

**NATIONAL HUMAN SERVICES ASSEMBLY
AND
SUBSIDIARY
DECEMBER 31, 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
National Human Services Assembly
and Subsidiary
Washington, D.C.

We have audited the accompanying consolidated financial statements of National Human Services Assembly and Subsidiary (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of National Human Services Assembly and Subsidiary as of December 31, 2016 and 2015, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of functional expenses for the year ended December 31, 2016, the consolidating statement of financial position as of December 31, 2016 and the consolidating statement of activities for the year then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Sarpino and Rhoades, LLP

June 1, 2017

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash (Notes 1 and 10)	\$ 531,616	\$ 563,893
Investments (Notes 1, 2 and 3)	153,199	148,935
Membership dues receivable, net of allowance for doubtful accounts of \$3,310 and \$10,000 for 2016 and 2015, respectively (Note 1)	14,139	35,166
PurchasingPoint [®] Program receivable (Note 1)	400,769	311,169
Other receivables and prepaid expenses (Note 1)	27,971	51,117
Prepaid income tax	3,535	-
TOTAL CURRENT ASSETS	\$ 1,131,229	\$ 1,110,280
PROPERTY AND EQUIPMENT, NET (Notes 1 and 4)	\$ 125,049	\$ 221,355
TOTAL ASSETS	\$ 1,256,278	\$ 1,331,635
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 10,563	\$ 89,099
Income tax payable (Note 1)	-	66,980
Line of credit (Note 5)	-	20
Accrued vacation payable	6,428	7,094
Retirement and payroll withholdings payable	5,108	270
Dividends payable (Note 1)	150,643	132,232
Deferred revenue (Note 1)	92,539	27,700
Deferred lease obligation - current (Note 6)	14,375	5,239
TOTAL CURRENT LIABILITIES	\$ 279,656	\$ 328,634
DEFERRED LEASE OBLIGATION (Note 6)	\$ 125,956	\$ 140,331
COMMITMENTS (Note 6)		
NET ASSETS: (Notes 1 and 7)		
Unrestricted	\$ 803,868	\$ 625,573
Temporarily restricted	46,798	237,097
TOTAL NET ASSETS	\$ 850,666	\$ 862,670
TOTAL LIABILITIES AND NET ASSETS	\$ 1,256,278	\$ 1,331,635

The accompanying notes are an integral part of these financial statements.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31,

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE: (Note 1)						
PurchasingPoint [®] Program, net of dividends to members (Note 1)	\$ 923,475	\$ -	\$ 923,475	\$ 939,216	\$ -	\$ 939,216
Membership dues	435,543	-	435,543	491,133	-	491,133
Grants and contributions (Note 8)	26,720	249,215	275,935	31,150	100,000	131,150
Sublet rental income and other (Note 6)	28,576	-	28,576	9,150	-	9,150
Dividend and interest income	3,176	-	3,176	3,030	-	3,030
Realized and unrealized gain (loss) on investments	1,228	-	1,228	(2,435)	-	(2,435)
Net assets released from restrictions	439,514	(439,514)	-	697,072	(697,072)	-
TOTAL SUPPORT AND REVENUE	<u>\$ 1,858,232</u>	<u>\$ (190,299)</u>	<u>\$ 1,667,933</u>	<u>\$ 2,168,316</u>	<u>\$ (597,072)</u>	<u>\$ 1,571,244</u>
EXPENSES:						
Program services	\$ 1,542,739	\$ -	\$ 1,542,739	\$ 1,987,251	\$ -	\$ 1,987,251
Management and general	105,416	-	105,416	130,828	-	130,828
Fundraising	31,782	-	31,782	43,325	-	43,325
TOTAL EXPENSES	<u>\$ 1,679,937</u>	<u>\$ -</u>	<u>\$ 1,679,937</u>	<u>\$ 2,161,404</u>	<u>\$ -</u>	<u>\$ 2,161,404</u>
CHANGE IN NET ASSETS	\$ 178,295	\$ (190,299)	\$ (12,004)	\$ 6,912	\$ (597,072)	\$ (590,160)
NET ASSETS, BEGINNING OF YEAR	<u>625,573</u>	<u>237,097</u>	<u>862,670</u>	<u>618,661</u>	<u>834,169</u>	<u>1,452,830</u>
NET ASSETS, END OF YEAR	<u>\$ 803,868</u>	<u>\$ 46,798</u>	<u>\$ 850,666</u>	<u>\$ 625,573</u>	<u>\$ 237,097</u>	<u>\$ 862,670</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED	
	DECEMBER 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from member's and contributors	\$ 1,566,978	\$ 1,637,111
Cash paid to suppliers and employees	(1,423,381)	(1,938,185)
Interest received	3,176	3,030
Income taxes paid	(176,297)	(60,000)
NET CASH USED IN OPERATING ACTIVITIES	\$ (29,524)	\$ (358,044)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	\$ -	\$ (48,023)
Purchases of investments	(2,733)	(3,018)
CASH USED IN INVESTING ACTIVITIES	\$ (2,733)	\$ (51,041)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (repayments) on line of credit	\$ (20)	\$ 20
NET CHANGE IN CASH	\$ (32,277)	\$ (409,065)
CASH, BEGINNING OF YEAR	563,893	972,958
CASH, END OF YEAR	\$ 531,616	\$ 563,893
RECONCILIATION OF CHANGE IN NET ASSETS TO		
NET CASH USED IN OPERATING ACTIVITIES:		
Change in net assets	\$ (12,004)	\$ (590,160)
Reconciliation adjustments:		
Bad debt expense	27,978	89,361
Depreciation	96,003	74,426
Realized and unrealized loss (gain) on investments	(1,228)	2,435
Decrease (increase) in operational assets:		
Grant and membership dues receivable	(6,951)	126,977
PurchasingPoint [®] program receivable	(89,600)	(60,515)
Other receivables and prepaid expenses	23,146	(10,148)
Prepaid income tax	(3,535)	(3,135)
Increase (decrease) in operational liabilities:		
Accounts payable	(78,536)	39,307
Income tax payable	(66,980)	66,980
Accrued vacation payable	(666)	533
Retirement and payroll withholdings payable	4,838	(7,165)
Dividends payable	18,411	(33,122)
Deferred revenue	64,839	(55,303)
Deferred lease obligation	(5,239)	1,485
NET CASH USED IN OPERATING ACTIVITIES	\$ (29,524)	\$ (358,044)

