

**NORTH STATE BUILDING
INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANT'S
REVIEW REPORT**

**YEARS ENDED
DECEMBER 31, 2016 (REVIEWED)
AND 2015 (AUDITED)**

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**The Board of Directors
North State Building Industry
Association and Affiliates
Roseville, California**

We have reviewed the accompanying consolidated financial statements of the North State Building Industry Association and Affiliates (Association), which comprise the consolidated statements of financial position as of December 31, 2016, and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The 2016 supplementary information included on pages 13 and 15 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Report on 2015 Consolidated Financial Statements and Supplementary Information

The 2015 consolidated financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated May 26, 2016. In addition, the 2015 supplementary information contained on pages 14 and 16 was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements or on the supplementary information since May 26, 2016.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

May 22, 2017

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

	2016	2015
	<u>(Reviewed)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 501,910	\$ 501,910
Accounts and grants receivable, net	291,913	252,085
Prepaid expenses and deposits	<u>76,987</u>	<u>93,608</u>
Total current assets	870,810	847,603
PROPERTY AND EQUIPMENT, Net	37,313	47,269
INVESTMENTS	<u>2,357,149</u>	<u>2,026,112</u>
TOTAL ASSETS	<u>\$ 3,265,272</u>	<u>\$ 2,920,984</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 175,197	\$ 139,814
Accrued expenses	40,296	35,050
Deferred revenue	313,562	334,707
Funds held on behalf of others	<u>1,609</u>	<u>1,609</u>
TOTAL LIABILITIES	<u>530,664</u>	<u>511,180</u>
NET ASSETS:		
Unrestricted	2,619,435	2,268,040
Temporarily restricted	45,854	95,731
Permanently restricted	<u>69,319</u>	<u>46,033</u>
Total net assets	<u>2,734,608</u>	<u>2,409,804</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,265,272</u>	<u>\$ 2,920,984</u>

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
	<u>(Reviewed)</u>	<u>(Audited)</u>
UNRESTRICTED NET ASSETS:		
REVENUE:		
Member dues and assessment fees	\$ 1,134,027	\$ 1,035,338
Events	947,692	704,594
Grant and fundraising activity	911,946	1,423,081
Less donated materials and labor for HomeAid	<u>(139,452)</u>	<u>(526,263)</u>
Net grants and contributions	772,494	896,818
Political contributions	199,380	26,575
Interest and investment income (loss)	135,809	(36,021)
Rental income	11,691	14,415
Other income	35,601	86,326
Net assets released from restrictions	<u>94,252</u>	<u>104,149</u>
Total revenue	<u>3,330,946</u>	<u>2,832,194</u>
EXPENSES:		
Program services:		
Governmental and public affairs	707,271	480,707
Educational programs	705,267	669,251
Events and membership services	628,669	554,271
Charitable projects	<u>118,710</u>	<u>159,533</u>
Total program services	2,159,917	1,863,762
Supporting services:		
General administration	635,323	632,556
Fundraising	<u>184,311</u>	<u>100,742</u>
Total expenses	<u>2,979,551</u>	<u>2,597,060</u>
Transfer to permanently restricted net assets		<u>(50,000)</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>351,395</u>	<u>185,134</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Grants and contributions	44,125	133,500
Net assets released from restrictions	<u>(94,002)</u>	<u>(102,269)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(49,877)</u>	<u>31,231</u>
PERMANENTLY RESTRICTED NET ASSETS:		
Contributions	20,200	
Transfer of unrestricted net assets to endowment		50,000
Unrealized gain (loss) on investments	3,336	(2,087)
Spendable amount released from restriction	<u>(250)</u>	<u>(1,880)</u>
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>23,286</u>	<u>46,033</u>
INCREASE IN NET ASSETS	324,804	262,398
NET ASSETS, beginning of year	<u>2,409,804</u>	<u>2,147,406</u>
NET ASSETS, end of year	<u>\$ 2,734,608</u>	<u>\$ 2,409,804</u>

See accompanying notes and independent accountant's review report.

