Annual Report 2012

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
Letter from the Foundation Board President

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.”

The Foundation is very young, established in 2001. The Foundation, partnering with MRTA, embarked on a major building campaign to provide a permanent office building/classroom for the Foundation and MRTA. Many fundraisers were organized to accomplish this goal. Some of them included selling patio bricks, entryway floor tiles, wall tiles, quilt raffles, Branson raffle tickets, mailing labels, silent auctions, year-end ask letters, and cumulative donor recognition levels.

The Building Committee worked for several years and finally engaged an Architect to begin drawing up plans. A few key dates follow. In a joint MRTA/MRTF Board meeting on August 19, 2008, a motion was made and accepted by unanimous vote to accept the bid of $636,400 from Huebert Builders for the office facility. Included in this vote was permission to apply for a loan of $400,000 for 5 years at 6% interest. The loan date was October 22, 2008. The Open House—Ribbon Cutting Ceremony for the new facility was held on September 21, 2009. The Promissory Note was paid on July 11, 2012. The MORTGAGE was BURNED at the Annual Meeting on September 12, 2012.

The year 2012 was an extremely exciting one for the Foundation. As stated, the mortgage was burned. Two major fundraisers raised over $100,000. The mailing label campaign resulted in $86,595 from 2,097 donors responding. The Year-End-Ask letters resulted in $13,336 from 332 donors. An additional $9,000 from 140 donors was received after the first of the year in 2013.

Since its beginnings, 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 $26,500 in Classroom Grants for a total of $82,500. As funding to public schools continues to be cut, classroom teachers and students find themselves doing without much needed classroom materials. THEY NEED YOU NOW MORE THAN EVER. The Foundation Board would like to double, even triple, the number of classroom grants awarded in 2013. Also, the Foundation continues to seek donations for major building improvements and has created the MRTF Endowment Fund where the principal will never be spent.

As President of the Missouri Retired Teachers Foundation, I wish to extend my most sincere gratitude for everyone who has made donations to the Foundation since its beginning in 2001. We look forward to a successful 2013. By giving you leave a legacy and create a memory that will not fade.

Respectfully submitted,

Walter Cochran, President
Missouri Retired Teachers Foundation

Honoring the past and giving to the future
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.
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 2012

Scholarships and Classroom Grants - The scholarship and classroom grant program advances and enhances the status of the teaching profession in Missouri. Past scholarships were awarded to active teachers or to students officially enrolled in a teacher education program and who were committed to teaching in Missouri Schools. In recent years, charitable focus has been with providing assistance to active teachers with classroom grants.

As funding to schools continues to be cut, the demand for classroom supplies and the support for classroom projects continues to increase. 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.

Endowment - The Endowment Fund was recently created to provide opportunity for donors to leave a legacy. The principal will never be spent. “By giving, you leave a legacy; you create a memory that will not fade.”

Building Fund - The Foundation Board of Directors committed to raising funds to construct an office facility to carry out the mission of the Foundation and Association. Contributions to this fund were used for fund raising projects where the proceeds were applied to the mortgage principal of the new office classroom facility. The dream of owning a debt free office facility became reality in 2012. Because of the retirement of the mortgage, the Board of Directors have renamed the Building Fund to the Building Improvements/Maintenance Fund. Donors may still earmark donations to the fund; however, fundraising focus has shifted to encouraging donations to the Classroom Grants and Endowment funds.

General Fund - Nonearmarked contributions are used to pay operating expenses and to fund activities and service projects of the Foundation.
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...**

- Designation of PSRS $5,000 death benefit to MRTF
- Naming MRTF in will or trust
- Tithe (10%) on Missouri Public Pension Exemption
- Create an individual or family Endowment to MRTF
- Donate to MRTF Endowment Fund
- Annual Giving
  - Spring Address Mailing Label Campaign
  - Year End Ask Letter Campaign
- Donate anytime safely and securely on-line at our website www.mortf.org

2012 Fundraising Activities

During 2012, fundraising activities included two major fundraisers bringing in over $100,000 in donations. The *Mailing Label Campaign*, kicked off in April, brought in over $86,000 in donations from 2,097 donors. The second campaign was the *Year End Ask Campaign*. Letters which were mailed to past donors brought in more than $13,000 in donations from 332 donors. Donations from this campaign continued to come in during 2013 resulting in an additional $9,000 in receipts from 140 more donors.

*They need YOU now more than ever.* Tax deductible donations to the Missouri Retired Teachers Foundation will be acknowledged.

