



***The National Tooling &  
Machining Association***

*The largest trade organization  
representing the precision custom  
manufacturing industry throughout  
the United States – Organized in 1943.*



**TRUSTEE MEETING**  
**October 23, 2015**

# TREASURER'S REPORT



**FALL CONFERENCE  
OCTOBER 23, 2015**

# Balance Sheet

August 31,

	2015	2014		2015	2014
<b><u>ASSETS</u></b>			<b><u>LIABILITIES</u></b>		
CURRENT ASSETS	\$1,455,520	\$1,485,786	CURRENT LIABILITIES	1,275,497	1,255,002
LONG-TERM INVESTMENTS	3,636,463	3,218,825	LONG-TERM LIABILITIES	0	0
FIXED ASSETS	234,906	272,612	<b>TOTAL LIABILITIES</b>	<b>1,275,497</b>	<b>1,255,002</b>
TOTAL OTHER ASSETS	128,782	132,027			
<b>TOTAL ASSETS</b>	<b>5,455,671</b>	<b>5,109,250</b>	<b>TOTAL EQUITY</b>	<b>4,180,174</b>	<b>3,854,249</b>
			<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,455,671</b>	<b>5,109,250</b>

# Balance Sheet

August 31,

	2015	2014		2015	2014
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>			<b>FIXED ASSETS</b>		
CASH	\$451,586	\$506,225	FURNITURE AND EQUIPMENT	427,029	407,660
ACCOUNTS RECEIVABLE			BRANDING	104,400	104,400
MEMBER DUES	151,179	123,221	NTMA-U	226,850	183,742
PUBLICATIONS, ADVERTISING & OTHER	763,642	772,981	BUILDING	43,371	37,856
LESS UNCOLLECTIBLE ALLOWANCE	(86,162)	(64,163)	WORK IN PROCESS	3,625	10,700
INVENTORIES	24,727	28,113		<u>805,275</u>	<u>744,359</u>
PREPAID EXPENSES	150,548	119,410	LESS ACCUMULATED DEPRECIATION	(570,370)	(471,747)
TOTAL CURRENT ASSETS	<u>1,455,520</u>	<u>1,485,786</u>	TOTAL FIXED ASSETS	<u>234,906</u>	<u>272,612</u>
<b>LONG-TERM INVESTMENTS</b>			<b>OTHER ASSETS</b>		
BUILDING FUND	0	511,515	DUE FROM SUBSIDIARIES	2,032	4,697
EMERGENCY RESERVE FUND	2,597,873	2,707,310	INVESTMENT IN SUBSIDIARIES	120,000	120,000
SPECIAL PROJECT/OPPORTUNITY	594,905		DEPOSITS	6,750	7,330
OPERATING LINE OF CREDIT	443,686		TOTAL OTHER ASSETS	<u>128,782</u>	<u>132,027</u>
TOTAL LONG-TERM INVESTMENTS	<u>3,636,463</u>	<u>3,218,825</u>	TOTAL ASSETS	<u><u>5,455,671</u></u>	<u><u>5,109,250</u></u>

# Balance Sheet

August 31,

	2015	2014		2015	2014
<b>LIABILITIES</b>	<hr/>		<b>EQUITY</b>	<hr/>	
CURRENT LIABILITIES			MEMBERS' EQUITY		
ACCOUNTS PAYABLE	\$112,741	\$125,522	BEGINNING EQUITY	3,978,217	1,210,727
ACCRUED EXPENSES	406,592	357,908	EXCESS OF INCOME FOR YEAR	201,957	2,643,521
DEFERRED REVENUE	756,165	771,572		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	1,275,497	1,255,002	TOTAL LIABILITIES AND EQUITY	4,180,174	3,854,249
				<hr/>	<hr/>
LONG-TERM LIABILITIES				5,455,671	5,109,250
TOTAL LONG-TERM LIABILITIES	0	0		<hr/>	<hr/>
TOTAL LIABILITIES	1,275,497	1,255,002		<hr/> <hr/>	<hr/> <hr/>

**Non-Operating Surplus** 271,198  
 (activity from investments)  
**Operating Deficit** (69,241)

# Operating Statement

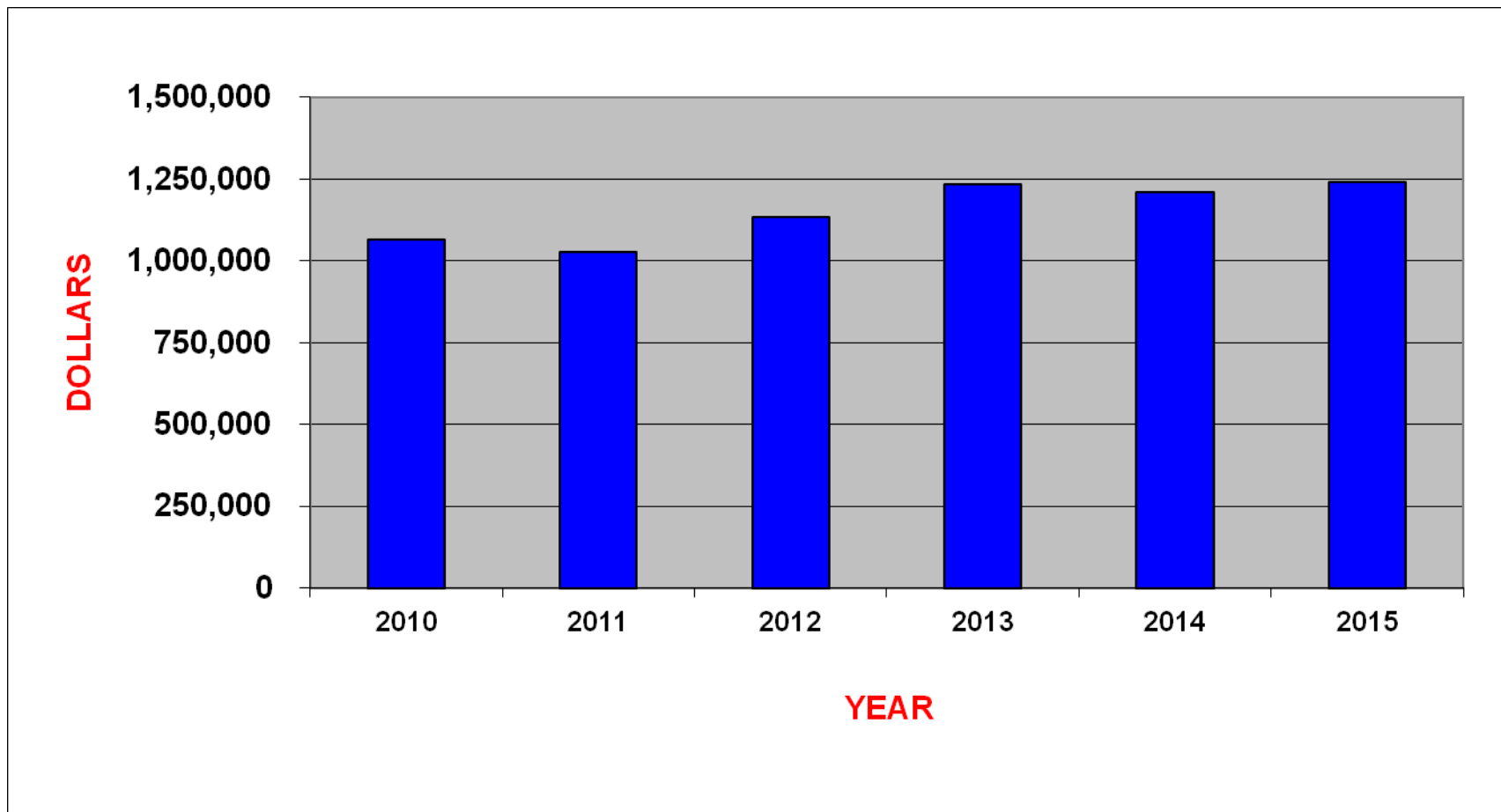
	2015 August YTD						Prior Year		Current Year	
	Actual		Budget		Variance		Actual		Budget	
	% of		% of				% of		% of	
	\$	Revenue	\$	Revenue	\$ + (-)	%	\$	Revenue	\$	Revenue
Revenues	2,462,829	100.0%	2,751,712	100.0%	(288,883)	(10.5%)	2,615,020	100.0%	4,448,957	100.0%
Expenses	2,485,238	100.9%	2,750,341	100.0%	265,104	9.6%	2,624,145	100.3%	4,329,010	97.3%
Income Taxes	46,833	1.9%	51,332	1.9%	4,499	8.8%	54,664	2.1%	77,000	1.7%
<b>Total Expenses</b>	<b>2,532,070</b>	<b>102.8%</b>	<b>2,801,673</b>	<b>101.8%</b>	<b>269,603</b>	<b>9.6%</b>	<b>2,678,809</b>	<b>102.4%</b>	<b>4,406,010</b>	<b>99.0%</b>
<b>Excess Revenue (Expense)</b>	<b>(69,241)</b>	<b>(2.8%)</b>	<b>(49,961)</b>	<b>(1.8%)</b>	<b>(19,280)</b>	<b>38.6%</b>	<b>(63,789)</b>	<b>(2.4%)</b>	<b>42,947</b>	<b>1.0%</b>
One-Time Expenses	65,854	2.7%	0	0.0%	0	0.0%	33,701	1.3%	0	0.0%
<b>Excess Revenue (Expense) After One-Time Expense</b>	<b>(3,387)</b>	<b>-0.1%</b>	<b>(49,961)</b>	<b>-1.8%</b>	<b>(19,280)</b>	<b>38.6%</b>	<b>(30,088)</b>	<b>-1.2%</b>	<b>42,947</b>	<b>1.0%</b>

