

**BRING RECYCLING**  
**(A Nonprofit Corporation)**  
**Independent Auditors' Report**  
**and**  
**Financial Statements**  
**June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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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

### **Opinion**

We have audited the accompanying financial statements of BRING Recycling (a nonprofit organization), which comprise the statement of financial position as of June 30, 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.

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, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BRING Recycling and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BRING Recycling's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

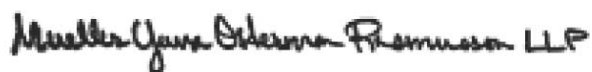
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 BRING Recycling's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BRING Recycling's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited BRING Recycling's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Eugene, Oregon  
November 21, 2022

**BRING RECYCLING**  
**Statements of Financial Position**  
**June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

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	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 538,117	\$ 651,540
Accounts receivable	50,595	60,433
Inventories	322,663	267,764
Other current assets	14,230	31,622
	<hr/>	<hr/>
Total current assets	925,605	1,011,359
	<hr/>	<hr/>
<b>Long-term assets</b>		
Property and equipment, net	2,128,530	2,190,034
Other long-term assets	-	930
	<hr/>	<hr/>
Total long-term assets	2,128,530	2,190,964
	<hr/>	<hr/>
<b>Total assets</b>	<u>\$ 3,054,135</u>	<u>\$ 3,202,323</u>

**BRING RECYCLING**  
**Statements of Financial Position**  
**June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

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	<u>Liabilities and Net Assets</u>	
	<u>2022</u>	<u>2021</u>
<b>Current liabilities</b>		
Accounts payable	\$ 33,668	\$ 11,850
Accrued payroll and related expenses	44,033	58,976
Accrued vacation	16,350	20,877
Deposits	15,000	-
Notes payable, current portion	12,000	16,400
	<u>121,051</u>	<u>108,103</u>
Total current liabilities		
	<u>274,367</u>	<u>482,144</u>
Notes payable, net of current portion		
	<u>395,418</u>	<u>590,247</u>
<b>Total liabilities</b>		
<b>Net assets</b>		
Without donor restrictions:		
Unrestricted-net investment in property and equipment	1,842,163	1,691,490
Unrestricted-board designated	76,109	75,597
Unrestricted-available for operations	740,445	844,989
	<u>2,658,717</u>	<u>2,612,076</u>
Total net assets without donor restrictions		
	<u>2,658,717</u>	<u>2,612,076</u>
<b>Total net assets</b>		
	<u>\$ 3,054,135</u>	<u>\$ 3,202,323</u>
<b>Total liabilities and net assets</b>		

**BRING RECYCLING**  
**Statements of Activities**  
**For the Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b>Revenues and support</b>				
Non-cash donations	\$ 850,070	\$ -	\$ 850,070	\$ 902,474
Non-donated items sold, net	80,557	-	80,557	69,385
Contracts, grants and donations	77,250	390,708	467,958	545,992
Grants	10,745	-	10,745	7,532
Sponsorships	4,687	-	4,687	4,400
Miscellaneous income	90	-	90	175
Interest income	209	-	209	152
Net assets released from restrictions	390,708	(390,708)	-	-
Total revenue and support	<u>1,414,316</u>	<u>-</u>	<u>1,414,316</u>	<u>1,530,110</u>
<b>Expenses</b>				
Program services:				
Recycling	863,908	-	863,908	832,017
Public education	390,909	-	390,909	344,614
Total program services	<u>1,254,817</u>	<u>-</u>	<u>1,254,817</u>	<u>1,176,631</u>
Supporting services:				
Management and general	93,466	-	93,466	101,468
Fundraising	19,392	-	19,392	25,947
Total supporting services	<u>112,858</u>	<u>-</u>	<u>112,858</u>	<u>127,415</u>
Total expenses	<u>1,367,675</u>	<u>-</u>	<u>1,367,675</u>	<u>1,304,046</u>
<b>Change in net assets</b>	46,641	-	46,641	226,064
<b>Net assets, beginning of year</b>	<u>2,612,076</u>	<u>-</u>	<u>2,612,076</u>	<u>2,386,012</u>
<b>Net assets, end of year</b>	<u>\$ 2,658,717</u>	<u>\$ -</u>	<u>\$ 2,658,717</u>	<u>\$ 2,612,076</u>

