

**SOUTH FLORIDA MUSICIANS ASSOCIATION  
LOCAL 655**

**DECEMBER 31, 2011 REVIEW**

# Thomas J. Choate, P.A.

Certified Public Accountant

Member:  
Florida Institute of  
Certified Public Accountants

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February 28, 2012

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, 2011, 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, 2010 and DECEMBER 31, 2011

	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2011 General Fund <u>(Undesignated)</u>
ASSETS		
CURRENT ASSETS:		
Cash Including savings accounts	\$ 91,063	\$ 99,519
Accounts receivable, net of allowances for doubtful accounts of \$0--DECEMBER 31, 2010 and \$0--DECEMBER 31, 2011 (NOTE "C")	45,351	40,494
A/R Deferred Income	-0-	-0-
Prepaid Expenses	-0-	-0-
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TOTAL CURRENT ASSETS	\$136,414	\$140,013
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FURNITURE AND OFFICE EQUIPMENT, Net Accumulated Depreciation of \$4,086--DECEMBER 31, 2010 and \$4,086--DECEMBER 31, 2011	-0-	-0-
MACHINERY AND EQUIPMENT, Net Accumulated Depreciation of \$3,135--DECEMBER 31, 2010 and \$3,301--DECEMBER 31, 2011	227	407
OTHER ASSETS:		
Deposits	1,800	1,800
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TOTAL ASSETS	\$138,441 =====	\$142,220 =====

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, 2010 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2011 General Fund <u>(Undesignated)</u>
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES:		
Accounts Payable and accrued liabilities	\$ 261	88
Deferred Income	7,589	1,013
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TOTAL CURRENT LIABILITIES	\$ 7,850	\$ 1,100
	-----	-----
TOTAL LIABILITIES	\$ 7,850	\$ 1,100
FUND BALANCES:		
General Fund	130,591	141,119
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TOTAL LIABILITIES AND FUND BALANCES	\$138,441 =====	\$142,220 =====

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SOUTH FLORIDA MUSICIANS ASSOCIATION  
LOCAL 655

STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND BALANCES  
TWELVE MONTHS ENDED DECEMBER 31, 2010 and  
TWELVE MONTHS ENDED DECEMBER 31, 2011

	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2011 General Fund <u>(Undesignated)</u>
GENERAL FUND:		
REVENUE		
Regular dues	\$ 59,597	\$ 56,296
Local work dues	12,315	14,943
Traveling work dues	393	984
Initiation fees	825	1,095
Late charges	200	200
Reinstatement fees	1,013	526
Special Assessment fees	0	0
CBA Work dues	13,655	12,815
Return Checks S/C	6	0
Recording Work Dues	18,395	13,770
Gain (Loss) on Assets	0	0
Directory & Newsletter Advertising	0	0
PBO Players Association Income	2,222	918
Administrative Fees	3,291	2185
Booking Income	0	0
Interest Income	230	373
Capital Gains (Losses)	0	0
Miscellaneous	0	0
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TOTAL REVENUE	\$112,142	\$104,105
EXPENSE		
Per capita and Insurance:		
Per capita dues to A.F.M.	\$ 19,760	\$ 18,838
A.F.M. Work Dues	6,868	5,687
AFL-CIO dues	326	316
ROPA Dues	780	780
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	\$ 27,734	\$ 25,621

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

	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2011 General Fund <u>(Undesignated)</u>
Salaries:		
Officers	20,283	22,100
Office	5,860	332
Subcontractor/Business Agent	0	0
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	\$ 26,143	\$ 22,432
Occupancy:		
Utilities	\$ 1,140	\$ 1,140
Repairs/maintenance	360	360
Depreciation	131	166
Insurance	1,694	1,635
Rent	8,249	8,459
License and Taxes	61	61
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	\$ 11,635	\$ 11,821
Office:		
Telephone	\$ 3,190	\$ 3,215
Repairs and maintenance, equipment	31	0
Accounting	2,200	2,200
Mailing and postage	0	0
Supplies	981	534
Computer Expense	120	86
Printing	174	0
Dues & Subscriptions	0	0
Equipment Lease/Pitney Bowes	0	0
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	\$ 6,696	\$ 6,035
Publications:		
South Florida Musician Newsletter	\$ 0	\$ 0
Mailing and Postage	1,271	682
Directory Mailing and Publishing	0	0
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	\$ 1,271	\$ 682

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

	DECEMBER 31, 2010 General Fund <u>(Undesignated)</u>	DECEMBER 31, 2011 General Fund <u>(Undesignated)</u>
Other Expenses:		
Payroll taxes	\$ 2,184	\$ 1,926
Pension Contribution; Note (B)	2,164	1,964
Convention and conferences	2,887	1,731
Legal	1,800	5,850
Musician Fees	0	0
Member Services/Strike Expense	0	0
Miscellaneous	21	36
Miscellaneous-Moving Expense	0	0
Miscellaneous-Booking Work Dues	0	0
Bank Charges	263	339
Bad Debts	5,053	8,249
Advertising	0	0
Election Expense	0	263
Meeting Expense	836	257
PBO Players Assoc Expense	3,084	751
Executive Board Travel and Expenses	5,590	5,620
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	\$ 23,882	\$ 26,986
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TOTAL EXPENSES	\$ 97,361	\$ 93,577
Excess (deficiency) of revenue over expense	\$ 14,781	\$ 10,528
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Fund balance, beginning of year	\$ 115,810	\$ 130,591
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Fund balance, end of year	\$ 130,591 =====	\$ 141,119 =====

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

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.

NOTE (E) - CHANGE IN BYLAWS

Bylaws were changed to have election of officers every three (3) years instead of two (2) years.