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Edmonton String Players Association

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Opinion on the Financial Statement of the Edmonton String Players' Association

Member Auditor's Report

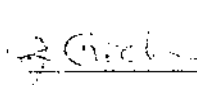
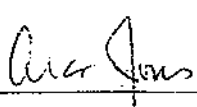

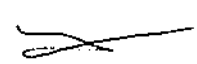
We have audited the accompanying financial statements and the financial records associated with them in accordance with the bylaws of the Edmonton String Players' Association. Neither of the auditors is a member of the executive or has signing authority for the organization, and both undersigned auditors are arms' length from all executive members.

The audit protocol involved a review of the bank statements for the associated accounts, a review of selected sample transactions supporting the financial statements, and comparison of the financial summary data to the detailed records. This audit included review of the organizations signing procedures as well as determination that the expenses were made appropriately within the mandate of the organization.

The financial statements are the responsibility of the organization's executive. Our responsibility is to express an opinion on the financial statements and transactions based on our audit.

Through the audit, we have obtained reasonable assurance that the financial statements are free of material misstatement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements attached represent fairly, in all material respects, the financial situation and expenditures of the Edmonton String Players Association.

Name:	Jackie (Cronin)	Alan JONES	Sunny cho	Weiming Han
Signature:				
Date:	2015	2015/9/27	Sept. 27, 2015	Sept. 27, 2015

Edmonton String Players Association
Statement of Financial Position
For the Year End of August 31, 2015
(Audited)

	Asset		
	2015	2014	2013
	\$	\$	\$
Assets			
0010 General Fund	101,117.40	101,919.86	76,726.20
0020 Casino Account	795.58	28,885.19	57,268.05
Total Assets	<u>101,912.98</u>	<u>130,805.05</u>	<u>133,994.25</u>

Liabilities and Fund Balance

Liabilities	-	-	-
Fund Balance			
5010 Casino Fund Balance	795.58	28,885.19	57,268.05
5020 General Fund Balance	101,117.40	101,919.86	76,726.20
	<u>101,912.98</u>	<u>130,805.05</u>	<u>133,994.25</u>

Edmonton String Players Association
Statement of Operation and Changes in Fund Balances
For the Year Ended August 31, 2015
(Audited)

	General Acct	Casino Acct	TOTAL
Receipts			
6010 Registration and Instrument Rental Fees	141,157.20	-2,115.00	139,042.20
6014 Service/Fee Income	3.84		3.84
6020 Grants	34,000.00		34,000.00
6030 Fundraising - Gift Cards	1,165.71		1,165.71
6032 Fundraising - Chocolates	1,025.10		1,025.10
6035 Fundraising-others	60.00		60.00
6036 Fundraising - Silent Auction	944.00		944.00
6040 Donations - Tax Receipt required	13,505.65		13,505.65
6041 Donations - Others	2,980.50		2,980.50
6050 Bingo	1,500.00		1,500.00
6060 Interest Revenue	139.41	3.14	142.55
6084 Tour/Event Contribution - Others	1,650.00		1,650.00
6999 Uncategorized Income	240.00		240.00
Total receipts	\$ 198,371.41	-\$ 2,111.86	\$ 196,259.55
Expenditure			
7010 Instrument R&M	1,648.29		1,648.29
7012 Musical Supplies	299.43		299.43
7016 Program Registration	1,350.00		1,350.00
7018 Rent - Storage	10,800.00		10,800.00
7020 Rent - Venue	1,788.50		1,788.50
8010 Honorarium - Instructors and Conductors	98,830.89	26,968.33	125,799.22
8011 Honorarium - Program Admin	18,500.00		18,500.00
8012 Honorarium - Instrument Technical	14,579.00		14,579.00
8013 Honorarium - Instructor Co.	14,250.00		14,250.00
8014 Honorarium - Others	805.00		805.00
8410 Bank charges - Paypal	1,096.08		1,096.08
8412 Bank/Financial Charges	315.96		315.96
8420 Insurance	6,713.00		6,713.00
8430 Office Supplies & Administration Fee	3,733.63	225.78	3,959.41
8432 Police info Search	174.00	54.00	228.00
8440 Gift and Meeting Hospitality	928.95		928.95
8450 Advertising & Promotion	7,399.33	396.90	7,796.23
8451 Website Design & maintenance	9,135.00		9,135.00
9082 Tour - YE School Tour	1,686.34		1,686.34
9084 Tour/Event Expense - Others	2,626.98		2,626.98
9132 Fundraising Expense - Chocolates	621.18		621.18
9150 Fundraising Expense - Others	225.05		225.05
Total Expenditure	\$ 197,506.61	\$ 27,645.01	\$ 225,151.62
Excess(Diciency) or Receipts over Expenditures	\$ 864.80	-\$ 29,756.87	-\$ 28,892.07
Fund Balance, Beginning of Year	\$ 101,919.86	\$ 28,885.19	\$ 130,805.05
Fund Balance, End of Year	\$ 101,117.40	\$ 795.58	\$ 101,912.98

