

# **Music Teachers National Association, Inc.**

Consolidated Financial Statements

And

Supplemental Financial Information

June 30, 2016 and 2015

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 consolidated statements of financial position as of June 30, 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 consolidated 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, 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 audits were 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 7, 2016

Music Teachers National Association, Inc.  
Consolidated Statements of Financial Position  
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,764,257	1,635,917
Investments, at fair value	2,593,890	2,600,481
Accounts receivable	18,930	8,404
Prepaid expenses	40,731	34,819
Property and equipment, net	46,497	72,099
Deposits	<u>8,358</u>	<u>8,358</u>
 Total assets	 \$ <u>4,472,663</u>	 <u>4,360,078</u>
 <b>Liabilities and net assets:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 20,898	16,876
Due to state and local affiliates	193,579	194,201
Accrued expenses	131,102	111,055
Deferred revenue	<u>926,257</u>	<u>873,074</u>
 Total liabilities	 <u>1,271,836</u>	 <u>1,195,206</u>
 <b>Net assets:</b>		
Unrestricted	1,502,601	1,488,570
Unrestricted - Board designated	1,074,204	1,106,126
Temporarily restricted	<u>624,022</u>	<u>570,176</u>
 Total net assets	 <u>3,200,827</u>	 <u>3,164,872</u>
 Total liabilities and net assets	 \$ <u>4,472,663</u>	 <u>4,360,078</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.  
Consolidated Statements of Activities  
Years Ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues:</b>						
Membership dues	\$ 1,309,001	-	1,309,001	1,310,814	-	1,310,814
Subscription and advertising	160,174	-	160,174	170,246	-	170,246
Less direct costs	(159,063)	-	(159,063)	(119,928)	-	(119,928)
Conferences	529,865	-	529,865	502,333	-	502,333
Less direct costs	(352,331)	-	(352,331)	(330,573)	-	(330,573)
Competitions	139,804	-	139,804	118,765	-	118,765
Less direct costs	(184,065)	-	(184,065)	(165,507)	-	(165,507)
Contributions	164,775	43,750	208,525	139,079	48,283	187,362
Other	164,024	-	164,024	125,941	-	125,941
Interest and dividends	70,553	15,646	86,199	56,684	16,091	72,775
Loss on disposal of property and equipment	-	-	-	(4,664)	-	(4,664)
Unrealized gain (loss) on investments	(10,104)	17,434	7,330	(17,219)	(8,193)	(25,412)
Realized gain (loss) on investments	(33,132)	-	(33,132)	3,405	4,289	7,694
Net assets released from restrictions	22,984	(22,984)	-	24,758	(24,758)	-
	<u>1,822,485</u>	<u>53,846</u>	<u>1,876,331</u>	<u>1,814,134</u>	<u>35,712</u>	<u>1,849,846</u>
<b>Expenses:</b>						
Salaries and wages	687,586	-	687,586	768,653	-	768,653
Payroll taxes	49,082	-	49,082	52,221	-	52,221
Employee benefits	98,093	-	98,093	95,455	-	95,455
Rent and utilities	113,129	-	113,129	130,775	-	130,775
Travel and entertainment	106,008	-	106,008	82,724	-	82,724
Newsletters and mailings	48,825	-	48,825	49,840	-	49,840
Membership retention	20,521	-	20,521	18,044	-	18,044
Insurance	26,494	-	26,494	26,044	-	26,044
Office supplies and postage	10,819	-	10,819	17,190	-	17,190
Information services	125,569	-	125,569	76,319	-	76,319
Telephone	571	-	571	2,197	-	2,197
Professional fees	59,575	-	59,575	31,856	-	31,856
Bank charges	100,751	-	100,751	80,560	-	80,560
Depreciation	35,392	-	35,392	28,872	-	28,872
Grants and awards	174,642	-	174,642	171,844	-	171,844
Other	183,319	-	183,319	228,627	-	228,627
	<u>1,840,376</u>	<u>-</u>	<u>1,840,376</u>	<u>1,861,221</u>	<u>-</u>	<u>1,861,221</u>
Change in net assets	(17,891)	53,846	35,955	(47,087)	35,712	(11,375)
<b>Net assets:</b>						
Beginning of year	<u>2,594,696</u>	<u>570,176</u>	<u>3,164,872</u>	<u>2,641,783</u>	<u>534,464</u>	<u>3,176,247</u>
End of year	<u>\$ 2,576,805</u>	<u>624,022</u>	<u>3,200,827</u>	<u>2,594,696</u>	<u>570,176</u>	<u>3,164,872</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 35,955	(11,375)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,392	28,872
Unrealized (gain) loss on investments	(7,330)	25,412
Realized (gain) loss on sale of investments	33,132	(7,694)
Loss on disposal of property and equipment	-	4,664
Effect of change in operating assets and liabilities:		
Accounts receivable	(10,526)	(2,056)
Prepaid expenses and deposits	(5,912)	32,241
Accounts payable	4,022	(18,928)
Due to state and local affiliates	(622)	194,201
Accrued expenses	20,047	62,483
Deferred revenue	53,183	(13,039)
Net cash provided by operating activities	157,341	294,781
Cash flows from investing activities:		
Purchases of property and equipment	(9,790)	(66,977)
Proceeds received from sale of investments	590,245	960,674
Purchases of investments	(609,456)	(1,012,477)
Net cash used in investing activities	(29,001)	(118,780)
Change in cash and cash equivalents	128,340	176,001
Cash and cash equivalents - beginning of year	1,635,917	1,459,916
Cash and cash equivalents - end of year	\$ 1,764,257	1,635,917

