MISSOURI RETIRED TEACHERS FOUNDATION

Annual Report 2011

Submitted to the Members of the Missouri Retired Teachers Foundation, Missouri Retired Teachers Association, and Corporate Sponsors

3030 DuPont Circle, Jefferson City, MO 65109
573-634-4300

Honoring the past and giving to the future
Dear MRTA Members, Corporate Sponsors and Donors:

The Missouri Retired Teachers Foundation (MRTF) is a tax exempt 501(c)(3) charitable corporation devoted to raising funds to carry out certain charitable, educational, scientific and literary purposes of the Missouri Retired Teachers Association and Public School Personnel (MRTA). Since being approved by the MRTA Board of Directors, the Internal Revenue Service and the Missouri Department of Revenue, the Foundation has had as its motto “Honoring the past and giving to the future.”

As a very young Foundation, established in 2001 and partnering with the MRTA we embarked on a major building campaign to provide a permanent office building and public classroom for the Foundation and MRTA. Since ribbon cutting and open house the Foundation has provided meeting space in its Classroom Center and Board Room for educational organizations and associations, not-for-profit organizations, businesses, and committees of MRTA. During 2011, more than 1,000 persons attended meetings, classes or training in the MRTF Classroom Center and Board Room.

The financial report at the end of 2011 (December 31, 2011) indicates we are near the end of paying for our building owing only $123,806.76. MRTF’s priority continues to be to seek contributions and organize fund raising campaigns to reduce the mortgage of the new office/classroom.

During 2011 the Foundation continued our patio brick and wall tile campaign $4,570. The MRTA membership is to be commended for a very successful silent auction, and mailing label campaign - the two netting us a total of $38,746.

During 2011 the Foundation was able to make extra principal payments totaling $125,000 on the MRTA/MRTF office facility mortgage, assist the Joplin tornado victims with a $3,000 grant, and at the same time with generous member and corporate contributions, enabled us to award fifteen $500 MRTF Classroom Grants to worthwhile projects across the state.

Since its beginning, the Foundation has been able to give thousands of dollars in grants and scholarships. To date, the Foundation has been able to award $56,000 in Scholarships and with the fifteen 2011 Grants, our total of Classroom Grants awarded is $19,000.

The Foundation will continue to concentrate its efforts on paying the office facility mortgage, having fundraising activities and encouraging businesses, corporations, and individuals to make tax deductible contributions to one of the Foundation’s four fund choices: MRTA/MRTF office facility, educator scholarship/classroom grant fund, the MRTF endowment fund, and the MRTF general fund.

As President of the Missouri Retired Teachers Foundation, I wish to extend my sincerest gratitude to each and every one of you who have made donations to the Foundation since its beginning in 2001. We look forward to a successful 2012.

By giving you leave a legacy, you create a memory that will not fade.

Respectfully submitted,

Jane Fullerton, President
Missouri Retired Teachers Foundation
2011 Missouri Retired Teachers Foundation
Board of Directors

Board Members

<table>
<thead>
<tr>
<th>Board Members</th>
<th>Term Expiring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jane Fullerton, President, Bolivar, MO</td>
<td>2012</td>
</tr>
<tr>
<td>Garland Hamilton, Vice President, Fredericktown, MO</td>
<td>2012</td>
</tr>
<tr>
<td>Ruby Vincent, Secretary, Aurora, MO</td>
<td>2011</td>
</tr>
<tr>
<td>Jim Kreider, Treasurer, Jefferson City, MO</td>
<td>Ongoing</td>
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<tr>
<td>Rosemary Bane, Springfield, MO</td>
<td>2011</td>
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<tr>
<td>Ken Dillner, St. Louis, MO</td>
<td>2012</td>
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<tr>
<td>Mark Hargens, St. Joseph, MO</td>
<td>2012</td>
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<tr>
<td>Owen Jackson, Columbia, MO</td>
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</tr>
<tr>
<td>Robie Mathews, Independence, MO</td>
<td>2011</td>
</tr>
<tr>
<td>William Ray, Columbia, MO</td>
<td>2011</td>
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<td>Marcia Slaughter, Jefferson City, MO</td>
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<td>Larry Smith, Kirksville, MO</td>
<td>2011</td>
</tr>
<tr>
<td>Alyse Stoll, Raytown, MO</td>
<td>2011</td>
</tr>
<tr>
<td>William Wasson, Springfield, MO</td>
<td>2012</td>
</tr>
</tbody>
</table>