<table>
<thead>
<tr>
<th>Enclosed is my tax deductible donation to MRTF:</th>
<th>$25</th>
<th>$50</th>
<th>Other $</th>
</tr>
</thead>
<tbody>
<tr>
<td>I wish for my donation to go to the following fund:</td>
<td>MRTF Classroom Grant Fund</td>
<td>MRTF Endowment Fund</td>
<td>MRTF Building Improvement/ Maintenance Fund</td>
</tr>
<tr>
<td>Please make checks payable to: <strong>MO RETIRED TEACHERS FOUNDATION</strong></td>
<td>3030 Dupont Circle, Jefferson City, MO 65109; or use the enclosed postage-paid envelope.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I wish to donate with my credit card payment:</td>
<td>Visa</td>
<td>Mastercard</td>
<td>Discover</td>
</tr>
<tr>
<td>Card Number</td>
<td>Authorizing Signature:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Scholarship and Classroom Grant Awards

Since the inception of the 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 347 applications for classroom grants, 54 of which have resulted in classroom grants totaling $26,500.

Classroom grant money is used by active classroom teachers to fund classroom projects. As funding to schools continues to be cut, the demand for classroom supplies and classroom projects continues to increase. 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.

The 2012-2013 classroom grant selection committee included 14 MRTA Regional Vice Presidents: Gay Dittemore, Savannah, MO; Virginia Robbins, Grain Valley, MO; Sam Berkowitz, Memphis, MO; Pat Powell, Rocheport, MO; Carolyn Hays, Sedalia, MO; Arleta Godwin, Montrose, MO; Georgia White, Richland, MO; Nancy Craig, Fenton, MO; Vicki Orr, Monett, MO; Barbara Self, Billings, MO; Anna Branson, Farmington, MO; Tracy Gant, Dexter, MO; Deborah Ingram, Bowling Green, MO; and Charles Shelton, St. Louis, MO. This year 13 recipients were selected by this committee to receive $500 classroom grants with two applicants from the St. Louis area splitting a $500 grant.

The Foundation Board of Directors has set a 2013 goal to award twenty-eight $500 classroom grants. With fundraising focus shifting to classroom grants, this can definitely be a possibility.

**2012 MRTF Classroom Grant Winners**

Field Elementary, Chillicothe, MO

left: Phyllis Dannar, Atchison-Holt Unit President; Jane Walter, Nodaway County Unit Member; Gay Dittemore, MRTA Region 1 Vice President; Terria Cox, grant recipient and her fellow teachers.

Honoring the past and giving to the future
Scholarship and Classroom Grant Awards

2012 MRTF Classroom Grant Winners

James Bridger Middle School, Independence, MO

left: Virginia Robbins, MRTA Region 2 Vice President; Dr. Matt Mallinson, School Board Vice President; Ann Franklin, School Board President; Jana Waits, School Board Member; Jill Esry, School Board Member; Alyse Stoll, MRTF Board Member; Jennifer Erdtmann, grant recipient; Robie Mathews, MRTF Board Member; Dr. Jim Hinson, Superintendent; Dr. Jason Dial, Assistant Superintendent

Bartley Elementary, Fulton, MO

above: Pat Powell, MRTA Region 4 Vice President; Marilyn Skipper, MRTA President Elect; William Ray, MRTF Board Member; Katie Finley and Robyn Frame grant recipients.

Brookfield High School, Brookfield, MO

above: Scharlotte Liebhart, Past MRTA Region 3 Vice President; William Ray, MRTF Board Member; Vicki Enyart, grant recipient; Sam Berkowitz, MRTA Region 3 Vice President; and students.

Lakeland Elementary, Deepwater, MO

right: Jamie Cantrell, grant recipient and Georgia White, MRTA Region 7 Vice President.

above: Walter Cochran, MRTF President; Cathy Roberts, grant recipient; Arleta Godwin, MRTA Region 6 Vice President; and Trish Munsterman, Elementary Principal.

Rolla Senior High School, Rolla MO

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

James E. Freer Elementary, Barnhart, MO

above: Christina Howell (center), grant recipient; Ken Dillner, MRTF Board Member; Nancy Craig, MRTA Region 8 Vice President.

Dadeville Elementary, Dadeville, MO

above: Dan Barger, Joplin Unit Membership Chair; Amber Vance, grant recipient; Vicki Orr, MRTA Region 9 Vice President; and Ruby Vincent, MRTF Board Member.

