
Music Teachers National Association, Inc.

Consolidated Financial Statements

And

Supplemental Financial Information

June 30, 2012 and 2011

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 nonprofit Association) as of June 30, 2012 and 2011, 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, 2012 and 2011, 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 conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and the consolidating schedules of activities on pages 11-14 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to 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.



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Music Teachers National Association, Inc.
 Consolidated Statements of Financial Position
 June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets:		
Cash and cash equivalents	\$ 1,550,927	1,342,501
Investments at fair value	2,138,435	2,145,871
Accounts receivable	11,110	23,177
Inventory	2,665	3,250
Prepaid expenses	27,263	26,416
Property and equipment, net	12,448	15,306
Deposits	<u>420</u>	<u>420</u>
Total assets	\$ <u>3,743,268</u>	<u>3,556,941</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 50,011	8,452
Due to state and local affiliates	150,393	184,924
Accrued expenses	51,052	50,866
Deferred revenue	<u>836,351</u>	<u>889,569</u>
Total liabilities	<u>1,087,807</u>	<u>1,133,811</u>
Net assets:		
Unrestricted	1,279,553	1,049,354
Unrestricted - Board designated	962,890	975,825
Temporarily restricted	<u>413,018</u>	<u>397,951</u>
Total net assets	<u>2,655,461</u>	<u>2,423,130</u>
Total liabilities and net assets	\$ <u>3,743,268</u>	<u>3,556,941</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Membership dues	\$ 1,271,497	-	1,271,497	1,268,973	-	1,268,973
Subscription and advertising	243,791	-	243,791	238,592	-	238,592
Less direct costs	(129,957)	-	(129,957)	(142,563)	-	(142,563)
Conferences	590,338	-	590,338	370,835	-	370,835
Less direct costs	(294,469)	-	(294,469)	(219,906)	-	(219,906)
Competitions	124,070	-	124,070	123,375	-	123,375
Less direct costs	(227,410)	-	(227,410)	(155,936)	-	(155,936)
Contributions	128,498	31,341	159,839	136,787	16,084	152,871
Other	88,775	-	88,775	104,433	-	104,433
Interest and dividends	65,660	14,945	80,605	61,401	12,872	74,273
Unrealized gain (loss) on investments	(31,008)	(13,984)	(44,992)	125,829	27,353	153,182
Realized gain (loss) on investments	(44,113)	(3,290)	(47,403)	53,059	20,003	73,062
Net assets released from restrictions	13,945	(13,945)	-	-	-	-
	<u>1,799,617</u>	<u>15,067</u>	<u>1,814,684</u>	<u>1,964,879</u>	<u>76,312</u>	<u>2,041,191</u>
Expenses:						
Salaries and wages	713,080	-	713,080	689,400	-	689,400
Payroll taxes	51,192	-	51,192	53,241	-	53,241
Employee benefits	89,553	-	89,553	88,887	-	88,887
Rent and utilities	133,464	-	133,464	131,759	-	131,759
Travel and entertainment	101,520	-	101,520	92,160	-	92,160
Newsletters and mailings	38,059	-	38,059	36,402	-	36,402
Membership retention	10,899	-	10,899	9,107	-	9,107
Insurance	22,824	-	22,824	23,002	-	23,002
Office supplies and postage	10,140	-	10,140	12,656	-	12,656
Information services	52,149	-	52,149	55,431	-	55,431
Telephone	5,146	-	5,146	5,303	-	5,303
Professional fees	29,471	-	29,471	16,153	-	16,153
Bank charges	67,620	-	67,620	62,998	-	62,998
Depreciation	5,519	-	5,519	6,218	-	6,218
Grants and awards	111,458	-	111,458	105,979	-	105,979
Other	140,259	-	140,259	184,577	-	184,577
	<u>1,582,353</u>	<u>-</u>	<u>1,582,353</u>	<u>1,573,273</u>	<u>-</u>	<u>1,573,273</u>
Change in net assets	217,264	15,067	232,331	391,606	76,312	467,918
Net assets:						
Beginning of year	<u>2,025,179</u>	<u>397,951</u>	<u>2,423,130</u>	<u>1,633,573</u>	<u>321,639</u>	<u>1,955,212</u>
End of year	<u>\$ 2,242,443</u>	<u>413,018</u>	<u>2,655,461</u>	<u>2,025,179</u>	<u>397,951</u>	<u>2,423,130</u>