**> 2015 Year End Forecast One-Time Expenses = \$125,200**

# Operating Statement

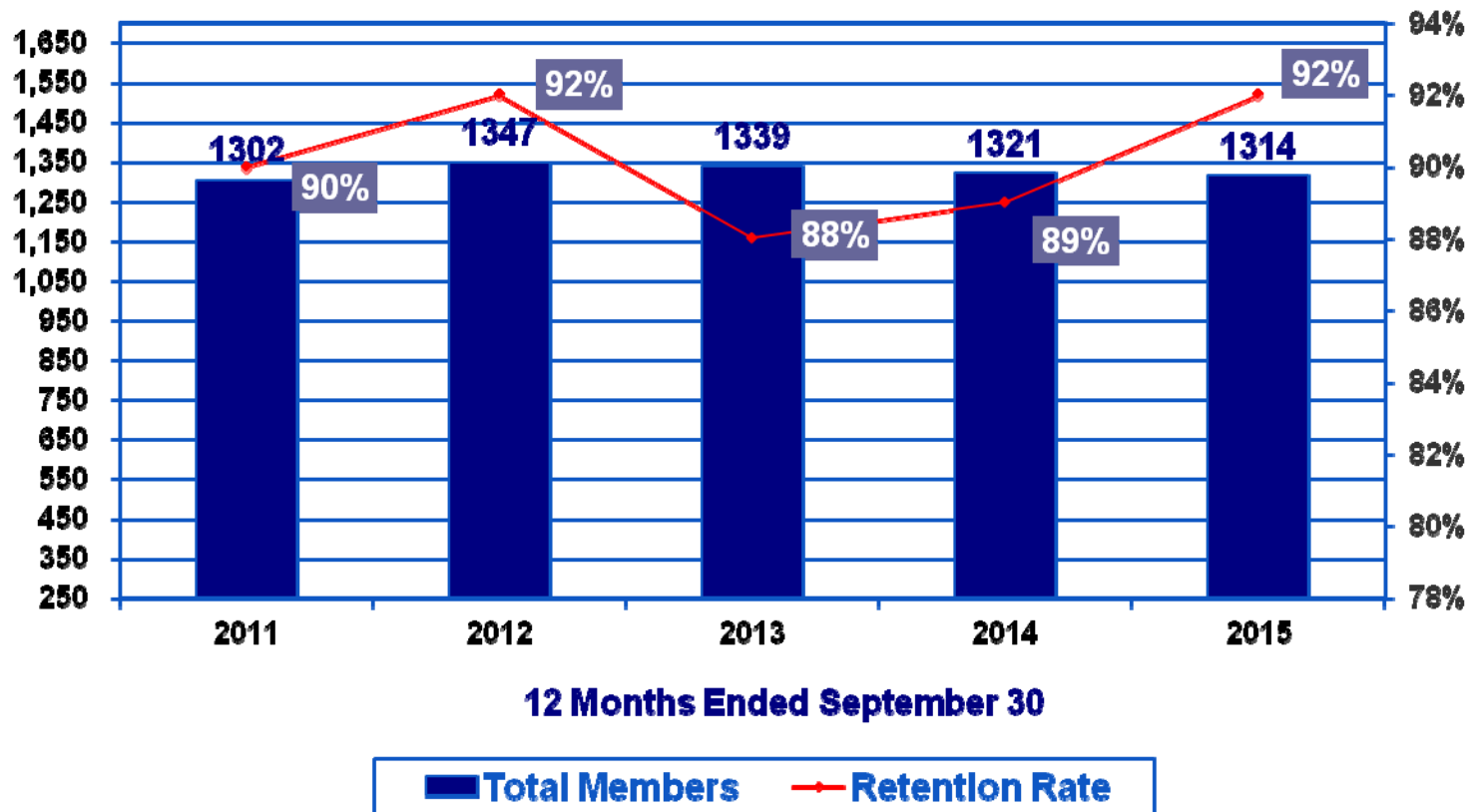
	2015 August YTD						Prior Year		Current Year	
	Actual		Budget		Variance		Actual		Budget	
	\$	% of Revenue	\$	% of Revenue	\$ + (-)	%	\$	% of Revenue	\$	% of Revenue
<b>Revenues</b>										
Dues	\$1,240,952	50.4%	\$1,265,648	46.0%	(\$24,696)	(2.0%)	\$1,208,118	46.2%	\$1,898,464	42.7%
Textbooks	63,477	2.6%	54,000	2.0%	9,477	17.6%	64,647	2.5%	80,000	1.8%
Non Textbooks	17,617	0.7%	27,032	1.0%	(9,415)	(34.8%)	24,591	0.9%	37,300	0.8%
Chapter Support	4,348	0.2%	15,000	0.5%	(10,653)	(71.0%)	18,675	0.7%	30,000	0.7%
Advertising	103,537	4.2%	117,496	4.3%	(13,959)	(11.9%)	99,988	3.8%	157,500	3.5%
Meeting Revenue	125,683	5.1%	263,440	9.6%	(137,757)	(52.3%)	196,897	7.5%	623,545	14.0%
Grainger Royalty Income	662,915	26.9%	677,764	24.6%	(14,849)	(2.2%)	650,508	24.9%	1,016,648	22.9%
Royalties & Interest	48,324	2.0%	67,000	2.4%	(18,676)	(27.9%)	55,712	2.1%	100,500	2.3%
Distributions from Subs	5,800	0.2%	5,332	0.2%	468	8.8%	154,238	5.9%	8,000	0.2%
Grants	0	0.0%	10,000	0.4%	(10,000)	(100.0%)	10,000	0.4%	10,000	0.2%
Contributions	9,200	0.4%	32,000	1.2%	(22,800)	(71.3%)	7,969	0.3%	85,000	1.9%
Tuition Income	116,802	4.7%	80,000	2.9%	36,802	46.0%	57,962	2.2%	160,000	3.6%
Sponsorships	64,175	2.6%	137,000	5.0%	(72,825)	(53.2%)	65,714	2.5%	242,000	5.4%
<b>Total Revenue</b>	<b>2,462,829</b>	<b>100.0%</b>	<b>2,751,712</b>	<b>100.0%</b>	<b>(288,883)</b>	<b>(10.5%)</b>	<b>2,615,020</b>	<b>100.0%</b>	<b>4,448,957</b>	<b>100.0%</b>

