

Music Teachers National Association, Inc.

Consolidated Financial Statements

And

Supplemental Financial Information

June 30, 2017 and 2016

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, 2017 and 2016, 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.

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, 2017 and 2016, 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 5, 2017

Music Teachers National Association, Inc.
Consolidated Statements of Financial Position
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and cash equivalents	\$ 1,928,821	1,764,257
Investments, at fair value	2,991,890	2,593,890
Accounts receivable	13,085	18,930
Prepaid expenses	60,925	40,731
Property and equipment, net	46,912	46,497
Deposits	<u>8,358</u>	<u>8,358</u>
 Total assets	 \$ <u>5,049,991</u>	 <u>4,472,663</u>
 Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 22,026	20,898
Due to state and local affiliates	193,349	193,579
Accrued expenses	152,092	131,102
Deferred revenue	<u>912,716</u>	<u>926,257</u>
 Total liabilities	 <u>1,280,183</u>	 <u>1,271,836</u>
 Net assets:		
Unrestricted	1,647,355	1,502,601
Unrestricted - board designated	1,405,698	1,074,204
Temporarily restricted	<u>716,755</u>	<u>624,022</u>
 Total net assets	 <u>3,769,808</u>	 <u>3,200,827</u>
 Total liabilities and net assets	 \$ <u>5,049,991</u>	 <u>4,472,663</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily		Unrestricted	Temporarily	
		Restricted	Total		Restricted	Total
Revenues:						
Membership dues	\$ 1,378,660	-	1,378,660	1,309,001	-	1,309,001
Subscription and advertising	174,939	-	174,939	160,174	-	160,174
Less direct costs	(158,485)	-	(158,485)	(159,063)	-	(159,063)
Conferences	498,575	-	498,575	529,865	-	529,865
Less direct costs	(303,453)	-	(303,453)	(352,331)	-	(352,331)
Competitions	140,220	-	140,220	139,804	-	139,804
Less direct costs	(167,208)	-	(167,208)	(184,065)	-	(184,065)
Contributions	415,479	54,804	470,283	164,775	43,750	208,525
Other	176,034	-	176,034	164,024	-	164,024
Interest and dividends	60,137	16,625	76,762	70,553	15,646	86,199
Realized and unrealized gain (loss) on investments	150,165	42,464	192,629	(43,236)	17,434	(25,802)
Net assets released from restrictions	21,160	(21,160)	-	22,984	(22,984)	-
	<u>2,386,223</u>	<u>92,733</u>	<u>2,478,956</u>	<u>1,822,485</u>	<u>53,846</u>	<u>1,876,331</u>
Expenses:						
Salaries and wages	695,211	-	695,211	687,586	-	687,586
Payroll taxes	49,434	-	49,434	49,082	-	49,082
Employee benefits	90,860	-	90,860	98,093	-	98,093
Rent and utilities	118,435	-	118,435	113,129	-	113,129
Travel and entertainment	94,384	-	94,384	106,008	-	106,008
Newsletters and mailings	48,881	-	48,881	48,825	-	48,825
Membership retention	19,855	-	19,855	20,521	-	20,521
Insurance	25,880	-	25,880	26,494	-	26,494
Office supplies and postage	17,683	-	17,683	10,819	-	10,819
Information services	155,263	-	155,263	125,569	-	125,569
Professional fees	43,389	-	43,389	59,575	-	59,575
Bank charges	111,987	-	111,987	100,751	-	100,751
Depreciation	33,717	-	33,717	35,392	-	35,392
Grants and awards	183,932	-	183,932	174,642	-	174,642
Licenses and fees	9,415	-	9,415	8,161	-	8,161
Technology	44,162	-	44,162	36,469	-	36,469
Leadership summit	59,969	-	59,969	64,256	-	64,256
Partnership development	40,818	-	40,818	32,109	-	32,109
Other	66,700	-	66,700	42,895	-	42,895
	<u>1,909,975</u>	<u>-</u>	<u>1,909,975</u>	<u>1,840,376</u>	<u>-</u>	<u>1,840,376</u>
Change in net assets	476,248	92,733	568,981	(17,891)	53,846	35,955
Net assets:						
Beginning 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>
End of year	\$ <u>3,053,053</u>	<u>716,755</u>	<u>3,769,808</u>	<u>2,576,805</u>	<u>624,022</u>	<u>3,200,827</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 568,981	35,955
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,717	35,392
Realized and unrealized (gain) loss on investments	(192,629)	25,802
Effect of change in operating assets and liabilities:		
Accounts receivable	5,845	(10,526)
Prepaid expenses and deposits	(20,194)	(5,912)
Accounts payable	1,128	4,022
Due to state and local affiliates	(230)	(622)
Accrued expenses	20,990	20,047
Deferred revenue	(13,541)	53,183
Net cash provided by operating activities	404,067	157,341
Cash flows from investing activities:		
Purchases of property and equipment	(34,132)	(9,790)
Proceeds received from sale of investments	1,136,699	590,245
Purchases of investments	(1,342,070)	(609,456)
Net cash used in investing activities	(239,503)	(29,001)
Change in cash and cash equivalents	164,564	128,340
Cash and cash equivalents - beginning of year	1,764,257	1,635,917
Cash and cash equivalents - end of year	\$ 1,928,821	1,764,257

