

**SOUTH FLORIDA MUSICIANS ASSOCIATION
LOCAL 655**

DECEMBER 31, 2010 REVIEW

Thomas J. Choate, P.A.

Certified Public Accountant

Member:
Florida Institute of
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March 1, 2011

The Board of Directors
South Florida Musicians Association
Local 655, AFM
404 SE 15 Street
Ft. Lauderdale, Florida 33316

Gentlemen of the Board of Directors:

I have reviewed the accompanying balance sheet of the South Florida Musicians Association, Local 655, as of December 31, 2010, and the related statements of revenue, expenses, and fund balances, and cash flows for the twelve months then ended, in accordance with statements on standards for accounting and reviews issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the South Florida Musicians Association, Local 655.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Sincerely yours,

Thomas J. Choate, P.A.
Certified Public Accountant

TJC/vtm

SOUTH FLORIDA MUSICIANS ASSOCIATION
LOCAL 655
BALANCE SHEET
DECEMBER 31, 2009 and DECEMBER 31, 2010

	DECEMBER 31, 2009 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>
ASSETS		
CURRENT ASSETS:		
Cash Including savings accounts	\$ 74,210	\$ 91,063
Accounts receivable, net of allowances for doubtful accounts of \$0--DECEMBER 31, 2009 and \$0--DECEMBER 31, 2010 (NOTE "C")	45,773	45,351
A/R Deferred Income	-0-	-0-
Prepaid Expenses	-0-	-0-
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TOTAL CURRENT ASSETS	\$119,983	\$136,414
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FURNITURE AND OFFICE EQUIPMENT, Net Accumulated Depreciation of \$4,086--DECEMBER 31, 2009 and \$4,086--DECEMBER 31, 2010	-0-	-0-
MACHINERY AND EQUIPMENT, Net Accumulated Depreciation of \$3,004--DECEMBER 31, 2009 and \$3,135--DECEMBER 31, 2010	358	227
OTHER ASSETS:		
Deposits	2,115	1,800
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TOTAL ASSETS	\$122,456 =====	\$138,441 =====

SEE ACCOUNTANT'S REVIEW REPORT
Footnotes are an integral part of this report.

SOUTH FLORIDA MUSICIANS ASSOCIATION
 Local 655
 Balance Sheet Continued
 Page Two

	DECEMBER 31, 2009 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES:		
Accounts Payable and accrued liabilities	\$6,160	261
Deferred Income	485	7,589
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TOTAL CURRENT LIABILITIES	\$ 6,645	\$ 7,850
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TOTAL LIABILITIES	\$ 6,645	\$ 7,850
FUND BALANCES:		
General Fund	115,811	130,591
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TOTAL LIABILITIES AND FUND BALANCES	\$122,456 =====	\$138,441 =====

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SOUTH FLORIDA MUSICIANS ASSOCIATION
LOCAL 655
STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND BALANCES
TWELVE MONTHS ENDED DECEMBER 31, 2009 and
TWELVE MONTHS ENDED DECEMBER 31, 2010

GENERAL FUND:	DECEMBER 31, 2009 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>
REVENUE		
Regular dues	\$ 66,652	\$ 59,597
Local work dues	14,834	12,315
Traveling work dues	1,128	393
Initiation fees	1,735	825
Late charges	170	200
Reinstatement fees	670	1,013
Special Assessment fees	0	0
CBA Work dues	12,111	13,655
Return Checks S/C	10	6
Recording Work Dues	17,619	18,395
Gain (Loss) on Assets	(625)	0
Directory & Newsletter Advertising	0	0
PBO Players Association Income	980	2,222
Administrative Fees	2,684	3,291
Booking Income	0	0
Interest Income	411	230
Capital Gains (Losses)	0	0
Miscellaneous	300	0
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TOTAL REVENUE	\$118,679	\$112,142
EXPENSE		
Per capita and Insurance:		
Per capita dues to A.F.M.	\$ 20,819	\$ 19,760
A.F.M. Work Dues	6,053	6,868
AFL-CIO dues	355	326
ROPA Dues	780	780
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	\$ 28,007	\$ 27,734

