
Music Teachers National Association, Inc.

Consolidated Financial Statements

And

Additional Financial Information

June 30, 2009 and 2008

With Independent Auditors' Report



CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Music Teachers National Association, Inc.:

We have audited the accompanying consolidated statements of financial position of Music Teachers National Association, Inc. (a not-for-profit Corporation) as of June 30, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Music Teachers National Association, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying schedules on pages 11-14 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
September 3, 2009

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Music Teachers National Association, Inc.
Consolidated Statements of Financial Position
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and cash equivalents	\$ 811,667	\$ 830,326
Investments at fair value	1,636,699	2,043,355
Accounts receivable	15,198	23,254
Inventory	6,272	6,918
Prepaid expenses	27,835	27,520
Property and equipment, net	16,663	25,333
Deposits	<u>420</u>	<u>420</u>
Total assets	\$ <u>2,514,754</u>	\$ <u>2,957,126</u>
 Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 2,849	3,082
Due to state and local affiliates	167,098	173,988
Accrued expenses	49,424	47,015
Deferred revenue	<u>893,892</u>	<u>900,090</u>
Total liabilities	<u>1,113,263</u>	<u>1,124,175</u>
 Net assets:		
Unrestricted	378,216	562,013
Unrestricted - Board designated	738,215	921,677
Temporarily restricted	<u>285,060</u>	<u>349,261</u>
Total net assets	<u>1,401,491</u>	<u>1,832,951</u>
Total liabilities and net assets	\$ <u>2,514,754</u>	\$ <u>2,957,126</u>

See accompanying notes to consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Membership dues	\$ 1,254,000	-	1,254,000	1,235,261	-	1,235,261
Subscription and advertising	194,019	-	194,019	233,206	-	233,206
Less direct costs	(199,210)	-	(199,210)	(207,992)	-	(207,992)
Conferences and competitions	613,519	-	613,519	602,785	-	602,785
Less direct costs	(566,729)	-	(566,729)	(614,807)	-	(614,807)
Contributions	109,151	5,962	115,113	137,986	17,249	155,235
Loss on disposal of property and equipment	(2,424)	-	(2,424)	(14,981)	-	(14,981)
Other	119,257	-	119,257	144,144	-	144,144
Interest and dividends	47,812	8,320	56,132	66,470	10,766	77,236
Unrealized loss on investments	(65,382)	(9,203)	(74,585)	(192,673)	(38,629)	(231,302)
Realized gain (loss) on investments	(313,562)	(69,280)	(382,842)	22,145	6,133	28,278
Released from restrictions	-	-	-	31,315	(31,315)	-
	<u>1,190,451</u>	<u>(64,201)</u>	<u>1,126,250</u>	<u>1,442,859</u>	<u>(35,796)</u>	<u>1,407,063</u>
Expenses:						
Salaries and wages	795,763	-	795,763	827,346	-	827,346
Payroll taxes	52,068	-	52,068	53,566	-	53,566
Employee benefits	98,303	-	98,303	95,608	-	95,608
Rent and utilities	128,398	-	128,398	131,809	-	131,809
Travel and entertainment	94,582	-	94,582	105,345	-	105,345
Newsletters and mailings	35,640	-	35,640	41,343	-	41,343
Membership retention	6,473	-	6,473	38,176	-	38,176
Insurance	24,383	-	24,383	24,383	-	24,383
Office supplies and postage	14,022	-	14,022	35,311	-	35,311
Information services	44,728	-	44,728	64,360	-	64,360
Telephone	5,664	-	5,664	11,548	-	11,548
Professional fees	16,635	-	16,635	31,679	-	31,679
Bank charges	58,555	-	58,555	54,080	-	54,080
Depreciation	13,201	-	13,201	19,133	-	19,133
Grants and awards	108,357	-	108,357	108,666	-	108,666
Other	60,938	-	60,938	86,324	-	86,324
	<u>1,557,710</u>	<u>-</u>	<u>1,557,710</u>	<u>1,728,677</u>	<u>-</u>	<u>1,728,677</u>
Change in net assets	(367,259)	(64,201)	(431,460)	(285,818)	(35,796)	(321,614)
Net assets:						
Beginning of year	<u>1,483,690</u>	<u>349,261</u>	<u>1,832,951</u>	<u>1,769,508</u>	<u>385,057</u>	<u>2,154,565</u>
End of year	<u>\$ 1,116,431</u>	<u>285,060</u>	<u>1,401,491</u>	<u>1,483,690</u>	<u>349,261</u>	<u>1,832,951</u>

