

THE GREATER MIAMI YOUTH SYMPHONY OF
DADE COUNTY, FLORIDA, INC.
(a nonprofit organization)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Greater Miami Youth Symphony of Dade County, Florida, Inc.
(a nonprofit organization)
Miami, Florida

We have audited the accompanying statements of financial position of the Greater Miami Youth Symphony of Dade County, Florida, Inc., (a nonprofit organization), (the "Organization") as of September 30, 2011 and 2010 and the related statements of activities and changes in net assets, cash flows and functional expenses for the fiscal years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Miami Youth Symphony of Dade County, Florida, Inc. as of September 30, 2011 and 2010 and the results of its changes in net assets and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2012 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Alberni Caballero & Company, LLP

Coral Gables, Florida
January 16, 2012

THE GREATER MIAMI YOUTH SYMPHONY OF DADE COUNTY, FLORIDA, INC.
 STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash	\$ 186,787	\$ 194,170
Grants receivable	27,852	12,242
Prepays	<u>10,317</u>	<u>-</u>
	<u>224,956</u>	<u>206,412</u>
 Property and equipment, net	 <u>-</u>	 <u>1,536</u>
 Total assets	 <u>\$ 224,956</u>	 <u>\$ 207,948</u>
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 5,264	\$ 6,939
Deferred revenue - tuition received in advance	<u>50,525</u>	<u>46,404</u>
Total Liabilities	<u>55,789</u>	<u>53,343</u>
<u>Net Assets</u>		
Unrestricted	<u>169,167</u>	<u>154,605</u>
 Total liabilities and net assets	 <u>\$ 224,956</u>	 <u>\$ 207,948</u>

The accompanying notes are an integral part of these financial statements.

THE GREATER MIAMI YOUTH SYMPHONY OF DADE COUNTY, FLORIDA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Support and revenue		
Grants revenue	\$ 331,772	\$ 345,345
Tuition fees	137,425	131,143
Contributions and fundraising	26,899	31,296
Ticket sales	24,259	21,095
In-Kind	91,904	77,815
Interest and other revenue	<u>11,331</u>	<u>3,525</u>
Total support and revenue	<u>623,590</u>	<u>610,219</u>
Expenses		
Program services	<u>502,533</u>	<u>488,952</u>
Supporting services		
General and administrative	100,080	84,882
Fundraising	<u>6,415</u>	<u>21,891</u>
Total supporting services	<u>106,495</u>	<u>106,773</u>
Total expenses	<u>609,028</u>	<u>595,725</u>
Change in Net Assets	<u>14,562</u>	<u>14,494</u>
Net Assets - Beginning	<u>154,605</u>	<u>140,111</u>
Net Assets - Ending	<u>\$ 169,167</u>	<u>\$ 154,605</u>

The accompanying notes are an integral part of these financial statements.

THE GREATER MIAMI YOUTH SYMPHONY OF DADE COUNTY, FLORIDA, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 14,562	\$ 14,494
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,536	4,669
(Increase) decrease in:		
Grants receivable	(15,610)	35,741
Prepays	(10,317)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,675)	4,949
Deferred revenue - Tuition received in advance	<u>4,121</u>	<u>3,802</u>
Net cash (used in) provided by in operating activities:	<u>(7,383)</u>	<u>63,655</u>
Net increase (decrease) in cash	(7,383)	63,655
Cash at the beginning of the year	<u>194,170</u>	<u>130,515</u>
Cash at the end of the year	<u>\$ 186,787</u>	<u>\$ 194,170</u>

The accompanying notes are an integral part of these financial statements.

THE GREATER MIAMI YOUTH SYMPHONY OF DADE COUNTY, FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Depreciation	\$ -	\$ 1,536	\$ -	\$ 1,536
Insurance	5,969	6,918	-	12,887
Office expense	-	443	-	443
Other expenses	10,961	2,610	-	13,571
Printing and duplication	5,585	-	-	5,585
Professional fees	256,407	21,400	165	277,972
Rent	134,682	3,600	-	138,282
Salaries & benefits	63,378	50,543	-	113,921
Supplies	17,675	8,655	6,250	32,580
Telephone	-	3,375	-	3,375
Travel	7,876	1,000	-	8,876
Total	<u>\$ 502,533</u>	<u>\$ 100,080</u>	<u>\$ 6,415</u>	<u>\$ 609,028</u>

The accompanying notes are an integral part of these financial statements.

