

The National Tooling & Machining Association

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



TRUSTEE MEETING

March 5, 2015

TREASURER'S REPORT



ANNUAL CONVENTION
Thursday, March 5, 2014

Balance Sheet

December 31,

	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			<u>LIABILITIES</u>		
CURRENT ASSETS	1,796,002	1,806,935	CURRENT LIABILITIES	1,547,971	1,508,808
LONG-TERM INVESTMENTS	3,315,265	461,035	LONG-TERM LIABILITIES	0	0
FIXED ASSETS	272,043	324,177	TOTAL LIABILITIES	1,547,971	1,508,808
OTHER ASSETS	127,173	127,390			
ASSETS	\$5,510,483	\$2,719,536	TOTAL EQUITY	3,962,512	1,210,727
			TOTAL LIABILITIES AND EQUITY	\$5,510,483	\$2,719,536

Balance Sheet

December 31,

ASSETS	2014	2013		2014	2013
CURRENT ASSETS					
CASH	\$508,073	\$255,563			
ACCOUNTS RECEIVABLE					
MEMBER DUES	109,819	95,330			
PUBLICATIONS, ADVERTISING & OTHER	1,137,105	1,384,287			
LESS UNCOLLECTIBLE ALLOWANCE	(69,090)	(63,001)			
INVENTORIES	26,316	29,964			
PREPAID EXPENSES	83,779	104,792			
TOTAL CURRENT ASSETS	1,796,002	1,806,935			
LONG-TERM INVESTMENTS					
BUILDING FUND		461,035			
EMERGENCY RESERVE FUNDS	2,503,257				
SPECIAL PROJECT/OPPORTUNITY	362,007				
OPERATING LINE OF CREDIT	450,000				
TOTAL LONG-TERM INVESTMENTS	3,315,265	461,035			
FIXED ASSETS					
PROPERTY AND EQUIPMENT					
FURNITURE AND EQUIPMENT			407,660	405,508	
BRANDING			104,400	104,400	
NTMA-U			207,726	178,976	
BUILDING			37,856	37,429	
WORK IN PROCESS			17,500	7,500	
			<u>775,143</u>	<u>733,814</u>	
LESS ACCUMULATED DEPRECIATION			(503,099)	(409,637)	
TOTAL FIXED ASSETS			272,043	324,177	
OTHER ASSETS					
DUE FROM SUBSIDIARIES			19	59	
INVESTMENT IN SUBSIDIARIES (At Cost)			120,000	120,000	
DEPOSITS			7,153	7,330	
TOTAL OTHER ASSETS			127,173	127,390	
TOTAL ASSETS			5,510,483	2,719,536	

Long-Term Investments

December 31,

	2014	2013
BUILDING FUND	0	461,035
EMERGENCY RESERVE FUND	2,503,257	0
SPECIAL PROJECT/OPPORTUNITY	362,007	0
OPERATING LINE OF CREDIT	450,000	0
TOTAL	<u>\$3,315,264</u>	<u>\$461,035</u>

Funds Invested with Atlantic Trust

Balance Sheet

December 31,

	2014	2013		2014	2013
LIABILITIES			EQUITY		
CURRENT LIABILITIES			MEMBERS' EQUITY		
ACCOUNTS PAYABLE	373,565	313,834	BEGINNING EQUITY	1,210,727	778,564
ACCRUED EXPENSES	554,894	598,269	EXCESS OF INCOME FOR YEAR	2,751,785	432,163
DEFERRED REVENUE	619,512	596,705		3,962,512	1,210,727
TOTAL CURRENT LIABILITIES	1,547,971	1,508,808	TOTAL LIABILITIES AND EQUITY	5,510,483	2,719,536
LONG-TERM LIABILITIES					
TOTAL LONG-TERM LIABILITIES					
TOTAL LIABILITIES	1,547,971	1,508,808			
			<div style="background-color: red; color: white; padding: 5px;"> <p>Non-Operating Surplus 2,753,649 (activity from investments) Operating Deficit (1,864)</p> </div>		

