYCLING**  
**Statements of Financial Position**  
**June 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

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	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 651,540	\$ 451,695
Accounts receivable	60,433	53,767
Inventories	267,764	163,402
Other current assets	<u>31,622</u>	<u>22,348</u>
Total current assets	<u>1,011,359</u>	<u>691,212</u>
<b>Long-term assets</b>		
Property and equipment, net	2,190,034	2,282,735
Cash restricted for Garden Art Project	-	8,873
Other long-term assets	<u>930</u>	<u>1,162</u>
Total long-term assets	<u>2,190,964</u>	<u>2,292,770</u>
<b>Total assets</b>	<u><u>\$ 3,202,323</u></u>	<u><u>\$ 2,983,982</u></u>

**BRING RECYCLING**  
**Statements of Financial Position**  
**June 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

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	<u>2021</u>	<u>2020</u>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities</b>		
Accounts payable	\$ 11,850	\$ 4,991
Accrued payroll and related expenses	58,976	50,800
Accrued vacation	20,877	20,373
Refundable advance - Paycheck Protection Program	-	7,532
Notes payable, current portion	<u>16,400</u>	<u>15,600</u>
Total current liabilities	<u>108,103</u>	<u>99,296</u>
Notes payable, net of current portion	<u>482,144</u>	<u>498,674</u>
<b>Total liabilities</b>	<u>590,247</u>	<u>597,970</u>
<b>Net assets</b>		
Without donor restrictions:		
Unrestricted-net investment in property and equipment	1,691,490	1,768,461
Unrestricted-board designated	75,597	75,561
Unrestricted-available for operations	<u>844,989</u>	<u>533,117</u>
Total net assets without donor restrictions	2,612,076	2,377,139
With donor restrictions	<u>-</u>	<u>8,873</u>
<b>Total net assets</b>	<u>2,612,076</u>	<u>2,386,012</u>
<b>Total liabilities and net assets</b>	<u>\$ 3,202,323</u>	<u>\$ 2,983,982</u>

**BRING RECYCLING**  
**Statements of Activities**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2010)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>Revenues and support</b>				
Non-cash donations	\$ 902,474	\$ -	\$ 902,474	\$ 557,398
Non-donated items sold, net	69,385	-	69,385	84,351
Contracts, grants and donations	106,442	439,550	545,992	396,603
Grants - Paycheck Protection Program	7,532	-	7,532	149,668
Sponsorships	4,400	-	4,400	29,062
Event income	-	-	-	6,117
Miscellaneous income	175	-	175	110
Interest income	152	-	152	732
Net assets released from restrictions	448,423	(448,423)	-	-
<b>Total revenue and support</b>	<u>1,538,983</u>	<u>(8,873)</u>	<u>1,530,110</u>	<u>1,224,041</u>
<b>Expenses</b>				
Program services:				
Recycling	832,017	-	832,017	770,091
Public education	344,614	-	344,614	333,986
<b>Total program services</b>	<u>1,176,631</u>	<u>-</u>	<u>1,176,631</u>	<u>1,104,077</u>
Supporting services:				
Management and general	101,468	-	101,468	115,122
Fundraising	25,947	-	25,947	25,412
<b>Total supporting services</b>	<u>127,415</u>	<u>-</u>	<u>127,415</u>	<u>140,534</u>
<b>Total expenses</b>	<u>1,304,046</u>	<u>-</u>	<u>1,304,046</u>	<u>1,244,611</u>
<b>Change in net assets</b>	234,937	(8,873)	226,064	(20,570)
<b>Net assets, beginning of year</b>	<u>2,377,139</u>	<u>8,873</u>	<u>2,386,012</u>	<u>2,406,582</u>
<b>Net assets, end of year</b>	<u>\$ 2,612,076</u>	<u>\$ -</u>	<u>\$ 2,612,076</u>	<u>\$ 2,386,012</u>