THE GREATER MIAMI YOUTH SYMPHONY OF DADE COUNTY, FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Depreciation	\$ -	\$ 4,669	\$ -	\$ 4,669
Insurance	3,306	7,769	-	11,075
Office expense	-	1,748	-	1,748
Other expenses	-	9,876	-	9,876
Printing and duplication	6,065	750	-	6,815
Professional fees	289,761	9,452	3,345	302,558
Rent	103,542	1,200	9,336	114,078
Salaries & benefit	58,394	33,296	-	91,690
Supplies	23,209	12,632	9,210	45,051
Telephone	-	2,490	-	2,490
Travel	4,675	1,000	-	5,675
Total	<u>\$ 488,952</u>	<u>\$ 84,882</u>	<u>\$ 21,891</u>	<u>\$ 595,725</u>

The accompanying notes are an integral part of these financial statements.

THE GREATER MIAMI YOUTH SYMPHONY OF DADE COUNTY,
FLORIDA, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

1. **NATURE OF ACTIVITIES**

The Greater Miami Youth Symphony of Dade County, Florida, Inc., (the "Organization") is a 501(c) (3) non-profit corporation organized under the laws of the State of Florida in 1976. The Organization was formed to foster a love of music in young people and enrich the cultural foundation of the community through youth musical training and performances.

The Organization provides its program through the following activities:

Young Mozarts Ensemble: Young Mozarts Ensemble is a training program for string players with some instrumental experience, but little large ensemble experience.

String Orchestra: String Orchestra is designated for young beginning string players who have basic music reading skills and the ability to follow a conductor.

Concert Orchestra: Concert Orchestra program is for intermediate level players who have had some large ensemble experience.

Symphony Orchestra: Symphony Orchestra is considered the flagship ensemble of the Organization. This program is composed of groups that perform professional level music with players of advanced ability.

Concert Band/Jazz Band: This program also known as Wind Ensemble is designated to intermediate strings players.

Young Sousas: This is a new ensemble- A training band for students with little large ensemble experience.

Chamber Ensembles: Chamber Ensembles offers participants to work in small groups with the Organization's music staff and other guest artists and will have additional performing opportunities in the community.

Preparatory Classes: The Organization offers beginning instrument instruction on all the orchestral instruments. Free instruction is provided for violin, viola, cello, bass, flute, clarinet, trumpet, trombone, and baritone. A nominal tuition is charged for oboe, bassoon, and French horn. Classes meet in various community venues throughout the county, and are led by the best music educators in South Florida. Instruments, music, method books, and other supplies are also provided for participants.

Summer Camp: Summer Music Camp is an opportunity for growth and skill development for all students involved. Each student will have opportunities in small and large ensembles, recitals, gala concerts, as well as workshops in improvisation, sight-reading, conducting, and music theory and music history. Students in intermediate camp will also participate in physical education and literacy classes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation: Net assets and revenues, gains, or losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted - Includes amounts which have no external restrictions and which are available for support of current operations.

Temporarily Restricted - Includes amounts which have donor-restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or restrictions that expire by the passage of time. There are no temporarily restricted net assets as of September 30, 2011 and 2010.

Permanently Restricted - Includes amounts that are subject to restrictions of the gift instruments requiring in perpetuity that the principal be invested and only the income to be used. There are no permanently restricted net assets as of September 30, 2011 and 2010.

Cash: Cash represents cash held in bank.

Property and Equipment: Property and equipment is stated at cost if purchased, and at fair value if contributed. Depreciation is computed on the straight-line basis over the expected useful lives of the assets. Maintenance expenses are charged to expense as incurred. The Organization capitalizes assets with a cost greater than \$750 and a useful life greater than one year.

Contributions: Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Time-restricted and purpose-restricted contributions are required to be reported as temporarily restricted support, unless the donor expressly stipulates otherwise. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Donated Facilities: The Organization receives the free use of facilities for program services. Contributions and expenses related to the donated use of facilities amounting to \$91,904 and \$77,815 have been reflected in the accompanying statement of activities for the fiscal years ending September 30, 2011 and 2010; respectively.

Expenses: The cost of providing various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited based on the hours dedicated to each program.

Income Taxes: The Organization is a tax-exempt corporation under Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Fair Value of Financial Instruments: The estimated fair values for financial instruments are determined at discreet points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair values of the Organization's financial instruments, which include all cash, receivables and accounts payable, approximate the carrying value in the financial statements at September 30, 2011 and 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates: The preparation of financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include assessing the collectability of receivables, and the useful lives and impairment of tangible assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Allowance for Doubtful Accounts: Management believes that all receivables are collectible within one year. Therefore, the Organization has not included a provision for uncollectible accounts. Any accounts deemed uncollectible will be charged to expense when the determination is made. There were no uncollectible accounts during the year ended September 30, 2011 and 2010.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 23,446	\$ 23,446
Less: Accumulated depreciation	<u>(23,446)</u>	<u>(21,910)</u>
	<u>\$ -</u>	<u>\$ 1,536</u>

4. GRANTS RECEIVABLE

The breakdown of grants receivables is as follows:

	<u>2011</u>	<u>2010</u>
The Children's Trust of Miami Dade	<u>\$ 27,852</u>	<u>\$ 12,242</u>

5. CONDITIONAL PROMISES TO GIVE

As of September 30, 2011, the Organization's grants from The Children's Trust of Miami Dade County have been renewed for the 2012 fiscal year as detailed below. The receipt of funds is contingent upon on providing the services described in the grant agreement and complying with the reporting requirements of the grant.

<u>Funding Agency</u>	<u>Program</u>	<u>Contract #</u>	<u>Amount</u>
The Children's Trust	Out of School Program	1122-2170	\$111,650
The Children's Trust	Prevention Program	1150-2170	\$150,000

6. COMMITMENTS AND CONTINGENCIES

Facilities Lease: The Organization leases its facilities under a month to month operating lease for \$700 per month.

Grants: The Organization received certain grant revenues, which require compliance with certain provisions stated in the instrument of the grant. Failure to comply with these provisions could result in a request for the return of funds to the grantor. Although, this is a possibility, the Organization's management deems the contingency remote since, in their opinion; the Organization has fully complied with the provisions of the grants.

7. CONCENTRATIONS

The Children's Trust of Miami Dade contracts represented 36% and 39% of the Organizations total revenues for the 2011 and 2010 fiscal years, respectively. The contracts are renewable on an annual basis. In the event of a significant reduction in the level of the aforementioned funding, the programs and activities may be materially affected. However, as noted in note 5 the Organization has received funding from The Children's Trust of Miami Dade for 2012.

Also, as of September 30, 2011 and 2010 100% of the grants receivable were due from The Children's Trust of Miami Dade County

The Organization maintains its cash in bank deposit accounts, which at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts. The Organization maintains its cash with high quality financial institutions, which the Organization believes limits these risks.

8. SUBSEQUENT EVENTS

Management evaluated subsequent events from October 1, 2011 through January 16, 2012, the date the financial statements were available to be published. No events were identified during this review of subsequent events that required adjustment to or disclosure within these financial statements.



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**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
The Greater Miami Youth Symphony of Dade County, Florida, Inc.
Miami, Florida

We have audited the financial statements of the Greater Miami Youth Symphony of Dade County, Florida, Inc. ("the Organization") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated January 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Directors of
The Greater Miami Youth Symphony of Dade County, Florida, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

However, we noted other matters that were reported to management in a separate letter dated January 16, 2012.

This report is intended solely for the information and use of the Board of Directors, The Children Trust of Miami Dade County, management and others within the Organization and granting agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Alberni Caballero & Company, LLP

Coral Gables, Florida
January 16, 2012