

Suzuki Association of
the Americas, Inc.

Audited Financial Statements

For the years ended
July 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Management of
Suzuki Association of the Americas, Inc.
Boulder, CO

Opinion

We have audited the accompanying financial statements of Suzuki Association of the Americas, Inc. (a nonprofit organization), which comprise the statement of financial position as of July 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Suzuki Association of the Americas, Inc. as of July 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Suzuki Association of the Americas, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Suzuki Association of the Americas, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Suzuki Association of the Americas, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Suzuki Association of the Americas, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Jason F. Clausen, P.C.

Fraser, MI
May 19, 2026

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
STATEMENT OF FINANCIAL POSITION
JULY 31, 2025 AND 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 290,240	\$ 251,431
Investments	1,461,781	1,315,329
Accounts receivable	13,671	8,747
Employee retention credit receivable	-	100,789
Prepaid expenses and other assets	-	6,966
Inventory	<u>13,162</u>	<u>24,092</u>
Total current assets	1,778,854	1,707,354
Property and equipment, net	<u>2,560</u>	<u>3,391</u>
Total assets	<u>1,781,414</u>	<u>1,710,745</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	54,079	9,941
Accrued compensation	654	654
Deferred revenue	<u>3,108</u>	<u>1,619</u>
Total current liabilities	<u>57,841</u>	<u>12,214</u>
Total liabilities	57,841	12,214
<u>Net assets</u>		
Net assets without donor restrictions		
Undesignated	<u>1,723,573</u>	<u>1,698,531</u>
Total net assets	<u>1,723,573</u>	<u>1,698,531</u>
Total liabilities and net assets	<u>\$ 1,781,414</u>	<u>\$ 1,710,745</u>

See independent auditor's report and notes to financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025		2024	
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Membership dues	\$ 425,129	\$ -	\$ 425,129	\$ 413,934
Course registration fees	137,145	-	137,145	89,189
Institutes	12,626	-	12,626	14,914
Advertising	19,287	-	19,287	23,623
Contributions and grants	57,510	-	57,510	166,008
Conferences	890	-	890	88,117
Net investment return	120,066	-	120,066	154,034
Other Income	18,210	-	18,210	1,796
	<u>790,863</u>	<u>-</u>	<u>790,863</u>	<u>951,615</u>
<u>Expense</u>				
Program services	509,688	-	509,688	488,673
Management and general	229,761	-	229,761	233,674
Membership development	26,372	-	26,372	25,343
	<u>765,821</u>	<u>-</u>	<u>765,821</u>	<u>747,690</u>
Change in net assets	25,042	-	25,042	203,925
Net assets, beginning of period	<u>1,698,531</u>	<u>-</u>	<u>1,698,531</u>	<u>1,494,606</u>
Net assets, end of period	<u>\$ 1,723,573</u>	<u>\$ -</u>	<u>\$ 1,723,573</u>	<u>\$1,698,531</u>

See independent auditor's report and notes to financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2025

<u>Description</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Membership Development</u>	<u>Total</u>
Salaries and related expenses	\$ 241,967	\$ 107,955	\$ 22,335	\$ 372,257
Professional services	90,522	71,125	-	161,647
Printing, postage, and shipping	56,830	10,955	685	68,470
Travel and meeting	30,935	13,802	2,855	47,592
Grants and scholarships	28,448	-	-	28,448
Unallocated payments to international organizations	28,380	-	-	28,380
Bank fees	25,851	-	-	25,851
Facility and equipment	-	9,909	-	9,909
Telephone and supplies	545	491	54	1,090
Miscellaneous	6,210	15,524	443	22,177
Total expenses on the statement of activities	<u>\$ 509,688</u>	<u>\$ 229,761</u>	<u>\$ 26,372</u>	<u>\$ 765,821</u>

See independent auditor's report and notes to financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2024

<u>Description</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Membership Development</u>	<u>Total</u>
Salaries and related expenses	\$ 227,806	\$ 101,636	\$ 21,028	\$ 350,470
Professional services	92,733	72,861	-	165,594
Printing, postage, and shipping	52,248	10,072	629	62,949
Facility and equipment	31,624	14,109	2,919	48,652
Unallocated payments to international organizations	28,788	-	-	28,788
Grants and scholarships	25,571	-	-	25,571
Travel and meeting	20,722	-	-	20,722
Bank fees	-	18,240	-	18,240
Telephone and supplies	3,876	3,488	388	7,751
Miscellaneous	5,307	13,267	379	18,953
Total expenses on the statement of activities	<u>\$ 488,673</u>	<u>\$ 233,674</u>	<u>\$ 25,343</u>	<u>\$ 747,690</u>

