BRING RECYCLING

(A Nonprofit Corporation)
Independent Auditors' Report
and
Financial Statements
June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

Contents

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, 2023, 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, 2023, 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.

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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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

[illegible] LLP

Eugene, Oregon
December 5, 2023

BRING RECYCLING
Statements of Financial Position
June 30, 2023
(With Comparative Totals for June 30, 2022)

Assets

	2023	2022
Current assets		
Cash and cash equivalents	$ 485,038	$ 538,117
Accounts receivable	36,550	50,595
Inventories	287,681	322,663
Other current assets	12,691	14,230
Total current assets	821,960	925,605
Property and equipment, net		
As restated for 2022	1,993,847	2,089,377
Total assets	$ 2,815,807	$ 3,014,982

BRING RECYCLING
Statements of Financial Position
June 30, 2023
(With Comparative Totals for June 30, 2022)

Liabilities and Net Assets

	2023	2022
Current liabilities		
Accounts payable	$ 19,620	$ 33,668
Accrued payroll and related expenses	45,950	44,033
Accrued vacation	18,695	16,350
Deposits	-	15,000
Notes payable, current portion	12,200	12,000
Total current liabilities	96,465	121,051
Notes payable, net of current portion	263,452	274,367
Total liabilities	359,917	395,418
Net assets		
Without donor restrictions:		
Unrestricted-net investment in property and equipment As restated for 2022	1,718,195	1,803,010
Unrestricted-board designated	69,715	76,109
Unrestricted-available for operations	667,980	740,445
Total net assets without donor restrictions	2,455,890	2,619,564
Total net assets	2,455,890	2,619,564
Total liabilities and net assets	$ 2,815,807	$ 3,014,982

BRING RECYCLING
Statements of Activities
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenues and support				
Non-cash donations	$ 789,166	$ -	$ 789,166	$ 850,070
Non-donated items sold, net	96,420	-	96,420	80,557
Contracts, grants and donations	417,604	-	417,604	478,703
Sponsorships	1,100	-	1,100	4,687
Gain from sale of equipment	17,000	-	17,000	-
Miscellaneous income	10,604	-	10,604	90
Interest income	1,184	-	1,184	209
Net assets released from restrictions	-	-	-	-
Total revenue and support	1,333,078	-	1,333,078	1,414,316
Expenses				
Program services:				
Recycling	1,006,178	-	1,006,178	898,040
Public education	351,455	-	351,455	392,607
Total program services	1,357,633	-	1,357,633	1,290,647
Supporting services:				
Management and general	114,520	-	114,520	96,789
Fundraising	24,599	-	24,599	19,392
Total supporting services	139,119	-	139,119	116,181
Total expenses	1,496,752	-	1,496,752	1,406,828
Change in net assets	(163,674)	-	(163,674)	7,488
Net assets, beginning of year As restated	2,619,564	-	2,619,564	2,612,076
Net assets, end of year	$ 2,455,890	$ -	$ 2,455,890	$ 2,619,564

BRING RECYCLING
Statements of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Program Services		
	Recycling	Public Education	Total Program Services
Personnel			
Salaries	$ 428,626	$ 218,955	$ 647,581
Payroll taxes	43,334	16,725	60,059
Employee benefits	75,200	19,559	94,759
Temporary labor	215,571	15,567	231,138
Total personnel	762,731	270,806	1,033,537
Operating expenses			
Advertising	55	2,600	2,655
Dues and subscriptions	930	620	1,550
Event expenses	-	7,522	7,522
Gas and fuel	5,423	705	6,128
Transport	4,423	-	4,423
Insurance	21,397	5,442	26,839
Interest and bank fees	31,902	1,667	33,569
Licenses, fees, dues, and taxes	3,470	11,290	14,760
Maintenance and repair - facilities	6,884	-	6,884
Maintenance and repair - vehicles	10,956	-	10,956
Meetings and conferences	823	1,133	1,956
Miscellaneous	643	-	643
Newsletter	1,918	7,328	9,246
Other services	19,985	8,570	28,555
Postage and mail	61	10	71
Professional services	9,921	9,984	19,905
Rent expense	564	832	1,396
Supplies	25,220	6,802	32,022
Utilities and telephone	15,158	9,563	24,721
Total operating expenses	159,733	74,068	233,801
Total functional expenses before depreciation and amortization	922,464	344,874	1,267,338
Depreciation and amortization	83,714	6,581	90,295
Total functional expenses	$ 1,006,178	$ 351,455	$ 1,357,633

