

AMERICAN STRING TEACHERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

10. Fair Value Measurements (continued)

The fair value levels are as follows:

- Level 1: Inputs that utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Association's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets or liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value:

Investments in *money market and mutual funds* are valued at the net asset value of shares held by the Association at year-end reported in the listing of the applicable major exchanges.

Investments in *foreign bonds* are valued based on the latest bid price and significant inputs including benchmark yields, broker-dealer quotes, issuer spreads, and measures of volatility provided by independent pricing services.

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10. Fair Value Measurements (continued)

The following summarizes information about the fair value measurements used at June 30, 2012 and 2011:

<u>2012</u>	<u>Balance</u>	<u>Level 1</u>	<u>Level 2</u>
Money market	\$ 191,108	191,108	\$ -
Mutual funds	<u>803,465</u>	<u>803,465</u>	<u>-</u>
Total	<u>\$ 994,573</u>	<u>\$ 994,573</u>	<u>\$ -</u>
<u>2011</u>	<u>Balance</u>	<u>Level 1</u>	<u>Level 2</u>
Money market	\$ 262,074	262,074	\$ -
Mutual funds	521,312	521,312	-
Foreign bonds	<u>112,020</u>	<u>-</u>	<u>112,020</u>
Total	<u>\$ 895,406</u>	<u>\$ 783,386</u>	<u>\$ 112,020</u>

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