

**BRING RECYCLING**  
**FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**  
**(With Comparative Totals for the Year Ended June 30, 2016)**

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(With Comparative Totals for the Year Ended June 30, 2016)

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## INDEPENDENT AUDITOR'S 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, 2017, 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.

### Auditor's 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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Jones & Roth, P.C.  
Eugene, Oregon  
September 27, 2017

## FINANCIAL STATEMENTS

BRING RECYCLING  
STATEMENT OF FINANCIAL POSITION  
June 30, 2017  
(With Comparative Totals for June 30, 2016)

	2017	2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 295,071	\$ 333,716
Accounts receivable	53,022	30,250
Pledges receivable, current portion	1,100	1,183
Inventories	187,140	188,382
Other current assets	449	499
	536,782	554,030
<b>Total current assets</b>		
<b>Long-term assets</b>		
Property and equipment, net	2,520,169	2,615,375
Pledges receivable, net of current portion	850	1,950
Other long-term assets	1,861	2,092
	2,522,880	2,619,417
<b>Total long-term assets</b>		
	<b>\$ 3,059,662</b>	<b>\$ 3,173,447</b>
<b>Total assets</b>		

	<u>2017</u>	<u>2016</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 17,873	\$ 22,807
Accrued payroll and related expenses	27,295	22,606
Accrued vacation	12,202	14,242
Deferred revenue	8,444	10,932
Notes payable, current portion	<u>15,975</u>	<u>15,381</u>
Total current liabilities	81,789	85,968
<b>Notes payable</b> , net of current portion	<u>548,404</u>	<u>564,458</u>
Total liabilities	<u>630,193</u>	<u>650,426</u>
<b>Net assets</b>		
Unrestricted:		
Net investment in property and equipment	1,963,510	2,045,920
Board-designated	93,431	95,639
Available for operations	<u>336,705</u>	<u>342,374</u>
Total unrestricted net assets	2,393,646	2,483,933
Temporarily restricted net assets	<u>35,823</u>	<u>39,088</u>
Total net assets	<u>2,429,469</u>	<u>2,523,021</u>
<b>Total liabilities and net assets</b>	<u>\$ 3,059,662</u>	<u>\$ 3,173,447</u>

The accompanying notes are an integral part of these statements.

BRING RECYCLING  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017  
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Total
	Unrestricted	Temporarily Restricted	Total	
<b>Support and revenue</b>				
Non-cash donations	\$ 613,123	\$ -	\$ 613,123	\$ 581,288
Non-donated items sold, net	75,106	-	75,106	81,120
Contracts, grants, and donations	138,662	174,000	312,662	267,510
Sponsorships	33,650	-	33,650	37,291
Event income	7,811	-	7,811	7,762
Miscellaneous income	125	-	125	120
Interest income	294	-	294	291
Gain on disposition of property and equipment	-	-	-	10,500
Net assets released from restriction	<u>177,265</u>	<u>(177,265)</u>	<u>-</u>	<u>-</u>
 Total support and revenue	 <u>1,046,036</u>	 <u>(3,265)</u>	 <u>1,042,771</u>	 <u>985,882</u>
<b>Expenses</b>				
Program services:				
Recycling	713,060	-	713,060	719,442
Public education	<u>264,448</u>	<u>-</u>	<u>264,448</u>	<u>272,478</u>
 Total program services	 <u>977,508</u>	 <u>-</u>	 <u>977,508</u>	 <u>991,920</u>
Support services:				
Management and general	113,300	-	113,300	111,999
Fundraising	<u>45,515</u>	<u>-</u>	<u>45,515</u>	<u>42,532</u>
 Total support services	 <u>158,815</u>	 <u>-</u>	 <u>158,815</u>	 <u>154,531</u>
 Total expenses	 <u>1,136,323</u>	 <u>-</u>	 <u>1,136,323</u>	 <u>1,146,451</u>
 <b>Change in net assets</b>	 (90,287)	 (3,265)	 (93,552)	 (160,569)
Net assets, beginning of year	<u>2,483,933</u>	<u>39,088</u>	<u>2,523,021</u>	<u>2,683,590</u>
Net assets, end of year	<u>\$ 2,393,646</u>	<u>\$ 35,823</u>	<u>\$ 2,429,469</u>	<u>\$ 2,523,021</u>

The accompanying notes are an integral part of these statements.