Note: The \$2,115.00 registration refund , \$225.78 office supplies and \$396.90 advertising were mistakenly paid by Casino fund during the 2014.

The total amount \$2737.68 will transfer from general account in OCT 2015.

Edmonton String Players Association

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2015

1. Purpose of Organization

From July 30, 2013 onward, the Objectives of the society (Association) are to support and promote musical strings (violin, viola, cello, bass) education amongst the youth of the greater Edmonton area by:

- (a) organizing and arranging for strings group instruction and ensemble playing opportunities;
- (b) providing financial support for the engagement of instructors/conductors/accompanists, as well as for the purchase/rental/repair of string instruments, purchase/rental of music, payment of festival entry and venue rental fees, and payment of touring costs beyond direct parent funding;
- (c) providing communications relevant to the program such as newsletters;
- (d) promoting the program throughout the Edmonton area;
- (e) providing logistical support in the arranging of concerts, tours, etc.; and
- (f) operating without purpose of gain for members, as all profits or other accretions to the Society shall be used in promoting objects (a-e).

From July 30, 2013 onward, the Bylaws of the society (Association) were modified to comply to Alberta Gaming and Liquor Commission's requirements that the Association restructure as a community arts and education group, rather than a parent advisory council on string music for the Edmonton Public School Board. This required that membership of the Association be more broadly defined to include not only the parents of students registered in Music Enrichment Program, but also adult students registered in Music Enrichment Program. Further, associate membership shall be granted to any community member interested in furthering the Objectives of the Association upon payment of fees, as set out by the Association from time to time, and upon approval of the Executive.

2. Significant Events

During the fiscal year, both the Edmonton Public School Board (E.P.S.B.) and the Greater St. Albert Catholic School District (G.S.A.C.S.D.) continued their memorandums of understanding with the Association, generously providing rent-free hosting of all group classes and orchestra rehearsal. In June 2015, Victoria School of the Arts transferred the custody of all 100 Manhasset music stands and their four transporting racks to the Association. In August 2015, the Association ended its rental of a basement suite in east Edmonton as its instrument storage facility, and moved to its new, 900 square foot offices

and storage facility at 210, 11803 - 125 Street. On August 31, 2015, the Association was granted by A.G.L.C. a bingo license, the first ever held by the Association.

3. Significant Accounting Policies

a. General Statement on Financial Statements

The Association is a not-for-profit entity with no employees, pension plans, financial instruments or investments. Revenues are quite small, less than \$500,000 per year.

New accounting standards for not-for-profit organizations in Canada are mandatory for fiscal years beginning on or after January 1, 2012. For private sector N.P.O.s (any N.P.O. that is not part of government), two choices can be made. Either they can adopt the Accounting Standards for Not-for-Profit Organizations contained in Part III of the Canadian Institute of Chartered Accountants (C.I.C.A.) Handbook, or they can adopt International Financial Reporting Standards (I.F.R.S.). The Association adopted the former.