Promissory Note

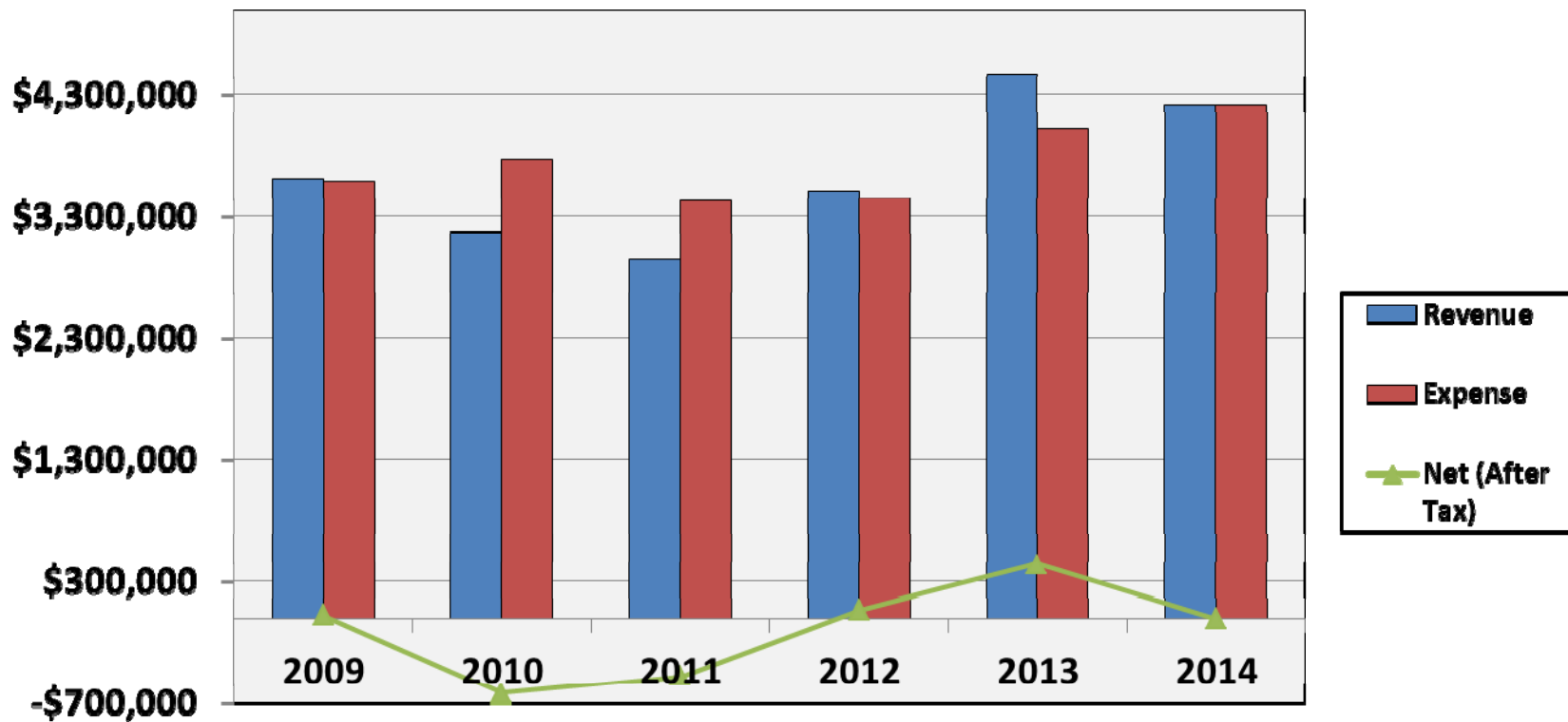
As of 1/31/2015:

- **Outstanding Balance \$143,000**
- **Paid to Date \$175,000 (7 Quarterly Payments)**
- **Next Payment March 2015**
- **Note Maturity Date 6/1/2016**
- **Payments Deposited into Emergency Reserve Fund**

Operating Statement

	2014 YTD						Prior Year		Current Year	
	Actual		Budget		Variance		Actual		Budget	
	% of		% of				% of		% of	
	\$	Revenue	\$	Revenue	\$ + (-)	%	\$	Revenue	\$	Revenue
Revenue	4,210,748	100.0%	4,253,750	100.0%	(43,002)	(1.0%)	4,477,660	100.0%	4,253,750	100.0%
Expenses	4,137,612	98.3%	4,149,353	97.5%	11,742	0.3%	3,973,249	88.7%	4,149,353	97.5%
Income Taxes	75,000	1.8%	85,000	2.0%	10,000	11.8%	71,794	1.6%	85,000	2.0%
Total Expenses	4,212,612	100.0%	4,234,353	99.5%	21,742	0.5%	4,045,043	90.3%	4,234,353	99.5%
<i>Excess Revenue (Expense)</i>	<i>(1,864)</i>	<i>(0.0%)</i>	<i>19,397</i>	<i>0.5%</i>	<i>(21,261)</i>	<i>(109.6%)</i>	<i>432,618</i>	<i>9.7%</i>	<i>19,397</i>	<i>0.5%</i>
One Time Expenses	99,083	2.4%	0	0.0%	99,083	230.4%	55,000	1.2%	0	0.0%
Excess Revenue(Expense) after One-Time Expenses	97,219	2.3%	19,397	0.5%	77,822	181.0%	487,618	10.9%	19,397	0.5%

