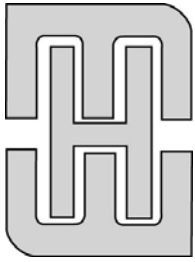


**INTERNATIONAL TROMBONE ASSOCIATION**  
**FINANCIAL STATEMENTS AND ACCOUNTANTS' REVIEW REPORT**  
**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

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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, 2004 and 2003, 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  
October 24, 2005

# INTERNATIONAL TROMBONE ASSOCIATION

## STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS (UNAUDITED) DECEMBER 31, 2004 AND 2003

	2004	2003
<u>Assets</u>		
Cash	\$ 86,130	\$ 88,920
Investments	67,699	67,023
Prepaid credit card	652	-
Property and equipment, net	-	553
Total assets	<u>\$ 154,481</u>	<u>\$ 156,496</u>
<u>Liabilities</u>	\$ -	\$ -
<u>Net assets</u>		
Unrestricted	<u>154,481</u>	<u>156,496</u>
Total liabilities and net assets	<u>\$ 154,481</u>	<u>\$ 156,496</u>

*See Accompanying Notes and Accountants' Review Report*

# INTERNATIONAL TROMBONE ASSOCIATION

## STATEMENTS OF SUPPORT, REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - CASH BASIS (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Unrestricted	
	2004	2003
Support and revenues:		
Membership dues	\$ 140,856	\$ 123,429
Journal	54,191	64,400
Festival	145,339	8,539
ITA Press	12,289	11,258
Investment earnings	4,257	14,377
Competition application fees	10,231	-
Miscellaneous income	2,078	5,736
Total support and revenues	<u>369,241</u>	<u>227,739</u>
Expenses:		
Program expenses:		
Publications	137,151	128,322
Festival	139,579	18,001
Competitions and awards	8,103	6,455
General and administrative expenses	86,423	75,824
Total expenses	<u>371,256</u>	<u>228,602</u>
Decrease in net assets	(2,015)	(863)
Net assets, beginning of year	<u>156,496</u>	<u>157,359</u>
Net assets, end of year	<u>\$ 154,481</u>	<u>\$ 156,496</u>

*See Accompanying Notes and Accountants' Review Report*

# INTERNATIONAL TROMBONE ASSOCIATION

## STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2004

	Program Expenses				General and Administrative Expenses	Total
	Publications	Festival	Competitions and Awards	Total		
Bank charges	\$ -	\$ -	\$ -	\$ -	\$ 11,370	\$ 11,370
Executive Committee expenses	-	-	-	-	11,198	11,198
Administrative	-	5,806	-	5,806	-	5,806
Banquet	-	6,769	-	6,769	-	6,769
Computer and office supplies	203	-	4,327	4,530	547	5,077
Contract labor	20,578	12,754	1,676	35,008	30,900	65,908
Depreciation	-	-	-	-	553	553
Exhibits	-	3,772	-	3,772	-	3,772
Facilities	-	7,527	-	7,527	-	7,527
Housing and travel	-	79,202	-	79,202	-	79,202
Insurance	-	500	-	500	1,491	1,991
Legal and accounting	-	-	-	-	7,959	7,959
Marketing	-	3,321	-	3,321	-	3,321
Meal service	-	1,811	-	1,811	-	1,811
Membership development	-	-	-	-	5,241	5,241
Miscellaneous	-	-	-	-	2,169	2,169
Musicians	-	11,385	2,100	13,485	-	13,485
National affiliates	-	-	-	-	2,104	2,104
Occupancy	-	-	-	-	3,840	3,840
Postage and mailings	22,498	-	-	22,498	5,120	27,618
Printing - editorials	76,406	-	-	76,406	-	76,406
Production and printing - other	3,408	-	-	3,408	3,070	6,478
Refunds	-	469	-	469	13	482
Registration materials	-	4,746	-	4,746	-	4,746
Royalties - ITA Press	5,178	-	-	5,178	-	5,178
Telephone	223	-	-	223	848	1,071
Transportation	-	1,517	-	1,517	-	1,517
Webmaster	6,000	-	-	6,000	-	6,000
Website	2,657	-	-	2,657	-	2,657
Totals	<u>\$ 137,151</u>	<u>\$ 139,579</u>	<u>\$ 8,103</u>	<u>\$ 284,833</u>	<u>\$ 86,423</u>	<u>\$ 371,256</u>

*See Accompanying Notes and Accountants' Review Report*

# 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	<u>\$ 128,322</u>	<u>\$ 18,001</u>	<u>\$ 6,455</u>	<u>\$ 152,778</u>	<u>\$ 75,824</u>	<u>\$ 228,602</u>

See Accompanying Notes and Accountants' Review Report

# INTERNATIONAL TROMBONE ASSOCIATION

## NOTES TO UNAUDITED FINANCIAL STATEMENTS DECEMBER 31, 2004 AND 2003

### 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.

*See Accountants' Review Report*

# INTERNATIONAL TROMBONE ASSOCIATION

## NOTES TO UNAUDITED FINANCIAL STATEMENTS (CONT'D.) DECEMBER 31, 2004 AND 2003

### 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:

	<u>December 31, 2004</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Investments administered by the University of Oklahoma Foundation	<u>\$57,615</u>	<u>\$67,699</u>	<u>\$10,084</u>
	<u>December 31, 2003</u>		
	<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>

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, 2004 and 2003.

*See Accountants' Review Report*



## INTERNATIONAL TROMBONE ASSOCIATION

### NOTES TO UNAUDITED FINANCIAL STATEMENTS (CONT'D.) DECEMBER 31, 2004 AND 2003

#### Note 2 - INVESTMENTS (CONT'D.)

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

	<u>2004</u>	<u>2003</u>
Investment income	\$ 3,581	\$ 3,877
Net unrealized income	<u>676</u>	<u>10,500</u>
Total investment earnings	<u>\$ 4,257</u>	<u>\$14,377</u>

#### Note 3 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2004 and 2003 consist of the following:

	<u>2004</u>	<u>2003</u>
Computers and related	\$3,450	\$3,450
Less accumulated depreciation	<u>( 3,450)</u>	<u>( 2,897)</u>
Total	<u>\$ 0</u>	<u>\$ 553</u>

Depreciation expense for the years ended December 31, 2004 and 2003 was \$553 and \$640, respectively.

*See Accountants' Review Report*

# **INTERNATIONAL TROMBONE ASSOCIATION**

## **FINANCIAL STATEMENTS AND ACCOUNTANTS' REVIEW REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**