The accompanying notes are an integral part of these financial statements.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1. **Organization and Summary of Significant Accounting Policies**

Organization - National Human Services Assembly (“National Assembly”) is an association of more than seventy national headquarters of national nonprofit human service/human development organizations. Its mission is *“To effect human development and community development policies and practices that achieve the best possible outcomes for individuals, families and communities in the United States.”* It does so by engaging a range of leaders of member organizations in collaborative learning, professional development, and joint efforts. The National Assembly also functions as a vehicle for promoting effective nonprofit management practices and cost savings, the latter through its for-profit subsidiary, National Assembly Business Services, Inc.

The National Assembly acquires funds through membership dues, business agreements, contributions and grants. These funds are expended on programs and activities designed to provide services such as short-term training, conferences, and development of program services for technical assistance to the National Assembly’s membership.

National Assembly has a wholly-owned subsidiary, National Assembly Business Services, Inc. (“NABS”), which was incorporated in the State of Delaware in October 2007. The purpose of NABS is to facilitate group purchasing by National Assembly members and others.

Principles of Consolidation - The consolidated financial statements include the accounts of the National Assembly and NABS (collectively referred to as the “Organization”). Intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation - The Organization reports information regarding its financial position and activities for each of three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are reported as part of the unrestricted class. The Organization had no permanently restricted net assets at December 31, 2016 and 2015.

Cash - For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

Investments - Investments are stated at fair value at the consolidated statement of financial position date. Realized and unrealized gains and losses are recorded in the consolidated statements of activities.

Receivables - Receivables for membership dues, the PurchasingPoint® program, grants and other are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Generally, the receivables are uncollateralized.

Property and Equipment - Property and equipment are recorded at cost and depreciated over the useful lives of the assets using the straight line method of depreciation. The Organization capitalizes assets whose costs are in excess of \$500. When properties are retired or otherwise disposed, the costs and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in income. Maintenance and repairs are expensed in the year incurred.

Revenue Recognition and Deferred Revenue - Contributions are recognized as revenue at the earlier of when they are received or when the Organization has received an unconditional promise from the donor to contribute a specific amount.

Membership dues received in advance are deferred and recognized as revenue in the applicable membership period.

Dividends Payable - NABS operates the PurchasingPoint® Program. Periodically throughout the year, NABS receives the patronage dividends for the program. A certain percentage of these dividends are distributed to other members of the program at the discretion of the Board of Directors. As of December 31, 2016 and 2015, the estimated dividends payable to other members of the group were \$150,643 and \$132,232, respectively. The actual dividends paid in the years ended December 31, 2016 and 2015 were \$127,314 and \$167,815, respectively.

