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11/26/2008

Dear MPI Community Members,

Attached you will find audited financial statements for the fiscal year ending June 30, 2008. I am pleased to report that this year has brought continued financial strengthening to the organization's balance sheet. This strong position is aligned with our reserve strategy focused on balancing investments in our Community while ensuring long term stability of the organization.

Sincerely,

Ann Godi, CMP  
2007-08 Vice Chairwoman of Finance

**MEETING PROFESSIONALS INTERNATIONAL  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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**WEAVER  
AND  
TIDWELL**

*L.L.P.*

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
Meeting Professionals International and Affiliate  
Dallas, Texas

We have audited the accompanying consolidated statements of financial position of Meeting Professionals International and Affiliate (the Organization) as of June 30, 2008 and 2007, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Meeting Professionals International and Affiliate as of June 30, 2008 and 2007, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
September 22, 2008

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**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2008 AND 2007**

|   | <b>2008</b>          | <b>2007</b>          |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| <b>ASSETS:</b>  |                      |                      |
| Cash and cash equivalents   | \$ 5,159,847         | \$ 4,469,913         |
| Accounts receivable, less allowance for uncollectible<br>accounts of \$207,215 and \$213,307 as of<br>June 30, 2008 and 2007. | 2,319,255            | 1,573,972            |
| Pledges receivable, less allowance for uncollectible pledges<br>of \$129,100 and \$109,100 as of June 30, 2008 and 2007.      | 2,205,470            | 1,730,401            |
| Investments   |                      |                      |
| Unrestricted  | 5,199,907            | 5,968,819            |
| Endowment   | 1,195,236            | 1,037,195            |
| Prepaid expenses and other assets   | 1,181,841            | 608,928              |
| Inventory   | 101,024              | 128,034              |
| Property and equipment, net   | 539,038              | 719,328              |
| <b>TOTAL ASSETS</b>   | <b>\$ 17,901,618</b> | <b>\$ 16,236,590</b> |
| <b>LIABILITIES AND NET ASSETS</b>   |                      |                      |
| <b>LIABILITIES:</b>   |                      |                      |
| Accounts payable and accrued expenses   | \$ 2,932,162         | \$ 2,440,295         |
| Deferred revenue - membership dues  | 1,093,964            | 999,056              |
| Deferred revenue - conference and other   | 4,072,025            | 3,313,845            |
| Deferred compensation   | 130,373              | 23,603               |
| <b>TOTAL LIABILITIES</b>  | <b>8,228,524</b>     | <b>6,776,799</b>     |
| <b>NET ASSETS:</b>  |                      |                      |
| Unrestricted  |                      |                      |
| Unrestricted  | 6,277,749            | 5,832,331            |
| Endowment Fund - Board Designated   | 1,134,216            | 1,220,472            |
| Restricted  |                      |                      |
| Temporarily Restricted  | 2,261,129            | 2,406,988            |
| <b>TOTAL NET ASSETS</b>   | <b>9,673,094</b>     | <b>9,459,791</b>     |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>   | <b>\$ 17,901,618</b> | <b>\$ 16,236,590</b> |

The Notes to the Consolidated Financial Statements  
are an integral part of these statements.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008**

