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**NATIONAL RECYCLING COALITION**

**FINANCIAL STATEMENTS**

For the year ended March 31, 2015

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# NATIONAL RECYCLING COALITION

## FINANCIAL STATEMENTS

For the year ended March 31, 2015

### TABLE OF CONTENTS

ACCOUNTANT'S COMPILATION REPORT .....	1
FINANCIAL STATEMENTS	
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6

## ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
National Recycling Coalition, Inc.

We have compiled the accompanying statement of financial position of National Recycling Coalition, Inc. (a nonprofit organization) as of March 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Respectfully,

*Bennett & Associates CPAs PLLC*

Ann Arbor, Michigan  
August 13, 2015

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**NATIONAL RECYCLING COALITION**  
**STATEMENT OF FINANCIAL POSITION**  
*March 31,*

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	<u>2015</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 106,557
Accounts receivable, net	6,000
Contributions receivable	-
Prepaid expenses	684
Investments	<u>214,179</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 327,420</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ -
Deferred revenue	<u>37,951</u>
<b>TOTAL LIABILITIES</b>	37,951
<b>NET ASSETS</b>	
Unrestricted	158,869
Temporarily restricted	500
Permanently restricted	<u>130,100</u>
<b>TOTAL NET ASSETS</b>	<u><u>289,469</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 327,420</u></u>

**NATIONAL RECYCLING COALITION**  
**STATEMENT OF ACTIVITIES**  
*For the year ended March 31,*

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
<b>REVENUE AND OTHER SUPPORT</b>				
Contributions	\$ 29,928	\$ -	\$ -	\$ 29,928
Membership dues	21,015	-	-	21,015
Investment return	22,926	-	-	22,926
Other income	291	-	-	291
Net assets released from restrictions:				
Satisfaction of program restrictions	-	-	-	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>74,160</b>	<b>-</b>	<b>-</b>	<b>74,160</b>
<b>EXPENSES</b>				
<b>Program Services</b>	35,011	-	-	35,011
<b>Supporting Services</b>				
Management and general	14,173	-	-	14,173
Fundraising	295	-	-	295
<b>Total supporting services</b>	<b>14,468</b>	<b>-</b>	<b>-</b>	<b>14,468</b>
<b>TOTAL EXPENSES</b>	<b>49,479</b>	<b>-</b>	<b>-</b>	<b>49,479</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>24,681</b>	<b>-</b>	<b>-</b>	<b>24,681</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>134,188</b>	<b>500</b>	<b>130,100</b>	<b>264,788</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 158,869</b>	<b>\$ 500</b>	<b>\$ 130,100</b>	<b>\$ 289,469</b>

**NATIONAL RECYCLING COALITION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
*For the year ended March 31,*

	Program Services	Supporting Services			Total 2015
		Management and General	Fundraising	Total	
Printing, publications, postage and shipping	\$ 4,383	\$ 722	\$ -	\$ 722	\$ 5,105
Intern	14,400	3,600	-	3,600	18,000
Fees for services					
Accounting	2,625	5,125	-	5,125	7,750
Insurance	2,291	764	-	764	3,055
Bank fees	171	57	-	57	228
Awards and grants	6,000	-	-	-	6,000
Other	5,141	3,905	295	4,200	9,341
<b>Total expenses</b>	<b>\$35,011</b>	<b>\$ 14,173</b>	<b>\$ 295</b>	<b>\$ 14,468</b>	<b>\$ 49,479</b>

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**NATIONAL RECYCLING COALITION**  
**STATEMENT OF CASH FLOWS**  
*For the year ended March 31,*

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	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase/(decrease) in net assets	\$ 24,681
Adjustments to reconcile increase/(decrease) in net assets to net cash provided/(used) by operations:	
Unrealized loss (gain) on investment	(6,662)
Change in:	
Accounts receivable	(1,250)
Prepaid expenses	(684)
Deferred revenue	21,451
Other current liabilities	-
Net cash provided/(used) by operations	<u>37,536</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sales and purchases of investments, net	<u>(15,644)</u>
Net cash provided/(used) by investing activities	<u>(15,644)</u>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	21,892
<b>BEGINNING CASH &amp; CASH EQUIVALENTS</b>	<u>84,665</u>
<b>ENDING CASH &amp; CASH EQUIVALENTS</b>	<u><u>\$ 106,557</u></u>

**NOTE A - ORGANIZATION AND BUSINESS**

The National Recycling Coalition, Inc. (the Organization) is a nonprofit organization dedicated to the advancement and improvement of recycling, and also source reduction, composting and reuse by providing technical information, education, training, outreach and advocacy services to its members in order to conserve resources and benefit the environment.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Cash and cash equivalents* -For purposes of the statement of cash flows, cash and cash equivalents include unrestricted operating cash accounts and highly liquid, short-term instruments, with original maturities of three months or less.

