INTERNATIONAL TROMBONE ASSOCIATION

FINANCIAL STATEMENTS AND ACCOUNTANTS' REVIEW REPORT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

TABLE OF CONTENTS

	Page
Accountants' Review Report	1
Financial Statements:	
Statements of Assets, Liabilities and Net Assets - Cash Basis	2
Statements of Support, Revenues, Expenses, and Changes in Net Assets - Cash Basis	3
Statements of Functional Expenses - Cash Basis	4-5
Notes to Unaudited Financial Statements	6-8

MATHIS, WEST, HUFFINES & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

800 Hwy. 59 North • Suite B
Bowie, Texas 76230
(940) 872-2711
Fax (940) 872-1623
Email kparr@mwhpc.com
www.mwhpc.com

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, 2005 and 2004, 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
July 18, 2007

INTERNATIONAL TROMBONE ASSOCIATION

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS (UNAUDITED)
DECEMBER 31, 2005 AND 2004

	2005	2004
Assets		
Cash	$ 75,595	$ 86,130
Investments	67,725	67,699
Prepaid credit card	-	652
Property and equipment, net	-	-
Total assets	$ 143,320	$ 154,481
Liabilities	$ -	$ -
Net assets		
Unrestricted	143,320	154,481
Total liabilities and net assets	$ 143,320	$ 154,481

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, 2005 AND 2004

	Unrestricted	
	2005	2004
Support and revenues:		
Membership dues	$ 156,699	$ 140,856
Journal	66,198	54,191
Festival	150,266	145,339
ITA Press	3,326	12,289
Investment earnings	3,679	4,257
Competition application fees	8,335	10,231
Miscellaneous income	3,175	2,078
Total support and revenues	391,678	369,241
Expenses:		
Program expenses:		
Publications	125,107	137,151
Festival	157,098	139,579
Competitions and awards	10,121	8,103
General and administrative expenses	110,513	86,423
Total expenses	402,839	371,256
Decrease in net assets	(11,161)	(2,015)
Net assets, beginning of year	154,481	156,496
Net assets, end of year	$ 143,320	$ 154,481

See Accompanying Notes and Accountants' Review Report

INTERNATIONAL TROMBONE ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	Program Expenses				General and Administrative Expenses	Total
	Publications	Festival	Competitions and Awards	Total		
Bank charges	$ -	$ -	$ -	$ -	$ 10,589	$ 10,589
Executive Committee expenses	-	-	-	-	13,684	13,684
Administrative	-	5,833	-	5,833	-	5,833
Banquet	-	5,780	-	5,780	-	5,780
Computer and office supplies	390	-	6,346	6,736	1,154	7,890
Contract labor	18,767	18,416	1,200	38,383	43,970	82,353
Exhibits	-	5,042	-	5,042	-	5,042
Facilities	-	10,093	-	10,093	-	10,093
Housing and travel	-	71,807	-	71,807	-	71,807
Insurance	-	725	-	725	1,045	1,770
Legal and accounting	-	-	-	-	5,735	5,735
Marketing	-	13,445	-	13,445	-	13,445
Meal service	-	2,035	-	2,035	-	2,035
Membership development	-	-	-	-	13,511	13,511
Miscellaneous	521	1,350	-	1,871	-	1,871
Musicians	-	14,650	2,575	17,225	-	17,225
Occupancy	-	-	-	-	3,880	3,880
Postage and mailings	23,496	-	-	23,496	13,020	36,516
Printing - editorials	71,534	-	-	71,534	-	71,534
Production and printing - other	-	-	-	-	2,460	2,460
Refunds	-	295	-	295	297	592
Registration materials	-	4,186	-	4,186	-	4,186
Telephone	-	-	-	-	1,168	1,168
Transportation	-	3,441	-	3,441	-	3,441
Webmaster	7,200	-	-	7,200	-	7,200
Website	3,199	-	-	3,199	-	3,199
Totals	$ 125,107	$ 157,098	$ 10,121	$ 292,326	$ 110,513	$ 402,839

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
Facilites	-	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	$ 137,151	$ 139,579	$ 8,103	$ 284,833	$ 86,423	$ 371,256

See Accompanying Notes and Accountants' Review Report

INTERNATIONAL TROMBONE ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

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 4,500 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, 2005 AND 2004

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, 2005		
	Cost	Fair Value	Unrealized Appreciation
Investments administered by the University of Oklahoma Foundation 2,649 units of the 17,115,390 total	$57,615	$67,725	$10,110

	December 31, 2004		
	Cost	Fair Value	Unrealized Appreciation
Investments administered by the University of Oklahoma Foundation 2,649 units of the 16,245,853 total	$57,615	$67,699	$10,084

The above investments are part of the University of Oklahoma Foundation's balanced pooled fund. The investments in this fund consist primarily of U.S. Government securities, equity securities, and corporate bonds as of December 31, 2005 and 2004.

INTERNATIONAL TROMBONE ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2005 AND 2004

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:

	2005	2004
Investment income	$ 3,653	$ 3,581
Net unrealized income	26	676
Total investment earnings	$ 3,679	$ 4,257

Note 3 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2005 and 2004 consist of the following:

	2005	2004
Computers and related	$3,450	$3,450
Less accumulated depreciation	(3,450)	(3,450)
Total	$ -	$ -

Depreciation expense for the year ended December 31, 2004 was $553. No depreciation expense was recognized during 2005.

See Accountants' Review Report

INTERNATIONAL TROMBONE ASSOCIATION

FINANCIAL STATEMENTS AND ACCOUNTANTS' REVIEW REPORT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

MATHIS, WEST, HUFFINES & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS