

TRASH MOUNTAIN PROJECT, INC.

FINANCIAL STATEMENTS

As of and For the Years Ended May 31, 2021 and 2020

Cummins, Coffman & Schmidlein, CPA's, P.A.  
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TRASH MOUNTAIN PROJECT, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Trash Mountain Project, Inc.

We have audited the accompanying financial statements of Trash Mountain Project, Inc., which comprise the statements of financial position as of May 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 Organization'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 Organization'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 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 Trash Mountain Project, Inc., as of May 31, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Cummins, Coffman & Schmidlein, CPAs, P.A.*

Cummins, Coffman & Schmidlein, CPA's, P.A.  
Topeka, Kansas  
September 17, 2021

TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF FINANCIAL POSITION  
Years Ended

ASSETS

	<u>May 31</u>	
	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash & cash equivalents	\$ 489,875	\$ 338,590
Total current assets	489,875	338,590
<u>OTHER ASSETS</u>		
Property & equipment, net	97,692	105,372
Total other assets	97,692	105,372
Total Assets	\$ 587,567	\$ 443,962

LIABILITIES AND NET ASSETS

	<u>May 31</u>	
	<u>2021</u>	<u>2020</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 5,588	\$ 5,569
Credit cards payable	774	698
Accrued payroll	-	12,506
Payroll taxes payable	2,286	2,654
Current maturities of long-term debt	15,100	7,025
Total current liabilities	23,748	28,452
<u>LONG-TERM LIABILITIES</u>		
PPP Loan	\$ 71,240	\$ 48,275
Total long-term liabilities	71,240	48,275
Total liabilities	94,988	76,727
<u>NET ASSETS</u>		
Net assets without donor restrictions (deficit)	299,909	222,829
Net assets with donor restrictions (deficit)	192,670	144,406
Total net assets	492,579	367,235
Total Liabilities and Net Assets	\$ 587,567	\$ 443,962

The accompanying notes are an integral part of this financial statement

TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF ACTIVITIES  
Year Ended May 31, 2021

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Revenues, support and gains			
Contributions	\$ 442,035	\$ 656,590	\$ 1,098,625
Spoken campaign	369,183	-	369,183
Net assets released from restriction	608,326	(608,326)	-
Total support and revenue	<u>1,419,544</u>	<u>48,264</u>	<u>1,467,808</u>
Expenses and losses			
Program services	1,050,741	-	1,050,741
Management and general	239,202	-	239,202
Fundraising	116,442	-	116,442
Total expenses	<u>1,406,385</u>	<u>-</u>	<u>1,406,385</u>
Revenues over (under) expenses from operations	13,159	48,264	61,423
Other Revenues (Expenses)			
PPP Loan Forgiveness	55,300	-	55,300
Miscellaneous Income	5,600	-	5,600
Gain(loss) on sale of fixed assets and securities	2,020	-	2,020
Merchandise sales	18	-	18
Interest, dividends and royalties	983	-	983
Non-Cash Contributions	-	-	-
Total over revenues (expenses)	<u>63,921</u>	<u>-</u>	<u>63,921</u>
Change in net assets	77,080	48,264	125,344
Net assets, beginning of year	222,829	144,406	367,235
Net assets, end of year	<u>\$ 299,909</u>	<u>\$ 192,670</u>	<u>\$ 492,579</u>

The accompanying notes are an integral part of this financial statement

TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF ACTIVITIES (continued)  
Year Ended May 31, 2020

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Revenues, support and gains			
Contributions	\$ 308,370	\$ 476,409	\$ 784,779
Spoken campaign	784,287	-	784,287
Net assets released from restriction	444,238	(444,238)	-
Total support and revenue	<u>1,536,895</u>	<u>32,171</u>	<u>1,569,066</u>
Expenses and losses			
Program services	1,221,092	-	1,221,092
Management and general	239,433	-	239,433
Fundraising	140,912	-	140,912
Total expenses	<u>1,601,437</u>	<u>-</u>	<u>1,601,437</u>
Revenues over (under) expenses from operations	(64,542)	32,171	(32,171)
Other Revenues (Expenses)			
Gain(loss) on sale of fixed assets and securities	(28)	-	(28)
Merchandise sales	183	-	183
Interest, dividends and royalties	1,439	-	1,439
Non-Cash Contributions	5,840	-	5,840
Total over revenues (expenses)	<u>7,434</u>	<u>-</u>	<u>7,434</u>
Change in net assets	(57,108)	32,171	(24,937)
Net assets, beginning of year	279,937	112,235	392,172
Net assets, end of year	<u>\$ 222,829</u>	<u>\$ 144,406</u>	<u>\$ 367,235</u>

