

# Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2014 or other tax year beginning 07/01, 2014, and ending 06/30, 2015.

# 2014

Department of the Treasury  
Internal Revenue Service

▶ Information about Form 990-T and its instructions is available at [www.irs.gov/form990t](http://www.irs.gov/form990t).  
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for  
501(c)(3) Organizations Only

**A**  Check box if address changed

Name of organization (  Check box if name changed and see instructions.)

**D Employer identification number**  
(Employees' trust, see instructions.)

**B Exempt under section**  
 501(c)(3)  220(e)  
 408(e)  530(a)  
 408A  529(a)

**Print or Type**

NATIONAL ASSOCIATION FOR MUSIC EDUCATION

52-6045043

Number, street, and room or suite no. If a P.O. box, see instructions.

1806 ROBERT FULTON DRIVE

**E Unrelated business activity codes**  
(See instructions.)

City or town, state or province, country, and ZIP or foreign postal code

900004

RESTON, VA 20191-4348

**C Book value of all assets at end of year**

**F Group exemption number (See instructions.)** ▶

8,119,925.

**G Check organization type** ▶  501(c) corporation  501(c) trust  401(a) trust  Other trust

**H Describe the organization's primary unrelated business activity.** ▶ ADVERTISING

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . ▶  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation. ▶

**J** The books are in care of ▶ PAUL BAKER, CFO Telephone number ▶ 703-860-4000

Part I Unrelated Trade or Business Income				(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales		1c			
b	Less returns and allowances		1c			
2	Cost of goods sold (Schedule A, line 7)		2			
3	Gross profit. Subtract line 2 from line 1c		3			
4a	Capital gain net income (attach Schedule D)		4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b			
c	Capital loss deduction for trusts		4c			
5	Income (loss) from partnerships and S corporations (attach statement)		5			
6	Rent income (Schedule C)		6			
7	Unrelated debt-financed income (Schedule E)		7			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)		8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9			
10	Exploited exempt activity income (Schedule I)		10			
11	Advertising income (Schedule J)		11	366,581.	216,706.	149,875.
12	Other income (See instructions; attach schedule)		12			
13	<b>Total.</b> Combine lines 3 through 12		13	366,581.	216,706.	149,875.

## Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)		14			
15	Salaries and wages		15			
16	Repairs and maintenance		16			
17	Bad debts		17			
18	Interest (attach schedule)		18			
19	Taxes and licenses		19			
20	Charitable contributions (See instructions for limitation rules)		20			
21	Depreciation (attach Form 4562)		21			
22	Less depreciation claimed on Schedule A and elsewhere on return		22a			22b
23	Depletion		23			
24	Contributions to deferred compensation plans		24			
25	Employee benefit programs		25			
26	Excess exempt expenses (Schedule I)		26			
27	Excess readership costs (Schedule J)		27			168,870.
28	Other deductions (attach schedule)		28			
29	<b>Total deductions.</b> Add lines 14 through 28		29			168,870.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30			-18,995.
31	Net operating loss deduction (limited to the amount on line 30)		31			
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32			-18,995.
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)		33			1,000.
34	<b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34			-18,995.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here... 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: 37 Proxy tax. See instructions 38 Alternative minimum tax 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies.

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116). 40b Other credits (see instructions). 40c General business credit. Attach Form 3800 (see instructions) 40d Credit for prior year minimum tax (attach Form 8801 or 8827). 40e Total credits. Add lines 40a through 40d 41 Subtract line 40e from line 39. 42 Other taxes. Check if from: 43 Total tax. Add lines 41 and 42 44 a Payments: A 2013 overpayment credited to 2014 44b 2014 estimated tax payments 44c Tax deposited with Form 8868. 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44e Backup withholding (see instructions) 44f Credit for small employer health insurance premiums (Attach Form 8941) 44g Other credits and payments: 45 Total payments. Add lines 44a through 44g 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached. 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 49 Enter the amount of line 48 you want: Credited to 2015 estimated tax Refunded

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2014 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. 3 Enter the amount of tax-exempt interest received or accrued during the tax year

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year 2 Purchases 3 Cost of labor 4a Additional section 263A costs (attach schedule) 4b Other costs (attach schedule) 5 Total. Add lines 1 through 4b 6 Inventory at end of year 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Michael A. Butera 11/04/2015 Executive Director Signature of officer Date Title May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only Print/Type preparer's name ANNE SCHRANTZ, CPA Preparer's signature Preparer's signature Date 10/30/2015 Check if self-employed PTIN P00230625 Firm's name COHNREZNICK LLP Firm's EIN 22-1478099 Firm's address 7501 WISCONSIN AVENUE, SUITE 400E Phone no. 301-652-9100 BETHESDA, MD 20814-6583

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

Table with 1 column: (1), (2), (3), (4)

2. Rent received or accrued

Table with 3 columns: (a) From personal property..., (b) From real and personal property..., 3(a) Deductions directly connected with the income...

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A).

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B).

Schedule E - Unrelated Debt-Financed Income (see instructions)

Table with 5 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3. Deductions directly connected with or allocable to debt-financed property, 4. Amount of average acquisition debt..., 5. Average adjusted basis..., 6. Column 4 divided by column 5, 7. Gross income reportable..., 8. Allocable deductions...

Totals Total dividends-received deductions included in column 8

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income (loss), 4. Total of specified payments made, 5. Part of column 4 that is included in the controlling organization's gross income, 6. Deductions directly connected with income in column 5

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable Income, 8. Net unrelated income (loss), 9. Total of specified payments made, 10. Part of column 9 that is included in the controlling organization's gross income, 11. Deductions directly connected with income in column 10

Totals

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> . . . . . ▶		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> . . . . . ▶		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) . . . ▶						

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) ATCH 1						
(2)						
(3)						
(4)						
<b>Totals from Part I</b> . . . . . ▶						
<b>Totals, Part II</b> (lines 1-5) . . . ▶		Enter here and on page 1, Part I, line 11, col. (A). 366,581.	Enter here and on page 1, Part I, line 11, col. (B). 216,706.			Enter here and on page 1, Part II, line 27. 168,870.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)			%
(2)			%
(3)			%
(4)			%
<b>Total.</b> Enter here and on page 1, Part II, line 14. . . . . ▶			

ATTACHMENT 1

SCHEDULE J - PART II, ADVERTISING INCOME REPORTED ON A SEPARATE BASIS

1. <u>NAME OF PERIODICAL</u>	2. GROSS ADVERTISING <u>INCOME</u>	3. DIRECT ADVERTISING <u>COSTS</u>	4. ADVERTISING <u>GAIN OR LOSS</u>	5. CIRCULATION <u>INCOME</u>	6. READERSHIP <u>COSTS</u>	7. EXCESS READERSHIP <u>COSTS</u>
MUSIC EDUCATION JOURNAL/TEACHI	321,326.	152,456.	168,870.	385,781.	716,087.	168,870.
WEB PAGE ADVERTISING	33,367.	11,442.	21,925.			
CONFERENCE ADVERTISING	11,888.	52,808.	-40,920.			
COLUMN TOTALS	<u>366,581.</u>	<u>216,706.</u>				<u>168,870.</u>