Missouri Retired Teachers Foundation
Board of Directors

The affairs of the corporation shall be managed by its Board of Directors. The number of directors of the Corporation shall be fifteen provided, however, that the number of directors may at any time and from time to time be increased to any number not more than seventeen and decreased to any number not less than eleven by the adoption of a resolution by an affirmative vote of a majority of the Board of Directors.

Seven of the directors shall consist of the following: (a) the Executive Director of the MRTA; (b) two retired teachers; (c) two retired non-certificated employees and (d) two retired administrators. The initial special directors shall be appointed by the President of MRTA and approved by the Board. The terms shall be staggered and one person from b, c, and d shall be appointed for two years and one person from (b), (c), and (d) shall be appointed for one year.

As terms expire or resignations are received, one-half of all new directors for regular and special positions will be appointed respectively on an alternating basis by each of the MRTA and MRTF Boards. Appointments must be made in a timely manner as terms expire or resignations are received.

Complete information regarding the appointment of Foundation Board members may be found in the MRTF by-laws which are available through the MRTF Office.

Honoring the past and giving to the future
The Missouri Retired Teachers Foundation (MRTF) is a tax-exempt 501 (c)(3) not-for-profit corporation devoted to raising funds to carry out certain charitable, educational, scientific, and literary purposes of the Missouri Retired Teachers Association and Public Personnel (MRTA) which include the following:

- To foster a spirit of respect, loyalty and enthusiasm to the retirees.
- To fund activities and service projects which advance the cause of public education and the teaching profession in Missouri.
- To award scholarships to students enrolled in teacher education programs, and grants to active teachers to enhance their classroom instructions.
- To perform other humanitarian endeavors consistent with the Foundation’s Bylaws and Articles of Incorporation.

**Areas of Interest 2011**

**Building Fund** - Contributions to this fund were used for fund raising projects where the proceeds were applied to the principal of the new office classroom facility mortgage. The goal of MRTF continues to be the reality of having a permanent debt-free facility to house both MRTA and MRTF.

The MRT Foundation committed to raising funds to construct an office facility to carry out the mission of the Foundation and Association. This office facility is complete and 85% paid for. The sooner the mortgage is paid in full, the sooner fund raising can redirect focus to funding activities and service projects of MRTA/MRTF.

**Scholarships and Grants** - The scholarship and grant program advances and enhances the status of the teaching profession in Missouri. Scholarships are awarded to active teachers or to students officially enrolled in a teacher education program and who are committed to teaching in Missouri Schools. The scholarship committee includes Marcia Slaughter, chair; Ken Dillner, Mark Hargens, Jim Kreider, Robie Mathews and Bill Ray. These members have been aggressive in seeking funding for the awards.

Classroom grant money is used by active classroom teachers to fund classroom projects. These grants have become more competitive as more schools learn about the grant program. It is just one way the Foundation can make an impact on the education of Missouri students and encourage classroom teachers. These two programs are very important to the Foundation as a whole and make its work rewarding.

**General Fund** - Contributions to the general fund will be used to fund activities and service projects.

**Endowment** - Earnings from endowments may be designated by the donor or used to promote the MRTF programs and activities.

*Honoring the past and giving to the future*
Gifts to the Missouri Retired Teachers Foundation

The Missouri Retired Teachers Foundation was created in 2001 by the Executive Board of the Missouri Retired Teachers Association as a not-for-profit organization incorporated under the State of Missouri and approved by the Internal Revenue Service as a 501 (c)(3) public charity.

As such, contributions and gifts to the Foundation from individuals, from associations and other organizations are tax deductible from both income and estate taxes.

