

Music Teachers National Association, Inc.

Consolidated Financial Statements

And

Additional Financial Information

June 30, 2010 and 2009

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 Association) as of June 30, 2010 and 2009, 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, 2010 and 2009, 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.



Cincinnati, Ohio
September 15, 2010

105 east fourth street, ste. 1500
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

Music Teachers National Association, Inc.
Consolidated Statements of Financial Position
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Cash and cash equivalents	\$ 1,179,157	811,667
Investments at fair value	1,811,508	1,636,699
Accounts receivable	12,707	15,198
Inventory	5,266	6,272
Prepaid expenses	15,654	27,835
Property and equipment, net	14,408	16,663
Deposits	<u>420</u>	<u>420</u>
Total assets	\$ <u>3,039,120</u>	<u>2,514,754</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 3,700	2,849
Due to state and local affiliates	163,877	167,098
Accrued expenses	46,194	49,424
Deferred revenue	<u>870,137</u>	<u>893,892</u>
Total liabilities	<u>1,083,908</u>	<u>1,113,263</u>
Net assets:		
Unrestricted	811,176	378,216
Unrestricted - Board designated	822,397	738,215
Temporarily restricted	<u>321,639</u>	<u>285,060</u>
Total net assets	<u>1,955,212</u>	<u>1,401,491</u>
Total liabilities and net assets	\$ <u>3,039,120</u>	<u>2,514,754</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2010 and 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Membership dues	\$ 1,276,001	-	1,276,001	1,254,000	-	1,254,000
Subscription and advertising	197,232	-	197,232	194,019	-	194,019
Less direct costs	(151,680)	-	(151,680)	(199,210)	-	(199,210)
Conferences and competitions	511,263	-	511,263	613,519	-	613,519
Less direct costs	(388,313)	-	(388,313)	(566,729)	-	(566,729)
Contributions	138,443	3,512	141,955	109,151	5,962	115,113
Loss on disposal of property and equipment	-	-	-	(2,424)	-	(2,424)
Other	153,181	-	153,181	119,257	-	119,257
Interest and dividends	41,370	8,113	49,483	47,812	8,320	56,132
Unrealized gain (loss) on investments	100,062	27,512	127,574	(65,382)	(9,203)	(74,585)
Realized loss on investments	(2,163)	(2,558)	(4,721)	(313,562)	(69,280)	(382,842)
	<u>1,875,396</u>	<u>36,579</u>	<u>1,911,975</u>	<u>1,190,451</u>	<u>(64,201)</u>	<u>1,126,250</u>
Expenses:						
Salaries and wages	668,032	-	668,032	795,763	-	795,763
Payroll taxes	45,127	-	45,127	52,068	-	52,068
Employee benefits	83,759	-	83,759	98,303	-	98,303
Rent and utilities	127,969	-	127,969	128,398	-	128,398
Travel and entertainment	68,476	-	68,476	94,582	-	94,582
Newsletters and mailings	30,850	-	30,850	35,640	-	35,640
Membership retention	5,061	-	5,061	6,473	-	6,473
Insurance	23,360	-	23,360	24,383	-	24,383
Office supplies and postage	10,199	-	10,199	14,022	-	14,022
Information services	53,537	-	53,537	44,728	-	44,728
Telephone	5,313	-	5,313	5,664	-	5,664
Professional fees	17,559	-	17,559	16,635	-	16,635
Bank charges	56,342	-	56,342	58,555	-	58,555
Depreciation	6,717	-	6,717	13,201	-	13,201
Grants and awards	102,376	-	102,376	108,357	-	108,357
Other	53,577	-	53,577	60,938	-	60,938
	<u>1,358,254</u>	<u>-</u>	<u>1,358,254</u>	<u>1,557,710</u>	<u>-</u>	<u>1,557,710</u>
Change in net assets	517,142	36,579	553,721	(367,259)	(64,201)	(431,460)
Net assets:						
Beginning 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>
End of year	\$ <u>1,633,573</u>	<u>321,639</u>	<u>1,955,212</u>	<u>1,116,431</u>	<u>285,060</u>	<u>1,401,491</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ 553,721	(431,460)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,717	13,201
Loss on disposal of property and equipment	-	2,424
Unrealized loss (gain) on investments	(127,574)	74,585
Realized loss on sale of investments	4,721	382,842
Effect of change in operating assets and liabilities:		
Accounts receivable	2,491	8,056
Inventory	1,006	646
Prepaid expenses	12,181	(315)
Accounts payable	851	(233)
Due to state and local affiliates	(3,221)	(6,890)
Accrued expenses	(3,230)	2,409
Deferred revenue	<u>(23,755)</u>	<u>(6,198)</u>
Net cash provided by operating activities	<u>423,908</u>	<u>39,067</u>
Cash flows from investing activities:		
Purchases of property and equipment	(4,462)	(6,955)
Proceeds received from sale of investments	1,284,490	1,202,121
Purchases of investments	<u>(1,336,446)</u>	<u>(1,252,892)</u>
Net cash used by investing activities	<u>(56,418)</u>	<u>(57,726)</u>
Change in cash and cash equivalents	367,490	(18,659)
Cash and cash equivalents - beginning of year	<u>811,667</u>	<u>830,326</u>
Cash and cash equivalents - end of year	\$ <u>1,179,157</u>	<u>811,667</u>