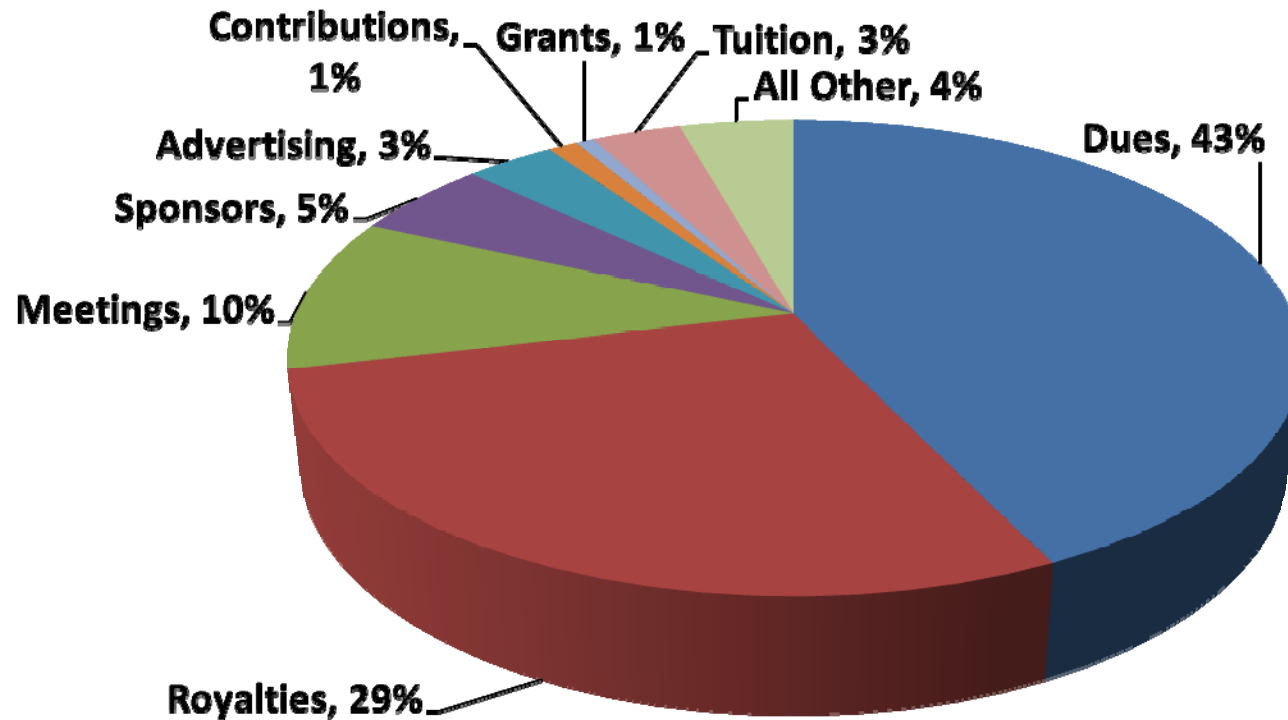
Total Revenue & Expenses



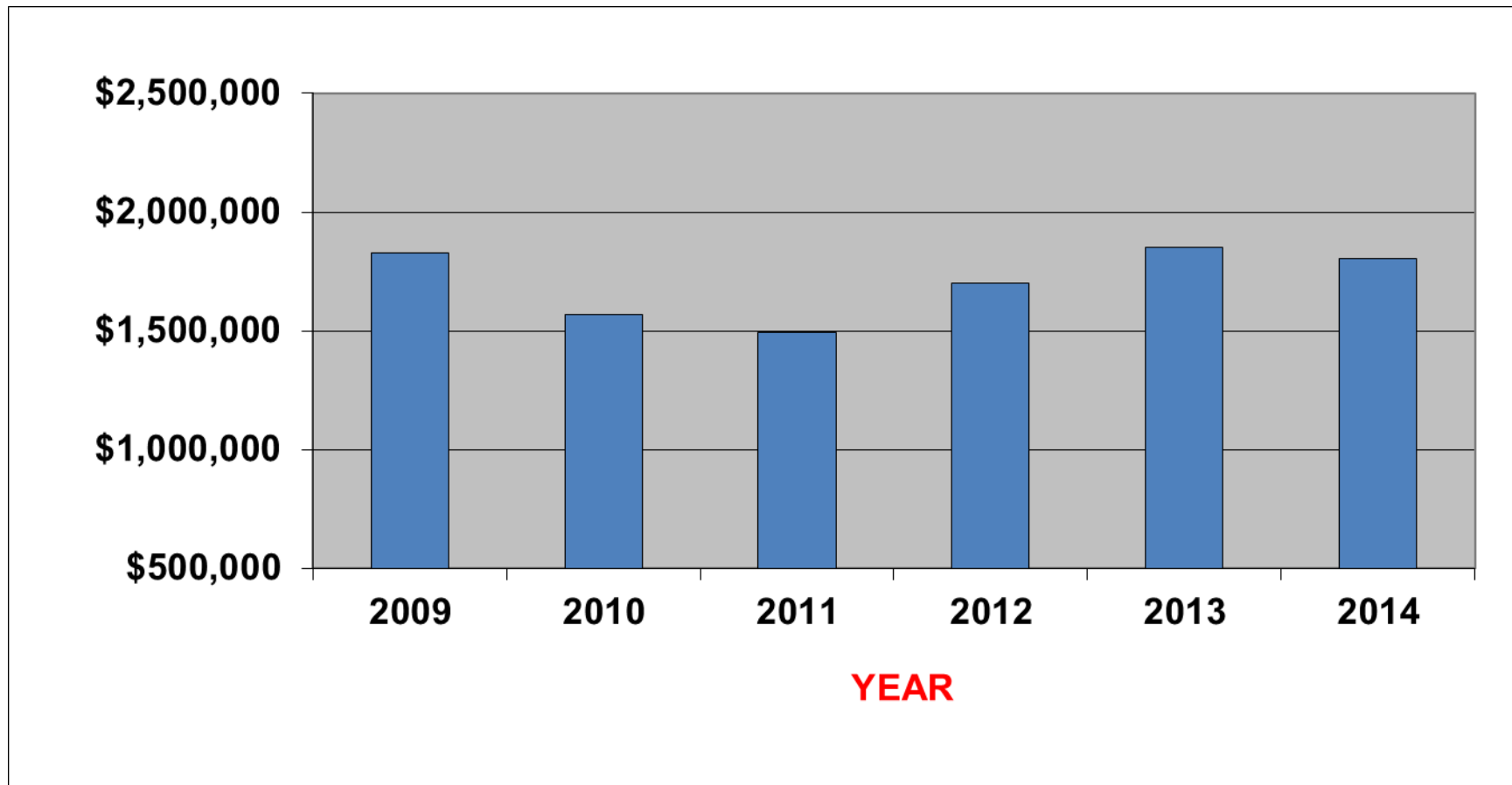
Operating Statement

	2014 YTD				Prior Year		Current Year			
	Actual		Budget	Variance	Actual		Budget			
	\$	% of Revenue	\$	% of Revenue	\$ + (-)	%	\$	% of Revenue	\$	% of Revenue
Revenues										
Dues	\$1,805,458	42.9%	\$1,970,000	46.3%	(\$164,542)	(8.4%)	\$1,835,375	41.0%	\$1,970,000	46.3%
Textbooks	103,257	2.5%	75,000	1.8%	28,257	37.7%	81,686	1.8%	75,000	1.8%
Non Textbooks	47,796	1.1%	17,000	0.4%	30,796	181.2%	58,076	1.3%	17,000	0.4%
Chapter Support	25,960	0.6%	36,000	0.8%	(10,040)	(27.9%)	0	0.0%	36,000	0.8%
Advertising	143,804	3.4%	151,000	3.5%	(7,196)	(4.8%)	166,244	3.7%	151,000	3.5%
Meeting Revenue	433,493	10.3%	468,000	11.0%	(34,507)	(7.4%)	396,404	8.9%	468,000	11.0%
Royalties, Interest & Other	1,051,743	25.0%	1,154,000	27.1%	(102,257)	(8.9%)	1,350,072	30.2%	1,154,000	27.1%
Distrib from Subsidiary	156,513	3.7%	3,000	0.1%	153,513	5,117.1%	7,125	0.2%	3,000	0.1%
Grants	29,450	0.7%	0	0.0%	29,450	100.0%	241,292	5.4%	0	0.0%
Contributions	47,164	1.1%	63,750	1.5%	(16,586)	(26.0%)	57,785	1.3%	63,750	1.5%
Tuition Income	143,264	3.4%	144,000	3.4%	(736)	(0.5%)	107,547	2.4%	144,000	3.4%
Sponsorships	222,845	5.3%	172,000	4.0%	50,845	29.6%	176,054	3.9%	172,000	4.0%
Total Revenue	4,210,748	100.0%	4,253,750	100.0%	(43,002)	(1.0%)	4,477,660	100.0%	4,253,750	100.0%