Use of Estimates - The presentation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

Income Taxes - The National Assembly is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. National Assembly had no unrelated business taxable income during the years ended December 31, 2016 and 2015. NABS, the wholly-owned subsidiary, is taxed as a corporation and incurred income tax expense of \$105,782 and \$121,097 for the years ended December 31, 2016 and 2015, respectively.

National Assembly and NABS believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements.

Expense Allocation - The costs of providing the various programs and other supporting activities have been allocated on a functional basis in the consolidated statements of activities. Expenses are allocated among program and supporting services based on direct costs and other criteria.

Advertising - Advertising costs are expensed as incurred.

Note 2. **Investments** - Investments consisted of the following at December 31:

	2016	2015
Money market fund	\$ 51,147	\$ 51,041
Fixed-income mutual fund	102,052	97,894
Totals	\$ 153,199	\$ 148,935

Note 3. **Fair Value Measurement** - Accounting principles generally accepted in the United States of America establish a 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). The three levels of the fair value hierarchy are described below.

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 3. **Fair Value Measurement** - (Continued)

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value.

Money market fund - The money market fund is valued by the institutional fund management at the stated price of the fund which generally approximates the original cost and the value of the underlying assets.

Mutual fund - The mutual fund is traded on a national securities exchange and valued at the reported market price on the last business day of the year.

The following table sets forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market fund	\$ -	\$ 51,147	\$ 51,147
Fixed-income mutual fund	102,052	-	102,052
Totals	<u>\$ 102,052</u>	<u>\$ 51,147</u>	<u>\$ 153,199</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market fund	\$ -	\$ 51,041	\$ 51,041
Fixed-income mutual fund	97,894	-	97,894
Totals	<u>\$ 97,894</u>	<u>\$ 51,041</u>	<u>\$ 148,935</u>

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 4. **Property and Equipment** - Property and equipment consisted of the following at December 31:

	2016	2015
Website	\$ 400,994	\$ 400,994
Furniture and equipment	59,892	70,860
Leasehold improvements	1,859	1,859
Subtotals	\$ 462,745	\$ 473,713
Less, Accumulated depreciation	337,696	252,358
Net property & equipment	\$ 125,049	\$ 221,355

Depreciation expense for the years ended December 31, 2016 and 2015 was \$96,003 and \$74,426, respectively.

Note 5. **Line of Credit** - National Assembly maintains a financing agreement which provides a line of credit up to \$50,000. Advances on the line are payable upon demand. The annual interest rate at December 31, 2016 was 10.50%. There was no outstanding balance as of December 31, 2016. The balance was \$20 as of December 31, 2015.

Note 6. **Commitments** - The Organization entered into a non-cancelable operating lease for office space that expires February 28, 2022. In lieu of a security deposit the Organization maintains a letter of credit in the amount of \$17,122. The lease agreement includes escalation clauses relating to increases in the consumer price index, real estate taxes and operating costs, as well as the abatement of payments for a portion of the lease commitment. The defined escalation clause and abatement in the lease gives rise to a deferred lease obligation, which is being amortized on a straight-line basis over the term of the lease. Rent expense for office space was \$249,488 and \$233,996 for the years ended December 31, 2016 and 2015, respectively.

The Organization subleased part of its office space during 2016 and 2015. Sublease rental income and other income was \$28,250 and \$9,150 for the years ended December 31, 2016 and 2015.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 6. **Commitments** - (Continued)

Future minimum lease payments are as follows:

<u>Years ending December 31,</u>	<u>Office Lease</u>
2017	\$ 238,459
2018	244,417
2019	250,350
2020	256,795
Thereafter	<u>307,899</u>
Totals	<u>\$ 1,297,920</u>

Note 7. **Net Assets** -Temporarily restricted net assets were restricted for the following programs at December 31:

	<u>2016</u>	<u>2015</u>
Annie E. Casey Foundation	\$ 27,790	\$ 52,419
Kresge Foundation	19,008	144,720
MetLife	-	<u>39,958</u>
Totals	<u>\$ 46,798</u>	<u>\$ 237,097</u>

Note 8. **Grants** - The Organization's funding is significantly dependent on special-purpose foundation grants and can vary substantially from year to year. In 2016, the Organization received and recognized a \$100,000 grant from the Annie E. Casey Foundation and two grants from the Kresge Foundation totaling \$149,215. The Organization intends to use these grants through April 2017. During 2015, the Organization recognized as revenue a \$100,000 grant from the Kresge Foundation.

