
NATIONAL RECYCLING COALITION

FINANCIAL STATEMENTS

For the year ended March 31, 2016

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
National Recycling Coalition, Inc.

Management is responsible for the accompanying financial statements of National Recycling Coalition, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2016, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Respectfully,

Bennett & Associates CPAs PLLC

Ann Arbor, Michigan
August 25, 2016

NATIONAL RECYCLING COALITION
STATEMENT OF FINANCIAL POSITION
March 31,

	<u>2016</u>
ASSETS	
Cash and cash equivalents	\$ 61,670
Accounts receivable, net	9,750
Contributions receivable	364
Prepaid expenses	-
Investments	<u>207,393</u>
TOTAL ASSETS	<u><u>\$ 279,177</u></u>
LIABILITIES	
Accounts payable	\$ -
Deferred revenue	<u>17,000</u>
TOTAL LIABILITIES	17,000
NET ASSETS	
Unrestricted	131,577
Temporarily restricted	500
Permanently restricted	<u>130,100</u>
TOTAL NET ASSETS	<u><u>262,177</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 279,177</u></u>

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total
REVENUE AND OTHER SUPPORT				
Convention and meetings	\$ 17,779	\$ -	\$ -	\$ 17,779
Contributions	\$ 39,508	\$ -	\$ -	\$ 39,508
Membership dues	25,401	-	-	25,401
Investment return	(7,170)	-	-	(7,170)
Other income	1,214	-	-	1,214
Net assets released from restrictions:				
Satisfaction of program restrictions	-	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	76,732	-	-	76,732
EXPENSES				
Program Services	67,458	-	-	67,458
Supporting Services				
Management and general	14,151	-	-	14,151
Fundraising	22,415	-	-	22,415
Total supporting services	36,566	-	-	36,566
TOTAL EXPENSES	104,024	-	-	104,024
INCREASE (DECREASE) IN NET ASSETS	(27,292)	-	-	(27,292)
NET ASSETS AT BEGINNING OF YEAR	158,869	500	130,100	289,469
NET ASSETS AT END OF YEAR	\$ 131,577	\$ 500	\$ 130,100	\$ 262,177

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

	Program Services	Supporting Services			Total 2016
		Management and General	Fundraising	Total	
Printing, publications, postage and shipping	\$ 2,170	\$ 542	\$ -	\$ 542	\$ 2,712
Summit expenses	21,618	-	-	-	21,618
Intern	14,400	3,600	-	3,600	18,000
Fees for services					
Accounting	3,609	5,553	-	5,553	9,162
Fundraising	7,472	-	22,415	22,415	29,887
Travel, conference and meals	1,376	-	-	-	1,376
Insurance	2,411	804	-	804	3,215
Bank fees	284	195	-	195	479
Awards	6,964	-	-	-	6,964
Other	7,154	3,457	-	3,457	10,611
Total expenses	\$ 67,458	\$ 14,151	\$ 22,415	\$ 36,566	\$ 104,024

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

	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase/(decrease) in net assets	\$ (27,292)
Adjustments to reconcile increase/(decrease) in net assets to net cash provided/(used) by operations:	
Unrealized loss (gain) on investment	32,743
Change in:	
Accounts receivable	(3,750)
Contribution receivable	(364)
Prepaid expenses	684
Deferred revenue	<u>(20,951)</u>
Net cash provided/(used) by operations	<u>(18,930)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sales and purchases of investments, net	<u>(25,957)</u>
Net cash provided/(used) by investing activities	<u>(25,957)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(44,887)
BEGINNING CASH & CASH EQUIVALENTS	<u>106,557</u>
ENDING CASH & CASH EQUIVALENTS	<u><u>\$ 61,670</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.

Subsequent events - Subsequent events have been evaluated through August 25, 2016, the date the financial statements were available to be issued.

NOTE C - INVESTMENTS

Investments at fair value consist of the following:

	2016
Cash	\$ 4,771
Mutual funds:	
Mid-cap growth	64,880
Intermediate-term bond	20,918
Moderate allocation	51,536
Large growth	65,288
	\$ 207,393

Investment return is unrestricted, and consists of the following:

	2016
Interest and dividend income	\$ 25,557
Realized gain/(loss) on investments	-
Unrealized gain/(loss) on investments	(32,743)
Total investment return	\$ (7,186)

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.

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 - Scholarships awarded annually to college students based upon the available income in the Murray J Fox Scholarship Fund each year. The Murray J Scholarship Fund is 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.