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 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 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 consolidated 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, 2016 and 2015. 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 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 consolidated statement of financial position. Unrealized gains and losses are included in the consolidated statement of activities.

**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 consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through September 7, 2016, the date on which the consolidated financial statements were available to be issued.

**2. PROPERTY AND EQUIPMENT:**

Property and equipment at June 30 is summarized as follows:

	<u>2016</u>	<u>2015</u>
Furniture and fixtures	\$ 305,041	295,251
Less accumulated depreciation	(258,544)	(223,152)
	\$ <u>46,497</u>	<u>72,099</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 \$15,826 and \$15,614 for the years ended June 30, 2016 and 2015, respectively.

**4. LEASES:**

In May 2014, the Association entered into an escalating lease agreement for certain office space through August 2025. The lease included nine months at the beginning for which no payments were due. Thus, a liability has been recorded to recognize lease expense on a straight-line amortization over the life of the lease. The liability associated with this lease at June 30, 2016 was \$78,332. Total rent expense including common area maintenance and utilities charges for the years ended June 30, 2016 and 2015 was \$113,129 and \$130,775, 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, 2016 and 2015 was approximately \$7,500.

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

2017	\$ 103,740
2018	105,168
2019	102,695
2020	105,323
2021	107,951
Thereafter	<u>477,895</u>
	<u>\$ 1,002,772</u>

**5. UNRESTRICTED – BOARD DESIGNATED NET ASSETS:**

As of June 30, 2016 and 2015, the Board has designated \$1,074,204 and \$1,106,126 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>2016</u>	<u>2015</u>
Teacher enrichment grants	\$ 372,607	364,209
Local association grants	16,797	16,427
Other	<u>234,618</u>	<u>189,540</u>
	<u>\$ 624,022</u>	<u>570,176</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 \$1,074,204 and \$1,106,126 at June 30, 2016 and 2015, respectively.

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

	2016	2015
	<u>Unrestricted</u>	<u>Unrestricted</u>
Endowment net assets at beginning of year	\$ 1,106,126	1,120,618
Interest and dividend income	36,031	30,906
Realized and unrealized loss on investments	(33,195)	(8,551)
Contributions	17,361	14,376
Appropriation of endowment assets for expenditure	(45,596)	(44,562)
Investment fees	<u>(6,523)</u>	<u>(6,661)</u>
Endowment net assets at end of year	\$ <u>1,074,204</u>	<u>1,106,126</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 \$45,596 and \$44,562 during the years ended June 30, 2016 and 2015, 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, 2016 and 2015.

### Fair Value Measurements at Reporting Date Using:

<u>June 30, 2016</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments:</b>				
Money market funds	\$ 57,184	57,184	-	-
Corporate/government bonds	571,535	-	571,535	-
<b>Equity funds:</b>				
Large Blend	476,455	476,455	-	-
Mid-Cap Blend	107,411	107,411	-	-
<b>Mutual funds:</b>				
Diversified emerging	145,936	145,936	-	-
Europe stock	146,292	146,292	-	-
Large blend	416,209	419,209	-	-
Short government	206,171	206,171	-	-
Short term bond	205,932	205,932	-	-
Small value	104,461	104,461	-	-
World allocation	156,304	156,304	-	-
	<u>\$ 2,593,890</u>	<u>2,022,355</u>	<u>571,535</u>	<u>-</u>

Music Teachers National Association, Inc.  
Notes to the Consolidated Financial Statements  
June 30, 2016 and 2015

Fair Value Measurements at Reporting Date Using:

