

**Flint Cultural Center Corporation**

**Schedule of Revenues and Expenses of Millage Funds**

**June 30, 2019**



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## Independent Auditors' Report

Management and the Board of Directors  
Flint Cultural Center Corporation  
Flint, Michigan

We have audited the accompanying Schedule of Revenues and Expenses of Millage Funds of Flint Cultural Center Corporation for the year ended June 30, 2019, and the 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 Cultural Center Corporation for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

*Yeo & Yeo, P.C.*

Flint, Michigan  
April 7, 2020

**Flint Cultural Center Corporation**  
**Schedule of Revenues and Expenses of Millage Funds**  
**For the Year Ended June 30, 2019**

**Revenues**

Property taxes - Whiting/Capitol	\$ 1,673,348
Property taxes - Sloan/Whiting	1,673,598
	1,673,598
Total revenues	\$ 3,346,946

**Expenses**

Salaries and wages	1,083,769
Admission discounts	530,788
Advertising and promotion	46,481
Education program/production costs	1,111,464
Membership/dues	883
Miscellaneous	4,684
Printing	6,505
Rent - building	106,544
Repairs and maintenance	156,511
Security	65,874
Special/cultivation events - direct costs	526
Subscriptions and publications	29
Supplies	2,893
Telephone	10,885
Utilities	219,110
	219,110

<b>Total</b>	<b>\$ 3,346,946</b>
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\*\*\* Revenues above do not include \$174,554 disbursed to Flint Cultural Center Corporation for administrative fees

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

**Flint Cultural Center Corporation**  
**Notes to the Schedule of Revenues and Expenses of Millage Funds**  
**June 30, 2019**

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**Note 1 – Nature of Activities and Significant Accounting Policies**

**Nature of Activities**

Flint Cultural Center (the “Center”) is a unique campus-like setting housing major cultural, arts, science, and humanities institutions. On this single campus are eight different cultural institutions and facilities: Flint Institute of Arts (FIA) (an art museum and art education facility); Flint Institute of Music (FIM) (Flint Symphony Orchestra and a 3,000-student Flint School of Performing Arts); Flint Public Library; Flint Youth Theater (an organization that produces and presents plays for youth and inter-generational performances); Robert T. Longway Planetarium (a 286-seat planetarium); Alfred P. Sloan Museum (a history and science museum); and James H. Whiting Auditorium (a 2,000 seat auditorium).

The Center is governed in a very complex manner. Flint Cultural Center Corporation (the “Corporation”) serves as the governing body for Longway Planetarium, Sloan Museum, and Whiting Auditorium. The Corporation also has responsibility for the land and buildings in which the above three organizations are housed, the buildings in which Flint Institute of Arts and Flint Institute of Music are located, the Flint School District Central Kitchen building, and the Walker Place building. The latter two buildings were purchased by the Corporation during the years ended June 30, 2014 and 2015. The operations of Flint Institute of Arts, Flint Institute of Music, and Flint Public Library remain independent and governed by their own boards of directors. Although these organizations have their own missions and goals, their governing boards have pledged to work closely with the Corporation in meeting the goals of the Center as a whole.

During 2015-16, the Corporation entered into a collaborative arrangement with a third party to renovate and manage The Capitol Theatre. As part of the arrangement, the Corporation received and then re-granted funds to the third party to fund the projects. During the 2015-16 fiscal year, the Center re-granted \$15.975 million under this arrangement, and the project has continued into 2016-17 and beyond.

The Center expects to continue to be substantially involved in future operations.

The Corporation serves as a property manager, governing entity for three specific institutions, and the catalyst for bringing all the institutions of the Center together toward common shared goals. The goals of the Corporation as a whole are: accessibility (for the Center to become a community center); education (for the Center to become a major regional education site for teaching the arts, science, and humanities plus integrating the use of the resources of the Center into the curricula of the area’s schools); interdependence (to create a shared relationship among all the institutions of the Center); opportunity (to be a major economic development force for the greater Flint area); and understanding (to be a catalyst for the understanding of the variety of cultures that constitute our city, county, state, and nation).

The Corporation challenges and involves its audiences and visitors and motivates them to incorporate the arts, humanities, and sciences into their daily lives. The Corporation ensures that the Center as a whole provides area residents, students, and visitors with interaction and exposure to a diverse array of experiences that promotes the understanding of the world around us.

The Center issues separate, consolidated financial statements including its subsidiary, Flint Cultural Center Foundation. The millage activity of the Foundation is not presented in the Schedule of Revenues and Expenses of Millage Funds.

**Flint Cultural Center Corporation**  
**Notes to the Schedule of Revenues and Expenses of Millage Funds**  
**June 30, 2019**

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**Basis of Accounting**

The schedule has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

disbursed to the Corporation for administrative service fees and are not included in the Schedule of Revenues and Expenses of Millage Funds.

**Tax Status**

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Corporation files information returns in the U.S. Federal and Michigan jurisdictions.

**Subsequent Events**

Management has evaluated subsequent events through April 7, 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 Center, including the Whiting Auditorium, Sloan Museum, and Longway Planetarium, 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 Corporation and the other named entities. The millage is effective for ten years.

The revenue disbursed from the Foundation to the Corporation 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 Corporation were \$3,521,500 for the year ending June 30, 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 Corporation. 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. Revenues of \$174,554 were also