See accompanying notes to consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ (431,460)	(321,614)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	13,201	19,133
Loss on disposal of property and equipment	2,424	14,981
Unrealized loss on investments	74,585	231,302
Realized loss (gain) on sale of investments	382,842	(28,278)
Effect of change in operating assets and liabilities:		
Accounts receivable	8,056	9,911
Inventory	646	1,522
Prepaid expenses and deposits	(315)	(998)
Accounts payable	(233)	(17,854)
Due to state and local affiliates	(6,890)	(2,135)
Accrued expenses	2,409	(1,167)
Deferred revenue	<u>(6,198)</u>	<u>83,234</u>
Net cash provided (used) by operating activities	<u>39,067</u>	<u>(11,963)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(6,955)	(15,233)
Proceeds received from sale of investments	1,202,121	687,014
Purchases of investments	<u>(1,252,892)</u>	<u>(710,457)</u>
Net cash used by investing activities	<u>(57,726)</u>	<u>(38,676)</u>
Change in cash and cash equivalents	(18,659)	(50,639)
Cash and cash equivalents - beginning of year	<u>830,326</u>	<u>880,965</u>
Cash and cash equivalents - end of year	\$ <u>811,667</u>	<u>830,326</u>

See accompanying notes to consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Music Teachers National Association, Inc. (the "Association"), are set forth to facilitate the understanding of data presented in the consolidated financial statements.

Nature of operations

The Association advances the value of music study and music making to society and supports the professionalism of music teachers.

Principles of consolidation

The accompanying consolidated financial statements present the consolidated financial position and changes in net assets of the Association and its former corporate entity, which has been renamed, MTNA Certification Program. All inter-organizational accounts and transactions have been eliminated.

Use of estimates

The presentation of 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 reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Financial statement presentation

The Association is required to report information regarding its financial position and activities in three classes of net assets: unrestricted net assets which have no donor-imposed restrictions, temporarily restricted net assets which have donor-imposed restrictions that will expire in the future, and permanently restricted net assets which have donor-imposed restrictions which do not expire. The Association has no permanently restricted net assets at June 30, 2009 and 2008.

Temporarily restricted contributions and investment income are reported as unrestricted if the restriction is met during the same period.

Income taxes

For Federal tax purposes, the Association is an exempt organization under Section 501(c)(3) of the Internal Revenue Code but is subject to tax on its unrelated business income.

In addition, the Association was formerly organized under Section 501(c)(6) of the Internal Revenue Code. All of the assets except \$50,000 were transferred from the 501(c)(6) organization, now named MTNA Certification Program, into the 501(c)(3) organization. MTNA Certification Program is used strictly for certification and its financial position and results of operations have been consolidated with the Association in these financial statements.

The Financial Accounting Standards Board ("FASB") has issued guidance, which clarifies generally acceptable accounting principles for recognition, measurement, presentation and disclosure relating to uncertain tax positions. The guidance applies to business enterprises, not-for-profit entities, and pass-through entities, such as S corporations and limited liability companies. As permitted by the guidance (as amended), the Association has elected to defer the application of the guidance until issuance of its June 30, 2010 financial statements. For financial statements covering periods prior to fiscal year 2010, the Association evaluates uncertain tax positions in accordance with existing generally accepted accounting principles and makes such accruals and disclosures as might be required thereunder.

Cash and cash equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of credit risk

The Association maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Allowance for doubtful accounts

The Association extends credit to various customers for use of mailing lists and advertising. On a periodic basis, the Association evaluates its accounts receivable and establishes an allowance, based on a history of past write-offs and collections and current credit conditions. All accounts receivable are deemed fully collectible by management. Therefore, no allowance for doubtful accounts is necessary.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Fair value measures

FASB has issued guidance which establishes a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. The effective date of the guidance for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis has been delayed to fiscal years beginning after November 15, 2008. As a result, the Association has only partially adopted the guidance.

Inventory

Inventory, consisting principally of merchandise for resale to members and the general public, is stated at cost.

Property and equipment and depreciation

Property and equipment is recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Deferred revenue

Membership dues that have been collected for future periods have been recorded as deferred revenue.

Due to affiliates

Amounts due to affiliates represent membership dues collected by the Association on behalf of its 50 states and over 500 local affiliates.

