

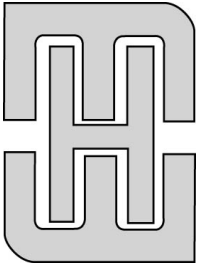
INTERNATIONAL TROMBONE ASSOCIATION

FINANCIAL STATEMENTS AND ACCOUNTANTS' REVIEW REPORT

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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Board of Directors
International Trombone Association

We have reviewed the accompanying statements of assets, liabilities, and net assets - cash basis of the **International Trombone Association** (a nonprofit organization) as of December 31, 2003 and 2002, and the related statements of support, revenue, expenses, and changes in net assets - cash basis, and statements of functional expenses - cash basis for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the Association's management.

A review consists principally of inquiries of Association personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting as described in Note 1.

MATHIS, WEST, HUFFINES & CO., P.C.

Bowie, Texas
August 16, 2004

INTERNATIONAL TROMBONE ASSOCIATION

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS (UNAUDITED) DECEMBER 31, 2003 AND 2002

	2003	2002
<u>Assets</u>		
Cash	\$ 88,920	\$ 99,643
Investments	67,023	56,523
Property and equipment, net	553	1,193
Total assets	\$ 156,496	\$ 157,359
 <u>Liabilities</u>	 \$ -	 \$ -
 <u>Net assets</u>		
Unrestricted	156,496	157,359
Total liabilities and net assets	\$ 156,496	\$ 157,359

INTERNATIONAL TROMBONE ASSOCIATION

STATEMENTS OF SUPPORT, REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - CASH BASIS (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Unrestricted	
	2003	2002
Support and revenues:		
Membership dues	\$ 123,429	\$ 115,621
Journal	64,400	67,486
Festival	8,539	146,457
ITA Press	11,258	9,935
Investment earnings (losses)	14,377	(8,785)
Miscellaneous income	5,736	6,135
	227,739	336,849
Expenses:		
Program expenses:		
Publications	128,322	131,830
Festival	18,001	130,086
Competitions and awards	6,455	7,738
General and administrative expenses	75,824	89,805
	228,602	359,459
Decrease in net assets	(863)	(22,610)
Net assets, beginning of year	157,359	179,969
Net assets, end of year	\$ 156,496	\$ 157,359

INTERNATIONAL TROMBONE ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2003

	Program Expenses				General and Administrative Expenses	Total
	Publications	Festival	Competitions and Awards	Total		
Bank charges	\$ -	\$ -	\$ -	\$ -	\$ 5,267	\$ 5,267
Executive Committee expenses	-	-	-	-	12,410	12,410
Computer and office supplies	299	-	5,255	5,554	2,154	7,708
Contract labor	21,002	-	1,200	22,202	29,320	51,522
Depreciation	-	-	-	-	640	640
Housing and travel	-	16,992	-	16,992	-	16,992
Insurance	-	-	-	-	1,436	1,436
Legal and accounting	-	-	-	-	7,082	7,082
Marketing	-	961	-	961	-	961
Membership development	-	-	-	-	5,486	5,486
Miscellaneous	-	-	-	-	231	231
National affiliates	-	-	-	-	536	536
Occupancy	-	-	-	-	3,820	3,820
Postage and mailings	17,136	48	-	17,184	4,539	21,723
Printing - advertising	17,738	-	-	17,738	-	17,738
Printing - editorials	51,920	-	-	51,920	-	51,920
Production and printing - other	10,004	-	-	10,004	2,187	12,191
Telephone	612	-	-	612	716	1,328
Webmaster	6,000	-	-	6,000	-	6,000
Website	3,611	-	-	3,611	-	3,611
Totals	\$ 128,322	\$ 18,001	\$ 6,455	\$152,778	\$ 75,824	\$ 228,602