## Dues Revenue – 8 Months

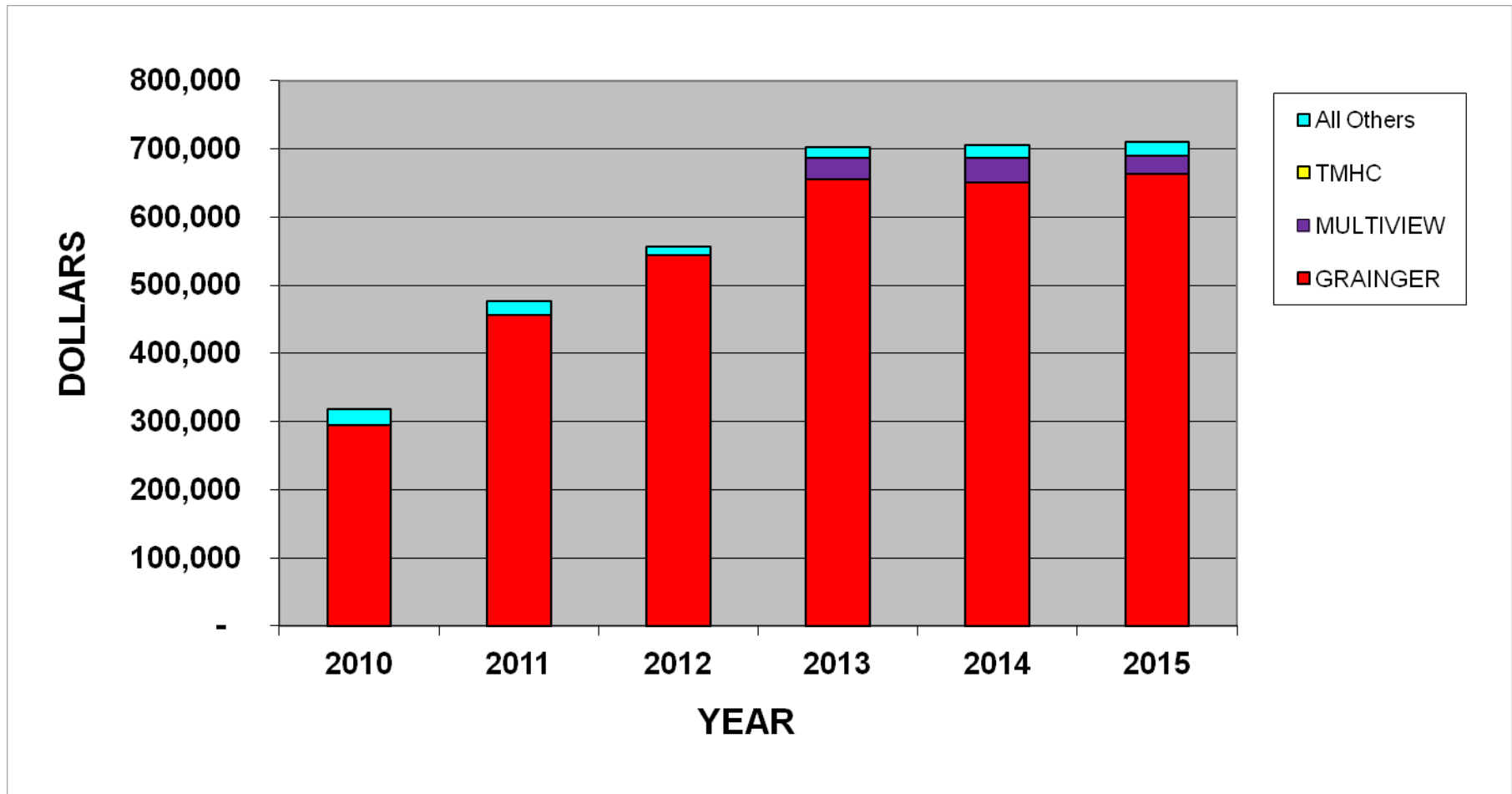




# Annual Member Retention (5-Years)



# Royalty Revenue – 8 Months

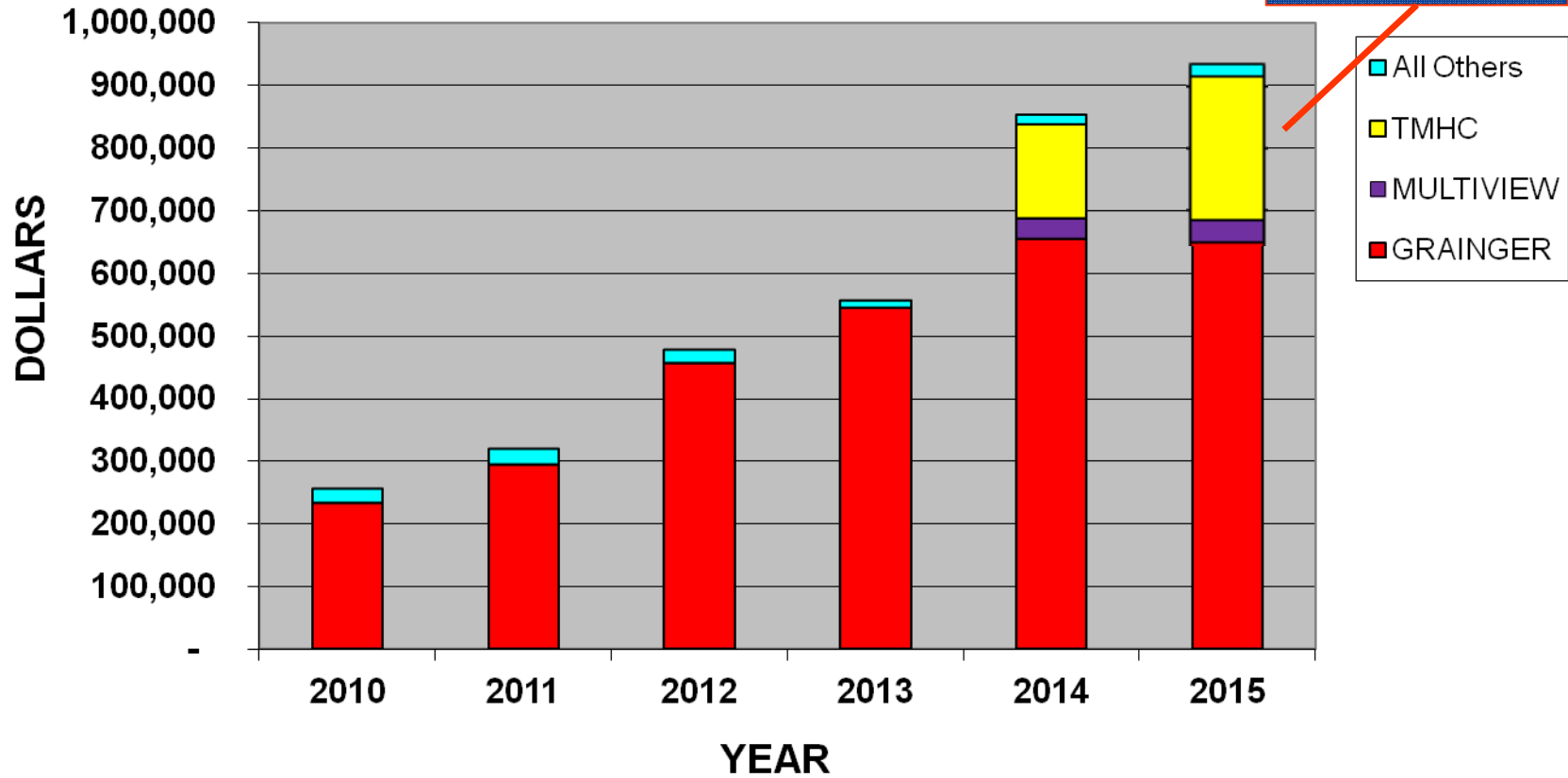




# Royalty Revenue – 8 Months

Including Dividend Distribution from TMHC

\$230K Received in September 2015



## Other Noteworthy Revenues

- **Advertising**      **↓ \$14K; Record decrease (\$5K) and Membership Directory decrease**
- **Meetings**      **↓ \$138K; Seminars, MFG and Purchasing Fair income down, offset by a reduction in Meeting Expense**
- **NTMA U**      **↑ \$46K; \$37K Tuition earned during the new summer semester, \$9K Textbooks**