Subsequent events

The Association evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 3, 2009.

2. INVESTMENTS:

The Association's investments consisted of the following at June 30:

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market investments	\$ 74,588	74,568	35,548	35,548
Mutual funds	1,214,385	1,070,255	1,949,073	1,908,111
Government bonds	279,195	288,957	-	-
Equities	<u>191,303</u>	<u>202,919</u>	<u>103,059</u>	<u>99,696</u>
	<u>\$ 1,759,471</u>	<u>1,636,699</u>	<u>2,087,680</u>	<u>2,043,355</u>

3. PROPERTY AND EQUIPMENT:

Property and equipment at June 30 is summarized as follows:

	<u>2009</u>	<u>2008</u>
Furniture and fixtures	\$ 194,189	209,618
Less accumulated depreciation	<u>(177,526)</u>	<u>(184,285)</u>
	<u>\$ 16,663</u>	<u>25,333</u>

4. RETIREMENT PLAN:

The Association offers a voluntary participation 401(k) retirement plan to its employees. All employees of the Association are eligible to participate in the plan upon meeting certain eligibility requirements. The Association matches a certain percentage of the employee contributions. Total matching retirement contributions were \$16,460 and \$18,676 for the years ended June 30, 2009 and 2008, respectively.

5. LEASES:

The Association is under agreement to lease certain office space through November 2014. Total rent expense including common area maintenance and utilities charges for the years ended June 30, 2009 and 2008 was \$128,398 and \$131,809, respectively. The future minimum lease payments for the office lease at June 30 are as follows:

2010	\$ 113,112
2011	116,508
2012	120,032
2013	123,628
2014	127,353
Thereafter	<u>54,461</u>
	<u>\$ 655,094</u>

The Association is leasing certain office equipment under operating leases that expires through June 2013. Total lease expense included in operations for the years ended June 30, 2009 and 2008 was approximately \$10,900 and \$10,900, respectively. Future minimum lease payments for the office equipment under these leases are as follows:

2010	\$ 10,278
2011	10,278
2012	9,093
2013	<u>7,908</u>
	<u>\$ 37,557</u>

6. UNRESTRICTED – BOARD DESIGNATED NET ASSETS:

As of June 30, 2009 and 2008, the Board has designated \$738,215 and \$921,677 of net assets to be used for competition awards for students and other purposes.

7. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2009</u>	<u>2008</u>
Teacher enrichment grants	\$ 236,803	292,632
Local association grants	12,232	34,773
Other	<u>36,025</u>	<u>21,856</u>
	<u>\$ 285,060</u>	<u>349,261</u>

8. ENDOWMENT FUNDS:

Generally accepted accounting principles require that net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Association's endowment consists of several funds established to provide student awards, association grants, and teacher enrichment grants. Its endowment consists of board-designated funds.

Endowment net assets for the Board-designated endowment of \$738,215 are reported as unrestricted net assets at June 30, 2009:

Changes in endowment net assets are as follows for the year ended June 30, 2009:

	<u>Unrestricted</u>
Endowment net assets at beginning of year	\$ 921,677
Interest and dividend income	21,845
Realized and unrealized loss on investments	(206,122)
Contributions	8,438
Appropriation of endowment assets for expenditure	-
Investment fees	<u>(7,623)</u>
Endowment net assets at end of year	<u>\$ 738,215</u>

Return objectives and risk parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide for long-term growth of income and principal without undue exposure to risk. The return objective shall be accomplished using a balanced strategy of fixed income, equities, mutual funds and cash equivalents in a mix that is conducive to participation in rising markets while allowing for adequate protection in falling markets. The performance objectives will be measured against appropriate industry benchmarks such as the S&P 500 Index, Russell Mid Cap Index, Russell 2000 Index, and Morgan Stanley EAFE Index.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

The Association has a policy of appropriating for distribution each year five percent of the endowment fund's average fair value market price over 12 quarters. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, this spending policy should, over time, protect the inflation-adjusted value of the endowment and, consequently, allow inflation-adjusted spending to occur into the distant future. This is consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. In the year ended June 30, 2009, the Association elected not to appropriate the five percent allowed by policy.

9. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value: Level 1 fair values are quoted prices in active markets for identical assets or liabilities; Level 2 fair values are observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; Level 3 fair values are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value methods and assumptions on equity investments are based on the Level 1 market approach. Investments in bond funds that are not quoted on an exchange, but are traded in active markets are valued on Level 2 inputs using prices obtained from our custodian, which used third party data service providers.