BRING RECYCLING  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2017  
(With Comparative Totals for the Year Ended June 30, 2016)

	Program Services		
	Recycling	Public Education	Total
<b>Personnel</b>			
Salaries	\$ 340,386	\$ 167,288	\$ 507,674
Payroll taxes and workers compensation	41,520	17,865	59,385
Employee benefits	44,844	2,037	46,881
Temporary labor	76,344	16,227	92,571
Total personnel	<u>503,094</u>	<u>203,417</u>	<u>706,511</u>
<b>Operating expenses</b>			
Advertising	3,453	10,682	14,135
Dues and subscriptions	57	898	955
Event expenses	-	535	535
Gas and fuel	5,437	2,289	7,726
Transport	921	282	1,203
Insurance	15,693	3,012	18,705
Interest and bank fees	31,842	3,471	35,313
Licenses, fees, dues, and taxes	4,214	803	5,017
Maintenance and repair	6,308	594	6,902
Meetings and conferences	936	1,626	2,562
Miscellaneous	201	219	420
Newsletter	2,892	5,784	8,676
Other services	12,030	5,863	17,893
Postage and mail	711	621	1,332
Professional services	9,638	6,281	15,919
Promotional materials	-	-	-
Rent expense	-	320	320
Supplies	17,106	5,379	22,485
Utilities and telephone	16,209	3,489	19,698
Total operating expenses	<u>127,648</u>	<u>52,148</u>	<u>179,796</u>
Total functional expenses before depreciation and amortization	630,742	255,565	886,307
Depreciation and amortization	<u>82,318</u>	<u>8,883</u>	<u>91,201</u>
<b>Total functional expenses</b>	<u>\$ 713,060</u>	<u>\$ 264,448</u>	<u>\$ 977,508</u>

<u>Support Services</u>			
<u>Management and General</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
\$ 21,879	\$ 26,947	\$ 556,500	\$ 518,009
3,690	2,652	65,727	61,068
20,864	1,332	69,077	67,799
49	-	92,620	130,445
<u>46,482</u>	<u>30,931</u>	<u>783,924</u>	<u>777,321</u>
1,289	-	15,424	16,617
3,603	-	4,558	3,289
-	1,720	2,255	617
-	568	8,294	8,992
-	-	1,203	887
6,024	-	24,729	23,223
8,019	-	43,332	41,236
3,037	-	8,054	13,521
92	-	6,994	9,379
304	-	2,866	2,060
3,521	-	3,941	289
1,688	2,148	12,512	12,426
14,654	-	32,547	43,245
190	521	2,043	1,209
7,858	1,750	25,527	41,531
-	-	-	350
-	-	320	-
2,048	7,877	32,410	29,522
2,553	-	22,251	20,428
<u>54,880</u>	<u>14,584</u>	<u>249,260</u>	<u>268,821</u>
101,362	45,515	1,033,184	1,046,142
<u>11,938</u>	<u>-</u>	<u>103,139</u>	<u>100,309</u>
<u>\$ 113,300</u>	<u>\$ 45,515</u>	<u>\$ 1,136,323</u>	<u>\$ 1,146,451</u>

The accompanying notes are an integral part of these statements.

BRING RECYCLING  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2017  
(With Comparative Totals for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (93,552)	\$ (160,569)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	103,139	100,309
Gain on disposal of property and equipment	-	(10,500)
(Increase) decrease in:		
Accounts receivable	(22,772)	1,100
Pledges receivable	1,183	13,009
Inventories	1,242	21,766
Other current assets	50	80
Increase (decrease) in:		
Accounts payable	(4,934)	6,307
Accrued payroll and related expenses	4,689	2,402
Accrued vacation	(2,040)	5,224
Deferred revenue	(2,488)	7,092
	<u>(15,483)</u>	<u>(13,780)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property and equipment	-	10,500
Purchase of property and equipment	(7,701)	(28,557)
	<u>(7,701)</u>	<u>(18,057)</u>
<b>Cash flows from financing activities</b>		
Principal payments on note payable	(15,461)	(12,365)
<b>Net decrease in cash and cash equivalents</b>	(38,645)	(44,202)
Cash and cash equivalents, beginning of year	<u>333,716</u>	<u>377,918</u>
Cash and cash equivalents, end of year	<u>\$ 295,071</u>	<u>\$ 333,716</u>
<b>Supplemental cash flow information</b>		
Cash paid for interest	<u>\$ 27,484</u>	<u>\$ 27,872</u>

The accompanying notes are an integral part of these statements.