# Operating Statement

2015 August YTD

Prior Year

Current Year

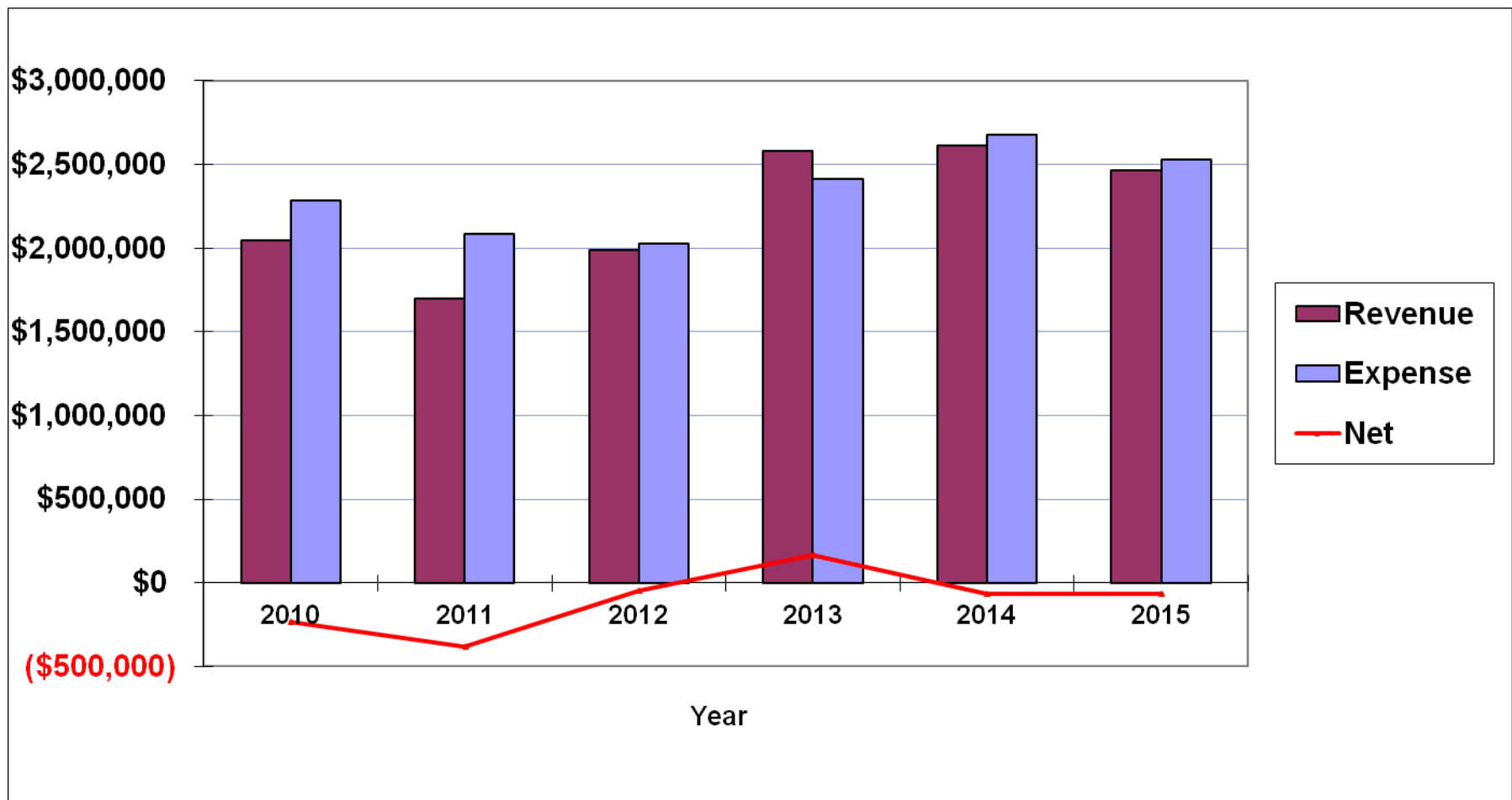
	Actual		Budget		Variance		Actual		Budget	
	% of		% of				% of		% of	
	\$	Revenue	\$	Revenue	\$ + (-)	%	\$	Revenue	\$	Revenue
<b>Expenses</b>										
Salaries	847,909	34.4%	901,896	32.8%	53,987	6.0%	977,788	37.4%	1,418,216	31.9%
Fringe Benefits	126,455	5.1%	195,040	7.1%	68,585	35.2%	162,716	6.2%	306,697	6.9%
Telephone	17,563	0.7%	23,212	0.8%	5,649	24.3%	23,070	0.9%	34,680	0.8%
Postage	24,869	1.0%	35,371	1.3%	10,502	29.7%	32,889	1.3%	51,050	1.1%
Bank Fees	583	0.0%	3,927	0.1%	3,344	85.2%	2,750	0.1%	5,891	0.1%
Supplies & Printing	54,709	2.2%	71,441	2.6%	16,732	23.4%	64,469	2.5%	98,520	2.2%
Travel	134,200	5.4%	213,607	7.8%	79,407	37.2%	167,518	6.4%	318,875	7.2%
Professional Fees	557,883	22.7%	510,732	18.6%	(47,151)	(9.2%)	392,661	15.0%	748,936	16.8%
Bad Debts	68,662	2.8%	46,472	1.7%	(22,190)	(47.7%)	70,431	2.7%	69,712	1.6%
Building Costs	8,464	0.3%	8,000	0.3%	(464)	(5.8%)	8,329	0.3%	12,000	0.3%

# Operating Statement

	2015 August YTD						Prior Year		Current Year	
	Actual		Budget		Variance		Actual		Budget	
	% of		% of				% of		% of	
	\$	Revenue	\$	Revenue	\$ + (-)	%	\$	Revenue	\$	Revenue
<b>Expenses(CONT)</b>										
Equipment Costs	4,754	0.2%	5,664	0.2%	910	16.1%	53,876	2.1%	8,500	0.2%
Depreciation Costs	67,270	2.7%	70,018	2.5%	2,748	3.9%	62,109	2.4%	105,030	2.4%
Affinity Program Expense	241,235	9.8%	203,328	7.4%	(37,907)	(18.6%)	185,437	7.1%	304,995	6.9%
Surveys & Projects	47,835	1.9%	50,400	1.8%	2,565	5.1%	42,357	1.6%	71,468	1.6%
Awards & Dues	33,786	1.4%	44,960	1.6%	11,174	24.9%	38,825	1.5%	64,450	1.4%
Textbooks & Other Sales	42,496	1.7%	48,628	1.8%	6,132	12.6%	74,040	2.8%	72,641	1.6%
Rent Expense	40,128	1.6%	39,860	1.4%	(268)	(0.7%)	38,635	1.5%	59,800	1.3%
Interest Expense - LOC	0	0.0%	0	0.0%	0	0.0%	87	0.0%	0	0.0%
Meeting Costs	166,435	6.8%	277,785	10.1%	111,350	40.1%	226,156	8.6%	577,549	13.0%
<b>Sub-Total Expenses</b>	<b>2,485,238</b>	<b>100.9%</b>	<b>2,750,341</b>	<b>100.0%</b>	<b>265,104</b>	<b>9.6%</b>	<b>2,624,145</b>	<b>100.3%</b>	<b>4,329,010</b>	<b>97.3%</b>
Income Taxes	46,833	1.9%	51,332	1.9%	4,499	8.8%	54,664	2.1%	77,000	1.7%
<b>Total Expenses</b>	<b>2,532,070</b>	<b>102.8%</b>	<b>2,801,673</b>	<b>101.8%</b>	<b>269,603</b>	<b>9.6%</b>	<b>2,678,809</b>	<b>102.4%</b>	<b>4,406,010</b>	<b>99.0%</b>



## Total Revenue & Expenses - 8 Months





## Excess Revenue(Expense) After Non-Operating Activity (Investments)

	2015 August YTD						Prior Year		Current Year	
	Actual		Budget		Variance		Actual		Budget	
	% of		% of				% of		% of	
	\$	Revenue	\$	Revenue	\$ + (-)	%	\$	Revenue	\$	Revenue
Revenues	2,462,829	100.0%	2,751,712	100.0%	(288,883)	(10.5%)	2,615,020	100.0%	4,448,957	100.0%
Expenses	2,485,238	100.9%	2,750,341	100.0%	265,104	9.6%	2,624,145	100.3%	4,329,010	97.3%
Income Taxes	46,833	1.9%	51,332	1.9%	4,499	8.8%	54,664	2.1%	77,000	1.7%
<b>Total Expenses</b>	<b>2,532,070</b>	<b>102.8%</b>	<b>2,801,673</b>	<b>101.8%</b>	<b>269,603</b>	<b>9.6%</b>	<b>2,678,809</b>	<b>102.4%</b>	<b>4,406,010</b>	<b>99.0%</b>
<b>Excess Revenue (Expense)</b>	<b>(69,241)</b>	<b>(2.8%)</b>	<b>(49,961)</b>	<b>(1.8%)</b>	<b>(19,280)</b>	<b>38.6%</b>	<b>(63,789)</b>	<b>(2.4%)</b>	<b>42,947</b>	<b>1.0%</b>
Non-Operating Activity	271,198	11.0%	0	0.0%	271,198	0.0%	2,707,310	103.5%	0	0.0%
<b>Excess Revenue (Expense)</b>	<b>201,957</b>	<b>8.2%</b>	<b>(49,961)</b>	<b>-1.8%</b>	<b>251,918</b>	<b>-504.2%</b>	<b>2,643,521</b>	<b>101.1%</b>	<b>42,947</b>	<b>1.0%</b>