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, 2017 and 2016. 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 5, 2017, the date on which the consolidated financial statements were available to be issued.

Reclassifications

Certain items from 2016 have been reclassified to conform to current year presentation.

2. PROPERTY AND EQUIPMENT:

Property and equipment at June 30 is summarized as follows:

	<u>2017</u>	<u>2016</u>
Furniture and fixtures	\$ 339,173	305,041
Less accumulated depreciation	<u>(292,261)</u>	<u>(258,544)</u>
	\$ <u>46,912</u>	<u>46,497</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 \$15,761 and \$15,826 for the years ended June 30, 2017 and 2016, 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, 2017 was \$80,496. Total rent expense including common area maintenance and utilities charges for the years ended June 30, 2017 and 2016 was \$118,435 and \$113,129, respectively. The Association is leasing certain office equipment under operating leases that expire through July 2021. Total lease expense included in operations for the years ended June 30, 2017 and 2016 was approximately \$7,500.

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

2018	\$ 107,568
2019	105,095
2020	107,723
2021	110,351
2022	110,778
Thereafter	<u>367,317</u>
	<u>\$ 908,832</u>

5. UNRESTRICTED – BOARD DESIGNATED NET ASSETS:

As of June 30, 2017 and 2016, the Board has designated \$1,405,698 and \$1,074,204 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>2017</u>	<u>2016</u>
Teacher enrichment grants	\$ 422,241	372,607
Local association grants	17,407	16,797
Other	<u>277,107</u>	<u>234,618</u>
	<u>\$ 716,755</u>	<u>624,022</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 \$1,405,698 and \$1,074,204 at June 30, 2017 and 2016, respectively.

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

	2017	2016
	<u>Unrestricted</u>	<u>Unrestricted</u>
Endowment net assets at beginning of year	\$ 1,074,204	1,106,126
Interest and dividend income	34,480	36,031
Realized and unrealized gain (loss) on investments	87,826	(33,195)
Contributions	260,522	17,361
Appropriation of endowment assets for expenditure	(43,951)	(45,596)
Investment fees	<u>(7,383)</u>	<u>(6,523)</u>
Endowment net assets at end of year	\$ <u>1,405,698</u>	<u>1,074,204</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 \$43,951 and \$45,596 during the years ended June 30, 2017 and 2016, 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 measured at fair value on a recurring basis as of June 30, 2017 and 2016.

Fair Value Measurements at Reporting Date Using:

<u>June 30, 2017</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 72,417	72,417	-	-
Corporate/government bonds	654,170	-	654,170	-
Equity funds:				
Mid-Cap blend	119,526	119,526	-	-
Mutual funds:				
Diversified emerging	179,627	179,627	-	-
Large growth	238,767	238,767	-	-
Foreign large growth	237,738	237,738	-	-
Large blend	714,830	714,830	-	-
Short government	236,937	236,937	-	-
Short term bond	237,743	237,743	-	-
Small value	120,087	120,087	-	-
World allocation	<u>180,048</u>	<u>180,048</u>	-	-
	<u>\$ 2,991,890</u>	<u>2,337,720</u>	<u>654,170</u>	<u>-</u>

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>
Investments:				
Money market funds	\$ 57,184	57,184	-	-
Corporate/government bonds	571,535	-	571,535	-
Equity funds:				
Large blend	476,455	476,455	-	-
Mid-Cap blend	107,411	107,411	-	-
Mutual funds:				
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	<u>156,304</u>	<u>156,304</u>	-	-
	<u>\$ 2,593,890</u>	<u>2,022,355</u>	<u>571,535</u>	<u>-</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Financial Position
June 30, 2017