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SOUTH FLORIDA MUSICIANS ASSOCIATION, Local 655
Statement of Revenue, Expense, and Changes in Fund Balances Continued
Page Two

	DECEMBER 31, 2009 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>
Salaries:		
Officers	17,600	20,283
Office	9,513	5,860
Subcontractor/Business Agent	2,274	0
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	\$ 29,387	\$ 26,143
Occupancy:		
Utilities	\$ 998	\$ 1,140
Repairs/maintenance	0	360
Depreciation	538	131
Insurance	2,064	1,694
Rent	12,346	8,249
License and Taxes	61	61
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	\$ 16,007	\$ 11,635
Office:		
Telephone	\$ 3,740	\$ 3,190
Repairs and maintenance, equipment	180	31
Accounting	2,200	2,200
Mailing and postage	0	0
Supplies	1,222	981
Computer Expense	10	120
Printing	144	174
Dues & Subscriptions	0	0
Equipment Lease/Pitney Bowes	0	0
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	\$ 7,496	\$ 6,696
Publications:		
South Florida Musician Newsletter	\$ 100	\$ 0
Mailing and Postage	1,072	1,271
Directory Mailing and Publishing	0	0
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	\$ 1,172	\$ 1,271

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SOUTH FLORIDA MUSICIANS ASSOCIATION, Local 655
Statement of Revenue, Expense, and Changes in Fund Balances Continued
Page Three

	DECEMBER 31, 2009 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>
Other Expenses:		
Payroll taxes	\$ 2,417	\$ 2,184
Pension Contribution; Note (B)	2,351	2,164
Convention and conferences	2,222	2,887
Legal	9,093	1,800
Musician Fees	0	0
Member Services/Strike Expense	0	0
Miscellaneous	129	21
Miscellaneous-Moving Expense	672	0
Miscellaneous-Booking Work Dues	0	0
Bank Charges	137	263
Bad Debts	7,045	5,053
Advertising	0	0
Election Expense	48	0
Meeting Expense	894	836
Disposal of Computer Asset	0	0
PBO Players Assoc Expense	520	3084
Executive Board Travel and Expenses	5,380	5,590
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	\$ 30,908	\$ 23,882
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TOTAL EXPENSES	\$ 112,977	\$ 97,361
 Excess (deficiency) of revenue over expense	 \$ 5,702	 \$ 14,781
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Fund balance, beginning of year	\$ 110,479	\$ 116,181
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Fund balance, end of year	\$ 116,181 =====	\$ 130,962 =====

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE (A) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting

The financial statements of the South Florida Musicians Association, Local 655, have been prepared on the accrual basis. The accounting policies follow the fund accounting method. Fund accounting is a procedure by which resources are classified for accounting purposes into a fund for specific use. The union operates one General Fund for operational revenues and expenses.

2. Computers, Equipment and Furniture and Fixtures

Equipment is valued at cost with various lives of from 5 to 10 years and depreciated using the straight-line method. Upon retirement or disposal of equipment the asset and related accumulated depreciation are reduced by the amounts involved for the asset. Any resulting gain or loss is included in income.

NOTE (B) - PENSION PLAN

The Union participates in a pension plan of the American Federation of Musicians providing retirement benefits to its employees at a cost of 8.5% on 6/1/10 and 9% on 4/1/11 of compensation.

NOTE (C) - ACCOUNTS RECEIVABLE

The Association's policy concerning members' delinquency is to carry members for four years, at which time they will be expelled. In the past, if a member were suspended, he would be removed from accounts receivable.

NOTE (D) - DESCRIPTION OF LEASING ARRANGEMENTS

The South Florida Musicians Association, Local 655 entered into a month to month lease at \$900.00 per month.