**BRING RECYCLING**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

	<b>Program Services</b>		
	Recycling	Public Education	Total Program Services
	Recycling	Public Education	Total Program Services
<b>Personnel</b>			
Salaries	\$ 339,905	\$ 222,341	\$ 562,246
Payroll taxes	36,784	16,917	53,701
Employee benefits	72,678	17,894	90,572
Temporary labor	134,841	7,302	142,143
	<u>584,208</u>	<u>264,454</u>	<u>848,662</u>
<b>Total personnel</b>			
	584,208	264,454	848,662
<b>Operating expenses</b>			
Advertising	587	6,549	7,136
Dues and subscriptions	1,703	1,645	3,348
Event expenses	105	-	105
Gas and fuel	4,800	351	5,151
Transport	642	-	642
Insurance	17,308	5,150	22,458
Interest and bank fees	35,133	4,553	39,686
Licenses, fees, dues, and taxes	786	11,040	11,826
Maintenance and repair - facilities	1,514	-	1,514
Maintenance and repair - vehicles	4,509	-	4,509
Meetings and conferences	176	1,708	1,884
Miscellaneous	5	-	5
Newsletter	1,295	5,802	7,097
Other services	14,283	3,282	17,565
Postage and mail	17	60	77
Professional services	9,623	19,469	29,092
Rent expense	3,892	123	4,015
Supplies	39,845	4,748	44,593
Utilities and telephone	20,288	7,641	27,929
	<u>156,511</u>	<u>72,121</u>	<u>228,632</u>
<b>Total operating expenses</b>			
	156,511	72,121	228,632
<b>Total functional expenses before depreciation and amortization</b>	740,719	336,575	1,077,294
<b>Depreciation and amortization</b>	<u>91,298</u>	<u>8,039</u>	<u>99,337</u>
<b>Total functional expenses</b>	<u>\$ 832,017</u>	<u>\$ 344,614</u>	<u>\$ 1,176,631</u>



**BRING RECYCLING**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

	<u>Supporting Services</u>		<u>2021 Total</u>	<u>2020 Total</u>
	<u>Management and General</u>	<u>Fundraising</u>		
<b>Personnel</b>				
Salaries	\$ 26,881	\$ 16,930	\$ 606,057	\$ 602,031
Payroll taxes	4,230	1,184	59,115	49,121
Employee benefits	26,029	-	116,601	96,176
Temporary labor	-	-	142,143	124,388
<b>Total personnel</b>	<u>57,140</u>	<u>18,114</u>	<u>923,916</u>	<u>871,716</u>
<b>Operating expenses</b>				
Advertising	568	-	7,704	11,805
Dues and subscriptions	4,393	-	7,741	5,300
Event expenses	-	-	105	7,634
Gas and fuel	-	-	5,151	4,926
Transport	-	-	642	205
Insurance	5,149	-	27,607	27,704
Interest and bank fees	6,674	-	46,360	43,114
Licenses, fees, dues, and taxes	988	-	12,814	2,937
Maintenance and repair - facilities	-	-	1,514	2,637
Maintenance and repair - vehicles	20	-	4,529	6,789
Meetings and conferences	581	-	2,465	978
Miscellaneous	50	-	55	660
Newsletter	2,090	1,295	10,482	12,345
Other services	2,216	2,609	22,390	34,244
Postage and mail	353	332	762	1,465
Professional services	6,854	-	35,946	28,344
Rent expense	41	-	4,056	1,438
Supplies	3,341	3,597	51,531	42,689
Utilities and telephone	2,954	-	30,883	32,644
<b>Total operating expenses</b>	<u>36,272</u>	<u>7,833</u>	<u>272,737</u>	<u>267,858</u>
<b>Total functional expenses before depreciation and amortization</b>	<u>93,412</u>	<u>25,947</u>	<u>1,196,653</u>	<u>1,139,574</u>
Depreciation and amortization	<u>8,056</u>	<u>-</u>	<u>107,393</u>	<u>105,037</u>
<b>Total functional expenses</b>	<u>\$ 101,468</u>	<u>\$ 25,947</u>	<u>\$ 1,304,046</u>	<u>\$ 1,244,611</u>