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 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, 2010 and 2009.

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. The guidance was adopted by the Association on July 1, 2009. 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 2007, 2008 and 2009. 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 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 15, 2010.

2. INVESTMENTS:

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

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market investments	\$ 37,032	37,032	74,568	74,568
Mutual funds	1,578,865	1,556,316	1,214,385	1,070,255
Government bonds	154,532	166,812	279,195	288,957
Equities	<u>36,257</u>	<u>51,348</u>	<u>191,303</u>	<u>202,919</u>
	<u>\$ 1,806,686</u>	<u>1,811,508</u>	<u>1,759,451</u>	<u>1,636,699</u>

3. PROPERTY AND EQUIPMENT:

Property and equipment at June 30 is summarized as follows:

	<u>2010</u>	<u>2009</u>
Furniture and fixtures	\$ 193,732	194,189
Less accumulated depreciation	<u>(179,324)</u>	<u>(177,526)</u>
	<u>\$ 14,408</u>	<u>16,663</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 \$15,283 and \$16,460 for the years ended June 30, 2010 and 2009, 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, 2010 and 2009 was \$127,969 and \$128,398, respectively. The future minimum lease payments for the office lease at June 30 are as follows:

2011	\$ 116,508
2012	120,032
2013	123,628
2014	127,353
2015	<u>54,461</u>
	 \$ <u>541,982</u>

The Association is leasing certain office equipment under operating leases that expire through June 2013. Total lease expense included in operations for the years ended June 30, 2010 and 2009 was approximately \$10,900. Future minimum lease payments for the office equipment under these leases are as follows:

2011	\$ 10,278
2012	9,093
2013	<u>7,908</u>
	 \$ <u>27,279</u>

6. UNRESTRICTED – BOARD DESIGNATED NET ASSETS:

As of June 30, 2010 and 2009, the Board has designated \$822,397 and \$738,215 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>2010</u>	<u>2009</u>
Teacher enrichment grants	\$ 264,654	236,803
Local association grants	12,403	12,232
Other	<u>44,582</u>	<u>36,025</u>
	 \$ <u>321,639</u>	 <u>285,060</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.

The board designated endowment had a balance of \$822,397 and \$738,215 at June 30, 2010 and 2009, respectively.

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

	2010 <u>Unrestricted</u>	2009 <u>Unrestricted</u>
Endowment net assets at beginning of year	\$ 738,215	921,677
Interest and dividend income	20,446	21,845
Realized and unrealized gain (loss) on investments	55,847	(206,122)
Contributions	15,011	8,438
Investment fees	<u>(7,122)</u>	<u>(7,623)</u>
Endowment net assets at end of year	\$ <u>822,397</u>	<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 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 years ended June 30, 2010 and 2009, the Association elected not to appropriate the five percent allowed by policy.

9. 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.

The carrying amounts of financial instruments including cash and cash equivalents, accounts receivables and accounts payable approximated fair value as of June 30, 2010 and 2009, because of the relatively short maturity of these instruments.

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 Government bonds that are not quoted on an exchange, but are traded in active markets, are valued on Level 2 inputs using prices obtained from our custodians, which used third party data service 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, 2010 and 2009.