# Cash Reserves

September 30,

	2015	2014
BUILDING FUND	\$0	\$511,515
EMERGENCY RESERVE FUND	2,580,436	2,707,310
SPECIAL PROJECT/OPPORTUNITY	588,619	0
OPERATING LINE OF CREDIT	443,545	0
TOTAL LONG-TERM INVESTMENTS	<u>3,612,600</u>	<u>3,218,825</u>
SHORT-TERM SAVINGS	546,904	420,709
TOTAL INVESTMENTS	<u><u>\$4,159,504</u></u>	<u><u>\$3,639,534</u></u>

- **Internal Promissory Note has remaining balance of \$68K as of 9/30/2015**
- **Excess Operating Funds are paid quarterly to the Emergency Reserve Fund**
- **Final payment scheduled for 6/30/2016**

**Total Long-Term Investments held by Atlantic Trust  
\$300K received from TMHC July 2015 as Dividend**

# Q & A SESSION





# 2016 Proposed Budget

## 2016 Budget Objectives

1. Engage Chapter and Chapter Leaders
  2. Grow Membership
  3. Improve Member and Chapter Relationships
  4. Strengthen Programs – Improve Marketing
  5. Grow the NRL – 2015 & 2016 Additional Staff
  6. Expand NTMA U to Members – Added Summer Semester; Discounts Offered
  7. Grow Emerging Leaders – Add Event at Legislative Conference
- New Sales Executives & Membership Director

## 2016 Proposed Budget-Summary

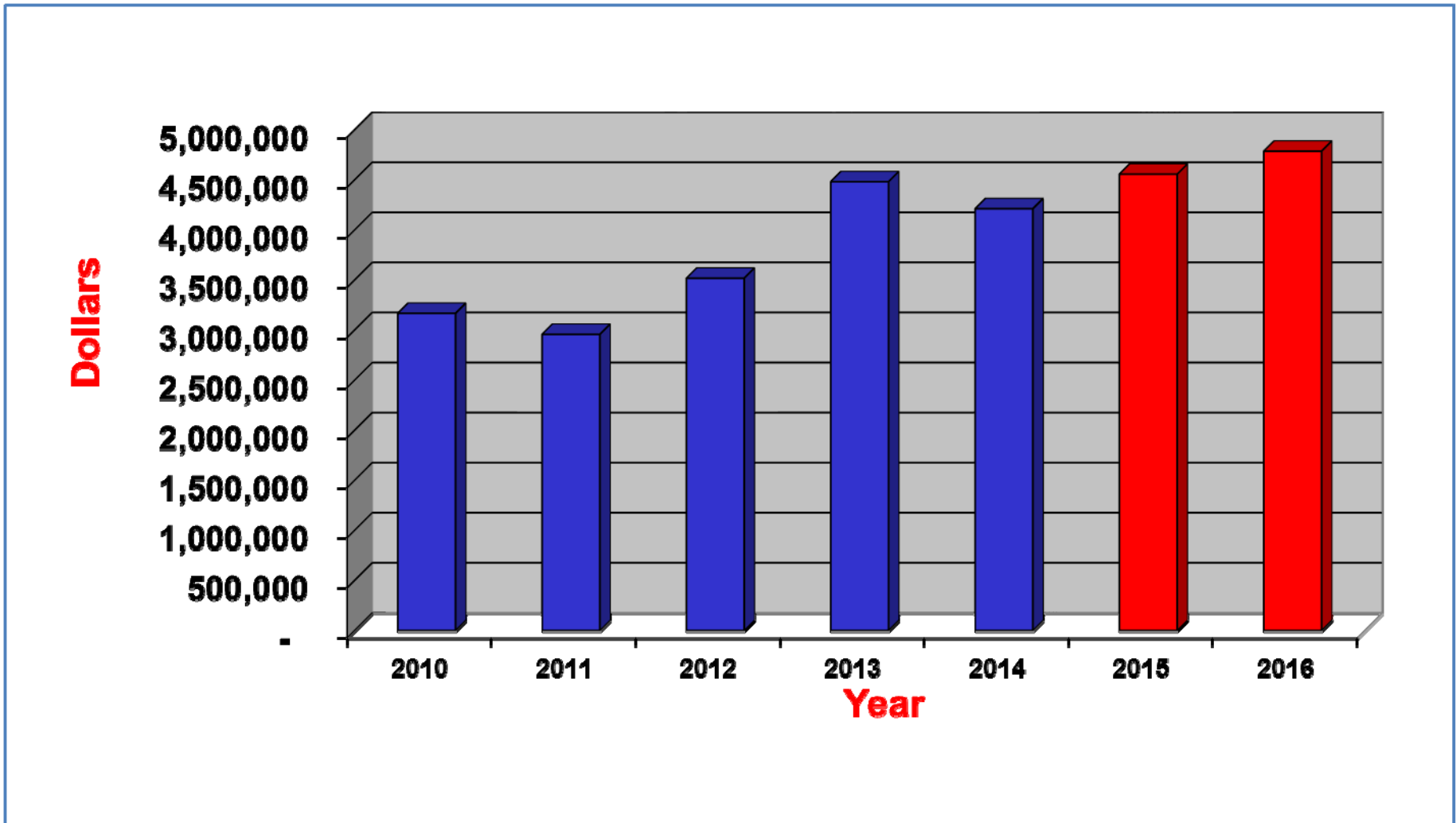
	2016 Budget		2015 Forecast		Variance	
	\$	% of Revenue	\$	% of Revenue	\$+(-)	%
Revenues	4,785,464	100.0%	4,556,206	100.0%	229,258	100.0%
Expenses	4,678,732	97.8%	4,428,068	97.2%	250,664	109.3%
Income Taxes	77,000	1.6%	67,997	1.5%	9,003	3.9%
Total Expenses	4,755,732	99.4%	4,496,065	98.7%	259,667	113.3%
<b>Excess Revenue (Expense)</b>	<b>29,732</b>	<b>0.6%</b>	<b>60,141</b>	<b>1.3%</b>	<b>(30,409)</b>	<b>-13.3%</b>
One-Time Expenses	0		125,158			
<b>Excess Revenue (Expense) After One-Time Expense</b>	<b>29,732</b>	<b>0.6%</b>	<b>185,299</b>	<b>4.1%</b>		

## 2016 Budget-Revenue

	2016 Budget		2015 Forecast		Variance	
	\$	% of Revenue	\$	% of Revenue	\$+(-)	%
<b>Revenues</b>						
Dues	1,993,100	41.6%	1,873,768	41.1%	119,332	6.4%
Textbooks	103,000	2.2%	89,477	2.0%	13,523	15.1%
Non Textbooks	26,300	0.5%	24,737	0.5%	1,563	6.3%
Chapter Support	10,000	0.2%	7,348	0.2%	2,652	36.1%
Advertising	149,000	3.1%	141,005	3.1%	7,995	5.7%
Meeting Revenue	521,390	10.9%	558,603	12.3%	(37,213)	-6.7%
Grainger Royalty Income	1,077,253	22.5%	1,001,798	22.0%	75,455	7.5%
Royalties, Interest & Other	126,000	2.6%	80,692	1.8%	45,308	56.1%
Distributions from Subs	212,000	4.4%	238,468	5.2%	(26,468)	-11.1%
Grants	70,000	1.5%	0	0.0%	70,000	100.0%
Contributions	67,800	1.4%	94,200	2.1%	(26,400)	-28.0%
Tuition Income	169,121	3.5%	161,436	3.5%	7,685	4.8%
Sponsorships	260,500	5.4%	284,675	6.2%	(24,175)	-8.5%
<b>Total Revenue</b>	<b>4,785,464</b>	<b>100.0%</b>	<b>4,556,206</b>	<b>100.0%</b>	<b>229,258</b>	<b>5.0%</b>