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

**BRING RECYCLING**  
**Statements of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

	2021	2020
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 226,064	\$ (20,570)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	107,393	105,037
(Gain) loss on disposal of property and equipment	(200)	(500)
(Increase) decrease in assets:		
Accounts receivable	(6,666)	7,672
Inventories	(104,362)	41,436
Other current assets	(9,274)	3,343
Increase (decrease) in liabilities:		
Accounts payable	6,859	(29,543)
Accrued payroll and related expenses	8,176	(11,313)
Accrued vacation	504	10,098
Refundable advance - Paycheck Protection Program	(7,532)	7,532
Deferred revenue	-	(16,475)
<b>Net cash provided by operating activities</b>	<u>220,962</u>	<u>96,717</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property and equipment	200	500
Purchases of property and equipment	(14,460)	(15,000)
<b>Net cash from investing activities</b>	<u>(14,260)</u>	<u>(14,500)</u>
<b>Cash flows from financing activities</b>		
Principal payments on note payable	(15,730)	(14,574)
<b>Net increase in cash, cash equivalents and restricted cash</b>	190,972	67,643
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>460,568</u>	<u>392,925</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 651,540</u>	<u>\$ 460,568</u>
<b>Supplemental cash flow information</b>		
Cash and cash equivalents	\$ 651,540	\$ 451,695
Cash restricted for Garden Art Project	-	8,873
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 651,540</u>	<u>\$ 460,568</u>
Cash paid for interest	<u>\$ 24,642</u>	<u>\$ 25,805</u>

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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**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, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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

***Cash, cash equivalents and restricted cash*** – Cash, cash equivalents and restricted cash 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. Cash represents a financial instrument that potentially subjects the Organization to concentrations of credit risk. BRING may maintain cash in accounts which exceeds amounts insured by governmental agencies and has not experienced any losses in such accounts. There were cash balances with one bank of \$173,347 and \$79,800 over the FDIC limit as of June 30, 2021 and 2020, respectively.

***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, 2021 and 2020.

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. There were no pledges receivable at June 30, 2021 and 2020; and consequently no allowance has been provided for pledge receivable as of June 30, 2021 and 2020.

***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 \$19,963 and \$18,386 at June 30, 2021 and 2020, 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 \$2,000. All other items are expensed in the year of acquisition.

(Continued)

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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

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

*Revenue recognition – revenue from exchange transactions* – The Organization recognizes revenue from exchange transactions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization operates retail operations at the Planet Improvement Center. The performance obligation is the delivery of goods to the customer. The transaction price is established by the Organization given listed sales prices determined by the value of the inventory item being sold. As each item is individually priced, no allocation of the transaction price is necessary. The Organization recognizes revenue as the customer pays and takes possession of the merchandise. If there is a right of return, the liability is estimated for such returns, which offsets revenue. No liability for probable customer returns was considered necessary as of June 30, 2021 and 2020.

The Organization conducts program-related services and events where the performance obligation is delivery of the program. Fees for service revenue are recognized when the service is performed based on amounts established by the Organization. Proceeds from fundraising events are recognized as revenue during the period that the fundraising events occur. Fees collected by BRING prior to the delivery of services or the event are classified as deferred revenue.

*Revenue recognition – contributions and support* – 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 as exchange transactions with customers.

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.

Conditional contributions arise when a donor-imposed condition exists, based on a determination from the agreement, that a recipient is entitled to the contribution only if it has overcome a barrier, with a right of return to the provider should the barrier not be met. Assets received through a conditional contribution are accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor; consequently, revenue is recognized on the dates the conditions have been met.

(Continued)

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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

**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, 2021 and 2020, BRING did not receive in-kind service contributions.

Volunteers are used extensively in a supporting role in the Planet Improvement Center, with special events, 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.

**Advertising** – BRING expenses advertising costs as incurred. Total advertising expense was \$7,704 and \$11,805 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020 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.