See accompanying notes to the consolidated financial statements

Music Teachers National Association, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 232,331	467,918
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,519	6,218
Unrealized (gain) loss on investments	44,992	(153,182)
Realized (gain) loss on sale of investments	47,403	(73,062)
Effect of change in operating assets and liabilities:		
Accounts receivable	12,067	(10,470)
Inventory	585	2,016
Prepaid expenses	(847)	(10,762)
Accounts payable	41,559	4,752
Due to state and local affiliates	(34,531)	21,047
Accrued expenses	186	4,672
Deferred revenue	(53,218)	19,432
Net cash provided by operating activities	296,046	278,579
Cash flows from investing activities:		
Purchases of property and equipment	(2,661)	(7,116)
Proceeds received from sale of investments	1,271,591	899,930
Purchases of investments	(1,356,550)	(1,008,049)
Net cash used in investing activities	(87,620)	(115,235)
Change in cash and cash equivalents	208,426	163,344
Cash and cash equivalents - beginning of year	1,342,501	1,179,157
Cash and cash equivalents - end of year	\$ <u>1,550,927</u>	\$ <u>1,342,501</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, 2012 and 2011. 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 2009, 2010 and 2011. 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.

Reclassifications

Certain items have been reclassified from the prior year financial statements to conform to the current year presentation.

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 17, 2012, 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>2012</u>	<u>2011</u>
Furniture and fixtures	\$ 192,133	191,363
Less accumulated depreciation	<u>(179,685)</u>	<u>(176,057)</u>
	<u>\$ 12,448</u>	<u>15,306</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 \$13,446 and \$15,746 for the years ended June 30, 2012 and 2011, respectively.

4. 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, 2012 and 2011 was \$133,464 and \$131,759, respectively. The future minimum lease payments for the office lease at June 30 are as follows:

2013	\$ 123,628
2014	127,353
2015	<u>54,461</u>
	<u>\$ 305,442</u>

The Association is leasing certain office equipment under operating leases that expire through December 2016. Total lease expense included in operations for the years ended June 30, 2012 and 2011 was approximately \$9,100 and \$10,900, respectively. Future minimum lease payments for the office equipment under these leases are as follows:

2013	\$ 9,978
2014	2,400
2015	2,400
2016	2,400
2017	<u>1,200</u>
	<u>\$ 18,378</u>

5. UNRESTRICTED – BOARD DESIGNATED NET ASSETS:

As of June 30, 2012 and 2011, the Board has designated \$962,890 and \$975,825 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>2012</u>	<u>2011</u>
Teacher enrichment grants	\$ 305,635	310,079
Local association grants	14,287	14,478
Other	<u>93,096</u>	<u>73,394</u>
	<u>\$ 413,018</u>	<u>397,951</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 \$962,890 and \$975,825 at June 30, 2012 and 2011, respectively.

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

	<u>2012</u>	<u>2011</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Endowment net assets at beginning of year	\$ 975,825	822,397
Interest and dividend income	35,279	32,365
Realized and unrealized gain (loss) on investments	(40,955)	109,423
Contributions	1,563	20,076
Investment fees	<u>(8,822)</u>	<u>(8,436)</u>
Endowment net assets at end of year	\$ <u>962,890</u>	<u>975,825</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, 2012 and 2011, the Association elected not to appropriate the five percent allowed by policy.

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.

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, 2012 and 2011.

Music Teachers National Association, Inc.
Notes to the Consolidated Financial Statements
June 30, 2012 and 2011

Fair Value Measurements at reporting date using

<u>June 30, 2012</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Money market funds	\$ 43,087	43,087	-	-
Equities	85,035	85,035	-	-
Mutual funds:				
Intermediate term bond	462,532	462,532	-	-
World allocation	240,175	240,175	-	-
Short government	230,902	230,902	-	-
Foreign large blend	130,517	130,517	-	-
Large blend	130,086	130,086	-	-
Large growth	127,495	127,495	-	-
World bond	108,646	108,646	-	-
Conservative allocation	106,566	106,566	-	-
High yield bond	106,242	106,242	-	-
Market neutral	105,214	105,214	-	-
Diversified emerging markets	88,519	88,519	-	-
World stock	86,715	86,715	-	-
Small value	<u>86,704</u>	86,704	-	-
	<u>\$ 2,138,435</u>			