**Ways to give...**

- Donations
- Memorial Donations
- Pledging
- Annual giving
- Office facility naming rights
- Designation of your PSRS $5,000 death benefit to MRTF
- Naming MRTF in your will or trust
- Tithe on your Missouri State Tax Exemption
- Create an Endowment to MRTF

**A New Way to Give**

Left: Foundation Board Member Bill Ray, and his wife, Mary, giving the keys to their 1966 Chevrolet Chevelle to Foundation Treasurer Jim Kreider. The proceeds from the sale of this donated vehicle were split between the Classroom Grant Fund and the Building Fund. Thank you, Bill and Mary!
Scholarship and Grant History - The Foundation scholarship and grant program advances and enhances the status of the teaching profession in Missouri. Scholarships are awarded to active teachers or to students officially enrolled in a teacher education program and who are committed to teaching in Missouri schools. The scholarship committee includes Marcia Slaughter, chairperson; Ken Dillner, Mark Hargens, Jim Kreider, Robie Mathews, and Bill Ray. These members have been aggressive in seeking funding for the awards.

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Since the inception of Scholarships and Grant programs, the Foundation has received 485 applications for scholarships through the Foundation. Fifty-six persons have been awarded $1,000 scholarships totaling $56,000. Likewise, the Foundation has received 263 applications for classroom grants, 39 of which have resulted in $500 classroom grants totaling $19,500.

On May 22, 2011a catastrophic EF5 tornado ripped through the central portion of Joplin, Missouri destroying 25% of the city including its public high school. Foundation donors gave $3,040 in earmarked donations to the Bright Futures - Joplin (Missouri) for classroom grants in the public high school.

2011 MRTF Grant Winners

Karla Yung-Rock Bridge Elementary

Jodi Tompkins-Osage Middle School

Susan Fales, Boone County RTA President; Ryan Link, Assistant Principal; Mary Karth-Lloyd, Principal; Bill Ray, MRTF Board Member; Karla Yung, grant recipient and Kindergarten teacher; Pat Powell, MRTA Region 4 Vice President; and Mary Ridge, Boone County RTA Member.

Tony Slack, Principal; Jodi Tompkins, grant recipient and Computer Science teacher; and Georgia White, MRTA Region 7 Vice President.
Scholarship and Grant Awards

2011 MRTF Grant Winners

Jamie Lynn-Lexington Middle School

Mary Rossiter-Mark Twain Elementary

Bob Burrows, Principal; Jamie Lynn, grant recipient and social studies and math teacher; Robie Mathews, MRTF Board Member; and Brad MacLaughlin, Superintendent.

Mark Hargens, MRTA President Elect; Gay Dittemore, MRTA Region 1 Vice President; Mary Rossiter, grant recipient and Kindergarten teacher; and Dr. Suzanne Tiemann, principal.

Pat Turner-Warrensburg Middle School

Sara Pardeck-Branson Elementary West

Jim Elliott, Principal; Pat Turner, grant recipient and Speech Pathologist; and Jan Powers, MRTA Past President.

Mike Dawson, Principal; Vicki Poch, 4th grade teacher; Mary Lynne Grimes, MRTA Recording Secretary; Sara Pardeck, grant recipient and 2nd grade teacher; and Evelyn Layton, Tri-Lakes RTA member.

Layne Wilson-Greenfield High School

Jeff Davis, Superintendent; Vicki Orr, MRTA Region 9 Vice President and Layne Wilson, grant winner and English teacher.

Honoring the past and giving to the future
Scholarships & Grant Awards

2011 MRTF Grant Winners

Lisa Reeves and Jenny Pendleton-Buffalo Prairie Middle School

Tim Garber, Assistant Principal; Marcia Shepherd, Dallas County RTA Sec/ Treas; Lisa Reeves, grant recipient and English/Language Arts teacher; Jane Fullerton, MRTF President; Jenny Pendleton grant recipient and English/Language Arts teacher; Matt Nemo, Principal; Cay Sergent, Dallas County RTA President Elect.

