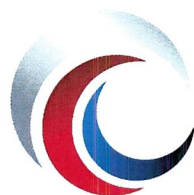


# TRASH MOUNTAIN PROJECT, INC.

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FINANCIAL STATEMENTS  
YEARS ENDED MAY 31, 2022 & 2021



Cummins,  
Coffman &  
Schmidlein

Certified Public Accountants, P.A.

TRASH MOUNTAIN PROJECT, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Trash Mountain Project, Inc.

### **Opinion**

We have audited the accompanying financial statements of Trash Mountain Project, Inc., which comprise the statements of financial position as of May 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Trash Mountain Project, Inc. as of May 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years 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 Trash Mountain Project, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Trash Mountain Project'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, including omissions, 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 Trash Mountain Project'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 Trash Mountain Project'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.



Cummins, Coffman & Schmidtlein, CPA's, P.A.

Topeka, Kansas

November 29, 2022

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

Assets

	<u>May 31</u>	
	<u>2022</u>	<u>2021</u>
Current assets		
Cash & cash equivalents	\$ 268,716	\$ 489,875
Total current assets	<u>268,716</u>	<u>489,875</u>
Other assets		
Property & equipment, net	101,320	97,692
Total other assets	<u>101,320</u>	<u>97,692</u>
 Total assets	 \$ <u>370,036</u>	 \$ <u>587,567</u>

Liabilities and Net Assets

	<u>May 31</u>	
	<u>2022</u>	<u>2021</u>
Current liabilities		
Accounts payable	\$ 6,764	\$ 5,588
Credit cards payable	3,971	774
Payroll taxes payable	1,940	2,286
Simple IRA payable	700	-
Current maturities of long-term debt	-	15,100
Total current liabilities	<u>13,375</u>	<u>23,748</u>
Long-term liabilities		
PPP Loan	\$ -	\$ 71,240
Total long-term liabilities	<u>-</u>	<u>71,240</u>
Total liabilities	<u>13,375</u>	<u>94,988</u>
Net assets		
Net assets without donor restrictions (deficit)	232,581	299,909
Net assets with donor restrictions (deficit)	<u>124,080</u>	<u>192,670</u>
Total net assets	<u>356,661</u>	<u>492,579</u>
 Total liabilities and net assets	 \$ <u>370,036</u>	 \$ <u>587,567</u>

The accompanying notes are an integral part of this financial statement

TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF ACTIVITIES  
Year Ended May 31, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues, support and gains			
Contributions	\$ 527,539	\$ 501,833	\$ 1,029,372
Spoken campaign	263,712	-	263,712
Net assets released from restriction	570,423	(570,423)	-
Total support and revenue	<u>1,361,674</u>	<u>(68,590)</u>	<u>1,293,084</u>
Expenses and losses			
Program services	1,091,254	-	1,091,254
Management and general	270,414	-	270,414
Fundraising	149,860	-	149,860
Total expenses	<u>1,511,528</u>	<u>-</u>	<u>1,511,528</u>
Revenues over (under) expenses from operations	(149,854)	(68,590)	(218,444)
Other Revenues (Expenses)			
PPP Loan Forgiveness	86,340	-	86,340
Gain(loss) on sale of fixed assets and securities	(3,885)	-	(3,885)
Merchandise sales	(548)	-	(548)
Interest, dividends and royalties	619	-	619
Total over revenues (expenses)	<u>82,526</u>	<u>-</u>	<u>82,526</u>
Change in net assets	(67,328)	(68,590)	(135,918)
Net assets, beginning of year	299,909	192,670	492,579
Net assets, end of year	<u>\$ 232,581</u>	<u>\$ 124,080</u>	<u>\$ 356,661</u>

The accompanying notes are an integral part of this financial statement



TRASH MOUNTAIN PROJECT, INC.  
STATEMENT OF ACTIVITIES (continued)  
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
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	<u>222,829</u>	<u>144,406</u>	<u>367,235</u>
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 FUNCTIONAL EXPENSES  
Year Ended May 31, 2022

	Supporting Services			Total
	Program	Management and General	Fundraising	
Salaries and wages	\$ 161,200	\$ 162,726	\$ 45,590	\$ 369,516
Employee benefits	20,493	19,739	8,268	48,500
Payroll tax expense	7,021	9,951	584	17,556
Sales tax on tickets	-	-	-	-
Rental equipment	-	-	-	-
Rental space	-	-	-	-
Direct aid	831,862	-	-	831,862
Meals	891	2,022	1,585	4,498
Training	452	71	-	523
Supplies	421	57	137	615
Depreciation	280	9,846	232	10,358
Hospitality	740	1,591	660	2,991
Information technology	14,026	17,678	3,296	35,000
Insurance	3,851	4,357	966	9,174
Marketing	5,413	-	5,413	10,826
Miscellaneous	76	962	328	1,366
Occupancy	3,389	4,236	847	8,472
Office expenses	1,543	4,977	4,769	11,289
Online donation service	-	8,952	-	8,952
Organizational development	7,200	7,200	21,600	36,000
Printing	878	808	7,036	8,722
Video production	3,825	-	27,199	31,024
Graphic design	5,355	4,590	13,005	22,950
Professional fees	7,852	8,347	930	17,129
Travel	14,486	2,304	7,415	24,205
Total	\$ <u>1,091,254</u>	\$ <u>270,414</u>	\$ <u>149,860</u>	\$ <u>1,511,528</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, 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 CASH FLOWS  
For the Years Ended

	<u>May 31</u>	
	<u>2022</u>	<u>2021</u>
Change in net assets	\$ (135,918)	\$ 125,344
Adjustments to reconcile change in net assets to net cash		
Depreciation	10,358	10,179
Non-cash contributions	-	-
PPP loan forgiveness	(86,340)	(55,300)
Loss of disposal of asset	739	-
Cash flows from operating activities:		
(Increase) decrease in assets		
Prepays	-	-
Receivables	(343)	(16)
Accounts and credit cards payable	1,519	35
Payroll and payroll taxes payable	354	(12,874)
Other current liabilities	3,172	76
Net cash from (used in) operating activities	<u>(206,459)</u>	<u>67,444</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(14,700)</u>	<u>(2,499)</u>
Net cash from (used in) investing activities	<u>(14,700)</u>	<u>(2,499)</u>
Cash flows from financing activities:		
Proceeds from PPP loan	<u>-</u>	<u>86,340</u>
Net cash from (used in) financing activities	<u>-</u>	<u>86,340</u>
Net increase (decrease) in cash and cash equivalents	(221,159)	151,285
Cash and cash equivalents, beginning of year	<u>489,875</u>	<u>338,590</u>
Cash and cash equivalents, end of year	<u>\$ 268,716</u>	<u>\$ 489,875</u>

The accompanying notes are an integral part of this financial statement

TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2022

**1. Organization and Significant Accounting Policies**

Organization

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.

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, 2022

**1. Organization and 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, 2022

**1. Organization and 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.

**2. Property and Equipment**

Property and equipment consisted of the following at May 31, 2022 and 2021:

	<u>May 31</u>	
	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 11,082	\$ 13,267
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	115,256	103,256
	153,277	143,462
Less accumulated depreciation/amortization	(51,957)	(45,770)
	\$ 101,320	\$ 97,692

Depreciation expense for the year ended May 31, 2022 and 2021 was \$10,358 and \$10,179.

**3. Long-Term Debt**

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

	<u>2022</u>	<u>2021</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. The new amount awarded of \$86,340 was forgiven in 2022.	-	86,340
Total long-term debt	\$ -	\$ 86,340
Less current maturities	-	15,100
Long-term debt, net of current maturities	\$ -	\$ 71,240



TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS (continued)  
May 31, 2022

**4. Liquidity and Funds Available**

The following reflects the Organization's financial assets as of May 31, 2022, and 2021, reduced by amounts not available for general expenditure within one year.

	<u>May 31</u>	
	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 268,716	\$ 489,875
Financial assets, at year-end	268,716	489,875
Less those unavailable for general expenditure within one year, due to:		
Purpose restrictions	124,080	192,670
Financial assets available to meet cash needs for general expenditures within one year	\$ 144,636	\$ 297,205

**5. Net Assets**

As of May 31, 2022, and 2021, net assets consist of:

	<u>May 31</u>	
	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions:		
Un-designated	\$ 131,261	\$ 202,217
Net investment in property and equipment	101,320	97,692
Total net assets without donor restrictions	232,581	299,909
Net Assets With Donor Restrictions:		
Subject to restriction for specified purpose:		
Program activities	124,080	192,670
Total net assets with donor restrictions	124,080	192,670
Total net assets	\$ 356,661	\$ 492,579



TRASH MOUNTAIN PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS (continued)  
May 31, 2022

**6. 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, 2022 and 2021, all funds held were fully insured,

**7. Advertising**

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended May 31, 2022 and 2021 was \$10,826 and \$7,885.

**8. Subsequent Event**

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.