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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**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 States of America. Accordingly, such information should be read in conjunction with BRING’s financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**Note 3 – Property and Equipment**

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 1,386,077	\$ 1,386,077
Buildings	1,792,600	1,792,600
Artwork	78,315	67,581
Office equipment and furniture	29,033	29,033
Equipment, stationary and mobile	89,079	86,854
Vehicles	<u>72,110</u>	<u>72,110</u>
	3,447,214	3,434,255
Accumulated depreciation and amortization	<u>(1,257,180)</u>	<u>(1,151,520)</u>
Property and equipment, net	<u>\$ 2,190,034</u>	<u>\$ 2,282,735</u>

**Note 4 – Refundable Deposit – Paycheck Protection Program Loan**

In April 2020, the Organization received a \$157,200 loan under the U.S. Small Business Administration Paycheck Protection Program (PPP) which was created as part of the relief efforts related to COVID-19. The terms of the loan stated that it would be repaid with 18 monthly payments of \$8,847 starting November 2020 with interest at 1%. The loan was unsecured with a maturity date of April 2022. The Organization qualified for forgiveness in February 2021 of all of the principal and interest due under the note based on conditions established by the SBA.

The Organization accounted for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution. Given that the conditions with respect to the PPP loan were met over time, through incurring eligible expenses, the contributions were recognized as qualifying expenses were incurred. For the years ended June 30, 2020 and 2021, the Organization incurred \$149,668 and \$7,532 in qualifying expenses, respectively, which resulted in the recognition of grant revenue.

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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**Note 5 – Notes Payable**

Notes payable consisted of the following at June 30:

	<u>2021</u>	<u>2020</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 (effective rate of 4.86% at June 30, 2021), matures July 2025, secured by Franklin Boulevard property.	\$ 498,544	\$ 514,274
Less current portion	<u>16,400</u>	<u>15,600</u>
Note payable, net of current portion	<u>\$ 482,144</u>	<u>\$ 498,674</u>

Future minimum payments for the year ended June 30, 2021 are as follows:

2022	\$ 16,400
2023	17,173
2024	17,996
2025	18,923
2026	19,863
Thereafter	408,189

**Note 6 –Net Assets With Donor Restrictions**

Net assets with donor restrictions consists of \$8,873 for the Garden Art Project Fund as of June 30, 2020. There were no net assets with donor restrictions as of June 30, 2021



**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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**Note 7 – 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.

The following reflects the financial assets as of June 30, 2021 and 2020, 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 651,540	\$ 451,695
Cash restricted for Garden Art Project	-	8,873
Accounts receivable	<u>60,433</u>	<u>53,767</u>
 Total financial assets	 711,973	 514,335
 Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	-	(8,873)
 Board designated net assets	 <u>(75,597)</u>	 <u>(75,561)</u>
 Financial assets available to meet cash needs for expenditures within one year	 <u>\$ 636,376</u>	 <u>\$ 429,901</u>

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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**Note 8– 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:

	2021	2020
Sale of reusable donated items	\$ 798,112	\$ 598,834
Change in inventory	104,362	(41,436)
Non-cash donations of reusable items	\$ 902,474	\$ 557,398
Sale of purchased items	\$ 146,862	\$ 156,640
Cost of sales of purchased items	(77,477)	(72,289)
Non-donated items sold, net	\$ 69,385	\$ 84,351

**Note 9 – 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, 2021 and 2020 of \$8,726 and \$7,514, respectively.

**Note 10 – 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, 2021 and 2020. BRING is no longer subject to income tax examinations by tax authorities for years ended prior to June 30, 2018.

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

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**Note 11 – 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.

The Organization has elected to self-insure certain costs related to unemployment. Unemployment self-insurance is administered through Unemployment Services Trust (UST). Self-insured costs are expensed as incurred. The Organization maintained a balance of \$29,695 and \$22,348 as a prepaid expense for the years ended June 30, 2021 and 2020, respectively. There were \$1,460 and \$0 unemployment claims for June 30, 2021 and 2020 respectively.

In March 2020, the World Health Organization declared the outbreak of novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. As a result, the Organization had temporary retail store closures, changes in level of staffing, reductions and changes in consumer traffic, reconfiguration of work areas in retail spaces and offices to accommodate social distancing, all resulting in a negative impact to operations. The Organization will continue to monitor the situation closely and it is possible that it will implement further measures. While the disruption is expected to be temporary, there is uncertainty around the duration. Therefore, this may negatively impact results of operations and financial position, however the related financial effect cannot be reasonably estimated at this time. The Organization did receive a PPP loan to mitigate the financial impact (Note 4).

**Note 12 – 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 January 17, 2022, which represents the date the financial statements were available to be issued.