**BRING RECYCLING**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

	<b>Program Services</b>		
	<u>Recycling</u>	<u>Public Education</u>	<u>Total Program Services</u>
<b>Personnel</b>			
Salaries	\$ 350,584	\$ 241,070	\$ 591,654
Payroll taxes	37,260	18,540	55,800
Employee benefits	73,910	17,415	91,325
Temporary labor	193,458	24,211	217,669
	<u>655,212</u>	<u>301,236</u>	<u>956,448</u>
<b>Total personnel</b>			
	655,212	301,236	956,448
<b>Operating expenses</b>			
Advertising	96	2,600	2,696
Dues and subscriptions	1,581	1,540	3,121
Event expenses	-	1,000	1,000
Gas and fuel	5,926	403	6,329
Transport	217	-	217
Insurance	21,424	4,784	26,208
Interest and bank fees	27,709	2,390	30,099
Licenses, fees, dues, and taxes	2,234	11,598	13,832
Maintenance and repair - facilities	4,578	-	4,578
Maintenance and repair - vehicles	10,455	-	10,455
Meetings and conferences	4,714	2,370	7,084
Miscellaneous	221	-	221
Newsletter	1,701	7,756	9,457
Other services	12,377	4,327	16,704
Postage and mail	-	-	-
Professional services	10,509	11,580	22,089
Rent expense	312	4,883	5,195
Supplies	36,765	13,054	49,819
Utilities and telephone	14,567	15,387	29,954
	<u>155,386</u>	<u>83,672</u>	<u>239,058</u>
<b>Total operating expenses</b>			
	155,386	83,672	239,058
<b>Total functional expenses before depreciation and amortization</b>			
	810,598	384,908	1,195,506
<b>Depreciation and amortization</b>			
	<u>53,310</u>	<u>6,001</u>	<u>59,311</u>
<b>Total functional expenses</b>	<u>\$ 863,908</u>	<u>\$ 390,909</u>	<u>\$ 1,254,817</u>



**BRING RECYCLING**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

	<u>Supporting Services</u>		2022	2021
	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
<b>Personnel</b>				
Salaries	\$ 27,567	\$ 12,340	\$ 631,561	\$ 606,057
Payroll taxes	2,680	889	59,369	59,115
Employee benefits	26,565	-	117,890	116,601
Temporary labor	-	-	217,669	142,143
	<u>56,812</u>	<u>13,229</u>	<u>1,026,489</u>	<u>923,916</u>
<b>Operating expenses</b>				
Advertising	-	-	2,696	7,704
Dues and subscriptions	2,959	450	6,530	7,741
Event expenses	-	-	1,000	105
Gas and fuel	-	-	6,329	5,151
Transport	-	-	217	642
Insurance	4,963	-	31,171	27,607
Interest and bank fees	4,980	-	35,079	46,360
Licenses, fees, dues, and taxes	951	-	14,783	12,814
Maintenance and repair - facilities	-	-	4,578	1,514
Maintenance and repair - vehicles	-	-	10,455	4,529
Meetings and conferences	-	-	7,084	2,465
Miscellaneous	-	-	221	55
Newsletter	2,576	1,701	13,734	10,482
Other services	2,128	3,252	22,084	22,390
Postage and mail	365	760	1,125	762
Professional services	4,650	-	26,739	35,946
Rent expense	312	-	5,507	4,056
Supplies	5,724	-	55,543	51,531
Utilities and telephone	2,653	-	32,607	30,883
	<u>32,261</u>	<u>6,163</u>	<u>277,482</u>	<u>272,737</u>
Total operating expenses				
Total functional expenses before depreciation and amortization	89,073	19,392	1,303,971	1,196,653
Depreciation and amortization	<u>4,393</u>	<u>-</u>	<u>63,704</u>	<u>107,393</u>
<b>Total functional expenses</b>	<u>\$ 93,466</u>	<u>\$ 19,392</u>	<u>\$ 1,367,675</u>	<u>\$ 1,304,046</u>

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

**BRING RECYCLING**  
**Statements of Cash Flows**  
**For the Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

	2022	2021
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 46,641	\$ 226,064
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	63,704	107,393
(Gain) loss on disposal of property and equipment	-	(200)
(Increase) decrease in assets:		
Accounts receivable	9,838	(6,666)
Inventories	(54,899)	(104,362)
Other current assets	17,392	(9,274)
Other long term assets	930	
Increase (decrease) in liabilities:		
Accounts payable	21,818	6,859
Accrued payroll and related expenses	(14,943)	8,176
Accrued vacation	(4,527)	504
Deposits	15,000	(7,532)
<b>Net cash provided by operating activities</b>	<b>100,954</b>	<b>220,962</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property and equipment		200
Purchases of property and equipment	(2,200)	(14,460)
<b>Net cash from investing activities</b>	<b>(2,200)</b>	<b>(14,260)</b>
<b>Cash flows from financing activities</b>		
Principal payments on note payable	(212,177)	(15,730)
<b>Net increase in cash and cash equivalents</b>	(113,423)	190,972
<b>Cash and cash equivalents, beginning</b>	651,540	460,568
<b>Cash and cash equivalents, ending</b>	<b>\$ 538,117</b>	<b>\$ 651,540</b>
<b>Supplemental cash flow information</b>		
Refinance of note payable	\$ 310,000	\$ -
Cash paid for interest	\$ 15,557	\$ 24,642

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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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.

There were no net assets with donor restrictions as of June 30, 2022 and 2021.

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, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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**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.

*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, 2022 and 2021.

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, 2022 and 2021; and consequently no allowance has been provided for pledge receivable as of June 30, 2022 and 2021.

*Concentrations of Credit Risk* – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables. The Organization maintains its cash balances in multiple banks located in the Pacific Northwest. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. BRING’s cash balances may at times exceed FDIC limits, however, the Organization has not experienced any losses in such accounts. There were cash balances with one bank of \$116,977 and \$173,347 over the FDIC limit as of June 30, 2022 and 2021, respectively. The credit risk with respect to receivables is concentrated given that 65% of the total receivables at June 30, 2022 are due from Lane County. Accounts are typically collected within a short period of time, and, based on current conditions, management believes the realization of losses on amounts outstanding as of June 30, 2022 would not be significant.

*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 \$18,214 and \$19,963 at June 30, 2022 and 2021, respectively.

(Continued)

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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

*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.

*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, 2022 and 2021.

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.

(Continued)

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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

**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. The Organization’s policy related to donations of reusable items is to sell them, which is carrying out the mission of the Organization. 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. All gifts-in-kind received by the Organization for the years ended June 30, 2022 and 2021 were considered to be received without donor restrictions.

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.

**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, 2022 and 2021, 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.

(Continued)

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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

*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 \$2,696 and \$7,704 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021 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.

**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, 2021, from which the summarized information was derived.

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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**Note 3 – Property and Equipment**

Property and equipment consisted of the following at June 30:

	2022	2021
Land and improvements	\$ 1,386,077	\$ 1,386,077
Buildings	1,792,600	1,792,600
Artwork	78,316	78,315
Office equipment and furniture	11,578	29,033
Equipment, stationary and mobile	91,278	89,079
Vehicles	72,110	72,110
	3,431,959	3,447,214
Accumulated depreciation and amortization	(1,303,429)	(1,257,180)
Property and equipment, net	\$ 2,128,530	\$ 2,190,034

**Note 4 – Line of Credit**

The Organization has a bank line of credit with a credit limit of \$200,000. This is an annual line of credit that matures in January 2023. The line of credit has a variable interest rate of 0.75% over the bank's index, which is the U.S. Prime Rate as published in the Wall Street Journal (the Prime Rate was 4.75% as of June 30, 2022). The line of credit is collateralized by inventory, equipment, fixtures, accounts, chattel paper, documents, contract rights, instruments, general intangibles, deposit accounts, certificates of deposit, investment property, and all products or proceeds of any of the forgoing. There was no balance outstanding on the line of credit as of June 30, 2022.



**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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**Note 5 – Notes Payable**

Notes payable consisted of the following at June 30:

	2022	2021
Note payable to Oregon Pacific Bank, due in 60 monthly installments of \$1,765, including interest at an initial rate of 3.25% through February 2027. Then due in 59 monthly installments of \$1,842, including interest at the bank's stated index rate plus 2.25% (initial rate of 3.86%). A final balloon payment due at maturity in January 2032. Secured by Franklin Boulevard property.	\$ 293,264	\$ -
Note payable to Summit Bank, paid off during the year ended June 30, 2022	-	498,544
Less unamortized debt issuance costs	6,897	-
Total long-term debt	286,367	498,544
Less current portion of long-term debt	12,000	16,400
Note payable, net of current portion	\$ 274,367	\$ 482,144

Future minimum payments for the year ended June 30, 2022 are as follows:

2022	\$ 12,000
2023	12,217
2024	12,620
2025	13,036
2026	13,747
Thereafter	222,747

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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**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. Effective January 2022, the Organization has a line of credit which could draw upon in the event of anticipated liquidity needs. Available credit as of June 30, 2022 was \$200,000.

The following reflects the financial assets as of June 30, 2022 and 2021, 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.

	2022	2021
Cash and cash equivalents	\$ 538,117	\$ 651,540
Accounts receivable	50,595	60,433
Total financial assets	588,712	711,973
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	-	-
Board designated net assets	(76,109)	(75,597)
Financial assets available to meet cash needs for expenditures within one year	\$ 512,603	\$ 636,376

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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**Note 7 – Revenues from the Sale of Inventory**

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

	<u>2022</u>	<u>2021</u>
Sale of reusable donated items	\$ 795,171	\$ 798,112
Change in inventory	<u>54,899</u>	<u>(104,362)</u>
Non-cash donations of reusable items	<u>\$ 850,070</u>	<u>\$ 902,474</u>
Sale of purchased items	\$ 146,206	\$ 146,862
Sale of BRING-made products	8,103	-
Cost of sales of purchased items	<u>(73,752)</u>	<u>(77,477)</u>
Non-donated items sold, net	<u>\$ 80,557</u>	<u>\$ 69,385</u>

**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, 2022 and 2021 of \$8,945 and \$8,726, 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, 2022 and 2021. BRING is no longer subject to income tax examinations by tax authorities for years ended prior to June 30, 2019.

**BRING RECYCLING**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for the Year Ended June 30, 2021)**

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**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.

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 \$14,230 and \$29,695 as a prepaid expense for the years ended June 30, 2022 and 2021, respectively. There were \$3,554 and \$1,460 unemployment claims for June 30, 2022 and 2021 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 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 November 21, 2022, which represents the date the financial statements were available to be issued.