|  | <u>Unrestricted</u> |  |                                   | <u>Total</u>        |
|--|---------------------|--|-----------------------------------|---------------------|
|  | <u>Unrestricted</u> | <u>Endowment<br/>Fund - Board<br/>Designated</u> | <u>Temporarily<br/>Restricted</u> |                     |
| <b>REVENUE AND OTHER SUPPORT</b>   |                     |  |                                   |                     |
| Membership dues  | \$ 7,515,499        | \$ -   | \$ -                              | \$ 7,515,499        |
| Professional development and strategic events                                    | 7,508,450           | -  | -                                 | 7,508,450           |
| Publications and web income  | 6,156,651           | -  | -                                 | 6,156,651           |
| Fund-raising activities  | 850,375             | -  | -                                 | 850,375             |
| Contributions  | 858,732             | -  | 223,242                           | 1,081,974           |
| Other  | 525,205             | -  | -                                 | 525,205             |
| <b>TOTAL REVENUE AND OTHER SUPPORT</b>   | <u>23,414,912</u>   | <u>-</u>   | <u>223,242</u>                    | <u>23,638,154</u>   |
| Net assets released from restrictions by<br>satisfaction of program restrictions | 369,101             | -  | (369,101)                         | -                   |
| <b>EXPENSES</b>  |                     |  |                                   |                     |
| Member services and publications   | 6,871,325           | -  | -                                 | 6,871,325           |
| Professional development and strategic events                                    | 4,277,764           | -  | -                                 | 4,277,764           |
| Management and administrative  | 10,278,890          | -  | -                                 | 10,278,890          |
| Projects and seminars  | 830,910             | -  | -                                 | 830,910             |
| Support service:   |                     |  |                                   |                     |
| Program services - fund - raising expenses                                       | 375,185             | -  | -                                 | 375,185             |
| Management and administration  | 516,454             | -  | -                                 | 516,454             |
| <b>TOTAL EXPENSES</b>  | <u>23,150,528</u>   | <u>-</u>   | <u>-</u>                          | <u>23,150,528</u>   |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>   |                     |  |                                   |                     |
| From operations  | 633,485             | -  | (145,859)                         | 487,626             |
| <b>Investment income (loss)</b>  | <u>(188,067)</u>    | <u>(86,256)</u>                                  | <u>-</u>                          | <u>(274,323)</u>    |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>   | 445,418             | (86,256)   | (145,859)                         | 213,303             |
| <b>NET ASSETS:</b>   |                     |  |                                   |                     |
| Beginning of year  | <u>5,832,331</u>    | <u>1,220,472</u>                                 | <u>2,406,988</u>                  | <u>9,459,791</u>    |
| End of year  | <u>\$ 6,277,749</u> | <u>\$ 1,134,216</u>                              | <u>\$ 2,261,129</u>               | <u>\$ 9,673,094</u> |

The Notes to the Consolidated Financial Statements  
are an integral part of this statement.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2007**

|  | <u>Unrestricted</u> |  |                                   | <u>Total</u>        |
|--|---------------------|--|-----------------------------------|---------------------|
|  | <u>Unrestricted</u> | <u>Endowment<br/>Fund - Board<br/>Designated</u> | <u>Temporarily<br/>Restricted</u> |                     |
| <b>REVENUE AND OTHER SUPPORT</b>   |                     |  |                                   |                     |
| Membership dues  | \$ 6,804,646        | \$ -   | \$ -                              | \$ 6,804,646        |
| Professional development and strategic events                                    | 6,805,315           | -  | -                                 | 6,805,315           |
| Publications and web income  | 5,518,132           | -  | -                                 | 5,518,132           |
| Fund-raising activities  | 1,404,872           | -  | -                                 | 1,404,872           |
| Contributions  | 134,125             | -  | 265,991                           | 400,116             |
| Other  | 109,182             | -  | -                                 | 109,182             |
| <b>TOTAL REVENUE AND OTHER SUPPORT</b>   | <u>20,776,272</u>   | <u>-</u>   | <u>265,991</u>                    | <u>21,042,263</u>   |
| Net assets released from restrictions by<br>satisfaction of program restrictions | 387,439             | -  | (387,439)                         | -                   |
| <b>EXPENSES</b>  |                     |  |                                   |                     |
| Member services and publications   | 4,998,439           | -  | -                                 | 4,998,439           |
| Professional development and strategic events                                    | 3,742,095           | -  | -                                 | 3,742,095           |
| Management and administrative  | 10,155,643          | -  | -                                 | 10,155,643          |
| Projects and seminars  | 975,812             | -  | -                                 | 975,812             |
| Support service:   |                     |  |                                   |                     |
| Program services - fund - raising expenses                                       | 347,787             | -  | -                                 | 347,787             |
| Management and administration  | 545,361             | -  | -                                 | 545,361             |
| <b>TOTAL EXPENSES</b>  | <u>20,765,137</u>   | <u>-</u>   | <u>-</u>                          | <u>20,765,137</u>   |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>   |                     |  |                                   |                     |
| From operations  | 398,574             | -  | (121,448)                         | 277,126             |
| <b>Investment income</b>   | 532,142             | 87,847   | -                                 | 619,989             |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>   | 930,716             | 87,847   | (121,448)                         | 897,115             |
| <b>NET ASSETS:</b>   |                     |  |                                   |                     |
| Beginning of year  | <u>4,901,615</u>    | <u>1,132,625</u>                                 | <u>2,528,436</u>                  | <u>8,562,676</u>    |
| End of year  | <u>\$ 5,832,331</u> | <u>\$ 1,220,472</u>                              | <u>\$ 2,406,988</u>               | <u>\$ 9,459,791</u> |