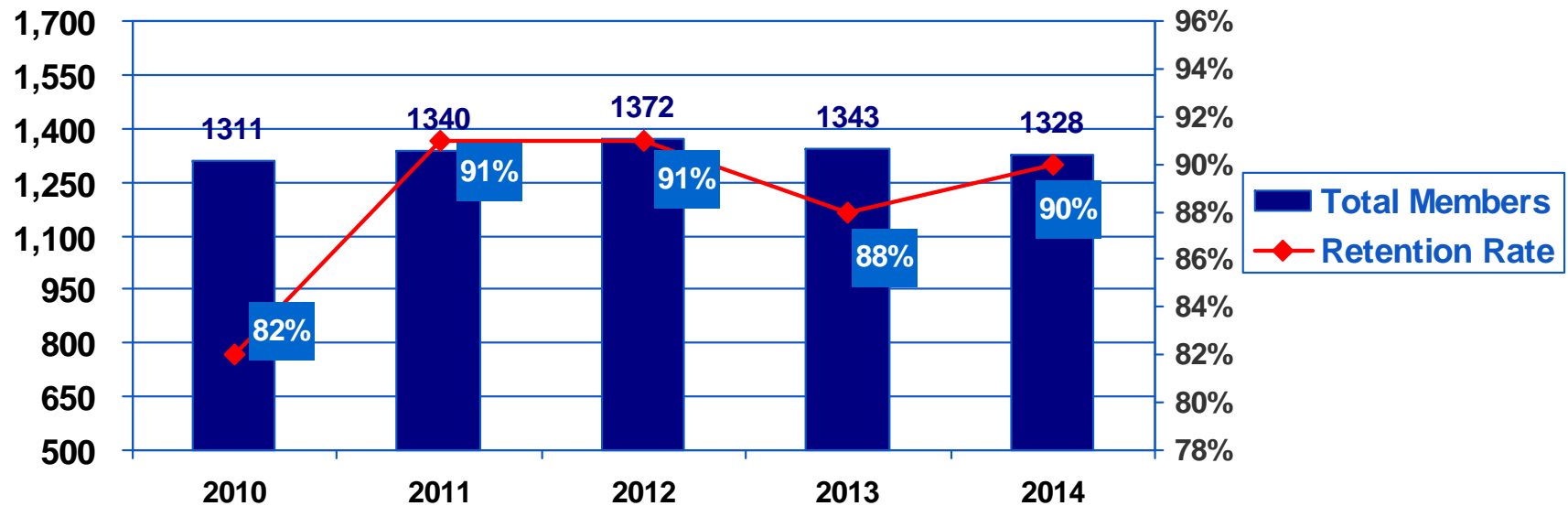
2014 Revenue Percentages



Annual Dues Revenue

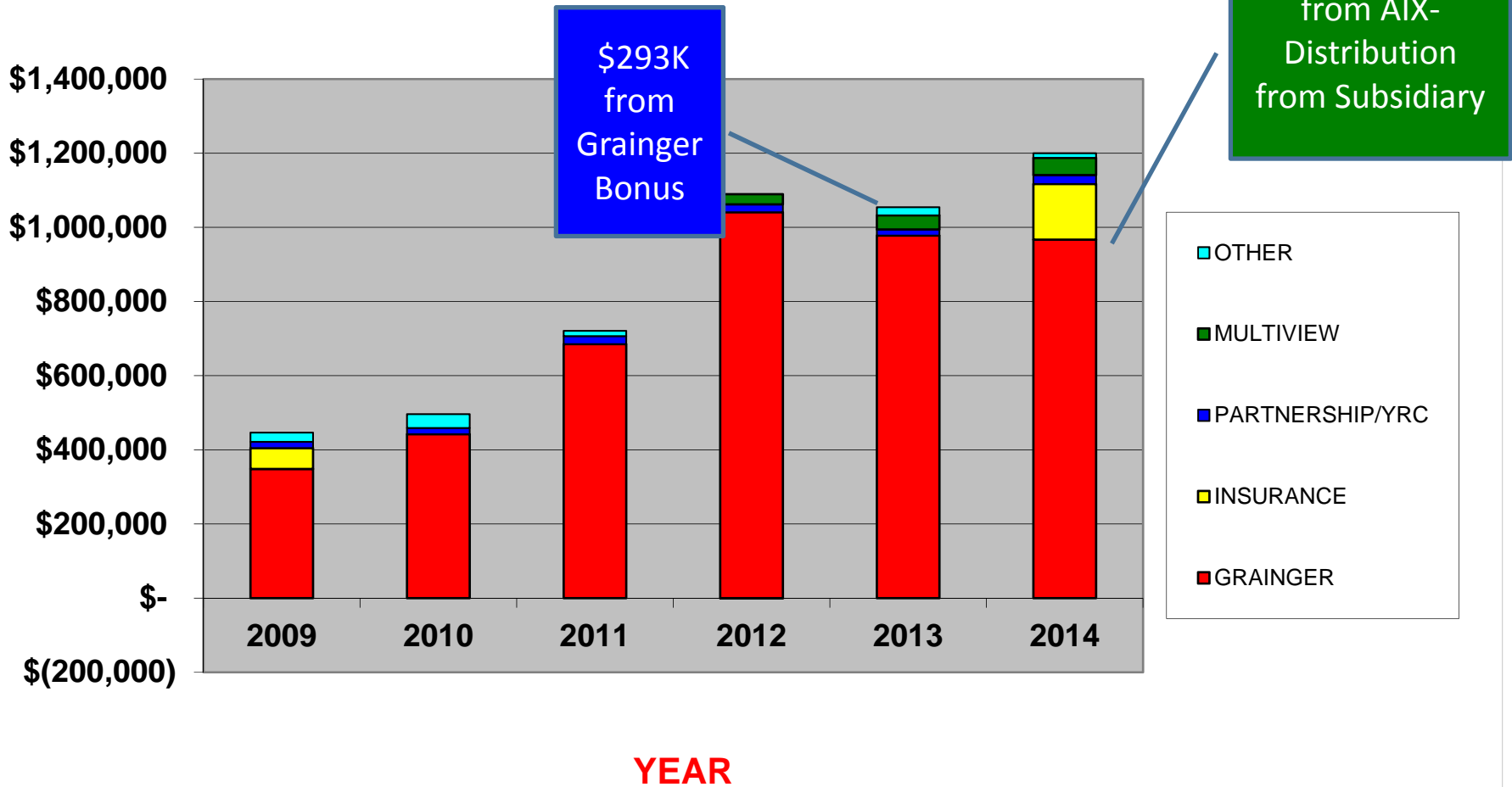


Annual Member Retention (5-Years)





Royalty Revenue



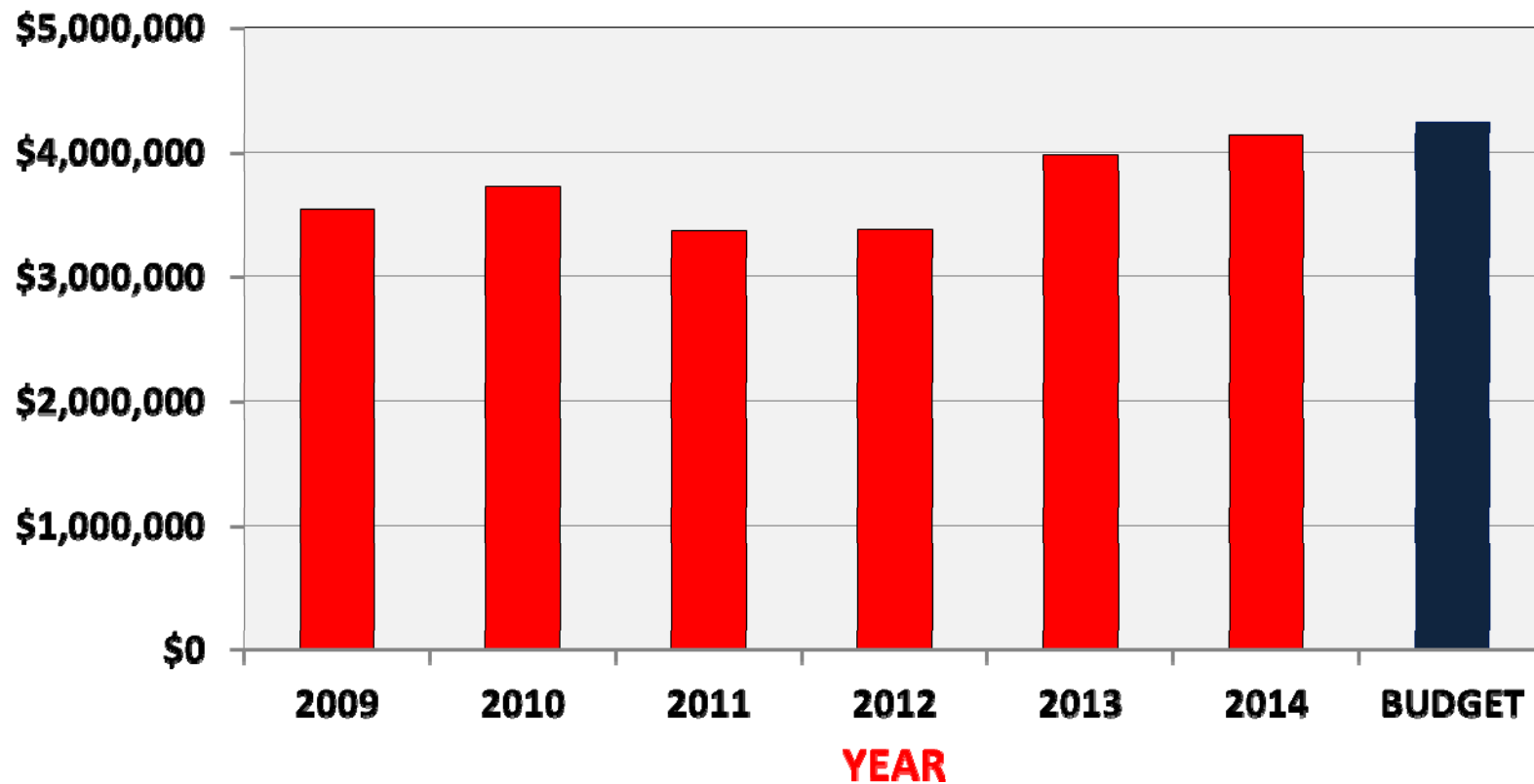
Other Noteworthy Revenues

- **Textbooks** **↑ 38% due to NTMA U**
- **Non Textbooks** **↑ 181%; Other merchandise sales, credit card bonus program, chapter dissolutions**
- **Grants** **↑ 100%; NIMS \$10K, NRL \$19K**
- **Contributions** **↓ 26%; offset by contributions received through Grants**
- **Sponsorship** **↑30%; Fall Conference**