	<u>Association</u>	<u>Certification</u>	<u>Elimination</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,846,721	82,100	-	1,928,821
Investments at fair value	2,949,000	42,890	-	2,991,890
Accounts receivable	13,085	16,712	(16,712)	13,085
Prepaid expenses	60,545	380	-	60,925
Property and equipment, net	46,912	-	-	46,912
Deposits	<u>8,358</u>	<u>-</u>	<u>-</u>	<u>8,358</u>
Total assets	\$ <u>4,924,621</u>	<u>142,082</u>	<u>(16,712)</u>	<u>5,049,991</u>
Liabilities and net assets:				
Liabilities:				
Accounts payable	\$ 38,713	25	(16,712)	22,026
Due to state and local affiliates	193,349	-	-	193,349
Accrued expenses	152,092	-	-	152,092
Deferred revenue	<u>912,716</u>	<u>-</u>	<u>-</u>	<u>912,716</u>
Total liabilities	<u>1,296,870</u>	<u>25</u>	<u>(16,712)</u>	<u>1,280,183</u>
Net assets:				
Unrestricted	1,505,298	142,057	-	1,647,355
Unrestricted - board designated	1,405,698	-	-	1,405,698
Temporarily restricted	<u>716,755</u>	<u>-</u>	<u>-</u>	<u>716,755</u>
Total net assets	<u>3,627,751</u>	<u>142,057</u>	<u>-</u>	<u>3,769,808</u>
Total liabilities and net assets	\$ <u>4,924,621</u>	<u>142,082</u>	<u>(16,712)</u>	<u>5,049,991</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>
Assets:				
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>
 Liabilities and net assets:				
Liabilities:				
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>
 Net assets:				
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 Activities
Year Ended June 30, 2017

	Association				
	Unrestricted	Temporarily Restricted	Total	Unrestricted Certification	Total
Revenues:					
Membership dues	\$ 1,378,660	-	1,378,660	-	1,378,660
Subscription and advertising	174,939	-	174,939	-	174,939
Less direct costs	(158,485)	-	(158,485)	-	(158,485)
Conferences	498,575	-	498,575	-	498,575
Less direct costs	(303,453)	-	(303,453)	-	(303,453)
Competitions	140,220	-	140,220	-	140,220
Less direct costs	(167,208)	-	(167,208)	-	(167,208)
Contributions	415,479	54,804	470,283	-	470,283
Other	99,848	-	99,848	76,186	176,034
Management fee	10,000	-	10,000	(10,000)	-
Interest and dividends	59,064	16,625	75,689	1,073	76,762
Realized and unrealized gain on investments	147,439	42,464	189,903	2,726	192,629
Net assets released from restrictions	21,160	(21,160)	-	-	-
	<u>2,316,238</u>	<u>92,733</u>	<u>2,408,971</u>	<u>69,985</u>	<u>2,478,956</u>
Expenses:					
Salaries and wages	663,211	-	663,211	32,000	695,211
Payroll taxes	49,434	-	49,434	-	49,434
Employee benefits	90,860	-	90,860	-	90,860
Rent and utilities	118,435	-	118,435	-	118,435
Travel and entertainment	94,384	-	94,384	-	94,384
Newsletters and mailings	48,881	-	48,881	-	48,881
Membership retention	19,855	-	19,855	-	19,855
Insurance	25,880	-	25,880	-	25,880
Office supplies and postage	17,683	-	17,683	-	17,683
Information services	155,263	-	155,263	-	155,263
Professional fees	43,389	-	43,389	-	43,389
Bank charges	111,987	-	111,987	-	111,987
Depreciation	33,717	-	33,717	-	33,717
Grants and awards	183,932	-	183,932	-	183,932
Licenses and fees	9,415	-	9,415	-	9,415
Technology	44,162	-	44,162	-	44,162
Leadership summit	59,969	-	59,969	-	59,969
Partnership development	40,818	-	40,818	-	40,818
Other	36,859	-	36,859	29,841	66,700
	<u>1,848,134</u>	<u>-</u>	<u>1,848,134</u>	<u>61,841</u>	<u>1,909,975</u>
Change in net assets	468,104	92,733	560,837	8,144	568,981
Net assets:					
Beginning 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>
End of year	<u>\$ 2,910,996</u>	<u>716,755</u>	<u>3,627,751</u>	<u>142,057</u>	<u>3,769,808</u>

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

	Association				
	Temporarily			Unrestricted	
	Unrestricted	Restricted	Total	Certification	Total
Revenues:					
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
Realized and unrealized gain (loss) on investments	(42,822)	17,434	(25,388)	(414)	(25,802)
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>
Expenses:					
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
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
Licenses and fees	8,161	-	8,161	-	8,161
Technology	36,469	-	36,469	-	36,469
Leadership summit	64,256	-	64,256	-	64,256
Partnership development	32,109	-	32,109	-	32,109
Other	15,349	-	15,349	27,546	42,895
	<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
Net assets:					
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>