The Notes to the Consolidated Financial Statements  
are an integral part of this statement.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2008 AND 2007**

|  | <b>2008</b>         | <b>2007</b>         |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                     |                     |
| Increase in net assets   | \$ 213,303          | \$ 897,115          |
| Adjustments to reconcile increase in net assets to<br>net cash provided by (used in) operating activities: |                     |                     |
| Depreciation   | 429,372             | 557,739             |
| Net unrealized and realized gain (loss) on investments   | (631,885)           | 264,487             |
| Changes in operating assets and liabilities:   |                     |                     |
| Accounts receivable  | (745,283)           | 209,457             |
| Pledges receivable   | (475,069)           | 145,079             |
| Prepaid expenses and other assets  | (572,913)           | 143,583             |
| Inventory  | 27,010              | 3,705               |
| Accounts payable and accrued expenses  | 491,867             | 129,173             |
| Deferred revenues  | 853,088             | 237,888             |
| Deferred compensation  | 106,770             | (84,247)            |
|  | <u>(303,740)</u>    | <u>2,503,979</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                     |                     |
| Purchase of property and equipment   | (249,082)           | (225,621)           |
| Net (purchases) sales of investments   | 1,242,756           | (2,089,186)         |
|  | <u>993,674</u>      | <u>(2,314,807)</u>  |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>   | 689,934             | 189,172             |
| <b>CASH AND CASH EQUIVALENTS:</b>  |                     |                     |
| Beginning of year  | 4,469,913           | 4,280,741           |
| End of year  | <u>\$ 5,159,847</u> | <u>\$ 4,469,913</u> |
| <b>SUPPLEMENTAL INFORMATION</b>  |                     |                     |
| Cash paid for:   |                     |                     |
| Unrelated business income taxes  | <u>\$ 175,521</u>   | <u>\$ 120,305</u>   |

The Notes to the Consolidated Financial Statements  
are an integral part of these statements.

## **MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Principles of Consolidation**

The consolidated financial statements include the accounts and transactions of Meeting Professionals International (“MPI”) and its affiliated foundation, Meeting Professionals International Foundation (the “Foundation”), collectively, (the “Organization”). The Foundation is a not-for-profit corporation organized to provide resources for identifying, researching and developing the process and function of meeting planning and management. The Foundation was incorporated in the State of Illinois in 1984 and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation’s office is located in Dallas, Texas. All significant intercompany accounts and transactions have been eliminated.

#### **Organization and History**

MPI is a not-for-profit corporation organized to promote, develop and advance the training of and exchange of information between persons engaged in the profession of meeting planning. MPI was incorporated in the state of Illinois in 1972. The international office of MPI is located in Dallas, Texas, which serves numerous chapter offices located throughout the United States, Canada and Europe. The mission statement of MPI is as follows:

“Meeting Professionals International (MPI) is the pivotal force in positioning meetings as a primary communications vehicle and a critical component of an organization’s success. MPI leads the industry by serving the diverse needs of all people with a direct interest in the outcome of meetings. MPI educates and prepares its members for their changing roles in the greater business world. MPI validates relevant knowledge and skills while simultaneously demonstrating a commitment to meeting excellence.”

#### **Basis of Presentation**

The accompanying financial statements of the Organization are prepared in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 117, “Financial Statements of Not-for-Profit Organizations.” SFAS 117 establishes standards for external financial reporting and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. The net assets of the Organization are reported in each of the following three classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated, are legally unrestricted, and are reported as part of the unrestricted class.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of certain assets, liabilities, revenues and expenses as of and for the reporting periods. Actual results may differ from such estimates.

**Cash Equivalents**

The Organization considers all highly liquid instruments purchased with a remaining maturity of three months or less to be cash and cash equivalents.

The Organization maintains cash balances and certificates of deposit which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash.

**Contributions**

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

**Accounts and Pledges Receivable**

Accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

**Investments**

Investments are reported at estimated fair value based on quoted market prices. Realized gains and losses on securities sold are determined using the specific identification method. Unrealized gains and losses on securities arise from increases or decreases in the estimated fair value. All realized and unrealized gains and losses are included in investment income reported in the statement of activities. Investments consist of federal and corporate bonds, equity mutual funds, equity stocks, and certificates of deposits with maturities greater than three months purchased from financial institutions.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Inventory**

Inventory is stated at the lower of cost, on a specific identification basis, or market and consists of educational publications, planning tools and promotional merchandise.