	Fair Value Measurements at June 30, 2009			
	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Investments	\$1,636,699	1,347,742	288,957	-

Music Teachers National Association, Inc.
Consolidating Schedule of Financial Position
June 30, 2009

	<u>Association</u>	<u>Certification</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 783,888	27,779	811,667
Investments at fair value	1,610,985	25,714	1,636,699
Accounts receivable	15,198	-	15,198
Inventory	6,272	-	6,272
Prepaid expenses	27,835	-	27,835
Property and equipment, net	16,663	-	16,663
Deposits	<u>420</u>	<u>-</u>	<u>420</u>
 Total assets	 \$ <u>2,461,261</u>	 <u>53,493</u>	 <u>2,514,754</u>
 Liabilities and net assets:			
Liabilities:			
Accounts payable	\$ 2,849	-	2,849
Due to state and local affiliates	167,098	-	167,098
Accrued expenses	49,424	-	49,424
Deferred revenue	<u>893,892</u>	<u>-</u>	<u>893,892</u>
 Total liabilities	 <u>1,113,263</u>	 <u>-</u>	 <u>1,113,263</u>
 Net assets:			
Unrestricted	324,723	53,493	378,216
Unrestricted - Board designated	738,215	-	738,215
Temporarily restricted	<u>285,060</u>	<u>-</u>	<u>285,060</u>
 Total net assets	 <u>1,347,998</u>	 <u>53,493</u>	 <u>1,401,491</u>
 Total liabilities and net assets	 \$ <u>2,461,261</u>	 <u>53,493</u>	 <u>2,514,754</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Financial Position
June 30, 2008

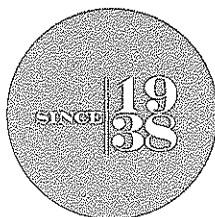
	<u>Association</u>	<u>Certification</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 804,351	25,975	830,326
Investments at fair value	2,010,976	32,379	2,043,355
Accounts receivable	23,254	-	23,254
Inventory	6,918	-	6,918
Prepaid expenses	27,283	237	27,520
Property and equipment, net	25,333	-	25,333
Deposits	<u>420</u>	<u>-</u>	<u>420</u>
 Total assets	 \$ <u>2,898,535</u>	 <u>58,591</u>	 <u>2,957,126</u>
 Liabilities and net assets:			
Liabilities:			
Accounts payable	\$ 973	2,109	3,082
Due to state and local affiliates	173,988	-	173,988
Accrued expenses	47,015	-	47,015
Deferred revenue	<u>900,090</u>	<u>-</u>	<u>900,090</u>
 Total liabilities	 <u>1,122,066</u>	 <u>2,109</u>	 <u>1,124,175</u>
 Net assets:			
Unrestricted	505,531	56,482	562,013
Unrestricted - Board designated	921,677	-	921,677
Temporarily restricted	<u>349,261</u>	<u>-</u>	<u>349,261</u>
 Total net assets	 <u>1,776,469</u>	 <u>56,482</u>	 <u>1,832,951</u>
 Total liabilities and net assets	 \$ <u>2,898,535</u>	 <u>58,591</u>	 <u>2,957,126</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Activities
Year Ended June 30, 2009