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
	<u>(Reviewed)</u>	<u>(Audited)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 324,804	\$ 262,398
Reconciliation to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(80,900)	128,055
Depreciation and amortization	11,158	7,132
Changes in:		
Accounts and grants receivable	(39,828)	(31,746)
Prepaid expenses	16,621	(12,426)
Accounts payable	35,383	(3,228)
Accrued expenses	5,246	6,518
Deferred revenue	(21,145)	33,007
Funds held on behalf of others		(20,290)
Net cash provided by operating activities	<u>251,339</u>	<u>369,420</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,202)	(16,758)
Purchases of investments	(883,977)	(758,703)
Proceeds from sale of investments	<u>633,840</u>	<u>475,834</u>
Net cash used by investing activities	<u>(251,339)</u>	<u>(299,627)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	69,793
CASH AND CASH EQUIVALENTS, beginning of year	<u>501,910</u>	<u>432,117</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 501,910</u>	<u>\$ 501,910</u>

NORTH STATE BUILDING INDUSTRY ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 (REVIEWED) AND 2015 (AUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of activities – North State Building Industry Association, Inc., (BIA) is a nonprofit corporation whose purpose is to promote the interests of the building industry. The majority of BIA's members and the related revenue sources are concentrated in Sacramento, El Dorado, Placer, and Yolo Counties of California and surrounding communities.

The North State Building Industry Foundation (NSBIF) was originally formed on August 22, 2007. The NSBIF is dedicated to developing various workforce development opportunities, research and other community projects utilizing the skills and resources of the building industry.

Shelter Providers of Sacramento, Inc., d.b.a. HomeAid Sacramento (HomeAid) is a nonprofit organization whose mission is to facilitate and assist in the construction or rehabilitation of dignified housing where homeless families and individuals can rebuild their lives. HomeAid recruits professionals from the building industry, and solicits, coordinates and tracks donations of labor and building materials donated from the building industry for specific projects brought to us by area homeless shelter partners.

BIA has one political action committee, The Committee for Home Ownership (BIA PAC). BIA PAC is a nonprofit, unincorporated committee of individual builders and others, which maintain political campaign funds to support candidates and legislative matters favorable to the building industry.

Principles of consolidation – The accompanying financial statements reflect the consolidation of BIA, NSBIF, HomeAid, and BIA PAC (collectively, the Association). BIA exercises control of the Foundation, HomeAid and BIA PAC through a majority voting interest in their Board of Directors, and has an economic interest in these organizations. Material intercompany transactions and balances among these organizations have been eliminated.

Basis of accounting and financial statement presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Revenue recognition – Contributions and private grants are recognized in full when received or unconditionally promised, in accordance with professional standards. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in temporarily or permanently restricted net assets. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Government grants are recognized as revenue in accordance with the terms of the applicable grant agreement, which is generally upon the incurrence of expenditures related to the required services.

NORTH STATE BUILDING INDUSTRY ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 (REVIEWED) AND 2015 (AUDITED)

Membership dues are recorded as deferred revenue and recognized as revenues ratably over the membership period, which is one year. Assessment fees are billed to members who are reported as the homebuilder on monthly escrow closings at a predetermined rate and up to a calendar year maximum. Revenues from events are recognized when the events occur.

As part of HomeAid's core mission to build and renovate transitional housing facilities to serve the homeless communities of Sacramento, HomeAid receives a substantial amount of donated materials and labor from professional builders and trade partners in order to multiply the impact of cash donations received. Though HomeAid's partnering professional builders have the authority on how these donated materials and labor are used, the amount of these donations are significant to the operations of the HomeAid. In the years ending December 31, 2016 and 2015, HomeAid's partners contributed \$139,452 and \$526,263 in donated materials and labor, respectively, for the benefit of homeless service agencies in the community. These amounts have been reflected on the statements of activities in order to best represent the operations of the organization.

Cash and cash equivalents – For financial statement purposes, the Association considers investments with maturity at purchase of three months or less to be cash equivalents, unless held for long-term purposes.

The Association minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Association has not experienced any losses in such accounts and management believes the Association is not exposed to any significant credit risk related to cash.

Accounts and grants receivable – Accounts receivable consists primarily of grants and membership dues pending collection and member assessment fees. Accounts are written off when deemed uncollectible.

Investments are stated at fair value.

Property and equipment is stated at cost or, if donated, at the estimated fair market value at the date of donation. The Association capitalizes all expenditures for property and equipment in excess of \$500. Depreciation is computed using the straight-line method over estimated useful lives of individual assets ranging from 3 to 10 years. Leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the improvements.

