

Music Teachers National Association, Inc.

Consolidated Financial Statements

And

Supplemental Financial Information

June 30, 2014 and 2013

With Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Music Teachers National Association, Inc. (a not-for-profit association) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related 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 auditor considers 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.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Music Teachers National Association, Inc. as of June 30, 2014 and 2013, 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 consolidating schedules on pages 12-15 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 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.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
September 12, 2014

Music Teachers National Association, Inc.
Consolidated Statements of Financial Position
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets:		
Cash and cash equivalents	\$ 1,459,916	1,569,699
Investments at fair value	2,566,396	2,324,272
Accounts receivable	6,348	17,127
Inventory	-	2,404
Prepaid expenses	67,060	58,771
Property and equipment, net	38,658	36,935
Deposits	<u>8,358</u>	<u>420</u>
 Total assets	 \$ <u><u>4,146,736</u></u>	 <u><u>4,009,628</u></u>
Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 35,804	21,525
Due to state and local affiliates	-	157,519
Accrued expenses	48,572	45,785
Deferred revenue	<u>886,113</u>	<u>875,149</u>
 Total liabilities	 <u>970,489</u>	 <u>1,099,978</u>
Net assets:		
Unrestricted	1,521,165	1,410,426
Unrestricted - Board designated	1,120,618	1,018,531
Temporarily restricted	<u>534,464</u>	<u>480,693</u>
 Total net assets	 <u>3,176,247</u>	 <u>2,909,650</u>
 Total liabilities and net assets	 \$ <u><u>4,146,736</u></u>	 <u><u>4,009,628</u></u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Membership dues	\$ 1,287,925	-	1,287,925	1,287,468	-	1,287,468
Subscription and advertising	184,384	-	184,384	204,858	-	204,858
Less direct costs	(126,722)	-	(126,722)	(130,242)	-	(130,242)
Conferences	481,138	-	481,138	393,696	-	393,696
Less direct costs	(292,052)	-	(292,052)	(236,237)	-	(236,237)
Competitions	120,665	-	120,665	121,615	-	121,615
Less direct costs	(165,401)	-	(165,401)	(162,612)	-	(162,612)
Contributions	157,391	26,100	183,491	174,339	51,978	226,317
Other	95,151	-	95,151	128,331	-	128,331
Interest and dividends	45,363	14,999	60,362	81,957	13,604	95,561
Unrealized gain on investments	82,065	23,947	106,012	6,826	8,999	15,825
Realized gain on investments	74,764	18,400	93,164	64,738	15,496	80,234
Net assets released from restrictions	29,675	(29,675)	-	22,402	(22,402)	-
	<u>1,974,346</u>	<u>53,771</u>	<u>2,028,117</u>	<u>1,957,139</u>	<u>67,675</u>	<u>2,024,814</u>
Expenses:						
Salaries and wages	685,551	-	685,551	761,213	-	761,213
Payroll taxes	45,754	-	45,754	51,446	-	51,446
Employee benefits	81,418	-	81,418	89,024	-	89,024
Rent and utilities	139,849	-	139,849	141,020	-	141,020
Travel and entertainment	109,069	-	109,069	118,485	-	118,485
Newsletters and mailings	46,482	-	46,482	45,709	-	45,709
Membership retention	21,993	-	21,993	18,277	-	18,277
Insurance	25,631	-	25,631	24,130	-	24,130
Office supplies and postage	8,753	-	8,753	11,423	-	11,423
Information services	66,979	-	66,979	64,850	-	64,850
Telephone	3,604	-	3,604	4,851	-	4,851
Professional fees	79,249	-	79,249	34,955	-	34,955
Bank charges	68,661	-	68,661	69,418	-	69,418
Depreciation	14,791	-	14,791	10,019	-	10,019
Grants and awards	148,427	-	148,427	162,878	-	162,878
Other	215,309	-	215,309	162,927	-	162,927
	<u>1,761,520</u>	<u>-</u>	<u>1,761,520</u>	<u>1,770,625</u>	<u>-</u>	<u>1,770,625</u>
Change in net assets	212,826	53,771	266,597	186,514	67,675	254,189
Net assets:						
Beginning of year	<u>2,428,957</u>	<u>480,693</u>	<u>2,909,650</u>	<u>2,242,443</u>	<u>413,018</u>	<u>2,655,461</u>
End of year	<u>\$ 2,641,783</u>	<u>534,464</u>	<u>3,176,247</u>	<u>2,428,957</u>	<u>480,693</u>	<u>2,909,650</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 266,597	254,189
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	14,791	10,019
Unrealized gain on investments	(106,012)	(15,825)
Realized gain on sale of investments	(93,164)	(80,234)
Effect of change in operating assets and liabilities:		
Accounts receivable	10,779	(6,017)
Inventory	2,404	261
Prepaid expenses and deposits	(16,227)	(31,508)
Accounts payable	14,279	(28,486)
Due to state and local affiliates	(157,519)	7,126
Accrued expenses	2,787	(5,267)
Deferred revenue	10,964	38,798
Net cash provided (used) by operating activities	(50,321)	143,056
Cash flows from investing activities:		
Purchases of property and equipment	(16,514)	(34,506)
Proceeds received from sale of investments	2,252,823	354,901
Purchases of investments	(2,295,771)	(444,679)
Net cash used in investing activities	(59,462)	(124,284)
Change in cash and cash equivalents	(109,783)	18,772
Cash and cash equivalents - beginning of year	1,569,699	1,550,927
Cash and cash equivalents - end of year	\$ 1,459,916	1,569,699