	Association				
	Unrestricted	Temporarily Restricted	Total	Certification	Total
Revenues:					
Membership dues	\$ 1,254,000	-	1,254,000	-	1,254,000
Subscription and advertising	194,019	-	194,019	-	194,019
Less direct costs	(199,210)	-	(199,210)	-	(199,210)
Conferences and competitions	613,519	-	613,519	-	613,519
Less direct costs	(566,729)	-	(566,729)	-	(566,729)
Contributions	109,151	5,962	115,113	-	115,113
Loss on disposal of property and equipment	(2,424)	-	(2,424)	-	(2,424)
Other	69,292	-	69,292	49,965	119,257
Management fee	4,998	-	4,998	(4,998)	-
Interest and dividends	46,952	8,320	55,272	860	56,132
Unrealized loss on investments	(63,125)	(9,203)	(72,328)	(2,257)	(74,585)
Realized loss on investments	(308,433)	(69,280)	(377,713)	(5,129)	(382,842)
	<u>1,152,010</u>	<u>(64,201)</u>	<u>1,087,809</u>	<u>38,441</u>	<u>1,126,250</u>
Expenses:					
Salaries and wages	779,263	-	779,263	16,500	795,763
Payroll taxes	52,068	-	52,068	-	52,068
Employee benefits	98,303	-	98,303	-	98,303
Rent and utilities	128,398	-	128,398	-	128,398
Travel and entertainment	94,582	-	94,582	-	94,582
Newsletters and mailings	35,640	-	35,640	-	35,640
Membership retention	6,473	-	6,473	-	6,473
Insurance	24,383	-	24,383	-	24,383
Office supplies and postage	14,022	-	14,022	-	14,022
Information services	44,728	-	44,728	-	44,728
Telephone	5,664	-	5,664	-	5,664
Professional fees	16,635	-	16,635	-	16,635
Bank charges	58,555	-	58,555	-	58,555
Depreciation	13,201	-	13,201	-	13,201
Grants and awards	108,357	-	108,357	-	108,357
Other	36,008	-	36,008	24,930	60,938
	<u>1,516,280</u>	<u>-</u>	<u>1,516,280</u>	<u>41,430</u>	<u>1,557,710</u>
Change in net assets	(364,270)	(64,201)	(428,471)	(2,989)	(431,460)
Net assets:					
Beginning of year	<u>1,427,208</u>	<u>349,261</u>	<u>1,776,469</u>	<u>56,482</u>	<u>1,832,951</u>
End of year	<u>\$ 1,062,938</u>	<u>285,060</u>	<u>1,347,998</u>	<u>53,493</u>	<u>1,401,491</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Activities
Year Ended June 30, 2008

	Association				
	Unrestricted	Temporarily Restricted	Total	Certification	Total
Revenues:					
Membership dues	\$ 1,235,261	-	1,235,261	-	1,235,261
Subscription and advertising	233,206	-	233,206	-	233,206
Less direct costs	(207,992)	-	(207,992)	-	(207,992)
Conferences and competitions	602,785	-	602,785	-	602,785
Less direct costs	(614,807)	-	(614,807)	-	(614,807)
Contributions	137,986	17,249	155,235	-	155,235
Loss on disposal of property and equipment	(14,981)	-	(14,981)	-	(14,981)
Other	77,642	-	77,642	66,502	144,144
Management fee	11,500	-	11,500	(11,500)	-
Interest and dividends	65,350	10,766	76,116	1,120	77,236
Unrealized loss on investments	(188,444)	(38,629)	(227,073)	(4,229)	(231,302)
Realized gain on investments	21,106	6,133	27,239	1,039	28,278
Released from restrictions	31,315	(31,315)	-	-	-
	<u>1,389,927</u>	<u>(35,796)</u>	<u>1,354,131</u>	<u>52,932</u>	<u>1,407,063</u>
Expenses:					
Salaries and wages	800,846	-	800,846	26,500	827,346
Payroll taxes	53,566	-	53,566	-	53,566
Employee benefits	95,608	-	95,608	-	95,608
Rent and utilities	131,809	-	131,809	-	131,809
Travel and entertainment	105,345	-	105,345	-	105,345
Newsletters and mailings	41,343	-	41,343	-	41,343
Membership retention	38,176	-	38,176	-	38,176
Insurance	24,383	-	24,383	-	24,383
Office supplies and postage	35,311	-	35,311	-	35,311
Information services	64,360	-	64,360	-	64,360
Telephone	11,548	-	11,548	-	11,548
Professional fees	31,679	-	31,679	-	31,679
Bank charges	54,080	-	54,080	-	54,080
Depreciation	19,133	-	19,133	-	19,133
Grants and awards	108,666	-	108,666	-	108,666
Other	46,280	-	46,280	40,044	86,324
	<u>1,662,133</u>	<u>-</u>	<u>1,662,133</u>	<u>66,544</u>	<u>1,728,677</u>
Change in net assets	(272,206)	(35,796)	(308,002)	(13,612)	(321,614)
Net assets:					
Beginning of year	<u>1,699,414</u>	<u>385,057</u>	<u>2,084,471</u>	<u>70,094</u>	<u>2,154,565</u>
End of year	<u>\$ 1,427,208</u>	<u>349,261</u>	<u>1,776,469</u>	<u>56,482</u>	<u>1,832,951</u>



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training and experience are well-suited for each client's purpose and goals. We are committed to providing insightful and customized service — from efficient compliance to sophisticated consulting — to help each client prosper today and plan for future success.

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