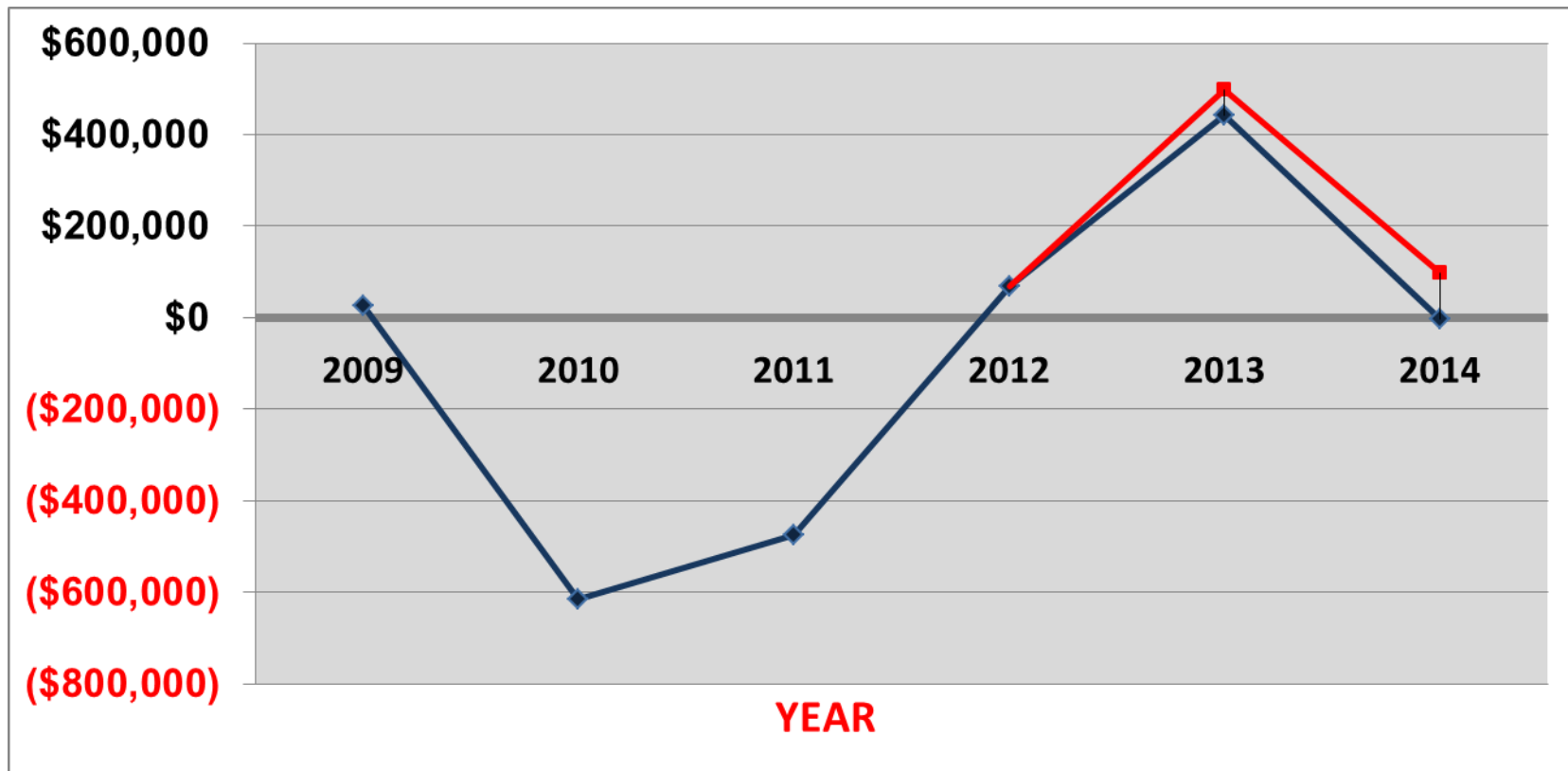
Operating Statement

	2014 YTD						Prior Year		Current Year	
	Actual		Budget		Variance		Actual		Budget	
	\$	% of Revenue	\$	% of Revenue	\$ + (-)	%	\$	% of Revenue	\$	% of Revenue
Expenses										
Salaries	1,413,362	33.6%	1,515,835	35.6%	102,473	6.8%	1,416,842	31.6%	1,515,835	35.6%
Fringe Benefits	222,584	5.3%	333,483	7.8%	110,899	33.3%	255,672	5.7%	333,483	7.8%
Telephone	31,285	0.7%	30,650	0.7%	(635)	(2.1%)	33,651	0.8%	30,650	0.7%
Postage	51,470	1.2%	43,810	1.0%	(7,660)	(17.5%)	41,287	0.9%	43,810	1.0%
Bank Fees	2,812	0.1%	6,000	0.1%	3,188	53.1%	0	0.0%	6,000	0.1%
Supplies & Printing	89,228	2.1%	102,700	2.4%	13,472	13.1%	104,911	2.3%	102,700	2.4%
Travel	259,278	6.2%	406,945	9.6%	147,667	36.3%	136,337	3.0%	406,945	9.6%
Professional Fees	610,109	14.5%	508,500	12.0%	(101,609)	(20.0%)	541,458	12.1%	508,500	12.0%
Bad Debts	100,589	2.4%	62,000	1.5%	(38,589)	(62.2%)	91,929	2.1%	62,000	1.5%
Building Costs	12,685	0.3%	5,480	0.1%	(7,205)	(131.5%)	7,564	0.2%	5,480	0.1%
Equipment Costs	81,275	1.9%	64,860	1.5%	(16,415)	(25.3%)	70,318	1.6%	64,860	1.5%
Depreciation Costs	93,462	2.2%	89,250	2.1%	(4,212)	(4.7%)	79,256	1.8%	89,250	2.1%
Affinity Program Expense	362,160	8.6%	269,000	6.3%	(93,160)	(34.6%)	307,428	6.9%	269,000	6.3%
Surveys & Projects	73,367	1.7%	72,300	1.7%	(1,067)	(1.5%)	81,160	1.8%	72,300	1.7%
Awards, Dues & Other	51,903	1.2%	68,300	1.6%	16,397	24.0%	47,504	1.1%	68,300	1.6%
Textbooks & Other Sales	128,499	3.1%	94,800	2.2%	(33,699)	(35.5%)	90,024	2.0%	94,800	2.2%
Rent Expense	57,744	1.4%	66,680	1.6%	8,936	13.4%	56,304	1.3%	66,680	1.6%
Interest Expense - LOC	87	0.0%	0	0.0%	(87)	100.0%	868	0.0%	0	0.0%
Meeting Costs	495,713	11.8%	408,760	9.6%	(86,953)	(21.3%)	610,736	13.6%	408,760	9.6%