BRING RECYCLING  
NOTES TO FINANCIAL STATEMENTS

**1. Nature of Operations and Summary of Significant Accounting Policies**

**Organization**

BRING Recycling (BRING) 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**

Under accounting standards for not-for-profit organizations, BRING is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of BRING and changes therein are classified and reported as follows:

*Unrestricted/Undesignated* - Net assets available for general obligations of BRING.

*Temporarily Restricted* - Net assets subject to donor-imposed stipulations that will be met by actions of BRING and/or the passage of time. When a purpose restriction is met or a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

*Permanently Restricted* - Net assets subject to donor-imposed restrictions that stipulate the resources be maintained permanently, but permit BRING to use the income. Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. BRING has no permanently restricted net assets.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law.

**Cash and Cash Equivalents**

BRING considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. BRING's cash and cash equivalents consist of demand deposits and money market accounts. BRING maintains its cash balances in several financial institutions located primarily in Eugene, Oregon. At June 30, 2017 and 2016, cash balances held in excess of federally insured limits were \$-0-. BRING has not experienced any losses in such accounts.

BRING RECYCLING  
NOTES TO FINANCIAL STATEMENTS

**1. Nature of Operations and Summary of Significant Accounting Policies, continued**

**Receivables**

BRING considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts was considered necessary. Management determines and evaluates past due balances on an account-by-account basis; if amounts become uncollectible, they are charged to operations when that determination is made.

Pledges are recorded at their net realizable value computed by discounting amounts to be received in future years by the appropriate risk-free interest rate. Pledges receivable in less than one year are reported as current assets. Pledges receivable in one to five years are reported as long-term assets. Specific pledges receivable are written off as they become uncollectible. BRING considers all pledges receivable at June 30, 2017 and 2016, to be collectible.

**Inventories**

Inventory primarily consists of donated doors, windows, and various other building materials. Inventory is stated at an estimated net realizable value by applying the value to a physical count taken at year-end. Purchased inventory, recorded at cost, for the years ended June 30, 2017 and 2016, was \$28,591 and \$19,477, respectively.

**Property and Equipment**

Property and equipment purchases in excess of \$500 are capitalized at cost. Donated property and equipment are stated at fair value at the date of the gift. Depreciation is computed using the straight-line method at rates based on the estimated useful life of the property and equipment. The estimated useful life for vehicles, office, and other equipment is 5 to 15 years and 40 years for buildings. Major renewals and betterments are capitalized, while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are charged to expense. The cost and related accumulated depreciation of property sold or retired are removed from the accounts and any gain or loss is reflected in the change in net assets.

**Revenue Recognition**

Contributions, which include promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Deferred revenue consists of amounts received in advance under contracts or grants and is recognized when services are performed.

Contributions receivable for the support of future operations, programs, and activities are recorded at the present value of the estimated future cash flows, net of any allowance for uncollectible amounts.

BRING receives donations of reusable items, which include building, industrial, and fabrication materials, at the BRING retail location. Revenue is reported net of inventory adjustments. To benefit the environment by keeping materials out of landfills, BRING purchases and stocks new and surplus items which are sold at its retail location. Fee for service revenue is recognized when the service is performed. Proceeds from fundraising events are recognized as revenue during the period that the fundraising events occur. Amounts received by BRING prior to the event are classified as deferred revenue.

BRING RECYCLING  
NOTES TO FINANCIAL STATEMENTS

**1. Nature of Operations and Summary of Significant Accounting Policies, continued**

**Contributed Services**

BRING receives donated services from unpaid volunteers assisting in the Planet Improvement Center, with special events, with fundraising, and in the site construction project. Donated services from unpaid volunteers are recognized in these financial statements in accordance with the criteria for recognition under accounting standards for not-for-profit organizations. The value of services contributed by these volunteers is not reflected in the financial statements, as these services do not meet the criteria for recognition.

Certain donated professional services or services requiring specialized skills are recorded as contributions at their actual or estimated fair market value on the date of receipt. The amounts are then also recorded as expenditures, unless they are related to buildings or improvements, in which case they are capitalized. During the years ended June 30, 2017 and 2016, BRING received in-kind contributions with a fair value of \$1,875 and \$4,369 on the date of donation, respectively, of which no amount was capitalized as part of property and equipment.