Tiger Paw Early Childhood Center, Ozark, MO

above: Back row L-R - Dr. Gordon Pace, Superintendent; Chuck Fugate, School Board President; Tom Bass, School Board Member; Dr. Kevin Patterson, Assistant Superintendent. Front row L-R - Barbara Self, MRTA Region 10 Vice President; Karen Miller, MRTF Board Member; Cyndi Barksdale, grant recipient; and Lori Lewis, Director of Early Childhood for the Ozark School District.

Valley R-VI Elementary, Caledonia, MO

above: Jennifer Woods, grant recipient; and Anna Branson, MRTA Region 11 Vice President.

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

Bernie Elementary, Bernie, MO
above: Patricia Baldwin, MRTA Region 12 Vice President and Sabra Mayberry, grant recipient.

Bowling Green High School, Bowling Green, MO
above: Ken Dillner, MRTF Board Member; Misty Lipp and Stacie Smith, grant recipients; and Deborah Ingram, MRTA Region 13 Vice President.

Hixson Middle School, Webster Groves, MO
above: Charles Shelton, MRTA Region 14 Vice President; Nancy Craig, MRTA Region 8 Vice President; grant recipients Stephanie Gavin and Jason Heisel; and students

Hudson Elementary, St. Louis, MO
above: Ken Dillner, MRTF Board Member; Stephanie O’Brien and Samantha Snyder, grant recipients; and Nancy Craig, MRTA Region 8 Vice President.

2012 MRTF Classroom Grant Winners

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:

<table>
<thead>
<tr>
<th>Gift Categories</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy</td>
<td>$5,000 and Higher</td>
</tr>
<tr>
<td>Founder</td>
<td>$2,500 to 4,999</td>
</tr>
<tr>
<td>Benefactor</td>
<td>$1,000 to 2,499</td>
</tr>
<tr>
<td>Shareholder</td>
<td>$500 to 999</td>
</tr>
<tr>
<td>Partner</td>
<td>$200 to 499</td>
</tr>
<tr>
<td>Friend</td>
<td>$1 to 199</td>
</tr>
</tbody>
</table>

All contributors are acknowledged and a note of appreciation sent upon receipt of a contribution to the Foundation. 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 2012 cumulative donations are greater than $200. For those donors in the Friend giving category for 2012 ($1 to $199) we applaud each. Over 2,000 Friends gave an average of $38 during 2012. The Foundation Board also wishes to recognize all contributors who have reached the Legacy Level through 2012.

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, 35 donors have made this generous commitment to the Foundation.

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

*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.

<table>
<thead>
<tr>
<th>Anheuer Busch</th>
<th>Forrest T. Jones &amp; Co.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aronson+Johnson+Ortiz, LP</td>
<td>Jane &amp; Mary Fullerton</td>
</tr>
<tr>
<td>Artio Global Investors</td>
<td>Helen Gray</td>
</tr>
<tr>
<td>Rosemary Bane</td>
<td>Mark &amp; Vicki Hargens</td>
</tr>
<tr>
<td>Boone Co RTSPA</td>
<td>Lyle Hensley</td>
</tr>
<tr>
<td>Glenn &amp; Anna Branson</td>
<td>Bill Howell</td>
</tr>
<tr>
<td>Ginger Breckenridge</td>
<td>Ida Mae Huse</td>
</tr>
<tr>
<td>Bridgewater Associates, LP</td>
<td>Juanita Jackson</td>
</tr>
<tr>
<td>MarionBrooks</td>
<td>Jim &amp; Debbie Kreider</td>
</tr>
<tr>
<td>Elizabeth Carter</td>
<td>Leonard &amp; Sherie Marek</td>
</tr>
</tbody>
</table>
| Chuck Drury, Drury Hotels | MO Retired Teachers Association
| Walter & Gail Cochran   | & Public School Personnel     |
| Anna Daniels            | Jo Ann Taylor Kindle          |
| Maggie Elder            | Lee Monroe                    |
| William & Lena Ellis    | Ruth Morris                   |
|                         | Culah Nixon                   |

The following list contains the names of donors, who in 2012, 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.