Fair Value Measurements at reporting date using

<u>June 30, 2011</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Money market funds	\$ 45,721	45,721	-	-
Equities	86,953	86,953	-	-
Mutual funds:				
Intermediate term bond	336,706	336,706	-	-
Short government	253,526	253,526	-	-
World allocation	216,517	216,517	-	-
Large value	172,206	172,206	-	-
Large blend	109,762	109,762	-	-
Large growth	107,181	107,181	-	-
World bond	106,703	106,703	-	-
Managed features	104,490	104,490	-	-
Europe stock	88,533	88,533	-	-
Foreign large growth	87,921	87,921	-	-
Mid cap value	86,779	86,779	-	-
Small blend	86,571	86,571	-	-
US convertibles	86,505	86,505	-	-
Conservative allocation	85,316	86,316	-	-
High yield bond	<u>84,481</u>	84,481	-	-
	<u>\$ 2,145,871</u>			

Music Teachers National Association, Inc.
Consolidating Schedule of Financial Position
June 30, 2012

	<u>Association</u>	<u>Certification</u>	<u>Elimination</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,464,252	86,675	-	1,550,927
Investments at fair value	2,106,490	31,945	-	2,138,435
Accounts receivable	11,110	4,134	(4,134)	11,110
Inventory	2,665	-	-	2,665
Prepaid expenses	27,263	-	-	27,263
Property and equipment, net	12,448	-	-	12,448
Deposits	420	-	-	420
	<u>3,624,648</u>	<u>122,754</u>	<u>(4,134)</u>	<u>3,743,268</u>
Total assets	\$ 3,624,648	122,754	(4,134)	3,743,268
Liabilities and net assets:				
Liabilities:				
Accounts payable	\$ 54,145	-	(4,134)	50,011
Due to state and local affiliates	150,393	-	-	150,393
Accrued expenses	51,052	-	-	51,052
Deferred revenue	836,351	-	-	836,351
	<u>1,091,941</u>	<u>-</u>	<u>(4,134)</u>	<u>1,087,807</u>
Total liabilities	1,091,941	-	(4,134)	1,087,807
Net assets:				
Unrestricted	1,156,799	122,754	-	1,279,553
Unrestricted - Board designated	962,890	-	-	962,890
Temporarily restricted	413,018	-	-	413,018
	<u>2,532,707</u>	<u>122,754</u>	<u>-</u>	<u>2,655,461</u>
Total net assets	2,532,707	122,754	-	2,655,461
Total liabilities and net assets	\$ 3,624,648	122,754	(4,134)	3,743,268

Music Teachers National Association, Inc.
Consolidating Schedule of Financial Position
June 30, 2011

	<u>Association</u>	<u>Certification</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 1,248,516	93,985	1,342,501
Investments at fair value	2,113,545	32,326	2,145,871
Accounts receivable	23,177	-	23,177
Inventory	3,250	-	3,250
Prepaid expenses	26,416	-	26,416
Property and equipment, net	15,306	-	15,306
Deposits	<u>420</u>	<u>-</u>	<u>420</u>
 Total assets	 \$ <u>3,430,630</u>	 <u>126,311</u>	 <u>3,556,941</u>
 Liabilities and net assets:			
Liabilities:			
Accounts payable	\$ 3,297	5,155	8,452
Due to state and local affiliates	184,924	-	184,924
Accrued expenses	50,866	-	50,866
Deferred revenue	<u>889,569</u>	<u>-</u>	<u>889,569</u>
 Total liabilities	 <u>1,128,656</u>	 <u>5,155</u>	 <u>1,133,811</u>
 Net assets:			
Unrestricted	928,198	121,156	1,049,354
Unrestricted - Board designated	975,825	-	975,825
Temporarily restricted	<u>397,951</u>	<u>-</u>	<u>397,951</u>
 Total net assets	 <u>2,301,974</u>	 <u>121,156</u>	 <u>2,423,130</u>
 Total liabilities and net assets	 \$ <u>3,430,630</u>	 <u>126,311</u>	 <u>3,556,941</u>

Music Teachers National Association, Inc.
Consolidating Schedule of Activities
Year Ended June 30, 2012

