

**OTTAWA SUZUKI STRINGS**

UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2020

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DRAFT FOR REVIEW

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Members,  
Ottawa Suzuki Strings:

We have reviewed the accompanying financial statements of Ottawa Suzuki Strings that comprise the statement of financial position as at June 30, 2020 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Practitioner's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Ottawa Suzuki Strings as at June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**OUSELEY HANVEY CLIPSHAM DEEP LLP**  
Licensed Public Accountants

Ottawa, Ontario  
TBD

## OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020

|  | 2020 |        | 2019 |        |
|--|------|--------|------|--------|
| <b>CURRENT ASSETS</b>                  |      |        |      |        |
| Cash                                   | \$   | 46,005 | \$   | 66,159 |
| <b>PROPERTY AND EQUIPMENT (note 2)</b> |      | -      |      | -      |
|  | \$   | 46,005 | \$   | 66,159 |
| <b>CURRENT LIABILITIES</b>             |      |        |      |        |
| Accounts payable                       | \$   | 186    | \$   | 2,193  |
| Deferred revenue (note 3)              |      | 4,090  |      | 22,525 |
|  |      | 4,276  |      | 24,718 |
| <b>NET ASSETS</b>                      |      |        |      |        |
| Unrestricted net assets                |      | 41,729 |      | 41,441 |
|  | \$   | 46,005 | \$   | 66,159 |

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

|                                    | 2020 |        | 2019 |         |
|------------------------------------|------|--------|------|---------|
| Balance beginning of year          | \$   | 41,441 | \$   | 44,425  |
| Net revenue (expense) for the year |      | 288    |      | (2,984) |
| Balance end of year                | \$   | 41,729 | \$   | 41,441  |

## OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2020

|   | 2020          | 2019              |
|---|---------------|-------------------|
| <b>REVENUE</b>                            |               |                   |
| School                                    | \$ 199,584    | \$ 201,115        |
| Touring program                           | 7,782         | 30,044            |
| Summer camp                               | 12,096        | -                 |
| Donations                                 | 2,167         | 2,225             |
| Federal and city grants                   | 2,777         | 5,789             |
| Community Foundation of Ottawa grant      | 9,065         | 3,375             |
| Other                                     | 3,659         | 4,939             |
|   | 237,130       | 247,487           |
| <b>EXPENSE</b>                            |               |                   |
| School                                    | 182,110       | 187,866           |
| Summer Camp                               | 12,146        | -                 |
| Touring program                           | 7,764         | 30,329            |
| Salary and fees                           | 26,557        | 24,446            |
| Insurance                                 | 2,211         | 2,150             |
| Other administrative                      | 6,054         | 5,680             |
|   | 236,842       | 250,471           |
| <b>NET REVENUE (EXPENSE) FOR THE YEAR</b> | <b>\$ 288</b> | <b>\$ (2,984)</b> |

## OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

|   | 2020      | 2019       |
|---|-----------|------------|
| CASH PROVIDED BY (USED FOR)                   |           |            |
| OPERATIONS                                    |           |            |
| Net revenue (expense) for the year            | \$ 288    | \$ (2,984) |
| Net change in non cash working capital items: |           |            |
| Accounts payable                              | (2,007)   | (4,669)    |
| Deferred revenue                              | (18,435)  | 13,495     |
| Net change in cash for the year               | (20,154)  | 5,842      |
| Cash beginning of year                        | 66,159    | 60,317     |
| CASH END OF YEAR                              | \$ 46,005 | \$ 66,159  |

# OTTAWA SUZUKI STRINGS

NOTES TO UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2020

Ottawa Suzuki Strings operates a music school and develops programs for the instruction of children in music inspired by the method and philosophy of Dr. Shinichi Suzuki. It was incorporated as a non share capital corporation under the Canada Corporations Act and has continued under the Canada Not-for-Profit Corporations Act. The organization is a registered charity.

## 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Revenues related to general operations are recognized in the year in which they are received or receivable once the related services have been provided. Any revenues collected in the year that are related to future year programs are deferred to match expenses of the subsequent year. Donations are recognized when received unless they are for restricted purposes.

### b) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

### c) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at amortized cost or cost less appropriate allowances for impairment. Financial assets measured at amortized cost consist of cash. Financial liabilities measured at amortized cost consist of accounts payable.

### d) Capital assets

Property and equipment consists of musical instruments recorded at cost. Amortization is calculated using the straight line method over a period of 5 years.

## 2. PROPERTY AND EQUIPMENT

|                     | Cost     | Accumulated<br>Amortization | 2020<br>NBV | 2019<br>NBV |
|---------------------|----------|-----------------------------|-------------|-------------|
| Musical instruments | \$ 3,103 | \$ 3,103                    | \$ -        | \$ -        |

## OTTAWA SUZUKI STRINGS

NOTES TO UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2020

### 3. DEFERRED REVENUE

Deferred revenue consists of registration fees paid in advance of services being provided and contributions received for future related expenses.

|  | 2020      | 2019      |
|--|-----------|-----------|
| Balance, beginning of year                           | \$ 22,525 | \$ 9,030  |
| Less: amounts recognized as revenue in the year      | (22,355)  | (8,860)   |
| Plus: amounts received related to the following year | 3,920     | 22,355    |
| Balance, end of year                                 | \$ 4,090  | \$ 22,525 |

### 4. CONTRIBUTED SERVICES

Volunteers contribute time to assist the organization to carry out its service delivery activities. Because of the difficulty in determining the fair value of such contributed services, they are not recognized in the accompanying financial statements.

### 5. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.