# 2016 Budgeted Revenue

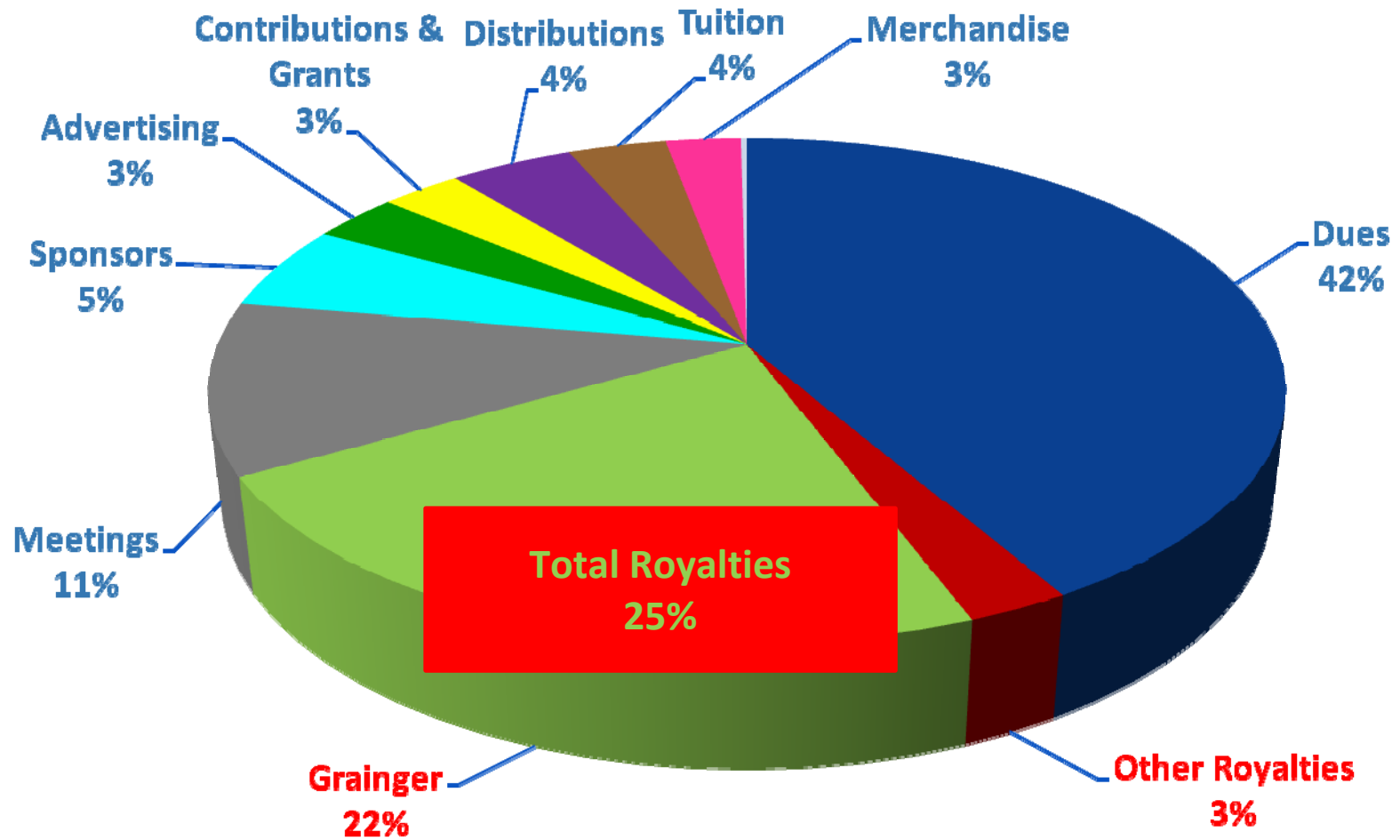




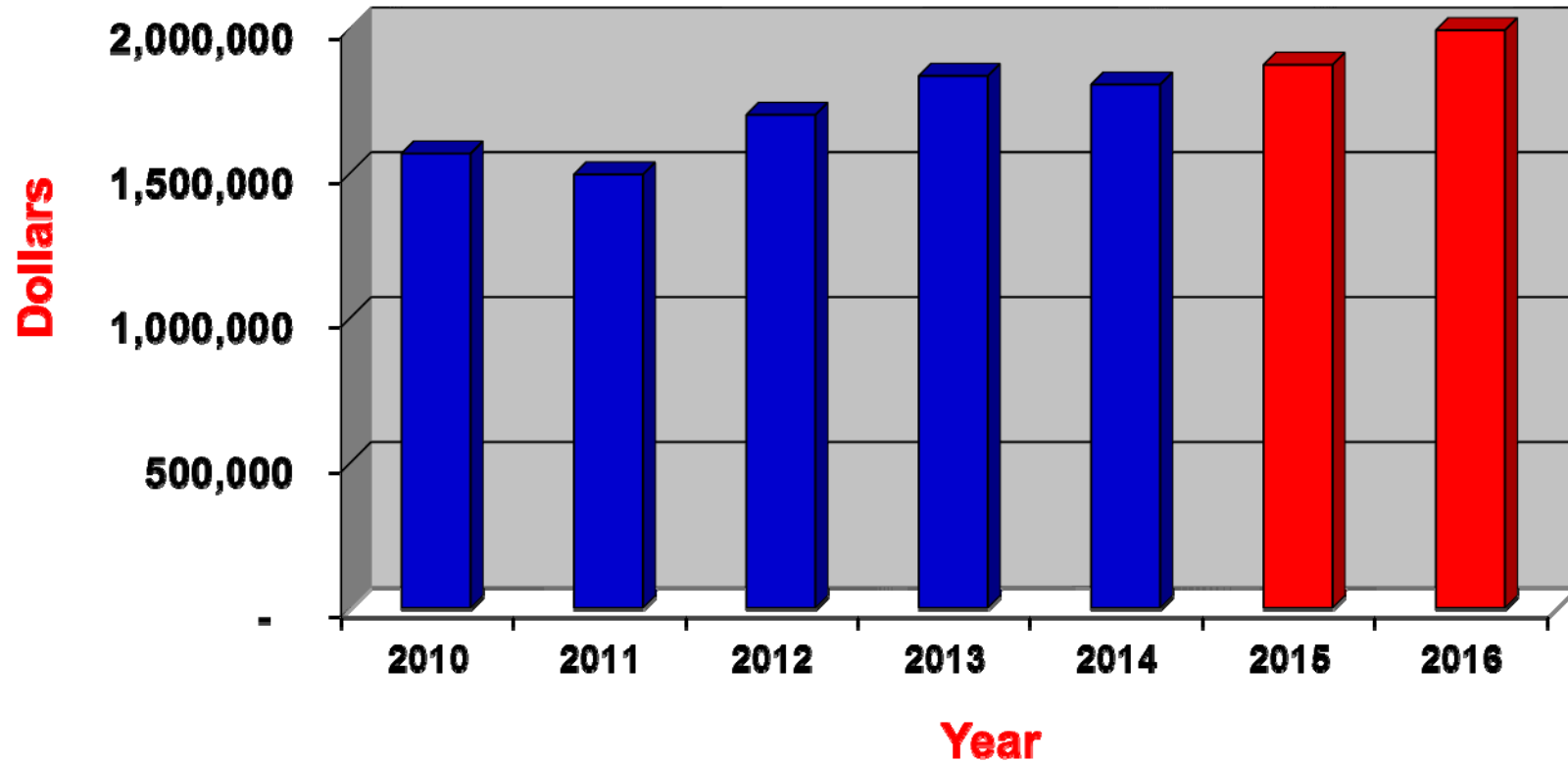


# 2016 Revenue Percentages

By Category

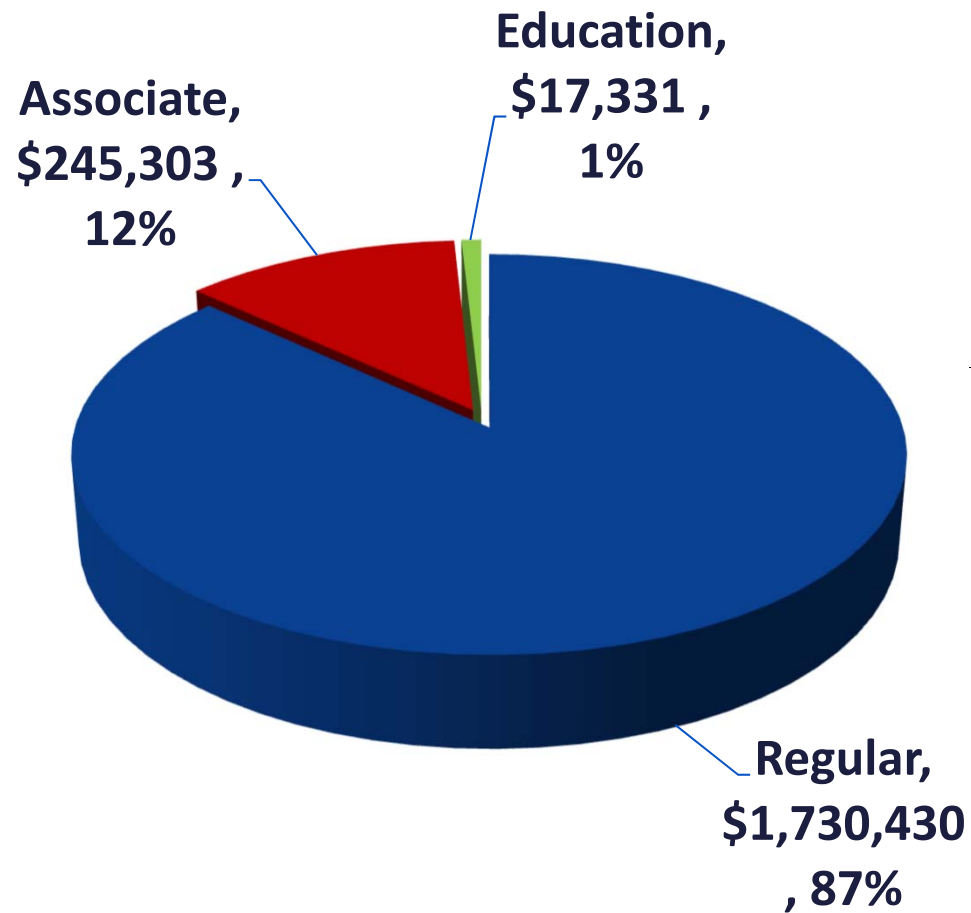


## 2016 Dues Revenue



# 2016 Dues Revenue

By Category



Type	% of Total Revenue
Regular	36%
Associate	5%
Education	0%

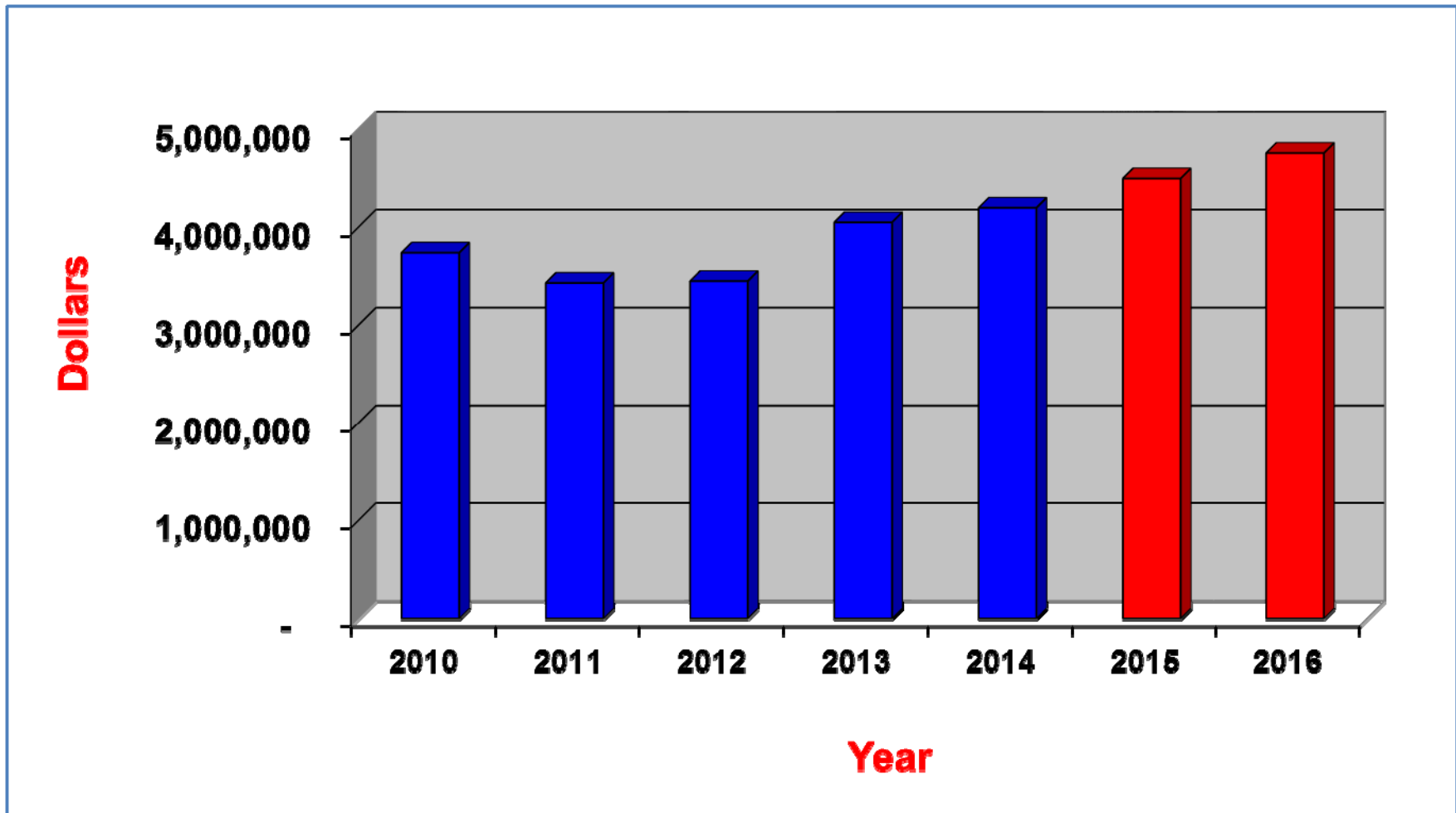
## 2016 Budget-Expenditures

	2016 Budget		2015 Forecast		Variance	
	\$	% of Revenue	\$	% of Revenue	\$+(-)	%
<b>Expenses</b>						
Salaries	1,472,251	30.8%	1,349,656	29.6%	122,595	9.1%
Fringe Benefits	306,349	6.4%	225,286	4.9%	81,063	36.0%
Telephone	26,030	0.5%	27,051	0.6%	(1,021)	-3.8%
Postage	35,275	0.7%	36,506	0.8%	(1,231)	-3.4%
Bank Fees	2,110	0.0%	1,283	0.0%	827	64.5%
Supplies & Printing	88,075	1.8%	81,376	1.8%	6,699	8.2%
Travel	298,567	6.2%	279,522	6.1%	19,045	6.8%
Professional Fees	962,492	20.1%	937,773	20.6%	24,719	2.6%
Bad Debts	81,674	1.7%	118,662	2.6%	(36,988)	-31.2%
Building Costs	12,694	0.3%	13,472	0.3%	(778)	-5.8%

