

## Jazzit Fundamentals– May 31, 2018 update

Welcome to the **May 31, 2018** Jazzit Fundamentals update release notes.

The modules listed below are dated **May 31, 2018** in your Resource Centre **JZUPDATE** RC update control document.

**Please note** that this month’s build includes style sheet and browse changes. These will be automatically copied into your Resource Centre when you update your RC update control.

**Remember that Jazzit Fundamental updates are cumulative.** Updating to this release will include all features and functionality from prior releases, together with any corrections made to the templates

## NEW FEATURES AND FUNCTIONALITY

### RP – ENGAGEMENT REPORT

- **REVIEW** – Added sample qualification wording to CSRE2400 review report
- The report will now reflect if the Statement of Retained Earnings/Partner’s Capital/Proprietor’s Capital/Net Asset is sorted **BEFORE** the Income Statement

To the Shareholders of Jazzit Simple Example Ltd.

We have audited the accompanying financial statements of Jazzit Simple Example Ltd., which comprise the balance sheet as at December 31, 2017 and the statements of retained earnings, income and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

- A added the ability to set the section headings to:  
 Unbold,  
 bold, italics

To the Shareholders of Jazzit Simple Example Ltd.

We have audited the accompanying financial statements of the balance sheet as at December 31, 2017 and the statement of retained earnings, income and cash flow 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 the financial statements in accordance with Canadian accounting standards for private enterprises. Management’s determination of what information is necessary to enable the preparation of the financial statements without material misstatement, whether due to fraud or error.

*Auditor’s Responsibility*

Our responsibility is to express an opinion on these financial statements based on the audit we conducted in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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- Added the ability to set a custom header on the subsequent pages on the report (if applicable)



## EL – ENGAGEMENT LETTER

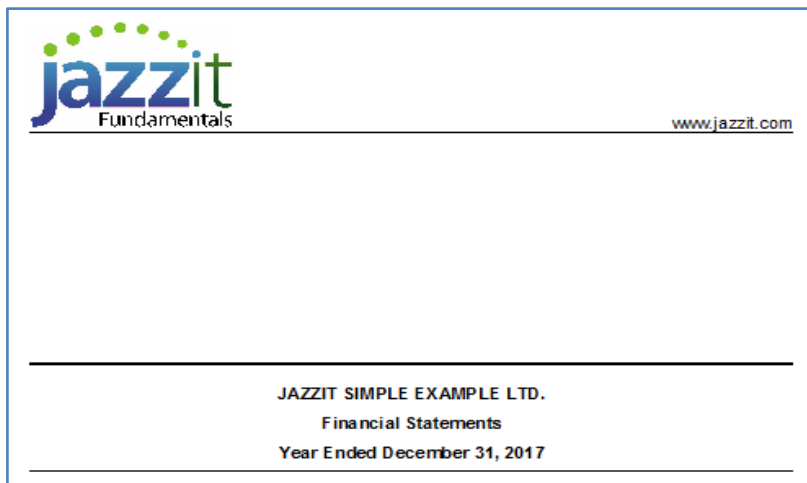
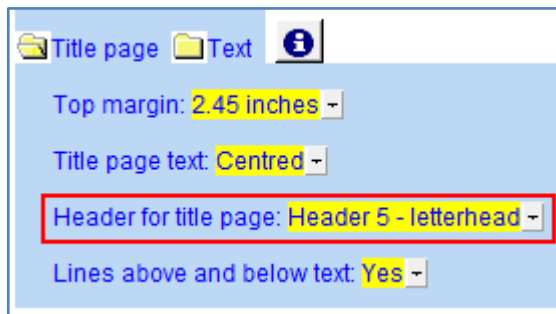
- The report will now reflect if the Statement of Retained Earnings/Partner’s Capital/Proprietor’s Capital/Net Asset is sorted **BEFORE** the Income Statement

## JZEL – ENGAGEMENT LETTER (ON/AFTER DECEMBER 14, 2017 ENGAGEMENTS)

- **REVIEW** – Added sample qualification wording to CSRE2400 report
- The report will now reflect if the Statement of Retained Earnings/Partner’s Capital/Proprietor’s Capital/Net Asset is sorted **BEFORE** the Income Statement
- Added the ability to set the section headings to: Unbold, **bold**, *italics*