Lindsay Leonard-Pilot Grove C-IV

Bill Ray, MRTF Board Member; Lindsay Leonard, grant recipient and 2nd grade literacy teacher; Owen Jackson, MRTF Board Member; and Ms. Leonard’s 2nd grade class.

Laura Pezzani-Gotsch Intermediate

Nancy Craig, MRTA Region 8 Vice President; Ken Dillner, MRTF Board Member; and Laura Pezzani, grant recipient and Gifted and Accelerated Math teacher.

Angela Klaassen-Spring Garden Middle School

Mark Hargens, MRTA President Elect; Angela Klaassen, grant recipient and 8th grade Journalism teacher; and Gay Dittemore, MRTA Region1 Vice President.

Honoring the past and giving to the future
Contributions for 2011

**Kyla Serrano-Grandview Middle School**

Virginia Robbins, MRTA Region 2 Vice President; Kyla Serrano, grant recipient & P. E. Teacher; and Robie Mathews, MRTF Board Member.

**Donna Prudhoe-Pleasant Hope R-VI**

Jane Fullerton, MRTF President and Donna Prudhoe, grant recipient and 1st and 2nd grade Literacy teacher.

**Wendy Rhodes and Angie VanDeren-Bolivar Primary**

Bolivar Primary Kindergarten team front row, left-right: Audra Sanderson; Victoria Powell; Lori Seiner; Angie VanDeren, grant recipient; Wendy Rhodes, grant recipient; and Jane Fullerton, MRTF President. Back row, left to right: Charity Kelly, Renee Shelenhamer, Jennifer Nutt, Cathy Butler, and Lorie Buckner.

**Sharmon Hagler-Hollister R-V Middle School**

Michelle Keller, Communication Arts teacher; Mary-Lynne Grimes, MRTA Recording Secretary and Sharmon Hagler, grant recipient and Counselor.

Honoring the past and giving to the future
Acknowledgement Levels of Giving

The Foundation Board has established a uniform system that recognizes all contributors. Every effort has been made to ensure accuracy, however; if your name has been omitted, misspelled or misplaced, please accept the Foundation and staff’s sincere apologies and notify the MRTF Office in order that the donor files can be corrected. Gift Categories for individuals, MRTA local units and regions, and corporations are as follows:

**Gift Categories**

- **Legacy** $5,000 and Higher
- **Founder** $2,500 to 4,999
- **Benefactor** $1,000 to 2,499
- **Shareholder** $500 to 999
- **Partner** $200 to 499
- **Friend** $1 to 199

All contributors are acknowledged and a note of appreciation sent upon receipt of a Foundation contribution. In past Annual Reports of the Foundation, all contributions were listed individually by Gift Category for the current year. As the number of donors has increased over the years, we have come to a time where printing the donors’ names for all giving categories has exceeded 2,000. We do not wish to imply that donors have become so many that they have lost importance. However, in order to keep the cost of Annual Report printing to a minimum, the names will be printed in this publication of those persons whose cumulative donations for 2011 are greater than $200. For those donors in the Friend giving category for 2011 ($1 to $199) we applaud each. Over 2,000 Friends gave an average of $33 during 2011. The Foundation Board also wishes to recognize all contributors who have reached the Legacy Level through 2011.

Donors are also acknowledged on the “Wall of Honor” in the Foundation Lobby of the MRTA-MRTF Office Facility. In order to earn a tile on the Wall of Honor, a donor must have reached a cumulative giving level of $200 - the Partner Category. Purchases of bricks and floor tiles not included. The goal of the Wall of Honor is two-fold: to give recognition to those donors for their past generosity and to encourage donors to continue in their giving by progressing through the ranks of the Gift Categories and moving their tiles up the giving categories on the Wall of Honor.

Carrying out certain charitable, educational, literary and scientific purposes of the Missouri Retired Teachers Association.

Honoring the past and giving to the future
Acknowledgement Levels of Giving

Donors are encouraged to continue their giving until they reach the Legacy Level ($5,000 or greater). Once there, they are recognized with a plaque on the Promises Kept wall arrangement.

