Flint Institute of Music

Schedule of Revenues and Expenses of Millage Funds

May 31, 2019

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Table of Contents

	Page
Independent Auditors' Report	1
Schedule of Revenues and Expenses of Millage Funds	3
Notes to the Schedule of Revenues and Expenses of Millage Funds	4

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Independent Auditors' Report

Management and the Board of Directors
Flint Institute of Music
Flint, Michigan

We have audited the accompanying schedule of Revenues and Expenses of Millage Funds of Flint Institute of Music for the year ended May 31, 2019, and related notes.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule 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 schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of Schedule of Revenues and Expenses of Millage Funds and related notes referred to above presents fairly, in all material respects, the revenues and expenses of millage funds of Flint Institute of Music for the year ended May 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Yeo & Yeo, P.C.

Flint, Michigan
April 9, 2020

Flint Institute of Music
Schedule of Revenues and Expenses of Millage Funds
For the Year Ended May 31, 2019

Revenues		
Property taxes	$	1,544,419
Expenses		
Salaries and wages	$	845,100
Advertising and promotion		107,017
Education program/production costs		582,623
Repairs and maintenance		9,679
Total	$	1,544,419

See Accompanying Notes to the Schedule of Revenues and Expenses of Millage Funds

Flint Institute of Music
Notes to the Schedule of Revenues and Expenses of Millage Funds
May 31, 2019

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities
Flint Institute of Music (the "Organization") is a Michigan non-profit organization, based in Flint, Michigan. The Organization was established to foster, promote, and increase the knowledge and appreciation of the public in music, dance, and artistic performing arts, exclusively by educational activities, and to organize and present, primarily but not exclusively in the greater Flint area, performances of music, dance, and theater that are deemed to be suitable at the time and place for such exclusive educational purposes.

Basis of Accounting
The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Income Tax Status
The Organization is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization other than a private foundation, as described in Section 509(a). The Organization files information returns in the U.S. Federal and Michigan jurisdiction.

Subsequent Events
Management has evaluated subsequent events through April 9, 2020, which is the date the financial statements were available to be issued.

Note 2 – Genesee County Property Tax Millage

In November of 2018, the voters of Genesee County collectively passed a special millage of .96 mills to fund the operations of The Organization, as well as several other third party named entities. Pursuant to the agreement between the Flint Cultural Center Foundation and Genesee County, the Foundation is to disburse monies levied and collected by the County to the Organization and the other named entities. The millage is effective for ten years.

The revenue disbursed from the Foundation to the Organization is recognized as revenue without donor restrictions in the year of levy and collection, which is substantially complete at year end. Total millage disbursements from the Foundation to the Organization were $1,544,419 for the year ending May 31, 2019, which was the first year of the millage. A portion of the levy is held in escrow by the Foundation pursuant to the agreement and has not been disbursed to the Organization. The purpose of the escrow is to provide the Foundation with a stable yearly budget and to protect the Foundation from paying back any amounts to the County that are potentially deemed to be over-disbursed. The amount held in escrow is equal to approximately 5% of the total levy.