Note 9. **Retirement Plan** - The Organization has a non-contributory defined contribution pension plan covering all employees that have reached twenty-one years of age and have completed one year of service. The Organization contributes 10% of each eligible employee's compensation. During 2016 and 2015, employer contributions to the Plan totaled \$33,536 and \$54,682, respectively. The Organization also sponsors a 403(b) tax-deferred annuity plan for its employees. Employees may contribute a portion of their salaries to the Plan on a pre-tax basis. The Organization does not make contributions to this plan.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 10. **Concentration of Credit Risk** - Financial instruments, which potentially subject the Organization to concentrations of credit risk, include cash deposits with commercial banks and money market funds with investment brokers.

The Organization's cash management policies generally limit its exposure to concentrations of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Individual bank account balances in excess of certain amounts, as well as all money market funds held with investment brokers are not insured by the FDIC. At December 31, 2016, the Organization's uninsured cash balances total \$34,396.

Note 11. **Functional Classification of Expenses** - Expenses by functional classification consisted of the following for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Program services:		
PurchasingPoint [®] Program	\$ 762,394	\$ 797,742
Membership services	340,840	492,008
Kresge Foundation	225,711	435,511
Annie E. Casey Foundation	124,629	47,581
Ascend	49,227	32,113
MetLife	<u>39,938</u>	<u>182,296</u>
Total program services	\$ 1,542,739	\$ 1,987,251
Management and general	105,416	130,828
Fundraising	<u>31,782</u>	<u>43,325</u>
Total expenses	<u>\$ 1,679,937</u>	<u>\$ 2,161,404</u>

Expenses classified by percentage were as follows for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Program services	91.83	91.94
Management and general	6.27	6.05
Fundraising	<u>1.90</u>	<u>2.01</u>
Total	<u>100.00</u>	<u>100.00</u>

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 12. **Concentration of Revenue** - During 2016 and 2015, NABS received approximately 90% of its revenues from a single Group Purchasing Organization that provides discounts through volume purchasing that NABS provides to its members. A program like NABS typically has a relationship with just one GPO.

Note 13. **Subsequent Events** - In preparation of these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 1, 2017, which is the date the financial statements were available to be issued.

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative totals for 2015)

	Program Services					Supporting Services					Total 2016	Total 2015
	Membership Services	Boys and Men	Annie E. Casey	Kresge	MetLife	Purchasing Point [®] Program	Total Programs	Management and General	Fundraising			
Consultants	\$ 60,698	\$ 28,050	\$ 93,836	\$ 183,324	\$ 20,875	\$ 62,659	\$ 449,442	\$ -	\$ -	\$ 449,442	\$ 461,344	
Compensation	89,242	11,391	8,480	16,533	12,346	224,161	362,153	25,498	12,749	400,400	646,801	
Occupancy	95,025	-	-	-	-	134,352	229,377	27,150	13,575	270,102	258,562	
Employee benefits	29,831	2,893	2,173	4,370	3,403	66,913	109,583	8,523	4,262	122,368	192,164	
Income taxes	-	-	-	-	-	105,782	105,782	-	-	105,782	121,097	
Depreciation	4,723	-	-	-	-	89,255	93,978	1,350	675	96,003	74,426	
Professional fees	-	-	-	-	-	36,409	36,409	45,029	-	81,438	86,732	
Travel - staff	11,220	2,967	9,285	15,322	-	5,004	43,798	-	-	43,798	61,772	
Bad debt expense	27,978	-	-	-	-	-	27,978	-	-	27,978	89,361	
Marketing and advertising	3,427	-	-	62	-	15,500	18,989	89	-	19,078	48,254	
Other general and administrative	5,773	-	-	-	-	7,687	13,460	2,475	-	15,935	13,361	
Conferences and meetings	6,803	3,926	600	4,182	-	104	15,615	-	-	15,615	31,487	
Office and computer supplies	3,646	-	-	680	-	5,652	9,978	1,042	521	11,541	16,693	
Dues and subscriptions	-	-	-	-	-	5,107	5,107	5,584	-	10,691	6,128	
Printing and publications	1,202	-	1,108	1,145	492	1,390	5,337	-	-	5,337	4,759	
Postage and shipping	1,272	-	100	93	-	2,419	3,884	545	-	4,429	3,463	
Granting	-	-	-	-	-	-	-	-	-	-	45,000	
Overhead recovery from grants	-	-	9,047	-	2,822	-	11,869	(11,869)	-	-	-	
Totals	\$ 340,840	\$ 49,227	\$ 124,629	\$ 225,711	\$ 39,938	\$ 762,394	\$ 1,542,739	\$ 105,416	\$ 31,782	\$ 1,679,937	\$ 2,161,404	