<u>June 30, 2015</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 59,632	59,632	-	-
Corporate/government bonds	461,394	-	461,394	-
Equity funds:				
Large Blend	465,221	465,221	-	-
Mid-Cap Blend	105,286	105,286	-	-
Mutual funds:				
Diversified emerging	152,585	152,585	-	-
Europe stock	160,782	160,782	-	-
Large blend	312,412	312,412	-	-
Moderate allocation	102,354	102,354	-	-
Short government	209,252	209,252	-	-
Short term bond	207,119	207,119	-	-
Small value	106,416	106,416	-	-
World allocation	157,338	157,338	-	-
World bond	<u>100,690</u>	<u>100,690</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,600,481</u>	<u>2,139,087</u>	<u>461,394</u>	<u>-</u>

Music Teachers National Association, Inc.  
Consolidating Schedule of Financial Position  
June 30, 2016

	<u>Association</u>	<u>Certification</u>	<u>Elimination</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,673,596	90,661	-	1,764,257
Investments at fair value	2,554,569	39,321	-	2,593,890
Accounts receivable	18,930	3,551	(3,551)	18,930
Prepaid expenses	40,351	380	-	40,731
Property and equipment, net	46,497	-	-	46,497
Deposits	<u>8,358</u>	<u>-</u>	<u>-</u>	<u>8,358</u>
Total assets	\$ <u>4,342,301</u>	<u>133,913</u>	<u>(3,551)</u>	<u>4,472,663</u>
<b>Liabilities and net assets:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 24,449	-	(3,551)	20,898
Due to state and local affiliates	193,579	-	-	193,579
Accrued expenses	131,102	-	-	131,102
Deferred revenue	<u>926,257</u>	<u>-</u>	<u>-</u>	<u>926,257</u>
Total liabilities	<u>1,275,387</u>	<u>-</u>	<u>(3,551)</u>	<u>1,271,836</u>
<b>Net assets:</b>				
Unrestricted	1,368,688	133,913	-	1,502,601
Unrestricted - Board designated	1,074,204	-	-	1,074,204
Temporarily restricted	<u>624,022</u>	<u>-</u>	<u>-</u>	<u>624,022</u>
Total net assets	<u>3,066,914</u>	<u>133,913</u>	<u>-</u>	<u>3,200,827</u>
Total liabilities and net assets	\$ <u>4,342,301</u>	<u>133,913</u>	<u>(3,551)</u>	<u>4,472,663</u>

Music Teachers National Association, Inc.  
 Consolidating Schedule of Financial Position  
 June 30, 2015

	<u>Association</u>	<u>Certification</u>	<u>Elimination</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,543,317	92,600	-	1,635,917
Investments at fair value	2,561,779	38,702	-	2,600,481
Accounts receivable	8,404	7,007	(7,007)	8,404
Prepaid expenses	34,819	-	-	34,819
Property and equipment, net	72,099	-	-	72,099
Deposits	<u>8,358</u>	<u>-</u>	<u>-</u>	<u>8,358</u>
 Total assets	 \$ <u>4,228,776</u>	 <u>138,309</u>	 <u>(7,007)</u>	 <u>4,360,078</u>
 <b>Liabilities and net assets:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 23,883	-	(7,007)	16,876
Due to state and local affiliates	194,201	-	-	194,201
Accrued expenses	111,055	-	-	111,055
Deferred revenue	<u>873,074</u>	<u>-</u>	<u>-</u>	<u>873,074</u>
 Total liabilities	 <u>1,202,213</u>	 <u>-</u>	 <u>(7,007)</u>	 <u>1,195,206</u>
 <b>Net assets:</b>				
Unrestricted	1,350,261	138,309	-	1,488,570
Unrestricted - Board designated	1,106,126	-	-	1,106,126
Temporarily restricted	<u>570,176</u>	<u>-</u>	<u>-</u>	<u>570,176</u>
 Total net assets	 <u>3,026,563</u>	 <u>138,309</u>	 <u>-</u>	 <u>3,164,872</u>
 Total liabilities and net assets	 \$ <u>4,228,776</u>	 <u>138,309</u>	 <u>(7,007)</u>	 <u>4,360,078</u>

Music Teachers National Association, Inc.  
Consolidating Schedule of Activities  
Year Ended June 30, 2016