Functional allocation of expenses – The costs of providing the program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated based on employees' time incurred and management's estimate of the usage of resources.

Income taxes – BIA is exempt from income taxes under the Internal Revenue Code Section 501(c)(6). NSBIF and HomeAid are both exempt from income taxes under the Internal Revenue Code Section 501(c)(3). All three are subject to income taxes from activities unrelated to their tax-exempt purposes. BIA PAC is exempt under Internal Revenue Code Section 527. The Association has implemented accounting principles related to accounting for uncertainty in income

NORTH STATE BUILDING INDUSTRY ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 (REVIEWED) AND 2015 (AUDITED)

taxes and has determined that there is no material impact on the financial statements. With some exceptions, the Association is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2012.

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same — to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability):

- Level 1 Inputs Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 Inputs Inputs other than quoted prices in active markets that are observable either directly or indirectly.
- Level 3 Inputs Unobservable inputs for the asset or liability.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events have been reviewed through May 22, 2017, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2016, that require recognition or disclosure in the financial statements.

2. INVESTMENTS

Investments consist of the following at December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Fixed income mutual funds	\$ 1,541,386		\$ 1,541,386
Certificates of deposit	340,085		340,085
Equities	173,500		173,500
Corporate bonds		\$ 155,420	155,420
Beneficial interest in Assets held by Foundation (See Note 5)		71,449	71,449
Cash held for long term purposes	73,677		73,677
Alternative investments		1,632	1,632
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 2,128,648</u>	<u>\$ 228,501</u>	<u>\$ 2,357,149</u>

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 (REVIEWED) AND 2015 (AUDITED)**

Investments consist of the following at December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Fixed income mutual funds	\$ 1,365,937		\$ 1,365,937
Certificates of deposit	252,980		252,980
Equities	190,735		190,735
Corporate bonds		\$ 160,085	160,085
Beneficial interest in Assets held by Foundation (See Note 5)		47,913	47,913
Cash held for long term purposes	7,160		7,160
Alternative investments		<u>1,302</u>	<u>1,302</u>
Total	<u>\$ 1,816,812</u>	<u>\$ 209,300</u>	<u>\$ 2,026,112</u>

Interest and investment income (loss) consist of the following:

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 54,909	\$ 92,034
Net realized and unrealized gain (loss) on investments	<u>80,900</u>	<u>(128,055)</u>
Total	<u>\$ 135,809</u>	<u>\$ (36,021)</u>

3. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable are comprised of the following:

	<u>2016</u>	<u>2015</u>
Member dues, assessment fees, events and sponsorships	\$ 142,587	\$ 117,679
Grants	149,144	117,293
Other receivables	5,509	18,810
Less: allowance for doubtful accounts	<u>(5,327)</u>	<u>(1,697)</u>
Accounts and grants receivable, net	<u>\$ 291,913</u>	<u>\$ 252,085</u>

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 (REVIEWED) AND 2015 (AUDITED)**

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2016</u>	<u>2015</u>
Furniture and fixtures	\$ 276,661	\$ 275,458
Leasehold improvements	83,470	83,470
Equipment	61,186	61,186
Total	421,317	420,114
Less accumulated depreciation	(384,004)	(372,845)
Property and equipment, net	\$ 37,313	\$ 47,269

5. RESTRICTED NET ASSETS AND ENDOWMENT FUND

Restricted Net Assets

Temporarily restricted net assets as of December 31, 2016 consist of \$45,854 for specific HomeAid projects. Temporarily restricted net assets as of December 31, 2015 consist of \$56,397 for specific HomeAid projects, and \$39,334 for a regional home market study conducted by NSBIF.

Permanently restricted net assets at December 31, 2016 and 2015 consist of funds invested in perpetuity with the Sacramento Region Community Foundation (Foundation) based on an endowed agency fund agreement which provides funds to support HomeAid's programs in the Sacramento Region. HomeAid classifies as permanently restricted net assets (a) the original value of gifts donated to the endowment; (b) board approved transfers of funds to the Foundation to be invested in perpetuity based on the terms of the agency agreement, and (c) the accumulated unrealized appreciation and depreciation of endowment investments less the annual spendable amount.

Endowment Fund

HomeAid's endowment is comprised of an initial Board-restricted transfer to the Foundation and contributions from private donors. The Foundation charges an annual fee of 1.0% to manage the assets of the endowment and calculates amounts that are spendable by HomeAid under the agreement.

