

OTTAWA SUZUKI STRINGS

UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

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 ("the Entity") that comprise the statement of financial position as at June 30, 2023 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.

Basis for qualified conclusion

In common with many not-for-profit organizations, the Entity derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation revenue, net revenue (expense) for the year, and cash flows from operations for the years ended June 30, 2023 and 2022, current assets as at June 30, 2023 and 2022, and net assets as at July 1 and June 30 for both the 2023 and 2022 year ends. Our conclusion on the financial statements as at and for the year ended June 30, 2023 was modified accordingly because of the possible effects of this limitation in scope.

Qualified conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Ottawa Suzuki Strings as at June 30, 2023, 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

DRAFT FOR REVIEW

OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	2023		2022	
CURRENT ASSETS				
Cash	\$	41,451	\$	54,444
Accounts receivable		1,323		-
Government remittances receivable		867		-
Loans receivable (note 2)		3,568		-
		47,209		54,444
PROPERTY AND EQUIPMENT (note 3)				
		-		-
	\$	47,209	\$	54,444
CURRENT LIABILITIES				
Accounts payable	\$	1,082	\$	3,457
Deferred revenue (note 4)		12,225		12,640
		13,307		16,097
NET ASSETS				
Unrestricted net assets		33,902		38,347
	\$	47,209	\$	54,444

Approved on behalf of the Board:

Director

Director

OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	2023		2022	
Balance beginning of year	\$	38,347	\$	45,877
Net expense for the year		(4,445)		(7,530)
Balance end of year	\$	33,902	\$	38,347

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OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
REVENUE		
School	\$ 94,616	\$ 98,221
Donations	9,362	10,511
Federal grants	7,051	2,848
Community Foundation of Ottawa grant	10,430	1,930
Touring program	85	150
Other	5,426	1,883
	<u>126,970</u>	<u>115,543</u>
EXPENSE		
School	95,272	94,167
Salary and fees	26,118	22,437
Insurance	2,529	2,424
Other administrative	7,496	4,045
	<u>131,415</u>	<u>123,073</u>
NET EXPENSE FOR THE YEAR	<u>\$ (4,445)</u>	<u>\$ (7,530)</u>

OTTAWA SUZUKI STRINGS

UNAUDITED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
CASH PROVIDED BY (USED FOR)		
OPERATIONS		
Net expense for the year	\$ (4,445)	\$ (7,530)
Net change in non cash working capital items:		
Accounts receivable	(1,323)	-
Government remittances receivable	(867)	522
Loans receivable	(3,568)	-
Accounts payable	(2,375)	2,993
Deferred revenue	(415)	8,950
Net change in cash for the year	(12,993)	4,935
Cash beginning of year	54,444	49,509
CASH END OF YEAR	\$ 41,451	\$ 54,444

OTTAWA SUZUKI STRINGS

NOTES TO UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

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, accounts receivable, government remittances receivable and loans receivable. 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. LOANS RECEIVABLE

Interest-free loans have been made to Ottawa Suzuki Strings teachers for Suzuki training. These loans are to be repaid by the end of their school term. If, at the end of term, the teachers continue to teach at the school, a subsequent loan agreement may be made, if both parties agree.

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NOTES TO UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2023 NBV	2022 NBV
Musical instruments	\$ 3,103	\$ 3,103	\$ -	\$ -

4. DEFERRED REVENUE

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

	2023	2022
Balance, beginning of year	\$ 12,640	\$ 3,690
Less: amounts recognized as revenue in the year	(12,640)	(3,690)
Plus: amounts received related to the following year	12,225	12,640
Balance, end of year	\$ 12,225	\$ 12,640

5. 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.

6. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, government remittances receivable, loans receivable 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.