**Income Taxes**

BRING is an Oregon not-for-profit organization and complies with the requirements of Section 501(c)(3) of the Internal Revenue Code. Thus, BRING is exempt from federal and state income taxes. BRING's Form 990, *Return of Organization Exempt from Income Tax*, is generally subject to examination by taxing authorities for a period of three years after filing. Management believes BRING meets the requirements to maintain its tax-exempt status.

**Advertising**

BRING uses advertising to promote its programs among the audience it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2017 and 2016, was \$15,424 and \$16,617, respectively.

**Functional Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that they benefit.

**Use of Estimates**

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BRING RECYCLING  
NOTES TO FINANCIAL STATEMENTS

**2. Pledges Receivable**

As of June 30, pledges receivable were as follows:

	<u>2017</u>	<u>2016</u>
Less than one year	\$ 1,100	\$ 1,183
One to five years	<u>850</u>	<u>1,950</u>
Total pledges receivable	<u>\$ 1,950</u>	<u>\$ 3,133</u>

**3. Property and Equipment**

At June 30, property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land and improvements	\$ 1,396,089	\$ 1,396,089
Buildings	1,789,001	1,789,001
Artwork	33,793	33,793
Office equipment and furniture	46,084	45,684
Equipment, stationary and mobile	84,812	77,511
Vehicles	<u>46,408</u>	<u>46,408</u>
	3,396,187	3,388,486
Accumulated depreciation and amortization	<u>(876,018)</u>	<u>(773,111)</u>
Property and equipment, net	<u>\$ 2,520,169</u>	<u>\$ 2,615,375</u>

**4. Other Long-Term Assets**

At June 30, long-term assets consisted of the following:

	<u>2017</u>	<u>2016</u>
Loan fees	\$ 2,324	\$ 2,324
Accumulated amortization	<u>(463)</u>	<u>(232)</u>
Loan fees, net	<u>\$ 1,861</u>	<u>\$ 2,092</u>

BRING RECYCLING  
NOTES TO FINANCIAL STATEMENTS

**4. Other Long-Term Assets, continued**

Estimated amortization expense for the years subsequent to 2017 is as follows:

For the Year Ending June 30,

2018	\$	232
2019		232
2020		232
2021		232
2022		232
Thereafter		<u>701</u>
 Total	 \$	 <u><u>1,861</u></u>

**5. Notes Payable**

At June 30, notes payable consisted of the following:

	<u>2017</u>		<u>2016</u>
Note payable to city of Springfield, due in annual installments of \$2,500 with payments starting July 2016, bearing no interest, matures July 2023, unsecured.	\$ 7,720	\$	10,293
Note payable to Summit Bank, due in monthly installments of \$3,364, bears interest at the Index rate plus 3.000% and is subject to change every five years with the next rate change in August 2020 (effective rate of 4.860% at June 30, 2017), matures July 2025, secured by Franklin Boulevard property.	<u>556,659</u>		<u>569,546</u>
Current portion	<u>564,379</u> <u>(15,975)</u>		<u>579,839</u> <u>(15,381)</u>
Notes payable, net of current portion	<u>\$ 548,404</u>	\$	<u>564,458</u>

Future minimum payments are as follows:

For the Year Ending June 30,

2018	\$	15,975
2019		16,645
2020		17,306
2021		15,845
2022		16,360
Thereafter		<u>482,248</u>
 Total	 \$	 <u><u>564,379</u></u>



BRING RECYCLING  
NOTES TO FINANCIAL STATEMENTS

**6. Temporarily Restricted Net Assets**

At June 30, temporarily restricted net assets consisted of the following:

	<u>2017</u>	<u>2016</u>
Garden Art Project Fund	\$ 33,873	\$ 35,955
Pledges receivable - operations	<u>1,950</u>	<u>3,133</u>
Total temporarily restricted net assets	<u>\$ 35,823</u>	<u>\$ 39,088</u>

**7. Revenues from the Sale of Donated Inventory**

During the years ended June 30, BRING received donations of reusable items and sold these donated items as follows:

	<u>2017</u>	<u>2016</u>
Sale of reusable donated items	\$ 614,365	\$ 603,054
Change in inventory	<u>(1,242)</u>	<u>(21,766)</u>
Value of non-cash donations of reusable items	<u>\$ 613,123</u>	<u>\$ 581,288</u>

**8. Retirement Plan**

BRING established a 403(b) retirement plan effective 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, 2017 and 2016, in the amount of \$7,455 and \$7,451, respectively.

**9. 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. Accordingly, such information should be read in conjunction with BRING's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

**10. Subsequent Events**

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.