BRING RECYCLING
Statements of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Supporting Services			
	Management and General	Fundraising	2023 Total	2022 Total
Personnel				
Salaries	$ 33,755	$ 19,206	$ 700,542	$ 631,561
Payroll taxes	3,251	1,349	64,659	59,369
Employee benefits	30,844	-	125,603	117,890
Temporary labor	-	-	231,138	217,669
Total personnel	67,850	20,555	1,121,942	1,026,489
Operating expenses				
Advertising	-	-	2,655	2,696
Dues and subscriptions	3,590	450	5,590	6,530
Event expenses	-	-	7,522	1,000
Gas and fuel	-	-	6,128	6,329
Transport	-	-	4,423	217
Insurance	4,915	-	31,754	31,171
Interest and bank fees	3,795	-	37,364	35,079
Licenses, fees, dues, and taxes	1,382	-	16,142	14,783
Maintenance and repair - facilities	-	-	6,884	4,578
Maintenance and repair - vehicles	-	-	10,956	10,455
Meetings and conferences	50	-	2,006	7,084
Miscellaneous	338	-	981	221
Newsletter	2,877	1,917	14,040	13,734
Other services	1,780	1,486	31,821	22,084
Postage and mail	859	191	1,121	1,125
Professional services	7,535	-	27,440	26,739
Rent expense	364	-	1,760	5,507
Supplies	7,845	-	39,867	55,543
Utilities and telephone	3,749	-	28,470	32,607
Total operating expenses	39,079	4,044	276,924	277,482
Total functional expenses before depreciation and amortization	106,929	24,599	1,398,866	1,303,971
Depreciation and amortization	7,591	-	97,886	102,857
Total functional expenses	$ 114,520	$ 24,599	$ 1,496,752	$ 1,406,828

BRING RECYCLING
Statements of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	$ (163,674)	$ 7,488
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	97,886	102,857
(Gain) loss on disposal of property and equipment	(17,000)	-
(Increase) decrease in assets:		
Accounts receivable	14,045	9,838
Inventories	34,982	(54,899)
Other current assets	1,539	17,392
Other long term assets	-	930
Increase (decrease) in liabilities:		
Accounts payable	(14,048)	21,818
Accrued payroll and related expenses	1,917	(14,943)
Accrued vacation	2,345	(4,527)
Deposits	(15,000)	15,000
Net cash (used in) provided by operating activities	(57,008)	100,954
Cash flows from investing activities		
Proceeds from sale of property and equipment	17,000	-
Purchases of property and equipment	(2,356)	(2,200)
Net cash from investing activities	14,644	(2,200)
Cash flows from financing activities		
Principal payments on note payable	(10,715)	(212,177)
Net increase in cash and cash equivalents	(53,079)	(113,423)
Cash and cash equivalents, beginning	538,117	651,540
Cash and cash equivalents, ending	$ 485,038	$ 538,117
Supplemental cash flow information		
Refinance of note payable	$ -	$ 310,000
Cash paid for interest	$ 9,460	$ 15,557

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 donor.

There were no net assets with donor restrictions as of June 30, 2023 and 2022.

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)

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, 2023 and 2022.

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, 2023 and 2022; and consequently no allowance has been provided for pledge receivable as of June 30, 2023 and 2022.

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 $12,791 and $116,977 over the FDIC limit as of June 30, 2023 and 2022, respectively. The credit risk with respect to receivables is concentrated given that 79% and 65% of the total receivables at June 30, 2023 and 2022, respectively, 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, 2023 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 $13,074 and $18,214 at June 30, 2023 and 2022, respectively.

