

TREASURER'S REPORT - YEAR ENDED AUGUST 31, 2016

Unfortunately, I have to again report a deficit on operations this year of \$4,556 which is less than the deficit of \$6,509 in 2015. However, this year we recovered a payroll rebate and retroactive HST rebates totaling \$4,402 or the deficit would have been \$8,958. This is a definite concern but we were fortunate to have had four consecutive years of surpluses from 2011 to 2014 and still have sufficient cash available to support the loss. Each year a budget is set, usually in April or May of the previous year, based on estimates of the number of students expected and the anticipated costs of programs, concerts, events and fixed costs such as staff, rent, telephone, memberships and insurance. But changes take place over the summer and the actual financial results are directly related to the number of students enrolled. In 2016 the number of students averaged 171, a decrease of 25 compared to the average of 196 in 2015. Each year there are changes – students and teachers move on and there are challenges finding replacements and establishing new studios.

STATEMENT OF FINANCIAL POSITION

ASSETS

Cash and short-term investment, a GIC, show a decrease of \$15,279 from 2015. Reasons for the decrease in cash is the deficit on operations of \$4,556, the decrease in deferred fees of \$2,506 (these are 2017 membership fees deposited prior to August 31, 2016), the decrease in other deferred revenue of \$3,200 (a decrease in volunteer fees of \$1,700 and a decrease in the City of Ottawa grant of \$1,500). The decrease in deferred items relate to 2017 operations, but affect cash this year. Also the increase in amounts receivable of \$5,096 relates to 2016 operations but the cash was not received and deposited until September 2016.

There were no additions to capital assets in the year and a piano that was no longer of any use was disposed of.

LIABILITIES

Accounts payable and accrued liabilities are August expenses paid in September. Deferred fees are fiscal 2017 registration fees deposited prior to the year-end. Other deferred revenue consists of amounts received in 2016 for 2017 or later operations: \$5,500 grant received from the City of Ottawa (2016 - \$7,000), other grants not yet spent: \$2,013 from the Community Foundation of Ottawa and \$400 Kiwanis flute scholarship (no changes to these in 2016) and \$2,900 volunteer contributions (2015 - \$4,600).

EMILY MAHONEY AND CELLO FUNDS

The Emily Mahoney Fund was established in 2000 and since 2014, an annual scholarship of \$500 has been awarded. The Cello Fund was established in 2005 from donations in memory of Pawel Szymczyk-Marjanovic, a faculty member, to provide bursary assistance to young cellists. Interest earned is added to the fund each year – 2016 was \$67 (2015 – \$45). No bursaries have been awarded to date.

STATEMENT OF OPERATIONS

The statement of operations for 2016 shows revenue and expenses from programs and administrative costs and the results are a deficiency of \$4,556 (2015 – a deficiency of \$6,509). The decrease in lesson and membership fees is the result of fewer students. Expenses related to programs also decreased, but administrative costs remained fairly constant. Grant income from the City of Ottawa was \$7,000 (2015 – \$7,000), Summer Camp revenue decreased by \$4,086 because of fewer registrations, but still managed to have a surplus of \$50 compared to a surplus of \$487 in 2015.

FUNDRAISING, CONCERTS, RECITALS AND SCHOLARSHIPS

Fundraising activities net of expenses, include Viva Suzuki which raised \$3,640 (2015 - \$2,235), the Faculty concert netted \$946 (2015 - \$881) and pizza sales raised \$854 (2015 - \$984). Other expenses consist of community outreach, performance group and Kiwanis music festival fees. Education and training includes parent orientation and teacher development. Scholarships and bursaries consist of a contribution to the Kiwanis scholarship fund of \$250 (2015 - \$250), no bursaries were awarded in 2015 or 2016.

THANK-YOU

I would like to express my thanks to Liko and Susan for their contributions to another great year.