	<u>Fair Value Measurements at Reporting Date</u>			
		<u>Using</u>		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>June 30, 2010</u>				
Investments	\$ 1,811,508	1,644,696	166,812	-
<u>June 30, 2009</u>				
Investments	\$ 1,636,699	1,347,742	288,957	-

Music Teachers National Association, Inc.
 Consolidating Schedule of Financial Position
 June 30, 2010

	<u>Association</u>	<u>Certification</u>	<u>Elimination</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,097,837	81,320	-	1,179,157
Investments at fair value	1,783,525	27,983	-	1,811,508
Accounts receivable	12,739	-	(32)	12,707
Inventory	5,266	-	-	5,266
Prepaid expenses	15,654	-	-	15,654
Property and equipment, net	14,408	-	-	14,408
Deposits	<u>420</u>	<u>-</u>	<u>-</u>	<u>420</u>
 Total assets	 \$ <u>2,929,849</u>	 <u>109,303</u>	 <u>(32)</u>	 <u>3,039,120</u>
 Liabilities and net assets:				
Liabilities:				
Accounts payable	\$ 3,700	32	(32)	3,700
Due to state and local affiliates	163,877	-	-	163,877
Accrued expenses	46,194	-	-	46,194
Deferred revenue	<u>870,137</u>	<u>-</u>	<u>-</u>	<u>870,137</u>
 Total liabilities	 <u>1,083,908</u>	 <u>32</u>	 <u>(32)</u>	 <u>1,083,908</u>
 Net assets:				
Unrestricted	701,905	109,271	-	811,176
Unrestricted - Board designated	822,397	-	-	822,397
Temporarily restricted	<u>321,639</u>	<u>-</u>	<u>-</u>	<u>321,639</u>
 Total net assets	 <u>1,845,941</u>	 <u>109,271</u>	 <u>-</u>	 <u>1,955,212</u>
 Total liabilities and net assets	 \$ <u>2,929,849</u>	 <u>109,303</u>	 <u>(32)</u>	 <u>3,039,120</u>

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 Activities
Year Ended June 30, 2010

	Association				
	Unrestricted	Temporarily Restricted	Total	Certification	Total
Revenues:					
Membership dues	\$ 1,276,001	-	1,276,001	-	1,276,001
Subscription and advertising	197,232	-	197,232	-	197,232
Less direct costs	(151,680)	-	(151,680)	-	(151,680)
Conferences and competitions	511,263	-	511,263	-	511,263
Less direct costs	(388,313)	-	(388,313)	-	(388,313)
Contributions	138,443	3,512	141,955	-	141,955
Other	68,304	-	68,304	84,877	153,181
Management fee	5,004	-	5,004	(5,004)	-
Interest and dividends	40,646	8,113	48,759	724	49,483
Unrealized gain on investments	98,146	27,512	125,658	1,916	127,574
Realized loss on investments	(1,984)	(2,558)	(4,542)	(179)	(4,721)
	<u>1,793,062</u>	<u>36,579</u>	<u>1,829,641</u>	<u>82,334</u>	<u>1,911,975</u>
Expenses:					
Salaries and wages	658,036	-	658,036	9,996	668,032
Payroll taxes	45,127	-	45,127	-	45,127
Employee benefits	83,759	-	83,759	-	83,759
Rent and utilities	127,969	-	127,969	-	127,969
Travel and entertainment	68,476	-	68,476	-	68,476
Newsletters and mailings	30,850	-	30,850	-	30,850
Membership retention	5,061	-	5,061	-	5,061
Insurance	23,360	-	23,360	-	23,360
Office supplies and postage	10,199	-	10,199	-	10,199
Information services	53,537	-	53,537	-	53,537
Telephone	5,313	-	5,313	-	5,313
Professional fees	17,559	-	17,559	-	17,559
Bank charges	56,342	-	56,342	-	56,342
Depreciation	6,717	-	6,717	-	6,717
Grants and awards	102,376	-	102,376	-	102,376
Other	37,017	-	37,017	16,560	53,577
	<u>1,331,698</u>	<u>-</u>	<u>1,331,698</u>	<u>26,556</u>	<u>1,358,254</u>
Change in net assets	461,364	36,579	497,943	55,778	553,721
Net assets:					
Beginning 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>
End of year	<u>\$ 1,524,302</u>	<u>321,639</u>	<u>1,845,941</u>	<u>109,271</u>	<u>1,955,212</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>



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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