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

	NATIONAL ASSEMBLY	NABS	Eliminations	Totals
ASSETS				
CURRENT ASSETS:				
Cash	\$ 251,409	\$ 280,207	\$ -	\$ 531,616
Investments	51,147	102,052	-	153,199
Membership dues receivable, net of allowance	14,139	-	-	14,139
PurchasingPoint [®] program receivable	-	400,769	-	400,769
Other receivables and prepaid expenses	26,196	1,775	-	27,971
Due from NABS	786	-	(786)	-
Prepaid income tax	-	3,535	-	3,535
TOTAL CURRENT ASSETS	\$ 343,677	\$ 788,338	\$ (786)	\$ 1,131,229
PROPERTY AND EQUIPMENT, NET	\$ 12,734	\$ 112,315	\$ -	\$ 125,049
OTHER ASSETS:				
Investment in NABS	\$ 5,000	\$ -	\$ (5,000)	\$ -
TOTAL ASSETS	\$ 361,411	\$ 900,653	\$ (5,786)	\$ 1,256,278
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	\$ 7,634	\$ 2,929	\$ -	\$ 10,563
Accrued vacation payable	2,332	4,096	-	6,428
Retirement and payroll withholdings payable	5,108	-	-	5,108
Dividends payable	-	150,643	-	150,643
Due to National Assembly	-	786	(786)	-
Deferred revenue	92,539	-	-	92,539
Deferred lease obligation - current	14,375	-	-	14,375
TOTAL CURRENT LIABILITIES	\$ 121,988	\$ 158,454	\$ (786)	\$ 279,656
DEFERRED LEASE OBLIGATION	\$ 125,956	\$ -	\$ -	\$ 125,956
NET ASSETS:				
Common stock and paid-in capital	\$ -	\$ 5,000	\$ (5,000)	\$ -
Dividends paid	-	(50,000)	50,000	-
Accumulated retained earnings	-	787,199	(787,199)	-
Net assets	113,467	-	737,199	850,666
TOTAL NET ASSETS	\$ 113,467	\$ 742,199	\$ (5,000)	\$ 850,666
TOTAL LIABILITIES AND NET ASSETS	\$ 361,411	\$ 900,653	\$ (5,786)	\$ 1,256,278

NATIONAL HUMAN SERVICES ASSEMBLY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>NATIONAL ASSEMBLY</u>	<u>NABS</u>	<u>Eliminations</u>	<u>Totals</u>
SUPPORT AND REVENUE:				
PurchasingPoint [®] Program, net of dividends to members	\$ -	\$ 923,475	\$ -	\$ 923,475
Membership dues	435,543	-	-	435,543
Grants and contributions	275,935	-	-	275,935
Sublet rental income and other	28,250	326	-	28,576
Dividend and interest income	50,111	3,065	(50,000)	3,176
Realized and unrealized loss on investments	-	1,228	-	1,228
TOTAL SUPPORT AND REVENUE	<u>\$ 789,839</u>	<u>\$ 928,094</u>	<u>\$ (50,000)</u>	<u>\$ 1,667,933</u>
EXPENSES:				
Consultants	\$ 386,783	\$ 62,659	\$ -	\$ 449,442
Compensation	176,239	224,161	-	400,400
Occupancy	135,750	134,352	-	270,102
Employee benefits	55,455	66,913	-	122,368
Income taxes	-	105,782	-	105,782
Depreciation	6,748	89,255	-	96,003
Professional fees	45,029	36,409	-	81,438
Travel - staff	38,794	5,004	-	43,798
Bad debt	27,978	-	-	27,978
Marketing and advertising	3,578	15,500	-	19,078
Other general and administrative	8,248	7,687	-	15,935
Conferences and meetings	15,511	104	-	15,615
Office and computer supplies	5,889	5,652	-	11,541
Dues and subscriptions	5,584	5,107	-	10,691
Printing and publications	3,947	1,390	-	5,337
Postage and shipping	2,010	2,419	-	4,429
TOTAL EXPENSES	<u>\$ 917,543</u>	<u>\$ 762,394</u>	<u>\$ -</u>	<u>\$ 1,679,937</u>
DECREASE IN NET ASSETS AND NET INCOME	\$ (127,704)	\$ 165,700	\$ (50,000)	\$ (12,004)
NET ASSETS, BEGINNING OF YEAR	241,171	626,499	(5,000)	862,670
DIVIDENDS PAID	-	(50,000)	50,000	-
NET ASSETS, END OF YEAR	<u>\$ 113,467</u>	<u>\$ 742,199</u>	<u>\$ (5,000)</u>	<u>\$ 850,666</u>