See accompanying notes to the 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 likely expire in the future, and permanently restricted net assets which have donor-imposed restrictions which do not expire. The Association had no permanently restricted net assets at June 30, 2014 and 2013. 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.

Accounting for uncertainty in income taxes

The Financial Accounting Standards Board ("FASB") has issued guidance which clarifies generally accepted accounting principles for recognition, measurement, presentation and disclosure relating to uncertain tax positions. This guidance clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Association's income tax returns. The Association's income tax filings are subject to audit by various taxing authorities. The fiscal years of filings open to these authorities and available for audit are 2011, 2012 and 2013. The Association's policy with regards to interest and penalties is to recognize interest through interest expense and penalties through other expense. In evaluating the Association's tax provision and tax exempt status, interpretations and tax planning strategies were considered. The Association believes their estimates are appropriate based on the current facts and circumstances.

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, except for money markets held within its investment accounts.

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.

Inventory

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

Property and equipment and depreciation

The Association capitalizes all property and equipment in excess of \$1,000. Property and equipment is recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets which range from 3-7 years.

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 state 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 12, 2014, the date on which the financial statements were available to be issued.

2. PROPERTY AND EQUIPMENT:

Property and equipment at June 30 is summarized as follows:

	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 233,874	222,815
Less accumulated depreciation	<u>(195,216)</u>	<u>(185,880)</u>
	<u>\$ 38,658</u>	<u>36,935</u>

3. 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 \$10,466 and \$12,182 for the years ended June 30, 2014 and 2013, respectively.

4. LEASES:

The Association is under agreement to lease certain office space through August 2025. Total rent expense including common area maintenance and utilities charges for the years ended June 30, 2014 and 2013 was \$139,849 and \$141,020, respectively. The Association is leasing certain office equipment under operating leases that expire through July 2018. Total lease expense included in operations for the years ended June 30, 2014 and 2013 was approximately \$7,500 and \$10,000, respectively.

The future minimum lease payments for the office lease and office equipment at June 30 are as follows:

2015	\$	86,876
2016		104,940
2017		106,368
2018		107,795
2019		105,323
Thereafter		<u>585,846</u>
		<u>\$ 1,097,148</u>

5. UNRESTRICTED – BOARD DESIGNATED NET ASSETS:

As of June 30, 2014 and 2013, the Board has designated \$1,120,618 and \$1,018,531 of net assets to be used for competition awards for students and other purposes.