The Accounting Standards for Not-for-Profit Organizations also require the application of Part II of the Handbook - Standards for Private Enterprises for recognition of financial assets (investments), financial liabilities, future employee benefits, hedge accounting and non-controlling interests. The Association was not affected by any of these or any other items from Part II of the Handbook. I.F.R.S. are the same standards which apply to public companies and are significantly different and more demanding in many areas from Handbook, Parts II and III. The E.S.P.A. Executive choose to adopt Accounting Standards for Not-for-Profit Organizations, rather than I.F.R.S.

As per the Handbook, financial statements for non-for-profit organizations normally include:

- a) a statement of financial position (balance sheet);
- b) a statement of operations (income statement);
- c) a statement of changes in net assets (fund balances) ; and,
- d) a statement of cash flows.

The Association has had for many years a statement of financial position. In prior years, the Association has also had a statement of members' equity that was similar to a statement of changes in fund balances. Also in prior years, the Association had a statement of receipts and expenditures for each of the Association's two funds (Casino and General) that was similar to a statement of operations. For the prior year (F.Y.E. August 31, 2012), the Association had revised the format of these three statements to bring them into conformity with Section 4400 of the old Handbook. The new Handbook would not require any further changes for the Association beyond this. The statement of operations and the statement of changes in fund balances have been combined into one statement as specifically allowed for by the Handbook. Amounts for all years have been restated as per the revised statements for consistency.

The Association does not have a statement of cash flows, which is meant to group inflows and outflows of cash based transactions by operating, financing and investing activities.

However, given that the Association has no financing or investment activities there would appear to be little value in preparing a statement of cash flows.

Notes to the financial statements are not optional, but a required, integral part of all financial statements, even for not for profit organizations. In years prior to T.Y.E. December 31, 2012, E.S.P.A.'s Financial Statements did not contain any explanatory notes.

b. Fund Accounting

The Association uses fund accounting to organize and present its financial information. Fund accounting separates the moneys of an organization into separate groups. Each group has its own self-balancing set of accounts. The Association has two funds: the unrestricted General Fund; and, the restricted "Casino" Fund. Each fund has its own accounts (books and records) as well as its own bank account. The receipt of revenues by the "Casino" Fund, and the spending of those revenues are restricted by the Alberta Gaming and Liquor Commission (A.G.L.C.). The restrictions are described in the A.G.L.C.'s Charitable Gaming Policies Handbook. The General Fund has no restrictions upon either its receipt of revenues or its expenditures.

c. Restricted Fund Method

The Association has used the restricted fund method of presentation for many years. The restricted fund method is a type of fund accounting that reports the general and the restricted fund (or funds) separately in the financial statements. In the E.S.P.A. Financial Statements, the General Fund and the Casino Fund are reported separately within each statement.

e. Capital Assets

For the purposes of reporting capital assets (fixed assets) on the statement of financial position, the Association is defined as a "Small Organization" in the Handbook. That is, the average of annual revenues recognized in the statement of operations for the current and prior year was less than \$500,000. The expensing of capital assets and even donations in kind is permissible for "Small Organizations". The Association has always expensed its very few capital assets and never reported them on the statement of financial position. Prior to May 1, 2013 (when the Association assumed full financial and administrative control of Music Enrichment Program from E.P.S.B.), the Association did not own any capital assets, except for a digital HD video camera and camera stand. These were purchased prior to the 2008 Singing Strings trip to Cuba for an expenditure of approximately \$1,600.

All musical instruments used in Music Enrichment Program prior to the end of the 2012/13 season on June 9, 2013 belonged to the Edmonton Public School Board. When new instruments are purchased prior to May 1, 2013, E.P.S.B. paid the vendors directly, then presented an invoice to the Association with the supporting third party invoices attached, on the understanding that the Association had agreed to provide a reimbursement to E.P.S.B.