In addition to Promises Kept, there is a second Legacy recognition arrangement available to donors - Promises Made. Persons who have notified the Foundation Office that they have named the Missouri Retired Teachers Foundation as the beneficiary of their PSRS $5,000 death benefit are recognized with a plaque on the Promises Made arrangement. To date, 31 donors have made this generous commitment to the Foundation.

By giving you leave a legacy, you create a memory that will not fade

MRTA Region 9 Membership Chair Dan Barger presenting $3,000 check to Kristen Dudolski, coordinator of Bright Futures - Joplin, to be used for classroom grants for Joplin public schools after the May 22, 2011 EF5 tornado demolished 25% of the city including its public high school.

Honoring the past and giving to the future
Legacy Donors

The Foundation wishes to recognize all Legacy Level donors since the inception of the Foundation. Legacy Level donors, through their generosity, have given $5,000 or more.

Anheuser Busch
Aronson+Johnson+Ortiz, LP
Artio Global Investors
Rosemary Bane
Boone Co RTSPA
Glenn & Anna Branson
Ginger Breckenridge
Bridgewater Associates, LP
MarionBrooks
Elizabeth Carter
Chuck Drury, Drury Hotels
Walter & Gail Cochran
Anna Daniels
Maggie Elder
William & Lena Ellis
Mark & Vicki Hargens
Lyle Hensley
Bill Howell
Ida Mae Huse
Juanita Jackson
Neva Johnson
Leonard & Sherie Marek
Robert Stiles
Lee Monroe
Ruth Morris
Culah Nixon
Dr. Richard Reney
Maggie Elder
William & Lena Ellis
Mark & Vicki Hargens
Lyle Hensley
Bill Howell
Ida Mae Huse
Juanita Jackson
Neva Johnson
Leonard & Sherie Marek
Robert Stiles
Lee Monroe
Ruth Morris
Culah Nixon
Dr. Richard Reney
Maggie Elder
William & Lena Ellis
Mark & Vicki Hargens
Lyle Hensley
Bill Howell
Ida Mae Huse
Juanita Jackson
Neva Johnson
Leonard & Sherie Marek
Robert Stiles
Lee Monroe
Ruth Morris
Culah Nixon
Dr. Richard Reney
Westwood Management Corporation

Contributions for 2011

The following list contains the names of donors, who in 2011, gave monetary donations exceeding $200. All persons whose monetary donations not falling in this category are contained in a binder in the Foundation Lobby. We wish to thank each and every person who gave to the Foundation to support the mission and vision of MRTF.

2011 Legacy Level Donors

Bridgewater Associates
Juanita Jackson
Neva Johnson
Missouri Retired Teachers Association
Lee E Monroe
Culah Nixon
Mary Walsh
Westwood Management Corporation

2011 Benefactor Level Donors

Aronson+Johnson+Ortiz
Artio Global Investors
Marjorie Brown-Yokley
Forrest T Jones & Co
Lyle Hensley
Ruth Morris
William “Bill” & Mary Ray

Fostering a spirit of respect, loyalty and enthusiasm to retirees.

Honoring the past and giving to the future
Contributions for 2011

2011 Shareholder Level Donors
Larry & Betty Beal
Boone Co RTSPA
Maggie Elder
Harlie & Nancy Gallatin
Celine Greteman
Mark & Vicki Hargens
Jim & Debbie Kreider
Robie Mathews
Neon Liberty Capital Management
John & Carolyn Taylor
William Wasson
Georgia & Martin White
Frank & Naomi Williams

2011 Partner Level Donors
Irene Bartow
Glenn & Anna Branson
Eugene L Caudle
Christian Co RTA
Walter & Gail Cochran
Cole Co RTA
Barbara H Collie
Community Bank of Pleasant Hope
Mary A Cook
Nancy Craig
Pattie S Cravens
William G Duke III
Karen Earnest
Shirley A Felter
Ilene Ford
Delores J Foster
Jay Lee Frost
Jane & Mary Fullerton Family
Charles & Leta Gass
Gerald E Gilman
Mary Lynne & Bob Grimes
V Louise Hargens
John & Carolyn Hargens
John & Barbara Kuebler
Jean W or Mary Ann Jordan
Lincoln Co RSP
Joe Loewe