(Continued)

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.

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, 2023 and 2022.

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)

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

Revenue recognition – contributions and support – 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, 2023 and 2022 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.

Revenue recognition – contributions of nonfinancial assets – 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.

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, 2023 and 2022, 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)

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 $2,655 and $2,696 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022 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, 2022, from which the summarized information was derived.

Note 3 – Property and Equipment

Property and equipment consisted of the following at June 30:

	2023	2022
Land and improvements	$ 1,386,077	$ 1,386,077
Buildings	1,792,600	1,792,600
Artwork	78,316	78,316
Office equipment and furniture	13,935	11,578
Equipment, stationary and mobile	91,278	91,278
Vehicles	51,110	72,110
	3,413,316	3,431,959
Accumulated depreciation and amortization – as restated for 2022	(1,419,469)	(1,342,582)
Property and equipment, net	$ 1,993,847	$ 2,089,377

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 February 2024. 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 8.25% as of June 30, 2023). 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, 2023 and 2022.

Note 5 – Notes Payable

Notes payable consisted of the following at June 30:

	2023	2022
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.	$ 281,540	$ 293,264
Less unamortized debt issuance costs	5,888	6,897
Total long-term debt	275,652	286,367
Less current portion of long-term debt	12,200	12,000
Note payable, net of current portion	$ 263,452	$ 274,367

Future minimum payments for the year ended June 30, 2023 are as follows:

2023	$ 12,200
2024	12,620
2025	13,036
2026	13,747
2027	13,465
Thereafter	210,584

The loan and line of credit agreements contain various covenants that require the Organization to maintain a certain financial ratio. The Organization was out of compliance with the ratio as of June 30, 2023. The bank has waived the requirement with respect to the ratio and is adjusting the ratio for future periods. Consequently, the Organization has classified the debt as long-term in the statement of financial position as of June 30, 2023.

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, 2023 and 2022 was $200,000.

The following reflects the financial assets as of June 30, 2023 and 2022, 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.

	2023	2022
Cash and cash equivalents	$ 485,038	$ 538,117
Accounts receivable	36,550	50,595
Total financial assets	521,588	588,712
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	-	-
Board designated net assets	(69,715)	(76,109)
Financial assets available to meet cash needs for expenditures within one year	$ 451,873	$ 512,603

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:

	2023	2022
Sale of reusable donated items	$ 824,148	$ 795,171
Change in inventory	(34,982)	54,899
Non-cash donations of reusable items	$ 789,166	$ 850,070
Sale of purchased items	$ 162,030	$ 146,206
Sale of BRING-made products	16,921	8,103
Cost of sales of purchased items	(82,531)	(73,752)
Non-donated items sold, net	$ 96,420	$ 80,557

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, 2023 and 2022 of $10,019 and $8,945, 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, 2023 and 2022. BRING is no longer subject to income tax examinations by tax authorities for years ended prior to June 30, 2020.

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 $6,689 and $14,230 as a prepaid expense for the years ended June 30, 2023 and 2022, respectively. There were $9,668 and $3,554 in unemployment claims for June 30, 2023 and 2022 respectively. During the year ended June 30, 2023, the Organization received a refund of contributions made of $14,584, which is reflected as a reduction of expenses and miscellaneous income on the statements of activities.

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 December 5, 2023, which represents the date the financial statements were available to be issued.

Note 12 – Prior Period Adjustment

During 2023, the Organization discovered that depreciation expense for the prior year had been understated due to an error in a formula that impacted the calculation of depreciation expense for several assets on the depreciation schedule. Accordingly, the Organization restated its financial statements for the year ended June 30, 2022. The effect of the correction was to record additional depreciation expense of $39,153 for the year ended June 30, 2022 and increase accumulated depreciation as of June 30, 2022. The correction has no effect on the results of activities for the year ended June 30, 2023; however, the effect of the prior year correction decreases beginning net assets without donor restrictions by $39,153.