**Property and Equipment**

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives, generally three to five years.

**Membership Dues**

Membership dues are recognized ratably at the beginning of each member's anniversary date. Anniversary dates are generally spread throughout the calendar year. The Organization bills membership renewals two months prior to the actual renewal date. These advance billings are reflected as deferred revenue-membership dues until the renewal date.

**Contributed Services**

A significant number of sponsors have made substantial contributions of their time to develop the Organization's annual membership activities, principally in membership development, educational and fund-raising programs. The Organization also receives non-monetary donations of services from various contributors. These contributed services do not create or enhance non-financial assets of the Organization, nor do they require specialized skills. The value of this contributed time and services is not reflected in the accompanying financial statements.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs for fiscal 2008 and 2007 were \$165,922 and \$163,094, respectively.

**Federal Income Taxes**

MPI is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, MPI is subject to income tax on unrelated business income under Section 513(a) of the Internal Revenue Code. Income tax expense for the years ended June 30, 2008 and 2007 was \$150,000 and \$150,000, respectively, and are included as management and administrative expenses in the accompanying consolidated statements of activities.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 2. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following as of June 30:

|                                 | <u>2008</u>         | <u>2007</u>         |
|---------------------------------|---------------------|---------------------|
| Publications                    | \$ 782,411          | \$ 720,623          |
| Membership dues                 | 984,984             | 885,543             |
| Sponsorships                    | 609,306             | 152,760             |
| Other                           | 149,769             | 28,353              |
| Allowance for doubtful accounts | <u>(207,215)</u>    | <u>(213,307)</u>    |
|                                 | <u>\$ 2,319,255</u> | <u>\$ 1,573,972</u> |

**NOTE 3. PLEDGES RECEIVABLE**

Pledges receivable represent unconditional promises to give, which are owed to the Foundation. The Foundation recognizes these promises as contributions in the period the promise is made. Contributions which are not receivable in the subsequent year are discounted using an estimated rate of return which could be earned if such contributions had been made in the current year. A discount rate of 4.25% was utilized. Pledges receivable as of June 30, 2008 are due as follows:

|   |                     |
|---|---------------------|
| 2009  | \$ 1,322,820        |
| 2010  | 615,483             |
| 2011  | 380,833             |
| 2012  | <u>195,534</u>      |
| Total pledges                                     | 2,514,670           |
| Less: discounting of pledges to net present value | (180,100)           |
| Less: allowance for doubtful accounts             | <u>(129,100)</u>    |
| Total pledges receivable                          | <u>\$ 2,205,470</u> |

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 4. INVESTMENTS**

The Organization utilizes several investment advisors to manage certain portions of its investment portfolio. Certificates of deposit include accrued interest. Investments consist of the following:

|                             | June 30, 2008       |                     |
|-----------------------------|---------------------|---------------------|
|                             | <u>Cost</u>         | <u>Market Value</u> |
| Unrestricted:               |                     |                     |
| Federal and corporate bonds | \$ 594,879          | \$ 585,809          |
| Equity mutual funds         | 1,442,443           | 1,364,013           |
| Closed - end funds          | 213,019             | 203,005             |
| Equity preferred stocks     | 672,500             | 617,524             |
| Government securities       | 14,138              | 14,810              |
| Common stock                | 1,177,887           | 1,138,037           |
| Certificates of deposit     | 1,084,660           | 1,276,709           |
|                             | <u>5,199,526</u>    | <u>5,199,907</u>    |
| Endowment Fund:             |                     |                     |
| Equity mutual funds         | 554,377             | 497,356             |
| Equity preferred stocks     | 155,597             | 148,433             |
| Closed - end funds          | 2,076               | 2,102               |
| Common stock/options        | 178,186             | 177,831             |
| Corporate bonds             | 196,052             | 194,727             |
| Government securities       | 172,194             | 174,787             |
|                             | <u>1,258,482</u>    | <u>1,195,236</u>    |
|                             | <u>\$ 6,458,008</u> | <u>\$ 6,395,143</u> |
|                             |                     |                     |
|                             | June 30, 2007       |                     |
|                             | <u>Cost</u>         | <u>Market Value</u> |
| Unrestricted:               |                     |                     |
| Federal and corporate bonds | \$ 99,000           | \$ 99,000           |
| Equity mutual funds         | 1,715,784           | 1,920,635           |
| Closed - end funds          | 407,298             | 400,852             |
| Equity preferred stocks     | 2,075,533           | 2,026,643           |
| Government securities       | 29,536              | 28,785              |
| Certificates of deposit     | 1,306,660           | 1,492,904           |
|                             | <u>5,633,811</u>    | <u>5,968,819</u>    |
| Endowment Fund:             |                     |                     |
| Equity mutual funds         | 490,285             | 586,083             |
| Equity stocks               | 214,265             | 211,031             |
| Government bonds            | 244,798             | 240,081             |
|                             | <u>949,348</u>      | <u>1,037,195</u>    |
|                             | <u>\$ 6,583,159</u> | <u>\$ 7,006,014</u> |