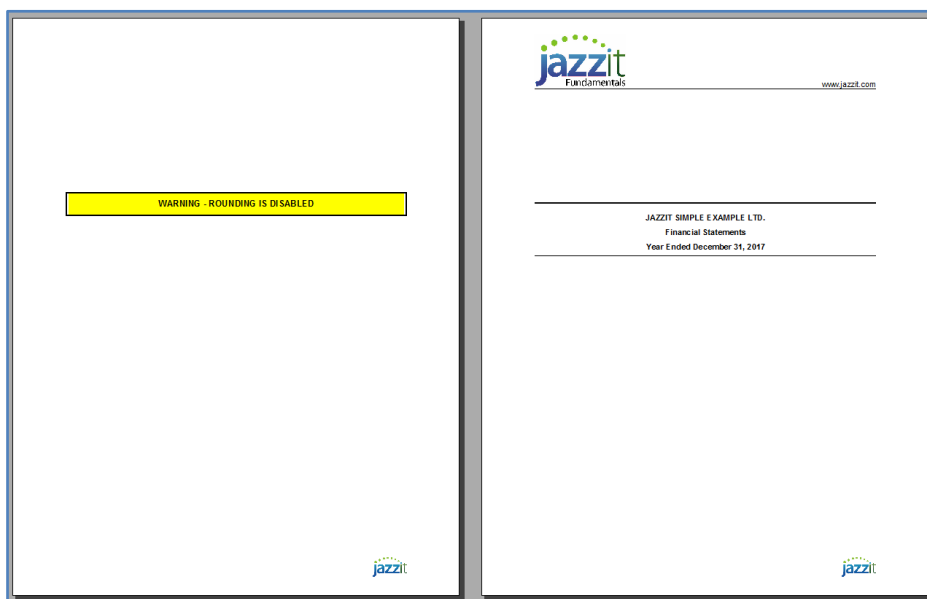
## TP – TITLE PAGE

- Added the ability to set a custom header for the title page



## CP – HOME MENU

- If **rounding is disabled**, and the draft stamp has been turned off, a cover sheet will print before the Title Page indicating this (*pictured below*)
- If **rounding is disabled**, and the draft stamp has been turned off and there exists a significant rounding difference, a cover sheet will print before the Title Page indicating this
- If **rounding is enabled**, and the draft stamp has been turned off and a change is made to the financial statements which requires a rounding recalculation, a cover sheet will print before the Title Page indicating this



### SC1 – 1-2 YEAR INCOME STATEMENT SCHEDULE


- Added the ability to include a subtotal which only calculates amounts from the subheading directly above it

This is done by inserting a subheading at the top of a section of rows you would like to add together, give it a description (*in this example 'Staff expenses'*), insert a subtotal at the bottom of the section, and then use the right-click to switch the subtotal from the default calculation to **'Subtotal from last subheading'**

EXPENSES ▾					
Bank charges (N#)	8715	40	450	501	525.8715 ▾
Insurance (N#)	8690	40	16,254	102,530	523.8690 ▾
Staff expenses (N#)					SUBHEADING
Salaries and wages (N#)			6,615,427	6,255,877	MANUAL
Staff refreshments (N#)			2,550	3,250	MANUAL
Total staff expenses (N#)			6,617,977	6,259,127	Subhead-subtotal
Total expenses (N#)			6,634,681	6,362,158	

### K3A – SIGNIFICANT ACCOUNT POLICIES

- PROPERTY, PLANT AND EQUIPMENT/ASSETS UNDER CAPITAL LEASE** – Added a wording selection which controls the rate and method columns allowing the user to display the columns individually, together or not at all

Property, plant and equipment 

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

at the following rates and methods:  
 at the following rates:  
 using the following methods:

	Rate	Method
term of the lease	25%	non-amortizable
Computer equipment	3 years	straight-line method
Tools and dies	10%	declining balance method
		straight-line method

### SC5 – PROPERTY, PLANT AND EQUIPMENT SCHEDULE

- Added a wording selection which controls the rate and method columns allowing the user to display the columns individually, together or not at all