**2012 Legacy Level Donors**

- Missouri Retired Teachers Association
- Westwood Management Corporation
- Ruth Morris

**2012 Founder Level Donors**

- Analytic Investors, LLC
- CIM Group
- Donna Parminter

**2012 Benefactor Level Donors**

- Allianz Global Investors Capital
- Aronson+Johnson+Ortiz
- Forrest T Jones & Co
- Mehlville Retired Educators
- Kittie Blankenship
- Marjorie Brown-Yokley
- Maggie Elder
- Charles Foster
- Mark & Vicki Hargens
- Bill & Viola Irvin
- Jim & Debbie Kreider
- Bobbie & Jerry Whitson
Contributions for 2012

2012 Shareholder Level Donors
$500 - $999

Artio Global Investors
Boone County Retired School Personnel
Christian County Retired Teachers Association
Neon Liberty Capital Management
St. Louis Suburban Retired School Educators
  Hear In America Inc.
  Larry & Betty Beal
  Patricia Lane
  Anne & John Moyer
  Mary Ridge
  Carolyn & John Taylor

2012 Partner Level Donors
$200 - $499

Barton County Retired Teachers Association
Clinton County Area Retired Teachers Association
  Cole County Retired Teachers Association
Kirksville Area Retired Teachers Association
  Linn County Retired Teachers and
  Public School Personnel
  MRTA Region 10
South Central Area Retired Teachers Association
Webster Groves Area Retired Teachers Association
  Anna & Glenn Branson
  Glen Broombaugh
  Peggy & Russell Clodfelter
  Gail & Walter Cochran
  Nancy Craig
  Beverly & Kenneth Dillner
  Phyllis & Jerome Evans
  Mary Fullerton
  Nancy & Harlie Gallatin
  Patricia & Don Gann
  Leta & Charles Gass
  Gerald Gilman
  Veronica & John Hambacker
  Ward Harrington
  Anita & Donald Held

2012 Partner Level Donors-continued
Cris Hensley
Lyle Hensley
Ida Mae Huse
Deborah Ingram
Jane Kelley
Janet Kinder
Gregory Kramper
Kenneth Lampey
Myrna & Ron Landherr
David Learman
Jack Lincoln
Joe Loewe
Mary Mael
Elizabeth & Alton Manning
Robie Mathews
Regina & Terence McDaniel
Viola Miller
Karen Miller
Donna & Jerry Myers
Mary Lou & David Noble
Mary Ellen Pearson
Judith & John Pohl
Nadine & Lowell Richardson
Ron Schlimme
Nine & Lee Schneider
Tom Schwegler
Barbara & Dan Self
Marilyn Skipper
Glenda & Shelton Smith
Constance Tindall
Constance Tindall
Mary Jo & John Tweedie
Ruby & James Vincent
Bernita Wade
Norma & Mayford Warren
Mary Webb
Marilyn Wheeler
Georgia & Martin White

Honoring the past and giving to the future
Contributions for 2012

2012 Friend Level Donors
$1 - $199

2,265 Friend Level Donors contributed a total of $86,115.30 averaging $38.02 per Friend Level Donor during 2012. No donation is too small! Thank you.

Cumulative Donations

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.

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
INDEPENDENT ACCOUNTANTS’ COMPILED 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, 2012 and 2011, and the related statements of revenues, expenses, and changes 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 modified 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 compilations 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 the schedules of functional expenses and schedules of cash flows 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 7, 2013
## Missouri Retired Teachers Foundation

### Statements of Assets, Liabilities and Net Assets - Modified Cash Basis

**December 31, 2012 and 2011**

### Assets

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$14,134</td>
<td>$8,978</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$14,134</td>
<td>$8,978</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>140,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Building</td>
<td>772,238</td>
<td>772,238</td>
</tr>
<tr>
<td>Equipment &amp; Furnishings</td>
<td>51,531</td>
<td>51,531</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(118,914)</td>
<td>(95,934)</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>$844,855</td>
<td>$867,835</td>
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<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment Funds</td>
<td>7,541</td>
<td>1,481</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>$7,541</td>
<td>$1,481</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$866,530</td>
<td>$878,294</td>
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### Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long Term Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note Payable - Building</td>
<td>$</td>
<td>$123,807</td>
</tr>
<tr>
<td><strong>Total Long Term Liabilities</strong></td>
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<td>$123,807</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$</td>
<td>$123,807</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
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<td>754,487</td>
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<tr>
<td>Unrestricted</td>
<td>2,469</td>
<td>1,481</td>
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<tr>
<td>Temporarily Restricted</td>
<td>7,541</td>
<td>1,481</td>
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<tr>
<td>Permanently Restricted</td>
<td></td>
<td>866,530</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$866,530</td>
<td>$878,294</td>
</tr>
</tbody>
</table>