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 4. INVESTMENTS – CONTINUED**

Investment income consists of the following for the years ended June 30:

|                                 | <u>2008</u>         | <u>2007</u>       |
|---------------------------------|---------------------|-------------------|
| Interest and dividends          | \$ 357,562          | \$ 355,502        |
| Realized gains (losses) - net   | (301,810)           | 241,737           |
| Unrealized gains (losses) - net | <u>(330,075)</u>    | <u>22,750</u>     |
|                                 | <u>\$ (274,323)</u> | <u>\$ 619,989</u> |

**NOTE 5. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

|                                | <u>2008</u>       | <u>2007</u>       |
|--------------------------------|-------------------|-------------------|
| Computer equipment             | \$ 2,362,103      | \$ 2,227,504      |
| Office equipment and furniture | 1,091,796         | 983,904           |
| Leasehold improvements         | <u>9,545</u>      | <u>2,954</u>      |
|                                | 3,463,444         | 3,214,362         |
| Less accumulated depreciation  | <u>2,924,406</u>  | <u>2,495,034</u>  |
|                                | <u>\$ 539,038</u> | <u>\$ 719,328</u> |

Depreciation expense totaled \$429,372 and \$557,739 for the years ended June 30, 2008 and 2007, respectively. Depreciation expense is included in management and administrative expenses in the Consolidated Statements of Activities. Management capitalized all assets greater than \$1,000.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6. COMMITMENTS**

The Organization has entered into an operating lease for office space. The following is a schedule of future minimum payments under this operating lease for the years ending June 30:

|            |                     |
|------------|---------------------|
| 2009       | \$ 460,470          |
| 2010       | 460,470             |
| 2011       | 460,470             |
| 2012       | 469,118             |
| 2013       | 469,118             |
| Thereafter | <u>1,595,433</u>    |
|            | <u>\$ 3,915,079</u> |

Rental expense for operating leases amounted to \$495,418 and \$460,470 for the years ended June 30, 2008 and 2007, respectively.

**NOTE 7. RETIREMENT PLAN**

The Organization sponsors a defined contribution benefit plan, which covers substantially all employees. The plan requires the Organization to contribute 6.7% of annual compensation below the Social Security Taxable Wage Base and 12.4% of compensation above such base. The vesting schedule is as follows: 20% after one year; 40% after two years; 60% after three years; 80% after four years; and 100% after five years. Retirement plan expense amounted to \$160,115 and \$196,629 for the years ended June 30, 2008 and 2007, respectively.

**NOTE 8. RELATED PARTY TRANSACTIONS**

The Organization purchases services from companies represented by board members. Total expenses were \$135,180 and \$112,718 in 2008 and 2007, respectively. The Organization is committed to payments to these companies totaling approximately \$80,000 for the year ending June 30, 2009.

At the beginning of each board meeting, the Board reviews existing conflicts of interest to identify if any board members should be excused from a board decision involving a board member's outside interests.

**MEETING PROFESSIONALS INTERNATIONAL AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 9. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist primarily of time-phased and donor restricted pledges received during the capital campaign.

**NOTE 10. ENDOWMENT FUND – BOARD DESIGNATED**

In October 1999, the Board of Trustees established the Endowment Fund. The Endowment Fund has been funded with the transfer of unrestricted contributions. There were no transfers during the years ended June 30, 2008 and 2007.