*Investments* -Investments consist primarily of mutual funds. Investments are carried at fair value. Unrealized and realized gains and losses are included in the statement of activities. Donated stock is recorded at fair market value when received.

*Temporarily restricted net assets* -Temporarily restricted net assets consist of contributions made to the Heenan Scholarship Fund. The Organization is permitted to use up or expend the donated assets in accordance with the donor restriction.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor temporarily restricted contributions whose restrictions are met in the same accounting period in which the contribution was originally pledged are reported as unrestricted support.

*Permanently restricted net assets* -Permanently restricted net assets consist of the Murray J Fox Scholarship Fund (the Scholarship Fund). This fund was established to support the recycling work of individuals through special grants, awards, scholarships, and internships.

This fund is administered by a trust fund committee composed of the Organization's Board members, at-large appointees, and the Executive Director (role currently filled by President and CEO). The original principal will remain in trust in perpetuity, and any net gains and income from investments may be used to fulfill the fund's purpose. Any losses in value are recorded as reductions to the unrestricted net assets and any future gains that restore the fair value of the assets of the fund to the required level will be classified as increases in unrestricted net assets. The fund will provide the Organization with annual administrative fees not to exceed 20%, limited to the extent of income earned during the year. There was no administrative fee paid to the Organization for the year ended March 31, 2015. In the event the Organization terminates, all of the remaining permanently restricted net assets will be transferred to another nonprofit organization whose mission is to promote recycling education.

*Revenue recognition* -Revenue is recognized when earned. Contributions are reported when received or unconditionally promised, in accordance with the provisions of Statement of Financial Accounting Standards No. 116.

*Functional allocation of expenses* -The costs of the Organization's various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited.

**NOTE B - Summary of significant accounting policies - continued**

*Accounting 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.

*Tax status* -The Organization has been granted exemption by the Internal Revenue Service (IRS) from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has also determined that the Organization is not a private foundation.

The Organization's Form 990 returns for 2011, 2012, 2013, and 2014 are subject to examination by the Internal Revenue Service, generally for three years after being filed.

*Subsequent events* - Subsequent events have been evaluated through August 13, 2015, the date the financial statements were available to be issued.

**NOTE C - INVESTMENTS**

Investments at fair value consist of the following:

	2015
Cash	\$ 4,371
Mutual funds:	
Mid-cap growth	71,231
Intermediate-term bond	21,143
Moderate allocation	53,036
Large growth	64,398
	\$ 214,179

Investment return is unrestricted, and consists of the following:

	2015
Interest and dividend income	\$ 16,264
Realized gain/(loss) on investments	-
Unrealized gain/(loss) on investments	6,662
Total investment return	\$ 22,926

***Fair Value Measurements***

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Mutual funds are valued at the net asset value provided by the investment manager, which is the value that would be received if the funds were redeemed at the financial statement date. These values are Level 1 inputs.

**NOTE D - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of funds restricted for the Heenan Scholarship Fund.  
Permanently restricted net assets consist of the Murray J Fox Scholarship Fund.

**NOTE E - PROGRAM AND SUPPORTING SERVICE DESCRIPTIONS**

The following program and supporting services are included in the accompanying financial statements.

*Annual Meeting and Conference* -Recyclers from around the country gather to share ideas, experiences, and knowledge about policy, procurement, markets, collection and processing, education, source reduction, organics, and professional development in dedicated sessions. The latest products and services are displayed in the exposition hall during the conference.

*Grant Programs* -The Organization has been the recipient of several contributions which fund various projects related to recycling initiatives.

*Membership* -The Organization has membership affiliations with State Recycling Organizations. The affiliations provide members with access to the latest information and technical assistance on issues affecting the recycling industry.

*Board and committees* -These activities exist to promote, govern, and monitor the Organization's various programs related to recycling issues.

*Communications* -Program expenses incurred for activities relating to member communications and public relations.

*Scholarships* -Amounts awarded annually to one but no more than three college students pursuant to the requirements of the Murray J Fox Scholarship Fund, a permanently restricted fund of the Organization.

*Fundraising* -This supporting service category includes expenditures which provide the structure necessary to encourage and secure financial support for the Organization's various programs.

*Management and general* -Includes the functions necessary to maintain adequate administrative and financial oversight of the Organization's programs.