2011 Partner Level Donors continued
Madison Co RTA
Terence & Regina McDaniel
Norma McKee
John & Anne Moyer
Becky Osborn
Mary Ellen Pearson
John & Judith Pohl
Janice Powers
Mary Ridge
Ron Schlimme
Lee & Nina Schneider
Eugene Sherrell
John & Mary Jo Tweedie
Jacqueline Vincent
Webster Co NRTA
Webster Groves MRTA Unit
Jean & J.E. Whitener

2011 Friend Level Donors
2,077 Friend Level Donors contributed a total of $69,711.10 averaging $33.56 per Friend Level Donor.
No donation is too small! Thank you.

Honoring the past and giving to the future
Cumulative Contributions for 2001–2010

If you wish to know your cumulative donations since 2001, please call the MRT Foundation Office toll-free at 1-877-366-6782 or you can go online at www.MORTF.org. Your generosity over the years is greatly appreciated.

CONTRIBUTIONS TO MRTF ARE TAX-DEDUCTIBLE

Gift categories

Legacy—$6000 plus (Legacy contributors to the Building Fund will be recognized on the Donor Wall of Fame).
Founder—$2,500-$4,999
Benefactor—$1,000-$2,499
Shareholder—$500-$999
Partner—$200-$499
Friend—$1-$199

Yes, I want to contribute to the MRTF. (ALL CONTRIBUTIONS ARE TAX DEDUCTIBLE)

Pledge—I wish to pledge an annual amount of $____________. Please bill me annually on________ (1st date)

Beneficiary—I wish to name the MRTF Building Fund as the beneficiary of my PORD $10,000 death benefit.

Forms will be provided to you.

I would like to discuss including the MRTF in my will or create an endowment. The Foundation Treasurer will contact you.

Name ____________________________ Business Name ____________________________
Address ____________________________ City ____________________________ State Zip Code ______
Phone ( ______ ) __________ Email

Your contribution is greatly appreciated and will promptly be acknowledged. Recognition of your support will be announced at www.mortf.org. Please enclose this form along with your check payable to the MRT Foundation in an envelope and mail to:

Missouri Retired Teachers Foundation - 3030 Dupont Circle - Jefferson City, MO 65109

New Office Facility Photographs

Above: Picture of MRTA Building at Night

2010 MRTA Lifetime members Board Room

MRTA/MRTF - Marquee Sign

MRTF Classroom Center

Honoring the past and giving to the future
2011 Financial Reports

Marberry & Eagle, P.C.
Certified Public Accountants
414 East Broadway, Suite 200
Columbia, MO 65201

Independent Accountants' Compilation Report

To the Board of Directors
Missouri Retired Teachers Foundation
Jefferson City, Missouri

We have compiled the accompanying statements of assets, liabilities and net assets - modified cash basis of Missouri Retired Teachers Foundation (A non-profit organization) as of December 31, 2011 and 2010, and the related statements of revenues, expenses, and change in net assets - modified cash basis for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Marberry & Eagle, P.C.
Certified Public Accountants
May 14, 2012

Honoring the past and giving to the future
### Statements of Assets, Liabilities and Net Assets - Modified Cash
As of December 31, 2011 and 2010