Investment Return Objectives, Risk Parameters and Strategies – HomeAid's endowed agency fund is administered in accordance with the policies of the Foundation per the terms of the agreement. The Foundation's investment policy relies on a total return perspective in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation uses a diversified asset allocation based on core-satellite strategy to achieve its long-term objectives within prudent risk constraints.

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 (REVIEWED) AND 2015 (AUDITED)**

Spending Policy – The spendable amount of endowed funds is determined by the Foundation. The annual dollar amount is determined by calculating the rolling average fair market value of the endowed funds over the previous 12 quarters. This rolling average is then multiplied by the current spending percentage to arrive at the spendable amount. The Foundation reviews its spending policy annually, and may increase or decrease the percentage available to spend. The current spending percentage for the years ending December 31, 2016 and 2015 was set at 4% for both years.

Changes in the endowment net assets as of December 31, 2016 are shown as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year	\$ 1,880	\$ 46,033	\$ 47,913
Contributions		20,200	20,200
Unrealized gain on investments (net of expenses of \$570)		3,336	3,336
Spendable amount	<u>250</u>	<u>(250)</u>	
Endowment net assets – end of year	<u>\$ 2,130</u>	<u>\$ 69,319</u>	<u>\$ 71,449</u>

Changes in the endowment net assets as of December 31, 2015 are shown as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year	\$ 0	\$ 0	\$ 0
Transfer of funds to Foundation		50,000	50,000
Unrealized loss on investments (net of expenses of \$180)		(2,087)	(2,087)
Spendable amount	<u>\$ 1,880</u>	<u>(1,880)</u>	
Endowment net assets – end of year	<u>\$ 1,880</u>	<u>\$ 46,033</u>	<u>\$ 47,913</u>

6. LEASE COMMITMENTS

The Association leases an office facility in Roseville under a non-cancelable operating lease agreement. The lease expires on February 28, 2019. Rent expense for the years ended December 31, 2016 and 2015 was \$136,663 and \$131,382, respectively.

BIA subleases office space to unrelated third parties on a month-to-month basis. Rental revenue for the years ended December 31, 2016 and 2015 was \$11,691 and \$14,415, respectively.

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 (REVIEWED) AND 2015 (AUDITED)**

BIA's future minimum lease payments under non-cancelable operating leases are as follows:

<u>Years Ending December 31,</u>	
2017	\$ 138,644
2018	143,105
2019	<u>24,284</u>
	<u>\$ 306,033</u>

7. RETIREMENT PLAN

The Association sponsors a retirement plan, under Internal Revenue Code Section 401(k), that includes substantially all full-time employees who have completed at least six months of service. Employer contributions to the plan are 5% of each employee's pay, but can be modified at the discretion of the Board of Directors. Employees vest at 20% for each year of service completed. The Association contributed \$33,651 and \$24,525 during the years ended December 31, 2016 and 2015, respectively.

SUPPLEMENTAL INFORMATION

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

	<u>BIA</u>	<u>Home Aid</u>	<u>NSBIF</u>	<u>BIA PAC</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 208,678	\$ 272,185	\$ 2,550	\$ 18,497		\$ 501,910
Accounts and grants receivable, net	133,558	9,114	149,241			291,913
Prepaid expenses	74,803		2,184			76,987
Total current assets	<u>417,039</u>	<u>281,299</u>	<u>153,975</u>	<u>18,497</u>		<u>870,810</u>
PROPERTY AND EQUIPMENT, net	34,186	2,627	500			37,313
INVESTMENTS	<u>1,797,757</u>	<u>559,392</u>				<u>2,357,149</u>
TOTAL ASSETS	<u>\$ 2,248,982</u>	<u>\$ 843,318</u>	<u>\$ 154,475</u>	<u>\$ 18,497</u>	<u>\$</u>	<u>\$ 3,265,272</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable	\$ 50,701	\$ 881	\$ 122,998	\$ 617		\$ 175,197
Accrued expenses	40,296					40,296
Deferred revenue	313,562					313,562
Funds held on behalf of others	1,609					1,609
TOTAL LIABILITIES	<u>406,168</u>	<u>881</u>	<u>122,998</u>	<u>617</u>		<u>530,664</u>
NET ASSETS:						
Unrestricted	1,842,814	727,264	31,477	17,880		2,619,435
Temporarily restricted		45,854				45,854
Permanently restricted		69,319				69,319
Total net assets	<u>1,842,814</u>	<u>842,437</u>	<u>31,477</u>	<u>17,880</u>		<u>2,734,608</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,248,982</u>	<u>\$ 843,318</u>	<u>\$ 154,475</u>	<u>\$ 18,497</u>	<u>\$</u>	<u>\$ 3,265,272</u>