When the Association determined that it would fully administer and finance Music Enrichment Program, it was graciously gifted by from E.P.S.B. 359 instruments (220 violins, 58 violas, 64 cellos and 15 basses). These were received by the Association on July 30. For E.P.S.B. Instrument Technician Judy Lewis provided the Association on August 9, 2013 with

a fair market value of \$94,000 (selling value) and \$189,000 (replacement value) for the instrument collection.

The Association was also gifted a string music library from Edmonton Public Schools containing 750 boxed string orchestra scores, sheet music and thousands of assorted books. On August 9, 2013 Judy Lewis provided the Association with a fair market value of \$20,000 for the boxed orchestral scores, \$10,000 for the books purchased over the last 6 years (which E.S.P.A. had reimbursed E.P.S.B. for during those 6 years) and \$1,000 for the remainder of the library's collection.

The Association was also gifted 81 portable music stands and 100 Manhasset music stands, plus four music stand carriers by E.P.S.B. These stands were then returned by the Association to the E.P.S.B. and other host schools to share with these schools, as a mutual benefit. In June 2015, the Manhasset music stands and their four music stand carriers passed into the direct custody of the Association at the request of Victoria School of the Arts, where they have been stored. The average replacement cost of these stands would be \$40 for a total replacement value of \$5,240.

To house the Music Library, musical instruments, unused stands and sundry materials, the Association purchased 15 steel framed shelving units during the fiscal year ending August 31, 2013 for use at the leased storage facility. The shelving units cost \$1,200, and it is believed would cost the same in the current fiscal year to replace.

In February 2014, Edmonton Public Schools graciously gifted Music Enrichment Program a further 81 instruments (59 violins and 22 cellos), 24 empty violin cases and three cello racks. Based on the prior year assessments, we also received 10 basses from E.P.S.B. in March 2014. The estimated fair market value was \$21,000 (selling value) and \$43,000 (replacement value) for this donation.

In April 2014, Music Enrichment Program introduced a guitar program. Five acoustic guitars were received and paid for in September 2014.

f. Revenues

From May 1, 2013 onward, the Association took full control of the administration and financing of Music Enrichment Program. This included the setting of registration fees and instrument rental fees and the collection of these fees

A.G.L.C. authorizes a casino fundraiser once every two years for a not-for-profit organization. Funds from the casino are to be expended on approved uses within 2 fiscal years (i.e. the 2013 casino will fund the 2014/15 and 2015/16 fiscal years). The distribution of funds within that time frame is at the Association's discretion. Carryover of funding to a new casino period requires prior approval from A.G.L.C.

The Association conducted a casino fundraiser during this fiscal year on November 17 and 18, 2013. The funds were released by the A.G.L.C. on February 18, 2014. These funds are eligible for approved expenditures (payments of honorariums to approved conductors,

instructors and session instructors until February 28, 2016. By August 31, 2015, there was only \$795.58 left in the casino fund bank account.

A \$17,000 grant was received from The Professional Arts Coalition of Edmonton on September 17, 2014. This was part of the Mayor's Celebration of the Arts for 2014. Also, a \$17,000 grant was received in June 2015 from the City of Edmonton's Community Initiatives Operating Grant program. The \$9,800 Visual Communications Grant received from Edmonton Community Foundation in the prior fiscal year was expended the current fiscal year on specific, website development and logo branding expenditures required by the Grant's conditions. These expenditures were reported in G/L Account 8450 as Advertising and Promotion expenditures and 8451 as Website Design & maintenance.

There were also several fundraisers throughout the fiscal year, including gift card sales, Regal Gift Catalogue sales, chocolate sales and private donations.

4. Subsequent Events

Subsequent to year-end, registration fee refund \$2,115 and expenditures of \$662.68 mistakenly drawn from the Casino Fund bank account for unauthorized uses were transferred to the General Fund bank account.