## KU – JOINT VENTURE AND SUBSIDIARIES

- **INVESTMENTS IN LIMITED PARTNERSHIPS** – A new note option has been added to display the ownership breakdown of a partnership or joint venture

1. INVESTMENTS IN LIMITED PARTNERSHIPS

The investment in the Jazzit Financial Statements partnership is split in the following ownership percentages:

	Equity %	Balance 2016	Equity income (loss)	Contributions purchases (withdrawals)	Balance 2017
John Smith	25.0	\$ 15,000	\$ (2,500)	\$ (500)	\$ 12,000
Jane Smith	25.0	15,000	(2,500)	(500)	12,000
Dave Emmers	25.0	75,000	(2,500)	-	72,500
Eric Smith	15.0	2,500	(500)	(2,500)	(500)
Sue Alters	10.0	5,500	-	(600)	4,900
		<b>\$ 113,000</b>	<b>\$ (8,000)</b>	<b>\$ (4,100)</b>	<b>\$ 100,900</b>

## JZ5YRIS – FIVE YEAR INCOME STATEMENT WITH PERCENTAGE WORKING PAPER

- Added the ability to include the JZ5YRIS working paper as a page in the financial statements. The working paper is brought in as an external schedule and adopts the header and footer settings of the financial statements

Available entries:

- Statement of Comprehensive Income
- Management's Responsibility
- Five year income statement with percent
- Generic letter
- Schedule 21
- Schedule 22
- Schedule 23

**Please note:**

-You will also need to update the TC – TABLE OF CONTENTS and SC – SCHEDULES MENU

-The schedule only prints in landscape orientation

-The font size on the schedule is only available in size 9

-The schedule is not meant as a replacement for the regular Income Statement as there are no rounding linkages to the financial statements

**JAZZIT SIMPLE EXAMPLE LTD.**  
**Balance Sheet**  
**December 31, 2017**

	2017	2016
<b>ASSETS</b>		
Cash	\$ 2,843,229	\$ 736,455
Marketable securities (Note 5)	-	5,190
Accounts receivable	4,114,813	5,500,114
Inventory	887,063	752,799
Due from shareholders (Note 7)	200,000	-
Property, plant and equipment (Net of accumulated amortization)	6,303,978	4,742,119
Incorporation costs (Note 8)	231,486	238,196
Due from shareholders (Note 7)	125,000	-
Schedule One (Schedule 1)	6,393,978	4,742,119
	<b>\$ 20,979,547</b>	<b>\$ 16,768,952</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Accounts payable	\$ 4,593,462	\$ 3,483,473
Income taxes payable	71,854	45,383
Management fees payable	473,629	546,138
Current portion of obligations under capital lease (Note 11)	25,000	25,000
Bonuses payable	250,000	-
Callable debt (Note 9)	1,673,871	1,411,685
Long term debt (Note 10)	461,129	200,000
Obligations under capital lease (Note 11)	100,000	125,000
Due to related parties (Note 12)	1,000,000	1,000,000
Due to shareholders (Note 7)	-	25,000
	<b>8,548,945</b>	<b>8,861,679</b>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital (Note 13)	373	374
Retained earnings	6,129,152	5,152,752
	<b>6,129,525</b>	<b>5,153,126</b>
	<b>\$ 14,678,470</b>	<b>\$ 12,014,805</b>

APPROVED BY THE DIRECTORS  
 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