6. TEMPORARILY RESTRICTED NET ASSETS:

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

	<u>2014</u>	<u>2013</u>
Teacher enrichment grants	\$ 360,699	344,070
Local association grants	17,074	15,519
Other	<u>156,691</u>	<u>121,104</u>
	<u>\$ 534,464</u>	<u>480,693</u>

7. 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. The board designated endowment had a balance of \$1,120,618 and \$1,018,531 at June 30, 2014 and 2013, respectively.

Changes in endowment net assets are as follows for the years ended June 30:

	2014 <u>Unrestricted</u>	2013 <u>Unrestricted</u>
Endowment net assets at beginning of year	\$ 1,018,531	962,890
Interest and dividend income	28,566	30,974
Realized and unrealized gain (loss) on investments	89,305	55,370
Contributions	23,552	6,845
Appropriation of endowment assets for expenditure	(29,579)	(28,134)
Investment fees	<u>(9,757)</u>	<u>(9,414)</u>
Endowment net assets at end of year	<u>\$ 1,120,618</u>	<u>1,018,531</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 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. The Association elected to appropriate \$29,579 and \$28,134 during the years ended June 30, 2014 and 2013, respectively.

8. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Association has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Fair value methods and assumptions on investments consisting of money market funds, mutual funds and equities are based on the Level 1 market approach. Investments in fixed income instruments that are not quoted on an exchange, but are traded in active markets, are valued on Level 2 inputs using pricing obtained from our custodians, which use third-party data source providers.

The following tables present the Association's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2014 and 2013.

Fair Value Measurements at reporting date using

<u>June 30, 2014</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 50,942	50,942	-	-
Corporate/government bonds	202,755	-	202,755	-
Equity funds:				
Large Blend	232,900	232,900	-	-
Mid-Cap Blend	104,591	104,591	-	-
Mutual funds:				
Short government	203,163	203,163	-	-
Short term bond	459,849	459,849	-	-
Intermediate term bond	102,448	102,448	-	-
World allocation	157,382	157,382	-	-
Large blend	256,312	256,312	-	-
Small value	103,857	103,857	-	-
Diversified emerging markets	155,943	155,943	-	-
Conservative allocation	123,972	123,972	-	-
Europe stock	152,819	152,819	-	-
Moderate allocation	130,187	130,187	-	-
Nontraditional bond	<u>129,276</u>	<u>129,276</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,566,396</u>	<u>2,363,641</u>	<u>202,755</u>	<u>-</u>

Fair Value Measurements at reporting date using

<u>June 30, 2013</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 57,935	57,935	-	-
Corporate/government bonds	116,998	-	116,998	-
Equity funds:				
Large Blend	257,790	257,790	-	-
Mid-Cap Blend	93,209	93,209	-	-
Mutual funds:				
Short government	259,595	259,595	-	-
Short term bond	256,939	256,939	-	-
Intermediate term bond	252,482	252,482	-	-
World allocation	252,357	252,357	-	-
Large blend	143,058	143,058	-	-
Foreign large blend	136,743	136,743	-	-
Long/short equity	119,403	119,403	-	-
World bond	114,646	114,646	-	-
Small value	94,712	94,712	-	-
Diversified emerging markets	89,503	89,503	-	-
Real estate	<u>88,902</u>	<u>88,902</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,334,272</u>	<u>2,217,274</u>	<u>116,998</u>	<u>-</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Financial Position
June 30, 2014

	<u>Association</u>	<u>Certification</u>	<u>Elimination</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,355,957	103,959	-	1,459,916
Investments at fair value	2,528,232	38,164	-	2,566,396
Accounts receivable	6,348	4,609	(4,609)	6,348
Inventory	-	-	-	-
Prepaid expenses	67,060	-	-	67,060
Property and equipment, net	38,658	-	-	38,658
Deposits	<u>8,358</u>	<u>-</u>	<u>-</u>	<u>8,358</u>
 Total assets	 \$ <u>4,004,613</u>	 <u>146,732</u>	 <u>(4,609)</u>	 <u>4,146,736</u>
 Liabilities and net assets:				
Liabilities:				
Accounts payable	\$ 39,660	753	(4,609)	35,804
Accrued expenses	48,572	-	-	48,572
Deferred revenue	<u>886,113</u>	<u>-</u>	<u>-</u>	<u>886,113</u>
 Total liabilities	 <u>974,345</u>	 <u>753</u>	 <u>(4,609)</u>	 <u>970,489</u>
 Net assets:				
Unrestricted	1,375,186	145,979	-	1,521,165
Unrestricted - Board designated	1,120,618	-	-	1,120,618
Temporarily restricted	<u>534,464</u>	<u>-</u>	<u>-</u>	<u>534,464</u>
 Total net assets	 <u>3,030,268</u>	 <u>145,979</u>	 <u>-</u>	 <u>3,176,247</u>
 Total liabilities and net assets	 \$ <u>4,004,613</u>	 <u>146,732</u>	 <u>(4,609)</u>	 <u>4,146,736</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Financial Position
June 30, 2013

	<u>Association</u>	<u>Certification</u>	<u>Elimination</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,464,879	104,820	-	1,569,699
Investments at fair value	2,289,722	34,550	-	2,324,272
Accounts receivable	17,139	-	(12)	17,127
Inventory	2,404	-	-	2,404
Prepaid expenses	58,406	365	-	58,771
Property and equipment, net	36,935	-	-	36,935
Deposits	<u>420</u>	<u>-</u>	<u>-</u>	<u>420</u>
 Total assets	 \$ <u>3,869,905</u>	 <u>139,735</u>	 <u>(12)</u>	 <u>4,009,628</u>
 Liabilities and net assets:				
Liabilities:				
Accounts payable	\$ 21,525	12	(12)	21,525
Due to state and local affiliates	157,519	-	-	157,519
Accrued expenses	45,785	-	-	45,785
Deferred revenue	<u>875,149</u>	<u>-</u>	<u>-</u>	<u>875,149</u>
 Total liabilities	 <u>1,099,978</u>	 <u>12</u>	 <u>(12)</u>	 <u>1,099,978</u>
 Net assets:				
Unrestricted	1,270,703	139,723	-	1,410,426
Unrestricted - Board designated	1,018,531	-	-	1,018,531
Temporarily restricted	<u>480,693</u>	<u>-</u>	<u>-</u>	<u>480,693</u>
 Total net assets	 <u>2,769,927</u>	 <u>139,723</u>	 <u>-</u>	 <u>2,909,650</u>
 Total liabilities and net assets	 \$ <u>3,869,905</u>	 <u>139,735</u>	 <u>(12)</u>	 <u>4,009,628</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Activities
Year Ended June 30, 2014