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

	<u>BIA</u>	<u>Home Aid</u>	<u>NSBIF</u>	<u>BIA PAC</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 212,107	\$ 213,067	\$ 58,964	\$ 17,772		\$ 501,910
Accounts and grants receivable, net	107,747	26,948	142,390		\$ (25,000)	252,085
Prepaid expenses	89,227	479	3,902			93,608
Total current assets	<u>409,081</u>	<u>240,494</u>	<u>205,256</u>	<u>17,772</u>	<u>(25,000)</u>	<u>847,603</u>
PROPERTY AND EQUIPMENT, net	43,142	3,627	500			47,269
INVESTMENTS	<u>1,522,593</u>	<u>503,519</u>				<u>2,026,112</u>
TOTAL ASSETS	<u>\$ 1,974,816</u>	<u>\$ 747,640</u>	<u>\$ 205,756</u>	<u>\$ 17,772</u>	<u>\$ (25,000)</u>	<u>\$ 2,920,984</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable	\$ 71,527	\$ 1,965	\$ 91,022	\$ 300	\$ (25,000)	\$ 139,814
Accrued expenses	35,050					35,050
Deferred revenue	333,807	900				334,707
Funds held on behalf of others	1,609					1,609
TOTAL LIABILITIES	<u>441,993</u>	<u>2,865</u>	<u>91,022</u>	<u>300</u>	<u>(25,000)</u>	<u>511,180</u>
NET ASSETS:						
Unrestricted	1,532,823	642,345	75,400	17,472		2,268,040
Temporarily restricted		56,397	39,334			95,731
Permanently restricted		46,033				46,033
Total net assets	<u>1,532,823</u>	<u>744,775</u>	<u>114,734</u>	<u>17,472</u>		<u>2,409,804</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,974,816</u>	<u>\$ 747,640</u>	<u>\$ 205,756</u>	<u>\$ 17,772</u>	<u>\$ (25,000)</u>	<u>\$ 2,920,984</u>

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

	<u>BIA</u>	<u>Home Aid</u>	<u>NSBIF</u>	<u>BIA PAC</u>	<u>Eliminations</u>	<u>Consolidated</u>
UNRESTRICTED NET ASSETS:						
REVENUE:						
Member dues and assessment fees	\$ 1,134,027					\$ 1,134,027
Events	611,450	\$ 317,530	\$ 18,712			947,692
Grant and fundraising activity		234,356	702,590		\$ (25,000)	911,946
Less donated materials and labor for HomeAid		(139,452)				(139,452)
Net grants and contributions		94,904	702,590		(25,000)	772,494
Political contributions				\$ 199,380		199,380
Interest and investment income (loss)	103,297	32,512				135,809
Rental income	11,691					11,691
Other income	120,706	14,905	114		(100,124)	35,601
Net assets released from restrictions		54,918	39,334			94,252
Total revenue	<u>1,981,171</u>	<u>514,769</u>	<u>760,750</u>	<u>199,380</u>	<u>(125,124)</u>	<u>3,330,946</u>
EXPENSES:						
Program services:						
Governmental and public affairs	508,299			198,972		707,271
Educational programs	4,980		775,211		(74,924)	705,267
Events and membership services	628,669					628,669
Charitable projects		118,710				118,710
Total program services	<u>1,141,948</u>	<u>118,710</u>	<u>775,211</u>	<u>198,972</u>	<u>(74,924)</u>	<u>2,159,917</u>
Supporting services:						
General administration	529,232	130,159	26,132		(50,200)	635,323
Fundraising		180,981	3,330			184,311
Total expenses	<u>1,671,180</u>	<u>429,850</u>	<u>804,673</u>	<u>198,972</u>	<u>(125,124)</u>	<u>2,979,551</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>309,991</u>	<u>84,919</u>	<u>(43,923)</u>	<u>408</u>		<u>351,395</u>
TEMPORARILY RESTRICTED NET ASSETS:						
Grants and contributions		44,125				44,125
Net assets released from restrictions		(54,668)	(39,334)			(94,002)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS		<u>(10,543)</u>	<u>(39,334)</u>			<u>(49,877)</u>
PERMANENTLY RESTRICTED NET ASSETS:						
Grants and contributions		20,200				20,200
Unrealized loss on investments		3,336				3,336
Spendable amount released from restriction		(250)				(250)
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS		<u>23,286</u>				<u>23,286</u>
INCREASE (DECREASE) IN NET ASSETS	309,991	97,662	(83,257)	408		324,804
NET ASSETS, beginning of year	<u>1,532,823</u>	<u>744,775</u>	<u>114,734</u>	<u>17,472</u>		<u>2,409,804</u>
NET ASSETS, end of year	<u>\$ 1,842,814</u>	<u>\$ 842,437</u>	<u>\$ 31,477</u>	<u>\$ 17,880</u>	<u>\$</u>	<u>\$ 2,734,608</u>