See notes to financial statements

**JAZZIT SIMPLE EXAMPLE LTD.**  
**Three Year Income Statement With Percent**  
**Year Ended December 31, 2017**

	2017	%	2016	%	2017	%
<b>TRADE SALES</b>						
	\$ 20,466,850	100.00	\$ 20,715,559	100.00	\$ 20,456,850	100.00
<b>COST OF SALES</b>						
Opening Inventory	20,279,480	99.38	-	-	20,279,480	99.38
Purchases	5,000,000	24.50	22,373,940	108.01	5,000,000	24.50
Closing Inventory	(5,000,000)	(24.50)	-	-	(5,000,000)	(24.50)
	<b>20,279,480</b>	<b>99.38</b>	<b>22,373,940</b>	<b>108.01</b>	<b>20,279,480</b>	<b>99.38</b>
<b>GROSS PROFIT</b>						
	<b>127,370</b>	<b>0.62</b>	<b>(1,656,390)</b>	<b>(8.01)</b>	<b>127,370</b>	<b>0.62</b>
<b>FEES</b>						
Commissions	221,278	4.24	88,075	1.09	221,278	4.24
Management fees	5,000,000	95.76	8,000,000	98.91	5,000,000	95.76
	<b>5,221,278</b>	<b>100.00</b>	<b>8,088,075</b>	<b>100.00</b>	<b>5,221,278</b>	<b>100.00</b>
<b>EXPENSES</b>						
Amortization of intangible assets	6,710	0.03	-	-	6,710	0.03
Bank charges	450	-	501	-	450	-
Insurance	16,254	0.06	102,530	0.36	16,254	0.06
Interest on long term debt	178,077	0.69	-	-	178,077	0.69
Interest on obligations under capital lease	17,025	0.07	-	-	17,025	0.07
Management salaries	482,432	1.88	1,470,817	5.13	452,432	1.88
Miscellaneous	503,619	1.97	534,653	1.86	503,619	1.97
Salaries and wages	2,544,372	9.93	2,743,703	9.53	2,544,372	9.93
Vehicle	582,773	2.20	475,075	1.85	582,773	2.20
Farming amortization	-	-	-	-	-	-
	<b>4,311,712</b>	<b>16.83</b>	<b>5,333,279</b>	<b>18.53</b>	<b>4,311,712</b>	<b>16.83</b>
<b>INCOME FROM OPERATIONS</b>						
	<b>1,036,936</b>	<b>4.05</b>	<b>1,096,406</b>	<b>3.81</b>	<b>1,036,936</b>	<b>4.05</b>
<b>OTHER INCOME</b>						
Dividend income	25,000	0.19	-	-	25,000	0.19
Gain on disposal of assets	1,288	0.01	-	-	1,288	0.01
	<b>26,288</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>26,288</b>	<b>0.11</b>
<b>INCOME BEFORE INCOME TAXES</b>						
	<b>1,063,224</b>	<b>4.16</b>	<b>1,096,406</b>	<b>3.81</b>	<b>1,063,224</b>	<b>4.16</b>

See notes to financial statements  
 Jazzit CaseWare Made Easy

## YC – YEAR-END CHECKLIST

Under the 'Requested Items' table, we added the following:

- Added an optional comments column
- Added the ability to insert section headings
- Added an input paragraph at the top of the table

**JAZZIT SIMPLE EXAMPLE LTD.**  
**Year ended December 31, 2018**  
**Requested Items**  
 BRING ONLY THE ITEMS INDICATED

For the current year and up to the day you come in:

List numbers:   Comments

Documentation Required		Comments
<b>Financial information</b>		
<input checked="" type="checkbox"/>	1 Electronic copy of bookkeeping data, program name and version number, password where appropriate, and what backup software (and its version number) has been used	
<input checked="" type="checkbox"/>	2 Trial balance	
<input checked="" type="checkbox"/>	3 Balance sheet at year end	
<input checked="" type="checkbox"/>	4 Income statement for the year	
<input checked="" type="checkbox"/>	5 Cash flow statement for the year	
<input type="checkbox"/>	General ledger	

## IS/IS2 – INCOME STATEMENTS

- The 'Discontinued Operations' section can now be shown as either an income or expense section. The section can also be collapsed to a single line

## CORRECTIONS AND ENHANCEMENTS

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### IS2 – 9 COLUMN INCOME STATEMENT

- ✓ **NOT FOR PROFIT** – Corrected an issue which caused the prior year opening balance to display the current year opening balance when the Statement of Operations and Statement of Changes in Net Assets were combined

### CA/CB – PROPERTY, PLANT AND EQUIPMENT WORKING PAPERS

- ✓ Corrected a diagnostics reference which was not pulling through the correct amount for farming amortization

### FSSCH – EXTERNAL SCHEDULE 21-30

- ✓ Added a variable for the schedules to copy the top margin spacing in the rest of the financial statements

### JZAOI – ACKNOWLEDGMENT OF INDEPENDENCE

- ✓ Removed legacy designations from the letter