See independent auditor's report and notes to financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 25,042	\$ 203,925
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized gains on investments	(93,836)	(126,134)
Depreciation	831	761
<u>Changes in operating assets and liabilities</u>		
(Increase) Decrease in:		
Accounts receivable, net	(4,924)	652
Prepaid expenses	6,966	2,065
Inventory	10,930	(1,508)
Security deposits	-	5,000
Employee retention credit receivable	100,789	(100,789)
Increase (Decrease) in:		
Accounts payable	44,138	5,425
Deferred revenue	1,489	1,157
Net cash provided by (used in) operating activities	91,425	(9,446)
<u>Cash flows from investing activities</u>		
Cash provided by (used in) the sale (purchase) of investments	(52,616)	54,970
Purchase of fixed assets	-	(4,152)
Net cash provided by (used in) investing activities	(52,616)	50,818
Net increase (decrease) in cash and cash equivalents	38,809	41,372
Cash and cash equivalents, beginning of period	251,431	210,059
Cash and cash equivalents, end of period	\$ 290,240	\$ 251,431
<u>Supplementary Information</u>		
Cash paid for interest:	\$ -	\$ -

See independent auditor's report and notes to financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Suzuki Association of the Americas, Inc. (the Association) is a nonprofit coalition of teachers, parents, educators, and others who are interested in making music education available to all children. The Association provides programs with services to members throughout North and South America. With the International Suzuki Association (ISA), and other regional associations, the Association promotes and supports the spread of Dr. Suzuki's Talent Education.

In addition to publishing the American Suzuki Journal, a quarterly magazine for members, the Association offers teacher development programs, scholarships, conferences, workshops, and retreats.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and reflect all significant receivables, payables, and other liabilities.

Classification of Net Assets

The Association prepares its financial statements in accordance with FASB ASC 958-205, "Financial Statements of Not-for-Profit Organizations". Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. As permitted under the provisions of FASB 958-605, the Association records donor-restricted contributions whose restrictions have been satisfied in the same reporting period as unrestricted support in such year.

Cash and Cash Equivalents

The Association considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. This definition includes only money market funds and certificates of deposit as cash equivalents which are held in undesignated accounts.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, and realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts, Grants, and Contributions Receivable

Accounts, grants and contributions receivable are stated at unpaid balances less an allowance for doubtful accounts. The Organization reviews accounts receivable periodically for collectability and establishes an allowance for doubtful accounts and records bad debt when deemed necessary. The allowance for doubtful accounts was \$0 as of July 31, 2025, and 2024.

Inventory

Inventory is comprised of published training materials and videos and is stated at the lower of average cost or net realizable value. The Association has evaluated potential inventory obsolescence with no such allowance required at July 31, 2025, and 2024.

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

The Association reports revenue in accordance with Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. According to Topic 606, revenue is recognized when the performance obligations of promised goods or services are completed for an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services.

Unconditional contributions are recognized when pledged and are recorded as net assets without donor restrictions. Conditional contributions are recognized and recorded as net assets when the conditions on which they depend are substantially met. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Association did not have any conditional promises to give at July 31, 2025, and 2024.

Membership dues are classified as contributions and are recognized in the period in which payment is received.

Deferred Revenue

Conference registrations and other program service payments received in advance are deferred to the applicable period in which the services are provided. Advertising income received in advance is deferred to the applicable period in which the related advertisements are published.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$1,345 and \$3,572 for the years ended July 31, 2025, and 2024, respectively.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of management's estimate of time and effort.

Unallocated Payments to International Organization

The Association remits quarterly membership fees to the International Suzuki Association (ISA) for the right to promote the Suzuki method in the Americas. The Association remitted fees of \$28,380 and \$28,788 to ISA for the years ended July 31, 2025, and 2024, respectively.

Income Taxes

The Association has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

See independent auditor's report and financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

The Association holds its cash deposits with highly credible financial institutions. Periodically, the amount of deposits in these accounts may exceed federally insured limits of \$250,000. As of July 31, 2025, and 2024, the Association had \$0 deposits in excess of federally insured limits.

Current Financial Assets

As of July 31, 2025, the Association had \$1,765,692 of financial assets available for use within one year. Financial assets consist of cash of \$290,240, net accounts receivable of \$13,671, and investments of \$1,461,781, respectively. The Association has a goal to maintain financial assets to meet 60 days of operations which are approximately \$128,000.

As of July 31, 2024, the Association had \$1,676,296 of financial assets available for use within one year. Financial assets consist of cash of \$251,431, net accounts receivable of \$109,536, and investments of \$1,315,329, respectively. The Association has a goal to maintain financial assets to meet 60 days of operations which are approximately \$125,000.