**NORTH STATE BUILDING INDUSTRY
ASSOCIATION AND AFFILIATES**

**CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

	<u>BIA</u>	<u>Home Aid</u>	<u>NSBIF</u>	<u>BIA PAC</u>	<u>Eliminations</u>	<u>Consolidated</u>
UNRESTRICTED NET ASSETS:						
REVENUE:						
Member dues and assessment fees	\$ 1,035,338					\$ 1,035,338
Events	499,695	\$ 204,717	\$ 182			704,594
Grant and fundraising activity		656,471	791,610		\$ (25,000)	1,423,081
Less donated materials and labor for HomeAid		<u>(526,263)</u>				<u>(526,263)</u>
Net grants and contributions		130,208	791,610		(25,000)	896,818
Political contributions				\$ 26,575		26,575
Interest and investment income (loss)	(28,716)	(7,305)				(36,021)
Rental income	14,415					14,415
Other income	149,803	37,792			(101,269)	86,326
Net assets released from restrictions		88,483	15,666			104,149
Total revenue	<u>1,670,535</u>	<u>453,895</u>	<u>807,458</u>	<u>26,575</u>	<u>(126,269)</u>	<u>2,832,194</u>
EXPENSES:						
Program services:						
Governmental and public affairs	457,293			23,414		480,707
Educational programs	8,396		736,924		(76,069)	669,251
Events and membership services	554,271					554,271
Charitable projects	25,000	159,033	500		(25,000)	159,533
Total program services	1,044,960	159,033	737,424	23,414	(101,069)	1,863,762
Supporting services:						
General administration	489,666	113,705	54,385		(25,200)	632,556
Fundraising		100,742				100,742
Total expenses	<u>1,534,626</u>	<u>373,480</u>	<u>791,809</u>	<u>23,414</u>	<u>(126,269)</u>	<u>2,597,060</u>
Transfer to permanently restricted net assets		<u>(50,000)</u>				<u>(50,000)</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>135,909</u>	<u>30,415</u>	<u>15,649</u>	<u>3,161</u>		<u>185,134</u>
TEMPORARILY RESTRICTED NET ASSETS:						
Grants and contributions		78,500	55,000			133,500
Net assets released from restrictions		<u>(86,603)</u>	<u>(15,666)</u>			<u>(102,269)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS		<u>(8,103)</u>	<u>39,334</u>			<u>31,231</u>
PERMANENTLY RESTRICTED NET ASSETS:						
Transfers of unrestricted net assets to endowment		50,000				50,000
Unrealized loss on investments		(2,087)				(2,087)
Spendable amount released from restriction		<u>(1,880)</u>				<u>(1,880)</u>
INCREASE IN PERMANENTLY RESTRICTED		<u>46,033</u>				<u>46,033</u>
INCREASE (DECREASE) IN NET ASSETS	135,909	68,345	54,983	3,161		262,398
NET ASSETS, beginning of year - As restated	<u>1,396,914</u>	<u>676,430</u>	<u>59,751</u>	<u>14,311</u>		<u>2,147,406</u>
NET ASSETS, end of year	<u>\$ 1,532,823</u>	<u>\$ 744,775</u>	<u>\$ 114,734</u>	<u>\$ 17,472</u>	<u>\$</u>	<u>\$ 2,409,804</u>