

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED**

**STATEMENTS OF CASH RECEIPTS AND  
DISBURSEMENTS AND CASH BALANCES**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED  
STATEMENTS OF CASH RECEIPTS AND  
DISBURSEMENTS AND CASH BALANCES**

**As of and for the Year Ended June 30, 2011**

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CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditors' Report**

We have audited the accompanying statements of cash receipts and disbursements and cash balances of Florida Bandmasters Association, Incorporated as of and for the year ended June 30, 2011. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Florida Bandmasters Association, Incorporated as of June 30, 2011, and its receipts and disbursements for the year then ended in conformity with the cash basis of accounting described in note 1.

*J.D. Gilbert & Company*

October 21, 2011

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED**  
**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS**

**For the Year Ended June 30, 2011**

	State <u>Accounts</u>	District <u>Accounts</u>	Savings <u>Accounts</u>	Total (Memorandum Only)
<b>Cash Receipts</b>				
Membership Dues	\$ 53,665	\$ -	\$ -	\$ 53,665
Convention Fees	7,580	-	-	7,580
All-State Audition and Honor Band Fees	5,295	61,641	-	66,936
Gate Receipts	-	205,226	-	205,226
Music Performance Assessment (MPA) Fees	109,777	565,631	-	675,408
Medals, Plaques, Music, Recordings	1,706	30,675	-	32,381
Other	4,536	8,834	15	13,385
Contributions	-	12,303	-	12,303
Internal Transfers in	162,003	-	27,700	189,703
Transfers in from Certificate of Deposit	25,000	-	-	25,000
Transfers in from FSMA	<u>-</u>	<u>162,782</u>	<u>-</u>	<u>162,782</u>
Total Cash Receipts	<u>369,562</u>	<u>1,047,092</u>	<u>27,715</u>	<u>1,444,369</u>
<b>Cash Disbursements</b>				
FBA Personnel	78,142	3,642	-	81,784
Officer, Committee, and Board Meetings	59,718	8,090	-	67,808
MPA Expenditures	115,558	614,294	-	729,852
Annual FSMA Assessment	13,832	-	-	13,832
All-State and Honor Bands	17,219	25,886	-	43,105
Summer Convention and Clinic Costs	11,919	1,910	-	13,829
Medals and Plaques	9,495	54,197	-	63,692
Annual FMEA Conference	9,759	-	-	9,759
Lobbying for FSMA/FMEA	2,329	-	-	2,329
Equipment	2,093	5,946	-	8,039
Office and Administration	30,384	17,660	-	48,044
All State Audition Fees to State Account	-	37,960	-	37,960
MPA District Assessments to State Account for Entry Fees	-	104,031	-	104,031
Other Internal Transfers Out	32,562	150	15,000	47,712
Transfers to Certificates of Deposit	<u>-</u>	<u>29,700</u>	<u>-</u>	<u>29,700</u>
Total Cash Disbursements	<u>383,010</u>	<u>903,466</u>	<u>15,000</u>	<u>1,301,476</u>
Excess of Cash Receipts over Cash Disbursements (Cash Disbursements over Cash Receipts)	<u>\$(13,448)</u>	<u>\$ 143,626</u>	<u>\$12,715</u>	<u>\$ 142,893</u>

See Accompanying Notes to the Financial Statements

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED**  
**STATEMENTS OF CASH BALANCES**

**As of and for the Year Ended June 30, 2011**

	<u>State Account</u>	<u>District Accounts</u>	<u>Savings Accounts</u>	<u>Total</u>
Cash Balances, beginning of year, as previously reported	\$ 36,366	\$ 13,952	\$16,004	\$ 66,322
Adjustment due to unrecorded cash	<u>          -</u>	<u>      1,359</u>	<u>          -</u>	<u>      1,359</u>
Cash Balances, beginning of year, as restated	36,366	15,311	16,004	67,681
Excess of Cash Receipts over Disbursements (Cash Disbursements Over Cash Receipts)	<u>(13,448)</u>	<u>  143,626</u>	<u>   12,715</u>	<u>  142,893</u>
Cash Balances, end of year	<u>\$ 22,918</u>	<u>\$ 158,937</u>	<u>\$ 28,719</u>	<u>\$ 210,574</u>

See Accompanying Notes to the Financial Statements

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

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

**Organization** - The not-for-profit Florida Bandmasters Association, Incorporated (the Association) was organized in 1936 and incorporated in 1987. It is a component organization of the Florida Music Educators Association, Inc. (FMEA). The Association's primary purpose is to promote and develop interest in instrumental and general music in Florida's middle and secondary schools. The Association provides opportunities for in-service growth through clinic and conferences, and by acting as a resource for college and university pre-service training programs that encourage professional development.