Sub-Total Expenses	4,137,612	98.3%	4,149,353	97.5%	11,742	0.3%	3,973,249	88.7%	4,149,353	97.5%
Income Taxes	75,000	1.8%	85,000	2.0%	10,000	11.8%	71,794	1.6%	85,000	2.0%
Total Expenses	4,212,612	100.0%	4,234,353	99.5%	21,742	0.5%	4,045,043	90.3%	4,234,353	99.5%

2014 Operating Expenses



Actual Operating Surplus/(Loss)



- Surplus Less One-Time Expenses

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

	2014 YTD						Prior Year		Current Year	
	Actual		Budget		Variance		Actual		Budget	
	\$	% of Revenue	\$	% of Revenue	\$ + (-)	%	\$	% of Revenue	\$	% of Revenue
Revenue	4,210,748	100.0%	4,253,750	100.0%	(43,002)	(1.0%)	4,477,660	100.0%	4,253,750	100.0%
Expenses	4,137,612	98.3%	4,149,353	97.5%	11,742	0.3%	3,973,249	88.7%	4,149,353	97.5%
Income Taxes	75,000	1.8%	85,000	2.0%	10,000	11.8%	71,794	1.6%	85,000	2.0%
Total Expenses	4,212,612	100.0%	4,234,353	99.5%	21,742	0.5%	4,045,043	90.3%	4,234,353	99.5%
<i>Excess Revenue (Expense)</i>	<i>(1,864)</i>	<i>(0.0%)</i>	<i>19,397</i>	<i>0.5%</i>	<i>(21,261)</i>	<i>(109.6%)</i>	<i>432,618</i>	<i>9.7%</i>	<i>19,397</i>	<i>0.5%</i>
Non-Operating Activity	2,753,649		0		(2,753,649)		(454)		0	
Excess Revenue (Expense)	2,751,785		19,397		2,732,388		432,163		19,397	

Cash Reserves

January 31,

2015

EMERGENCY RESERVE FUND	2,252,712
SPECIAL PROJECT/OPPORTUNITY	600,854
OPERATING LINE OF CREDIT	449,821
TOTAL LONG-TERM INVESTMENTS	<u>\$3,303,387</u>
SHORT TERM SAVINGS	220,829
TOTAL INVESTMENTS	<u><u>\$3,524,216</u></u>

Investments are at Market Value

Q & A SESSION



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manufacturing industry throughout
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TRUSTEE MEETING

March 5, 2014