	Association				
	Unrestricted	Temporarily Restricted	Total	Certification	Total
Revenues:					
Membership dues	\$ 1,271,497	-	1,271,497	-	1,271,497
Subscription and advertising	243,791	-	243,791	-	243,791
Less direct costs	(129,957)	-	(129,957)	-	(129,957)
Conferences	590,338	-	590,338	-	590,338
Less direct costs	(294,469)	-	(294,469)	-	(294,469)
Competitions	124,070	-	124,070	-	124,070
Less direct costs	(227,410)	-	(227,410)	-	(227,410)
Contributions	128,498	31,341	159,839	-	159,839
Other	35,014	-	35,014	53,761	88,775
Management fee	10,000	-	10,000	(10,000)	-
Interest and dividends	64,370	14,945	79,315	1,290	80,605
Unrealized gain (loss) on investments	(31,164)	(13,984)	(45,148)	156	(44,992)
Realized loss on investments	(42,494)	(3,290)	(45,784)	(1,619)	(47,403)
Net assets released from restrictions	13,945	(13,945)	-	-	-
	<u>1,756,029</u>	<u>15,067</u>	<u>1,771,096</u>	<u>43,588</u>	<u>1,814,684</u>
Expenses:					
Salaries and wages	693,080	-	693,080	20,000	713,080
Payroll taxes	51,192	-	51,192	-	51,192
Employee benefits	89,553	-	89,553	-	89,553
Rent and utilities	133,464	-	133,464	-	133,464
Travel and entertainment	101,520	-	101,520	-	101,520
Newsletters and mailings	38,059	-	38,059	-	38,059
Membership retention	10,899	-	10,899	-	10,899
Insurance	22,824	-	22,824	-	22,824
Office supplies and postage	10,140	-	10,140	-	10,140
Information services	52,149	-	52,149	-	52,149
Telephone	5,146	-	5,146	-	5,146
Professional fees	29,471	-	29,471	-	29,471
Bank charges	67,620	-	67,620	-	67,620
Depreciation	5,519	-	5,519	-	5,519
Grants and awards	111,458	-	111,458	-	111,458
Other	118,269	-	118,269	21,990	140,259
	<u>1,540,363</u>	<u>-</u>	<u>1,540,363</u>	<u>41,990</u>	<u>1,582,353</u>
Change in net assets	215,666	15,067	230,733	1,598	232,331
Net assets:					
Beginning of year	<u>1,904,023</u>	<u>397,951</u>	<u>2,301,974</u>	<u>121,156</u>	<u>2,423,130</u>
End 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>

Music Teachers National Association, Inc.
Consolidating Schedule of Activities
Year Ended June 30, 2011

	Association				
	Unrestricted	Temporarily Restricted	Total	Certification	Total
Revenues:					
Membership dues	\$ 1,268,973	-	1,268,973	-	1,268,973
Subscription and advertising	238,592	-	238,592	-	238,592
Less direct costs	(142,563)	-	(142,563)	-	(142,563)
Conferences	370,835	-	370,835	-	370,835
Less direct costs	(219,906)	-	(219,906)	-	(219,906)
Competitions	123,375	-	123,375	-	123,375
Less direct costs	(155,936)	-	(155,936)	-	(155,936)
Contributions	136,787	16,084	152,871	-	152,871
Other	59,441	-	59,441	44,992	104,433
Management fee	5,004	-	5,004	(5,004)	-
Interest and dividends	60,310	12,872	73,182	1,091	74,273
Unrealized loss on investments	123,727	27,353	151,080	2,102	153,182
Realized loss on investments	51,988	20,003	71,991	1,071	73,062
	<u>1,920,627</u>	<u>76,312</u>	<u>1,996,939</u>	<u>44,252</u>	<u>2,041,191</u>
Expenses:					
Salaries and wages	679,404	-	679,404	9,996	689,400
Payroll taxes	53,241	-	53,241	-	53,241
Employee benefits	88,887	-	88,887	-	88,887
Rent and utilities	131,759	-	131,759	-	131,759
Travel and entertainment	92,160	-	92,160	-	92,160
Newsletters and mailings	36,402	-	36,402	-	36,402
Membership retention	9,107	-	9,107	-	9,107
Insurance	23,002	-	23,002	-	23,002
Office supplies and postage	12,656	-	12,656	-	12,656
Information services	55,431	-	55,431	-	55,431
Telephone	5,303	-	5,303	-	5,303
Professional fees	16,153	-	16,153	-	16,153
Bank charges	62,998	-	62,998	-	62,998
Depreciation	6,218	-	6,218	-	6,218
Grants and awards	105,979	-	105,979	-	105,979
Other	162,206	-	162,206	22,371	184,577
	<u>1,540,906</u>	<u>-</u>	<u>1,540,906</u>	<u>32,367</u>	<u>1,573,273</u>
Change in net assets	379,721	76,312	456,033	11,885	467,918
Net assets:					
Beginning 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>
End of year	<u>\$ 1,904,023</u>	<u>397,951</u>	<u>2,301,974</u>	<u>121,156</u>	<u>2,423,130</u>