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>8,978</td>
<td>10,264</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>8,978</td>
<td>10,264</td>
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<tr>
<td><strong>Fixed Assets</strong></td>
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<td></td>
</tr>
<tr>
<td>Land</td>
<td>140,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Equipment &amp; Furnishings</td>
<td>-51,531</td>
<td>51,531</td>
</tr>
<tr>
<td>Building</td>
<td>772,238</td>
<td>772,238</td>
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<tr>
<td>Less Accumulated Depreciation</td>
<td>(95,934)</td>
<td>(71,177)</td>
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<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>867,355</td>
<td>892,592</td>
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<tr>
<td><strong>Other Assets</strong></td>
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<tr>
<td>Endowment Funds</td>
<td>1,481</td>
<td>80</td>
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<tr>
<td><strong>Total Other Assets</strong></td>
<td>1,481</td>
<td>80</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$ 878,294</td>
<td>$ 902,936</td>
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#### Liabilities and Net Assets

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<tr>
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<tbody>
<tr>
<td><strong>Long Term Liabilities</strong></td>
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</tr>
<tr>
<td>Note Payable - Building</td>
<td>123,807</td>
<td>262,276</td>
</tr>
<tr>
<td><strong>Total Long Term Liabilities</strong></td>
<td>123,807</td>
<td>262,276</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>123,807</td>
<td>262,276</td>
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<tr>
<td><strong>Net Assets</strong></td>
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<tr>
<td>Unrestricted</td>
<td>753,006</td>
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<td>Permanently Restricted</td>
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<td><strong>Total Net Assets</strong></td>
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<td>640,660</td>
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<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$ 878,294</td>
<td>$ 902,936</td>
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## 2011 Financial Reports

**Statements of Revenue, Expenses and Change in Net Assets - Modified Cash Basis**

*For the Years Ended December 31, 2011*

<table>
<thead>
<tr>
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<th>2011</th>
<th>2010</th>
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<td>Unrestricted</td>
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<td></td>
<td>Restricted</td>
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<tr>
<td><strong>Revenue</strong></td>
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<tr>
<td>MRTA Donations</td>
<td>$38,027</td>
<td>$</td>
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<tr>
<td>Scholarships Grant</td>
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<tr>
<td>General Donations</td>
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<td>Building Fund</td>
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<td>Rental Income</td>
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<td>Miscellaneous</td>
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<td>Interest Earned</td>
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<tr>
<td>Endowment Fund</td>
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<td><strong>Total Revenue</strong></td>
<td>200,213</td>
<td>1,401</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>24,757</td>
<td></td>
</tr>
<tr>
<td>MRTF Interest</td>
<td>11,492</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td>Office Expenses</td>
<td>998</td>
<td></td>
</tr>
<tr>
<td>Part time Employees</td>
<td>2,326</td>
<td></td>
</tr>
<tr>
<td>Payroll Processing Fees</td>
<td>353</td>
<td></td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>178</td>
<td></td>
</tr>
<tr>
<td>Professional Fees</td>
<td>(480)</td>
<td></td>
</tr>
<tr>
<td>Tax Preparation</td>
<td>1,695</td>
<td></td>
</tr>
<tr>
<td><strong>Total Administrative Expenses</strong></td>
<td>40,814</td>
<td></td>
</tr>
<tr>
<td>Program Services Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings</td>
<td>665</td>
<td></td>
</tr>
<tr>
<td>Postage</td>
<td>5,830</td>
<td></td>
</tr>
<tr>
<td>Printing</td>
<td>23,097</td>
<td></td>
</tr>
<tr>
<td>Scholarships</td>
<td>10,540</td>
<td></td>
</tr>
<tr>
<td>Supplies Expense</td>
<td>6,841</td>
<td></td>
</tr>
<tr>
<td><strong>Total Program Services Expenses</strong></td>
<td>46,973</td>
<td></td>
</tr>
<tr>
<td>Fundraising Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>87,787</td>
<td></td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>112,426</td>
<td>1,401</td>
</tr>
<tr>
<td>Net Assets, Beginning of Year</td>
<td>640,580</td>
<td>80</td>
</tr>
<tr>
<td>Net Assets, End of Year</td>
<td>$753,006</td>
<td>$1,481</td>
</tr>
</tbody>
</table>

---

*Honoring the past and giving to the future*
Note 1: Summary of Significant Accounting Policies

Organization
The Missouri Retired Teachers Foundation is a non profit organization organized in the State of Missouri in 2001. The Foundation is organized to carry out and promote certain charitable, educational, scientific and literary purposes. It will award grants and scholarships to students enrolled in teacher education programs and also support active teachers in extending their professional training.