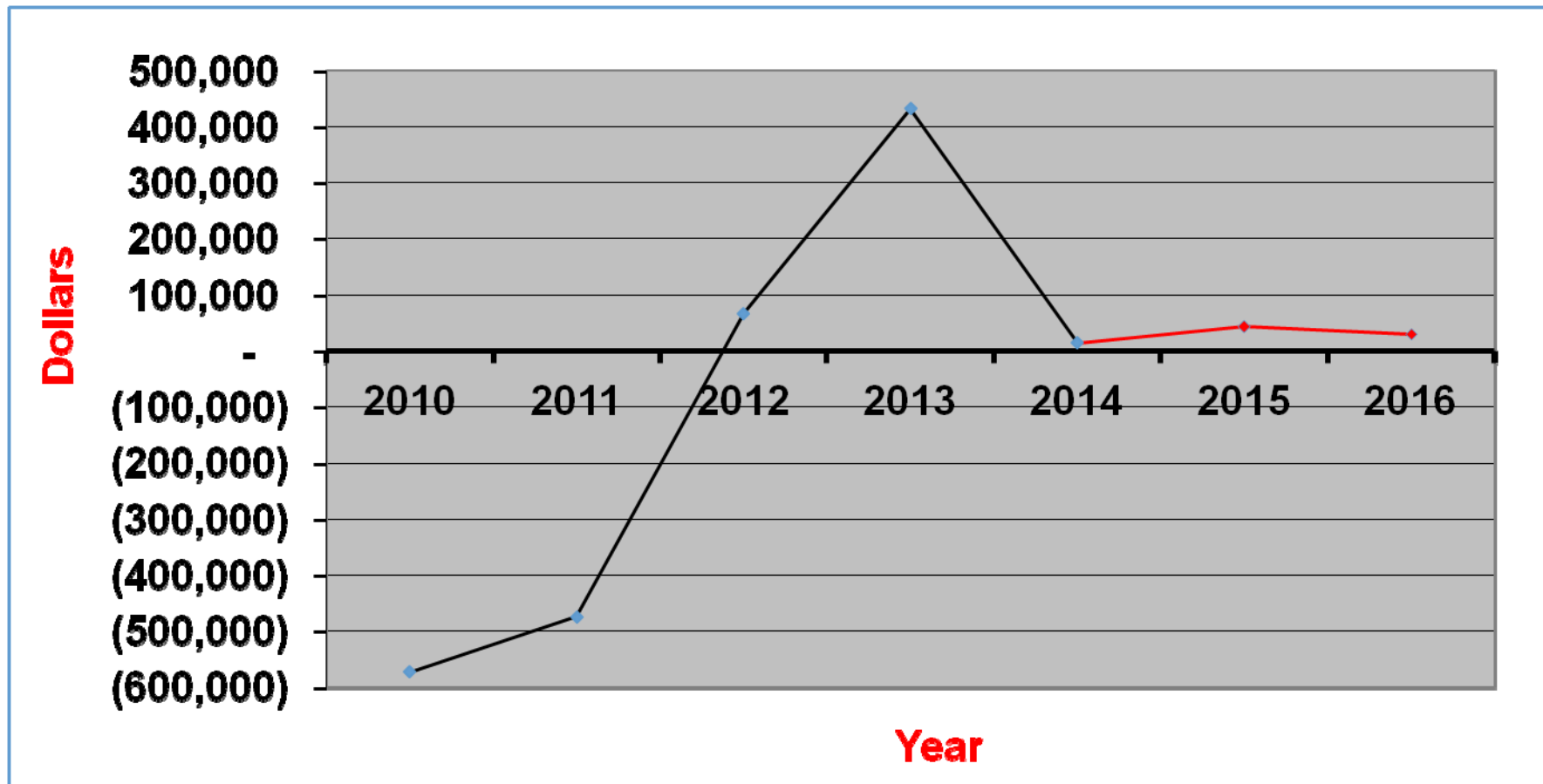
## 2016 Budget-Expenditures

	2016 Budget		2015 Forecast		Variance	
	\$	% of Revenue	\$	% of Revenue	\$+(-)	%
<b>Expenses (CONT.)</b>						
Equipment Costs	11,988	0.3%	7,954	0.2%	4,034	50.7%
Depreciation Costs	103,795	2.2%	102,282	2.2%	1,513	1.5%
Affinity Program Expense	372,369	7.8%	359,843	7.9%	12,526	3.5%
Surveys & Projects	81,100	1.7%	67,372	1.5%	13,728	20.4%
Awards, Dues & Other	63,325	1.3%	55,065	1.2%	8,260	15.0%
Textbooks & Other Sales	92,316	1.9%	67,769	1.5%	24,547	36.2%
Rent Expense	62,442	1.3%	60,412	1.3%	2,030	3.4%
Interest Expense - LOC	0	0.0%	0	0.0%	0	0.0%
Meeting Costs	605,880	12.7%	636,782	14.0%	(30,902)	-4.9%
	<b>4,678,732</b>	<b>97.8%</b>	<b>4,428,068</b>	<b>97.2%</b>	<b>250,664</b>	<b>5.7%</b>
Income Taxes	77,000	1.6%	67,997	1.5%	9,003	13.2%
<b>Total Expenses</b>	<b>4,755,732</b>	<b>99.4%</b>	<b>4,496,065</b>	<b>98.7%</b>	<b>259,667</b>	<b>5.8%</b>

# 2016 Budgeted Expenses

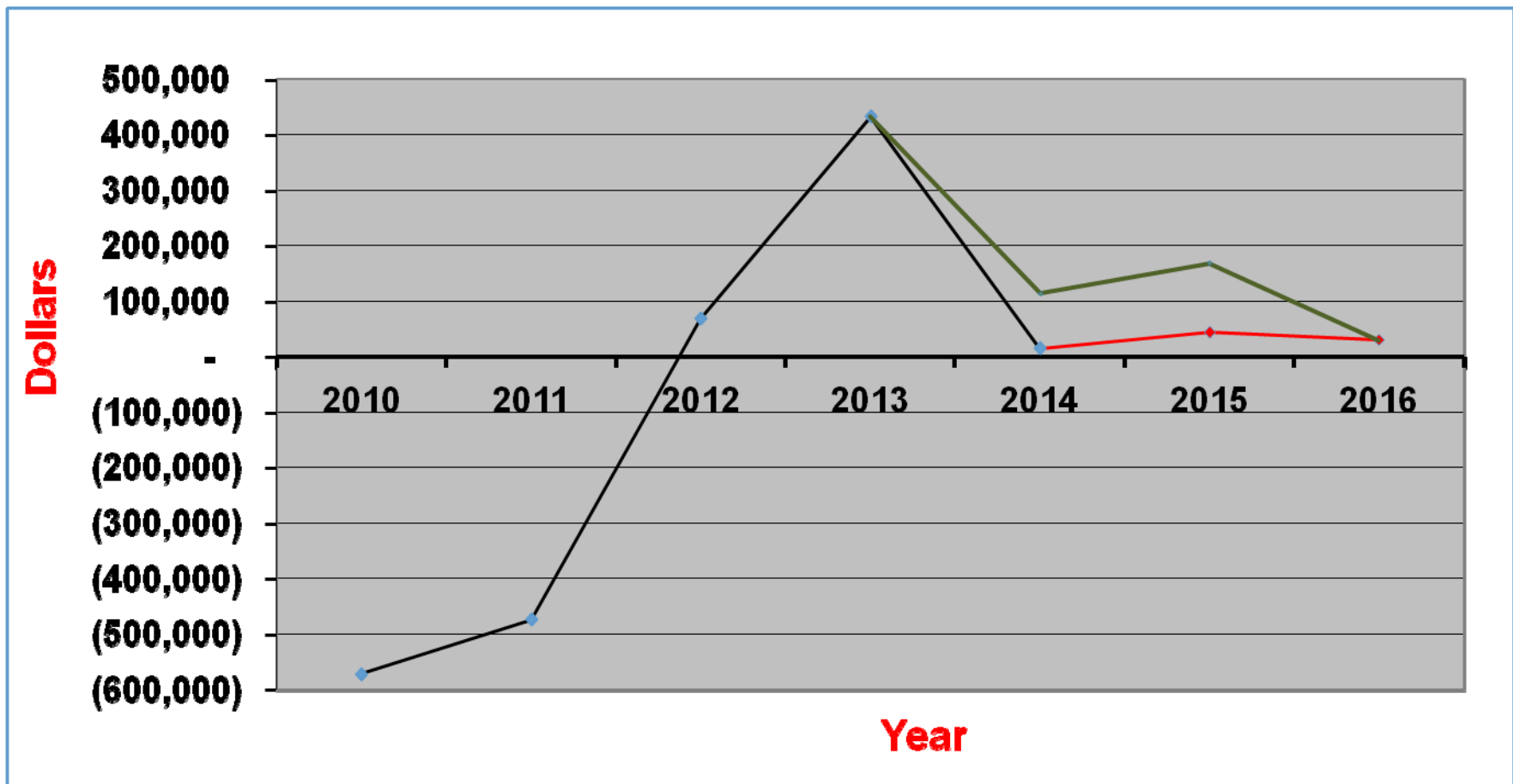


## Budgeted & Actual Operating Surplus/Loss



# Budgeted & Actual Operating Surplus/Loss

After One-Time Expenses





# Q & A Session



# *The National Tooling & Machining Association*

*The largest trade organization representing the precision custom manufacturing industry throughout the United States – Organized in 1943.*



## **TRUSTEE MEETING**

**October 23, 2014**