Property and Equipment

Property and equipment purchased by the Association is carried on its books at cost. Property and equipment donated to the Association has been recorded at its estimated value at the date of receipt by the Association. Expenditures for major betterments and additions are charged to the property accounts, while replacements, maintenance and repairs which do not improve or extend the life of the respective assets are expensed currently. Depreciation of office equipment is provided under the straight-line method over a useful life of 5 years.

Contributed Goods and Services

Donated materials and services are reflected as contributions at their fair market value at the date of receipt. In addition, the Organization receives services from volunteers who give of their time. This volunteer work does not meet the requirements for recognition in GAAP and is therefore not included in the financial statements. The value of donations in-kind were \$0 for the years ended July 31, 2025, and 2024, respectively.

NOTE 2 – EMPLOYEE BENEFIT PLAN

The Association sponsors a Savings Incentive Match Plan (Simple) IRA Plan (the Plan) available to all staff who meet the salary and length of service qualifications. As a defined contributions plan, the Association matches employee voluntary salary reductions up to 3% of each employee's gross compensation. The Association's contributions to the Plan totaled \$7,500 and \$7,250 for the years ended July 31, 2025, and 2024, respectively.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT

ASC topic *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC topic *Fair Value Measurements* are described as follows:

See independent auditor's report and financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the abilities to access.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- if the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Association are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Association are deemed to be actively traded.

Corporate Bonds: Valued by the custodians of the securities based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

Preferred Stocks: Valued based upon prices of similar assets recently sold on an exchange or inactive broker-dealer market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the

Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value or certain financial instruments could result in a different fair value measurement at the reporting date.

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

The Association's assets at fair value for July 31, 2025, and 2024:

	<u>Fair Value</u>	July 31, 2025		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds				
Large blend	\$ 334,907	\$ 334,907	\$ -0-	\$ -0-
Large growth	79,602	79,602	-0-	-0-
Large value	157,979	157,979	-0-	-0-
Moderate allocation	93,839	93,839	-0-	-0-
Preferred stock	101,611	-0-	101,611	-0-
Corporate bonds	685,481	-0-	685,481	-0-
Common Stock	<u>8,362</u>	<u>8,362</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 1,461,781</u>	<u>\$ 674,689</u>	<u>\$ 787,092</u>	<u>\$ -0-</u>

	<u>Fair Value</u>	July 31, 2024		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds				
Large blend	\$ 286,268	\$ 286,268	\$ -0-	\$ -0-
Large growth	67,850	67,850	-0-	-0-
Large value	146,637	146,637	-0-	-0-
Moderate allocation	83,840	83,840	-0-	-0-
Preferred stock	107,490	-0-	107,490	-0-
Corporate bonds	617,745	-0-	617,745	-0-
Common stock	<u>5,500</u>	<u>5,500</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 1,315,330</u>	<u>\$ 590,095</u>	<u>\$ 725,235</u>	<u>\$ -0-</u>

NOTE 4 – COMPARATIVE STATEMENTS

Certain amounts shown for the year ended July 31, 2024, in the accompanying financial statements are included to provide a basis for comparison with 2025 and present summarized totals only. Accordingly, 2024 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Association's financial statements for the year ended July 31, 2024, from which the summarized information was derived.

NOTE 5 - PROPERTY AND EQUIPMENT

At July 31, 2025, Property and equipment are comprised of the following:

	<u>2025</u>	<u>2024</u>
Office Equipment	\$ 4,152	\$ 4,152
Less accumulated depreciation	<u>(1,592)</u>	<u>(761)</u>
Net property and equipment	<u>\$ 2,560</u>	<u>\$ 3,391</u>

See independent auditor's report and financial statements

SUZUKI ASSOCIATION OF THE AMERICAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

NOTE 5 - PROPERTY AND EQUIPMENT(CONTINUED)

For the years ended July 31, 2025, and 2024, depreciation expense was \$831 and \$761, respectively.

NOTE 6 – RELATED PARTIES

The Association receives support from related parties and their family members. For years ended July 31, 2025, and 2024, the amounts received were \$4,425 and \$5,876, respectively.

NOTE 7 – EMPLOYEE RETENTION CREDIT

The Association has applied for funds under the federal Employee Retention Credit (ERC) program, which was established under the CARES Act and extended by subsequent legislation. The ERC is a refundable tax credit intended to encourage businesses to retain employees during the COVID-19 pandemic. As of July 31, 2025 and 2024 the Association has recognized \$0 and \$100,789 respectively, as an accounts receivable, representing the estimated amount of the ERC credit expected to be received from the U.S. government. The credit is recorded as revenue in the period in which it is earned and is classified as a current asset on the statement of financial position.

When this credit is reviewed by the IRS, adjustments to the recorded amount may be required based on the final determination of eligibility and the credit amount.

NOTE 8 – DATE OF MANAGEMENT’S REVIEW

Management has evaluated all subsequent events through the date of this report, which is the date these financial statements were available to be issued.