*See accompanying notes and independent accountants' compilation report*
2012 Financial Reports

Missouri Retired Teachers Foundation

Statements of Revenue, Expenses and Changes in Net Assets - Modified Cash Basis
For the Year Ended December 31, 2012 and 2011

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2012 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRTA Donations</td>
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<td>$-</td>
<td>$-</td>
<td>$37,687</td>
<td>$38,027</td>
</tr>
<tr>
<td>General Donations</td>
<td>3,366</td>
<td>-</td>
<td>-</td>
<td>3,366</td>
<td>2,474</td>
</tr>
<tr>
<td>Building Donations</td>
<td>121,908</td>
<td>-</td>
<td>-</td>
<td>121,908</td>
<td>123,570</td>
</tr>
<tr>
<td>Scholarship Donations</td>
<td>7,500</td>
<td>2,469</td>
<td>-</td>
<td>9,969</td>
<td>6,105</td>
</tr>
<tr>
<td>Endowment Donations</td>
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<td>-</td>
<td>6,053</td>
<td>6,053</td>
<td>1,401</td>
</tr>
<tr>
<td>Rental Income</td>
<td>22,795</td>
<td>-</td>
<td>-</td>
<td>22,795</td>
<td>29,834</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>556</td>
<td>-</td>
<td>-</td>
<td>556</td>
<td>195</td>
</tr>
<tr>
<td>Interest Income</td>
<td>4</td>
<td>-</td>
<td>7</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>193,816</strong></td>
<td><strong>2,469</strong></td>
<td><strong>6,060</strong></td>
<td><strong>202,345</strong></td>
<td><strong>201,614</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2012 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>40,995</td>
<td>-</td>
<td>-</td>
<td>40,995</td>
<td>46,973</td>
</tr>
<tr>
<td>Management &amp; General</td>
<td>49,307</td>
<td>-</td>
<td>-</td>
<td>49,307</td>
<td>40,814</td>
</tr>
<tr>
<td>Fundraising</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>90,362</strong></td>
<td>-</td>
<td>-</td>
<td><strong>90,362</strong></td>
<td><strong>87,787</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Net Assets</th>
<th>2012 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>103,514</td>
<td>2,469</td>
<td>6,060</td>
<td></td>
<td>112,043</td>
<td>113,827</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets, Beginning Balance</th>
<th>2012 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>753,006</td>
<td>-</td>
<td>1,481</td>
<td></td>
<td>754,487</td>
<td>640,660</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets, Ending Balance</th>
<th>2012 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$856,520</td>
<td>$2,469</td>
<td>$7,541</td>
<td>$866,530</td>
<td>$754,487</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes and independent accountants' compilation report.
2012 Financial Reports

Missouri Retired Teachers Foundation

Notes to Financial Statements - Modified Cash Basis

December 31, 2012

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 reporting period are reported as unrestricted support and increases unrestricted net assets.

Note 2: Property and Equipment

Property and equipment are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$140,000</td>
<td>$140,000</td>
</tr>
<tr>
<td>Building</td>
<td>772,238</td>
<td>772,238</td>
</tr>
<tr>
<td>Equipment and Furnishings</td>
<td>51,530</td>
<td>51,530</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>$(118,913)</td>
<td>$(95,934)</td>
</tr>
<tr>
<td>Net value</td>
<td>$844,855</td>
<td>$867,834</td>
</tr>
</tbody>
</table>

As of December 31, 2012 and 2011, the depreciation expense was $22,979 and $24,757, respectively.
**2012 Financial Reports**

Missouri Retired Teachers Foundation  
Notes to Financial Statements - Modified Cash Basis  
December 31, 2012

**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, 2012. At December 31, 2012 and 2011, 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 $112,180 and $120,500 were made during 2012 and 2011, reducing the loan amount to $0- and $123,807 as of December 31, 2012 and 2011, respectively.

**Note 6: Lease agreement with Missouri Retired Teachers Association**

The Missouri Retired Teachers Foundation (MRTF) has entered into an agreement to lease office space 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: Restricted Net Assets**

Temporary restricted net assets represent donations for which the donors designated for scholarships. At December 31, 2012 and 2011, temporarily restricted net assets consisted of $2,470, and $0-, respectively.

Permanently restricted net assets represent donations that are to be held for investment in the endowment account. At December 31, 2012 and 2011, permanently restricted net assets consisted of $5,370 and $1,481, respectively.

**Note 8: 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.