The Association is organized into twenty-one districts whose purpose is to promote middle and secondary school band activities and closer relationships between schools within smaller geographical areas.

Active membership in the Florida Bandmasters Association is open to fully accredited teachers of music in elementary or secondary schools of Florida. Associate membership is open to band faculty or administrative staff in Florida post-secondary schools and to other persons interested in band education. Other membership categories are available for retired, honorary, student, and adjudicator members. Only active members must hold joint membership in FMEA.

The Florida School Music Association, Inc. (FSMA) is a not-for-profit association of member schools that coordinates and oversees all interscholastic music activities in the state of Florida. The FSMA sanctions the Florida Bandmasters Association, as well as orchestral and choral associations, to sponsor district and state music performance assessments (MPA) for bands, choruses, and orchestras from Florida middle and secondary schools.

**Activities** – The Association sponsors several activities and events. These include: District and State Music Performance Assessments (MPA); District Honor Bands; All-State Band Ensembles; summer convention (including clinics); and other clinics, in-service and pre-service programs.

**Basis of Accounting** – The accompanying financial statements are prepared on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, revenue is recognized when received and expenses and purchases when paid. Under generally accepted accounting principles, revenues are recognized when earned and expenses when incurred; additionally, purchases of tangible items are capitalized and recognized as expense when used. Consequently, the accompanying financial statements do not include accounts receivable and payable, prepaid expenses, inventory, deferred revenue, and other accounts normally included in financial statements prepared under generally accepted accounting principles.

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The accompanying statement of cash balances does not include monies temporarily held by the FSMA, or monies invested in five certificates of deposit with original maturity periods in excess of three months. At the beginning of the year, the Association had \$162,782 in funds held temporarily by the FSMA which were returned in August 2010.

Expenditures for goods and services acquired through use of the Association credit card are recorded when the credit card payment is made.

***Cash Balances*** – During the year ended June 30, 2011, the Association maintained a state bank account, two savings accounts and twenty-one district bank accounts. The state bank account and savings accounts are maintained at one bank; the district accounts are primarily non-interest bearing and are at several different banks. Beginning cash balances have been adjusted to include one district bank account that was incorrectly omitted from the June 30, 2010 balances.

***Receipts*** – Annual membership dues are assessed for the Association fiscal year with no proration. The Association also holds three types of events during the year for which fees are charged to participants: the Summer Convention, the All-State Auditions, and Music Performance Assessments. The Association also sells recordings, medals, plaques and music to local schools.

***Interfund Transactions*** – The activities of the Association include interfund transfers. These transactions have not been eliminated or netted in the accompanying financial statements. Consequently, certain expenditures in the District Accounts are also included as receipts in the State Accounts. Additionally, the Association invested excess cash in certificates of deposit. In accordance with the cash basis of accounting, such investments are reported as expenditures. When the certificates of deposit are liquidated, the funds are reported as cash receipts.

In the previous year, the Association transferred excess cash to the FSMA, and FSMA returned such funds at the beginning of the fiscal year. Such transactions with the FSMA are included in cash receipts based upon gross amounts.

***Subsequent Events*** – Management has evaluated subsequent events through October 21, 2011, which is the date that the financial statements were available to be released.

***Income Tax Status*** – The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation. The Association files annual informational returns with the Internal Revenue Service. Generally, returns can be subject to examination by the taxing authority for three years after date of filing. The Association believes that all income tax positions taken in filings with the IRS would be sustained upon audit.

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 2 – CERTIFICATES OF DEPOSIT**

The certificates of deposit, which are not included in the accompanying financial statements, mature as follows:

July 2011	\$ 23,643
August 2011	108,510
November 2011	87,879
April 2015	<u>51,431</u>
	<u>\$ 271,463</u>

These certificates of deposit are maintained at one bank and, along with the savings accounts, exceed the \$250,000 limit of the FDIC insurance on interest-bearing accounts.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

Nearly all membership dues are received from the FMEA who acts as an agent for the Association in collecting the dues. Annually, the Association pays an assessment to the FSMA based upon the number of participants in the music performance assessments; the Association paid \$13,832 for such assessments in the year ended June 30, 2011.

**NOTE 4 – COMMITMENT**

In July 2011, the FSMA issued an invoice for \$13,695 to the Association based upon the number of 2009-2010 fiscal year music performance assessment participants. Such fees are payable in the 2011-2012 fiscal year.