INTERNATIONAL TROMBONE ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2002

	Program Expenses				General and Administrative Expenses	Total
	Publications	Festival	Competitions and Awards	Total		
Bank charges	\$ -	\$ -	\$ -	\$ -	\$ 7,672	\$ 7,672
Banquet	-	4,223	-	4,223	-	4,223
Executive Committee expenses	-	-	-	-	16,243	16,243
Computer and office supplies	549	285	5,838	6,672	1,429	8,101
Contract labor	20,450	11,669	400	32,519	36,085	68,604
Coupon books	5,253	-	-	5,253	-	5,253
Depreciation	-	-	-	-	690	690
Facilities	-	9,358	-	9,358	-	9,358
Housing and travel	-	31,107	-	31,107	-	31,107
Housing	-	20,766	-	20,766	-	20,766
Insurance	-	1,246	-	1,246	1,820	3,066
Legal and accounting	-	-	-	-	5,310	5,310
Marketing	-	4,310	-	4,310	-	4,310
Meal service	-	2,372	-	2,372	-	2,372
Membership development	-	-	-	-	5,206	5,206
Miscellaneous	-	7,477	-	7,477	1,569	9,046
Musicians	-	25,425	1,500	26,925	-	26,925
National affiliates	-	-	-	-	960	960
Occupancy	-	-	-	-	3,600	3,600
Postage and mailings	16,819	831	-	17,650	6,403	24,053
Posters	-	673	-	673	-	673
Printing - advertising	26,115	-	-	26,115	-	26,115
Printing - editorials	46,084	-	-	46,084	-	46,084
Production and printing - other	7,127	-	-	7,127	1,819	8,946
Program books	-	6,518	-	6,518	-	6,518
Refunds	-	764	-	764	299	1,063
Royalties - ITA Press	2,177	-	-	2,177	-	2,177
Telephone	380	97	-	477	700	1,177
Transportation	-	1,966	-	1,966	-	1,966
Webmaster	3,600	-	-	3,600	-	3,600
Website	3,276	999	-	4,275	-	4,275
Totals	\$ 131,830	\$ 130,086	\$ 7,738	\$269,654	\$ 89,805	\$ 359,459

INTERNATIONAL TROMBONE ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

Note 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The **International Trombone Association** (Association) was organized in 1972 to promote and encourage trombone artists and composers. The Association publishes a quarterly publication, the ITA Journal, runs a series of annual trombone competitions, produces an annual International Trombone Festival and manages a publishing house of trombone music called the ITA Press. Currently, the Association has approximately 4,000 members from over 50 countries worldwide.

Basis of Accounting

The financial statements of the Association have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Basis of Presentation

The financial statements have been prepared in accordance with the Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

The Association adopted SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of assets, liabilities and net assets. Unrealized gains and losses are included in the statements of support, revenues, expenses and changes in net assets.

INTERNATIONAL TROMBONE ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS (CONT'D.) DECEMBER 31, 2003 AND 2002

Note 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Property and Equipment

Property and equipment is recorded at cost. Donated property is recorded at fair market value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Contributed Services

The Association receives a substantial amount of services donated by its members in carrying out the Association's mission. No amounts have been reflected in the financial statements for those services.

Income Taxes

The Association is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Note 2 - INVESTMENTS

Investments are stated at fair value and are summarized as follows:

	December 31, 2003		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Investments administered by the University of Oklahoma Foundation	<u>\$57,615</u>	<u>\$67,023</u>	<u>\$9,408</u>

	December 31, 2002		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Depreciation</u>
Investments administered by the University of Oklahoma Foundation	<u>\$57,615</u>	<u>\$56,523</u>	<u>(\$1,092)</u>

The above investments are part of the University of Oklahoma Foundation's balanced pooled fund, which has an asset allocation of approximately 70% equities and 30% fixed income as of December 31, 2003 and 2002.

INTERNATIONAL TROMBONE ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS (CONT'D.) DECEMBER 31, 2003 AND 2002

Note 2 - INVESTMENTS (CONT'D.)

The following schedule summarizes investment earnings (losses) and its classification in the statement of support, revenues, expenses and changes in net assets:

	<u>2003</u>	<u>2002</u>
Investment income	\$ 3,877	\$ 4,126
Net unrealized income (losses)	<u>10,500</u>	<u>(12,911)</u>
Total investment earnings (losses)	<u>\$14,377</u>	<u>(\$ 8,785)</u>

Note 3 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2003 and 2002 consist of the following:

	<u>2003</u>	<u>2002</u>
Computers and related	\$3,450	\$3,450
Less accumulated depreciation	<u>(2,897)</u>	<u>(2,257)</u>
Total	<u>\$ 553</u>	<u>\$1,193</u>

Depreciation expense for the years ended December 31, 2003 and 2002 was \$640 and \$690, respectively.