Basis of Accounting
The Foundation uses the modified cash method of reporting income and disbursements. Revenues are recognized upon receipt of the funds and expenditures are recognized upon actual cash disbursement. This is a comprehensive basis of accounting other than generally accepted accounting principles because certain revenues and related assets are recognized when received rather than when earned and certain expenses and related liabilities are recognized when paid rather than when the obligation is incurred.

Cash and Cash Equivalents
The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment
Property and Equipment are carried at cost. Depreciation is calculated using MACRS over the estimated useful lives of 39 years for the building and 5 years for equipment and furnishings.

Estimates
The preparation of financial statements requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition
All contributions are considered available for the Foundation's general purpose programs unless specifically restricted by the donor. Contributions received with temporary restrictions that are met in the same same reporting period are reported as unrestricted support and increases unrestricted net assets.

Note 2: Property and Equipment

Property and equipment balances consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$140,000</td>
</tr>
<tr>
<td>Building</td>
<td>772,238</td>
</tr>
<tr>
<td>Equipment and Furnishings</td>
<td>51,530</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(95,934)</td>
</tr>
<tr>
<td>Total</td>
<td>$867,834</td>
</tr>
</tbody>
</table>

As of December 31, 2011 and 2010, the depreciation expense was $24,757 and $37,361, respectively.
Contributions for 2011

19 Missouri Retired Teachers Foundation

Missouri Retired Teachers Foundation
Notes To Financial Statements - Cash Basis
December 31, 2011

Note 3: Income Tax

The Missouri Retired Teachers Foundation is recognized by the Internal Revenue Service as a non-taxable organization under Section 501(c)(3) of the Internal Revenue Code. Donations to the organization are deductible under Section 170 of the Code and expenditures are to be used only for educational and charitable purposes.

Note 4: Concentration of Credit Risk

The Foundation maintains its cash balances in one financial institution located in Jefferson City, Missouri. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000 for interest bearing accounts and carries unlimited insurance for non-interest bearing transactions through December 31, 2011. At December 31, 2011 and 2010, the uninsured cash balances total $0- and $0-, respectively.

Note 5: Long-Term Debt

The Foundation entered a commercial loan agreement for the construction of an office building with Central Trust Bank in the amount of $400,000, with interest at 5.5%, as of October 22, 2009 and maturing on November 22, 2034 with monthly installment payments of $2,455. Additional principle payments of $120,500 were made during 2011 reducing the loan amount to $123,807 as of December 31, 2011.

Scheduled maturities of long-term debt for years subsequent to December 31, 2011, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>23,230</td>
</tr>
<tr>
<td>2013</td>
<td>24,541</td>
</tr>
<tr>
<td>2014</td>
<td>25,925</td>
</tr>
<tr>
<td>2015</td>
<td>27,388</td>
</tr>
<tr>
<td>2016</td>
<td>22,723</td>
</tr>
<tr>
<td></td>
<td>$123,807</td>
</tr>
</tbody>
</table>

Note 6: Lease agreement with Missouri Retired Teachers Association

The Missouri Retired Teachers Foundation (MRTF) has entered into an agreement to lease office space in the newly constructed building to the Missouri Retired Teachers Association (MRTA). The monthly rent charged to MRTA of $2,455 will mirror the monthly sum due from MRTF to Central Trust Bank for the initial construction of the building.

Note 7: Endowment Fund

Donor-designated endowment donations are reported as permanently restricted net assets and earnings from the endowment may be designated by the donor or used to promote the programs of the Organization.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanently Restricted</td>
<td>Permanently Restricted</td>
</tr>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$80</td>
<td>$0-</td>
</tr>
<tr>
<td>Contributions</td>
<td>1401</td>
<td>80</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$1,481</td>
<td>$80</td>
</tr>
</tbody>
</table>

Honoring the past and giving to the future