	Association			Certification	Total
	Unrestricted	Temporarily Restricted	Total		
<b>Revenues:</b>					
Membership dues	\$ 1,309,001	-	1,309,001	-	1,309,001
Subscription and advertising	160,174	-	160,174	-	160,174
Less direct costs	(159,063)	-	(159,063)	-	(159,063)
Conferences	529,865	-	529,865	-	529,865
Less direct costs	(352,331)	-	(352,331)	-	(352,331)
Competitions	139,804	-	139,804	-	139,804
Less direct costs	(184,065)	-	(184,065)	-	(184,065)
Contributions	164,775	43,750	208,525	-	208,525
Other	100,720	-	100,720	63,304	164,024
Management fee	10,000	-	10,000	(10,000)	-
Interest and dividends	69,293	15,646	84,939	1,260	86,199
Unrealized gain (loss) on investments	(10,355)	17,434	7,079	251	7,330
Realized loss on investments	(32,467)	-	(32,467)	(665)	(33,132)
Net assets released from restrictions	22,984	(22,984)	-	-	-
	<u>1,768,335</u>	<u>53,846</u>	<u>1,822,181</u>	<u>54,150</u>	<u>1,876,331</u>
<b>Expenses:</b>					
Salaries and wages	656,586	-	656,586	31,000	687,586
Payroll taxes	49,082	-	49,082	-	49,082
Employee benefits	98,093	-	98,093	-	98,093
Rent and utilities	113,129	-	113,129	-	113,129
Travel and entertainment	106,008	-	106,008	-	106,008
Newsletters and mailings	48,825	-	48,825	-	48,825
Membership retention	20,521	-	20,521	-	20,521
Insurance	26,494	-	26,494	-	26,494
Office supplies and postage	10,819	-	10,819	-	10,819
Information services	125,569	-	125,569	-	125,569
Telephone	571	-	571	-	571
Professional fees	59,575	-	59,575	-	59,575
Bank charges	100,751	-	100,751	-	100,751
Depreciation	35,392	-	35,392	-	35,392
Grants and awards	174,642	-	174,642	-	174,642
Other	155,773	-	155,773	27,546	183,319
	<u>1,781,830</u>	<u>-</u>	<u>1,781,830</u>	<u>58,546</u>	<u>1,840,376</u>
Change in net assets	(13,495)	53,846	40,351	(4,396)	35,955
<b>Net assets:</b>					
Beginning of year	<u>2,456,387</u>	<u>570,176</u>	<u>3,026,563</u>	<u>138,309</u>	<u>3,164,872</u>
End of year	<u>\$ 2,442,892</u>	<u>624,022</u>	<u>3,066,914</u>	<u>133,913</u>	<u>3,200,827</u>



Music Teachers National Association, Inc.  
Consolidating Schedule of Activities  
Year Ended June 30, 2015

	Association				
	Unrestricted	Temporarily Restricted	Total	Certification	Total
<b>Revenues:</b>					
Membership dues	\$ 1,310,814	-	1,310,814	-	1,310,814
Subscription and advertising	170,246	-	170,246	-	170,246
Less direct costs	(119,928)	-	(119,928)	-	(119,928)
Conferences	502,333	-	502,333	-	502,333
Less direct costs	(330,573)	-	(330,573)	-	(330,573)
Competitions	118,765	-	118,765	-	118,765
Less direct costs	(165,507)	-	(165,507)	-	(165,507)
Contributions	139,079	48,283	187,362	-	187,362
Other	66,563	-	66,563	59,378	125,941
Management fee	10,000	-	10,000	(10,000)	-
Interest and dividends	55,656	16,091	71,747	1,028	72,775
Loss on disposal of property and equipment	(4,664)	-	(4,664)	-	(4,664)
Unrealized loss on investments	(16,806)	(8,193)	(24,999)	(413)	(25,412)
Realized gain on investments	3,255	4,289	7,544	150	7,694
Net assets realeased from restrictions	24,758	(24,758)	-	-	-
	<u>1,763,991</u>	<u>35,712</u>	<u>1,799,703</u>	<u>50,143</u>	<u>1,849,846</u>
<b>Expenses:</b>					
Salaries and wages	738,653	-	738,653	30,000	768,653
Payroll taxes	52,221	-	52,221	-	52,221
Employee benefits	95,455	-	95,455	-	95,455
Rent and utilities	130,775	-	130,775	-	130,775
Travel and entertainment	82,724	-	82,724	-	82,724
Newsletters and mailings	49,840	-	49,840	-	49,840
Membership retention	18,044	-	18,044	-	18,044
Insurance	26,044	-	26,044	-	26,044
Office supplies and postage	17,190	-	17,190	-	17,190
Information services	76,319	-	76,319	-	76,319
Telephone	2,197	-	2,197	-	2,197
Professional fees	31,856	-	31,856	-	31,856
Bank charges	80,560	-	80,560	-	80,560
Depreciation	28,872	-	28,872	-	28,872
Grants and awards	171,844	-	171,844	-	171,844
Other	200,814	-	200,814	27,813	228,627
	<u>1,803,408</u>	<u>-</u>	<u>1,803,408</u>	<u>57,813</u>	<u>1,861,221</u>
Change in net assets	(39,417)	35,712	(3,705)	(7,670)	(11,375)
<b>Net assets:</b>					
Beginning 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>
End of year	<u>\$ 2,456,387</u>	<u>570,176</u>	<u>3,026,563</u>	<u>138,309</u>	<u>3,164,872</u>



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