	Association			Certification	Total
	Unrestricted	Temporarily Restricted	Total		
Revenues:					
Membership dues	\$ 1,287,925	-	1,287,925	-	1,287,925
Subscription and advertising	184,384	-	184,384	-	184,384
Less direct costs	(126,722)	-	(126,722)	-	(126,722)
Conferences	481,138	-	481,138	-	481,138
Less direct costs	(292,052)	-	(292,052)	-	(292,052)
Competitions	120,665	-	120,665	-	120,665
Less direct costs	(165,401)	-	(165,401)	-	(165,401)
Contributions	157,391	26,100	183,491	-	183,491
Other	34,512	-	34,512	60,639	95,151
Management fee	10,000	-	10,000	(10,000)	-
Interest and dividends	44,482	14,999	59,481	881	60,362
Unrealized gain on investments	79,366	23,947	103,313	2,699	106,012
Realized gain on investments	74,509	18,400	92,909	255	93,164
Net assets released from restrictions	29,675	(29,675)	-	-	-
	<u>1,919,872</u>	<u>53,771</u>	<u>1,973,643</u>	<u>54,474</u>	<u>2,028,117</u>
Expenses:					
Salaries and wages	660,551	-	660,551	25,000	685,551
Payroll taxes	45,754	-	45,754	-	45,754
Employee benefits	81,418	-	81,418	-	81,418
Rent and utilities	139,849	-	139,849	-	139,849
Travel and entertainment	109,069	-	109,069	-	109,069
Newsletters and mailings	46,482	-	46,482	-	46,482
Membership retention	21,993	-	21,993	-	21,993
Insurance	25,631	-	25,631	-	25,631
Office supplies and postage	8,753	-	8,753	-	8,753
Information services	66,979	-	66,979	-	66,979
Telephone	3,604	-	3,604	-	3,604
Professional fees	79,249	-	79,249	-	79,249
Bank charges	68,661	-	68,661	-	68,661
Depreciation	14,791	-	14,791	-	14,791
Grants and awards	148,427	-	148,427	-	148,427
Other	192,091	-	192,091	23,218	215,309
	<u>1,713,302</u>	<u>-</u>	<u>1,713,302</u>	<u>48,218</u>	<u>1,761,520</u>
Change in net assets	206,570	53,771	260,341	6,256	266,597
Net assets:					
Beginning of year	<u>2,289,234</u>	<u>480,693</u>	<u>2,769,927</u>	<u>139,723</u>	<u>2,909,650</u>
End of year	<u>\$ 2,495,804</u>	<u>534,464</u>	<u>3,030,268</u>	<u>145,979</u>	<u>3,176,247</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Activities
Year Ended June 30, 2013

	Association				
	Unrestricted	Temporarily Restricted	Total	Certification	Total
Revenues:					
Membership dues	\$ 1,287,468	-	1,287,468	-	1,287,468
Subscription and advertising	204,858	-	204,858	-	204,858
Less direct costs	(130,242)	-	(130,242)	-	(130,242)
Conferences	393,696	-	393,696	-	393,696
Less direct costs	(236,237)	-	(236,237)	-	(236,237)
Competitions	121,615	-	121,615	-	121,615
Less direct costs	(162,612)	-	(162,612)	-	(162,612)
Contributions	174,339	51,978	226,317	-	226,317
Other	57,511	-	57,511	70,820	128,331
Management fee	10,000	-	10,000	(10,000)	-
Interest and dividends	80,706	13,604	94,310	1,251	95,561
Unrealized gain on investments	6,302	8,999	15,301	524	15,825
Realized gain on investments	63,693	15,496	79,189	1,045	80,234
Net assets released from restrictions	22,402	(22,402)	-	-	-
	<u>1,893,499</u>	<u>67,675</u>	<u>1,961,174</u>	<u>63,640</u>	<u>2,024,814</u>
Expenses:					
Salaries and wages	741,213	-	741,213	20,000	761,213
Payroll taxes	51,446	-	51,446	-	51,446
Employee benefits	89,024	-	89,024	-	89,024
Rent and utilities	141,020	-	141,020	-	141,020
Travel and entertainment	118,485	-	118,485	-	118,485
Newsletters and mailings	45,709	-	45,709	-	45,709
Membership retention	18,277	-	18,277	-	18,277
Insurance	24,130	-	24,130	-	24,130
Office supplies and postage	11,423	-	11,423	-	11,423
Information services	64,850	-	64,850	-	64,850
Telephone	4,851	-	4,851	-	4,851
Professional fees	34,955	-	34,955	-	34,955
Bank charges	69,418	-	69,418	-	69,418
Depreciation	10,019	-	10,019	-	10,019
Grants and awards	162,878	-	162,878	-	162,878
Other	136,256	-	136,256	26,671	162,927
	<u>1,723,954</u>	<u>-</u>	<u>1,723,954</u>	<u>46,671</u>	<u>1,770,625</u>
Change in net assets	169,545	67,675	237,220	16,969	254,189
Net assets:					
Beginning of year	<u>2,119,689</u>	<u>413,018</u>	<u>2,532,707</u>	<u>122,754</u>	<u>2,655,461</u>
End of year	<u>\$ 2,289,234</u>	<u>480,693</u>	<u>2,769,927</u>	<u>139,723</u>	<u>2,909,650</u>