The accompanying notes are an integral part of this financial statement

TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended May 31, 2021

	Supporting Services			Total
	Program	Management and General	Fundraising	
Salaries and wages	\$ 165,460	\$ 144,871	\$ 43,114	\$ 353,445
Employee benefits	17,330	17,487	7,323	42,140
Payroll tax expense	10,443	8,154	647	19,244
Sales tax on tickets	-	-	-	-
Rental equipment	-	-	-	-
Rental space	-	-	-	-
Direct aid	813,166	-	-	813,166
Meals	-	600	-	600
Training	-	32	-	32
Supplies	-	-	-	-
Depreciation	233	9,714	232	10,179
Hospitality	-	1,280	135	1,415
Information technology	11,334	14,187	2,637	28,158
Insurance	2,425	3,032	606	6,063
Marketing	3,893	-	3,992	7,885
Miscellaneous	7	797	7	811
Occupancy	2,480	3,100	620	6,200
Office expenses	1,852	5,430	3,610	10,892
Online donation service	-	10,470	-	10,470
Organizational development	7,200	7,200	21,600	36,000
Printing	1,309	33	9,371	10,713
Video production	2,700	-	12,338	15,038
Graphic design	3,779	3,238	9,180	16,199
Professional fees	7,128	7,961	1,030	16,119
Travel	-	1,616	-	1,616
Total	\$ <u>1,050,741</u>	\$ <u>239,202</u>	\$ <u>116,442</u>	\$ <u>1,406,385</u>

The accompanying notes are an integral part of this financial statement



TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES (continued)  
Year Ended May 31, 2020

	Supporting Services			Total
	Program	Management and General	Fundraising	
Salaries and wages	\$ 220,906	\$ 130,904	\$ 45,310	\$ 397,120
Employee benefits	28,130	21,891	6,954	56,975
Payroll tax expense	12,955	7,570	737	21,262
Sales tax on tickets	-	-	329	329
Rental equipment	-	-	3,200	3,200
Rental space	-	-	2,604	2,604
Direct aid	810,843	-	2,150	812,993
Meals	5,978	259	12,623	18,860
Training	4,555	-	-	4,555
Supplies	2,739	-	914	3,653
Depreciation	973	9,678	232	10,883
Hospitality	5,388	2,230	1,377	8,995
Information technology	11,145	15,609	2,944	29,698
Insurance	1,666	2,082	769	4,517
Marketing	3,579	329	3,762	7,670
Miscellaneous	695	3,387	1,746	5,828
Occupancy	2,588	4,435	647	7,670
Office expenses	3,822	6,698	2,285	12,805
Online donation service	-	9,679	-	9,679
Organizational development	13,200	9,000	13,800	36,000
Printing	1,547	1,365	7,493	10,405
Video production	2,355	-	11,635	13,990
Graphic design	3,297	2,826	8,007	14,130
Professional fees	7,712	8,154	1,478	17,344
Travel	77,019	3,337	9,916	90,272
Total	\$ <u>1,221,092</u>	\$ <u>239,433</u>	\$ <u>140,912</u>	\$ <u>1,601,437</u>

The accompanying notes are an integral part of this financial statement

TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF CASH FLOWS  
For the Years Ended

	<u>May 31</u>	
	<u>2021</u>	<u>2020</u>
Change in net assets	\$ 125,344	\$ (24,937)
Adjustments to reconcile change in net assets to net cash		
Depreciation	10,179	10,883
Non-cash contributions	-	(5,840)
PPP loan forgiveness	(55,300)	-
Cash flows from operating activities:		
(Increase) decrease in assets		
Prepays	-	4,722
Receivables	(16)	32
Accounts and credit cards payable	35	(7,368)
Payroll and payroll taxes payable	(12,874)	12,721
Other current liabilities	76	(5,200)
Net cash from (used in) operating activities	<u>67,444</u>	<u>(14,987)</u>
Cash flows from investing activities:		
Sale (purchase) of property and equipment	<u>(2,499)</u>	<u>1,767</u>
Net cash from (used in) investing activities	<u>(2,499)</u>	<u>1,767</u>
Cash flows from financing activities:		
Proceeds from PPP loan	<u>86,340</u>	<u>55,300</u>
Net cash from (used in) financing activities	<u>86,340</u>	<u>55,300</u>
Net increase (decrease) in cash and cash equivalents	151,285	42,080
Cash and cash equivalents, beginning of year	<u>338,590</u>	<u>296,510</u>
Cash and Cash Equivalents, End of Year	<u>\$ 489,875</u>	<u>\$ 338,590</u>

The accompanying notes are an integral part of this financial statement

TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2021

NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS

Trash Mountain Project, Inc. (the Organization) is a not-for-profit organization established in 2009 that works internationally developing countries and partners with local churches, individuals and organizations to sustainable change in communities that surround and/or depend on a landfill to live.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The Organization provides information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Basis of Presentation

The Organization reports information regarding its financial position and activates according to two-classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net Assets without Donor Restrictions** – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

**Net Assets with Donor Restrictions** – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. The Organization had no noncash financing transactions nor made payments for income taxes or interest.

TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS (continued)  
May 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Expenditures for major renewals and betterments that extend the lives of property and equipment are capitalized, when assets are retired or otherwise disposed of, the asset and related accumulated depreciation are reduced and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is expenses ad incurred.

The estimated services lives of property and equipment are principally as follows:

	<u>Years</u>
Computer equipment	5
Furniture, fixtures and equipment	7
Music license	15
Camera equipment	5
Software	3
Trademark	10
Leasehold Improvement	15

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restricted expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Spoken campaign income consists of contributions received during the annual Spoken fundraising event.

Donated Materials and Services

Donated materials or equipment are reflected as contributions in the accompanying financial statements at their estimated fair values at the date of receipt. Volunteers have contributed significant amounts of time to the Organization without compensation. Donated services have not been recognized in the financial statements because they do not meet the criteria for recognition under FASB ASC 958-605-20.

Functional Allocation of Expenses

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

TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS (continued)  
May 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation. The Organization's returns are subject to examination by tax authorities for three years after they were filed. There are currently no examinations of the Organization's income tax returns in process.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at May 31, 2021 and 2020:

	<u>May 31</u>	
	<u>2021</u>	<u>2020</u>
Computer equipment	\$ 13,267	\$ 13,243
Furniture, fixtures and equipment	17,104	17,104
Music license	1,500	1,500
Camera equipment	4,753	4,753
Software	540	540
Trademark	3,042	3,042
Leasehold Improvement	103,256	103,256
	<u>143,462</u>	<u>143,438</u>
Less accumulated depreciation/amortization	(45,770)	(38,066)
	<u>\$ 97,692</u>	<u>\$ 105,372</u>

Depreciation expense for the year ended May 31, 2021 and 2020 was \$10,179 and \$10,883.

NOTE 4 LONG-TERM DEBT

Long-term debt consists of the following as of May 31:

	<u>2021</u>	<u>2020</u>
Note payable to Corefirst Bank & Trust as part of the CARES Act, dated January 22, 2021, payable in 60 monthly installments of \$1,439, including interest at 1.00%, maturing on January 22, 2026. The initial \$55,300 in 2020 was forgiven and a new amount awarded in 2021.	<u>86,340</u>	<u>55,300</u>
Total long-term debt	\$ 86,340	\$ 55,300
Less current maturities	<u>15,100</u>	<u>7,025</u>
Long-term debt, net of current maturities	<u>\$ 71,240</u>	<u>\$ 48,275</u>

TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS (continued)  
May 31, 2021

NOTE 4 LONG-TERM DEBT (continued)

As of May 31, 2021 estimates for maturities of the above long-term debt are as follows:

2022	\$	15,100
2023		16,632
2024		16,799
2025		16,968
2026		17,138
Thereafter		3,703
	\$	86,340

NOTE 5 LIQUIDITY AND FUNDS AVAILABLE

The following reflects the Organization's financial assets as of May 31, 2021, and 2020, reduced by amounts not available for general expenditure within one year.

	<u>May 31</u>	
	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 489,875	\$ 338,590
Financial assets, at year-end	489,875	338,590
Less those unavailable for general expenditure within one year, due to:		
Purpose restrictions	192,670	144,406
Financial assets available to meet cash needs for general expenditures within one year	\$ 297,205	\$ 194,184

NOTE 6 NET ASSETS

As of May 31, 2021, and 2020, net assets consist of:

	<u>May 31</u>	
	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions:		
Un-designated	\$ 202,217	\$ 117,457
Net investment in property and equipment	97,692	105,372
Total net assets without donor restrictions	299,909	222,829
Net Assets With Donor Restrictions:		
Subject to restriction for specified purpose:		
Program activities	192,670	144,406
Total net assets with donor restrictions	192,670	144,406
Total net assets	\$ 492,579	\$ 367,235

TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS (continued)  
May 31, 2021

NOTE 7 CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in several accounts insured by the Federal Deposit Insurance Corporation (FDIC). Effective January 1, 2013, accounts at each institution are insured by the FDIC up to \$250,000. As of May 31, 2021 and 2020, no funds exceeded the amount insured by FDIC insurance.

NOTE 8 ADVERTISING

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended May 31, 2021 and 2020 was \$7,885 and \$7,670.

NOTE 9 SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the audit report, which is the date the financial statements were available to be issued. No events were found requiring disclosure in these financial statements.