

[www.twmca.com](http://www.twmca.com)

---

**FINANCIAL STATEMENTS**

**NIKKEI NATIONAL MUSEUM AND  
CULTURAL CENTRE**

**March 31, 2022**

Limited Liability Partnership



**Tompkins Wozny**  
Chartered Professional Accountants

# INDEPENDENT AUDITOR'S REPORT

---

To the Members of  
Nikkei National Museum and Cultural Centre

## ***Qualified Opinion***

We have audited the financial statements of Nikkei National Museum and Cultural Centre (the "Society"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2022, 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.

## ***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Society derives revenue from donations, fundraising and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fundraising and special events revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and fund balances as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ending March 31, 2021 was modified accordingly because the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Society in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## ***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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, 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.



**Tompkins Wozny**  
Chartered Professional Accountants

## INDEPENDENT AUDITOR'S REPORT

---

- 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 the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

*Tompkins Wozny LLP*

Vancouver, Canada  
June 29, 2022

Chartered Professional Accountants



**Tompkins Wozny**  
Chartered Professional Accountants

# Nikkei National Museum and Cultural Centre

## STATEMENT OF FINANCIAL POSITION

As at March 31

	2022		2021	
	Society Fund	Restricted Fund	Total	Total
	\$	\$	\$	\$
<b>ASSETS</b>				
<b>Current</b>				
Cash	1,584,664	—	1,584,664	555,806
Investment - Repairs & Maintenance Fund [note 3]	225,078	—	225,078	174,563
Accounts receivable [note 4]	37,683	—	37,683	182,732
Inventory	34,606	—	34,606	32,113
Prepaid expenses	654	—	654	19,721
Due from Nikkei Place Foundation [note 5(a)]	50,224	—	50,224	20,901
<b>Total current assets</b>	<b>1,932,909</b>	<b>—</b>	<b>1,932,909</b>	<b>985,836</b>
Property and equipment [note 6(i)]	—	4,173,385	4,173,385	4,227,644
Intangible asset [note 6(ii)]	—	145,524	145,524	161,694
Collections, at nominal value	—	1	1	1
	<b>1,932,909</b>	<b>4,318,910</b>	<b>6,251,819</b>	<b>5,375,175</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current liabilities</b>				
Current portion of bank loan [note 7]	16,279	—	16,279	15,823
Accounts payable and accruals [note 8]	68,718	—	68,718	128,925
Deferred revenue - grants	131,324	—	131,324	284,017
- donations [note 10]	86,005	—	86,005	38,243
- other	72,716	—	72,716	21,445
Deferred contributions - Repairs & Maintenance Fund [note 12]	324,998	—	324,998	168,576
Due to Nikkei Place Foundation [note 5(a)]	361	—	361	1,755
Interfund payable (receivable), no specific terms	(40,369)	40,369	—	—
<b>Total current liabilities</b>	<b>660,032</b>	<b>40,369</b>	<b>700,401</b>	<b>658,784</b>
Canada Emergency Business Account loan [note 15]	—	—	—	40,000
Bank loan [note 7]	224,072	—	224,072	240,349
<b>Total liabilities</b>	<b>884,104</b>	<b>40,369</b>	<b>924,473</b>	<b>939,133</b>
<b>Fund balances</b>				
Invested in capital assets	—	4,278,541	4,278,541	4,389,495
Unrestricted	1,048,805	—	1,048,805	46,547
<b>Total fund balances</b>	<b>1,048,805</b>	<b>4,278,541</b>	<b>5,327,346</b>	<b>4,436,042</b>
	<b>1,932,909</b>	<b>4,318,910</b>	<b>6,251,819</b>	<b>5,375,175</b>

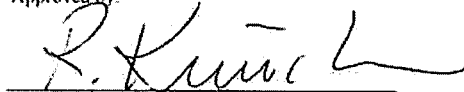
Endowment Funds [note 9]


COVID-19 [note 16]

Contingency [note 17]

See accompanying notes to the financial statements

Approved by:

  
Director

  
Director



**Tompkins Wozny**  
Chartered Professional Accountants

**Nikkei National Museum and Cultural Centre**

**STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCES**

Year ended March 31

	2022			2021
	Society Fund \$	Restricted Fund		Total \$
		Capital Asset Fund \$	Total \$	
<b>REVENUE</b>				
Rental [note 5(a)]	196,720	—	196,720	163,624
Grants [note 11]	621,630	62,746	684,376	638,758
Donations - cash [note 5(b)]	1,038,689	—	1,038,689	303,726
- in-kind	86,194	—	86,194	25,000
Wage subsidy - government assistance	158,011	—	158,011	326,404
Canada Emergency Business Account loan - forgiveness of debt [note 15]	—	—	—	20,000
Fundraising	56,734	—	56,734	7,797
School and Centre programs	56,574	—	56,574	34,592
Museum sales	75,675	—	75,675	44,297
Special events	33,712	—	33,712	17,513
Memberships and other	43,549	—	43,549	26,633
Museum exhibits	4,534	—	4,534	5,871
Nikkei Place Foundation contribution [note 5(a)]	52,402	—	52,402	14,412
	<b>2,424,424</b>	<b>62,746</b>	<b>2,487,170</b>	<b>1,628,627</b>
<b>EXPENSES</b>				
Salaries and benefits [note 11 & 13]	792,531	—	792,531	606,613
Museum - expenditures	124,782	—	124,782	255,428
- in-kind	85,900	—	85,900	—
Amortization	—	173,700	173,700	155,823
Fundraising - expenditures [note 5(a)]	22,366	—	22,366	26,249
Utilities	87,246	—	87,246	70,458
Special events and programs	28,764	—	28,764	24,968
Repairs and maintenance	68,115	—	68,115	62,902
Office, supplies and other	33,158	—	33,158	20,618
Interest on bank loan	7,843	—	7,843	10,908
Property taxes	36,728	—	36,728	19,518
Shop purchases - museum	41,356	—	41,356	22,451
Insurance	25,936	—	25,936	27,896
Professional	41,083	—	41,083	90,861
Bank and credit card charges	17,884	—	17,884	13,014
Rental	2,560	—	2,560	5,603
Advertising and promotion	1,972	—	1,972	6,086
Japanese War Memorial	3,942	—	3,942	5,842
	<b>1,422,166</b>	<b>173,700</b>	<b>1,595,866</b>	<b>1,425,238</b>
<b>Revenue over (under) expenses for the year</b>	<b>1,002,258</b>	<b>(110,954)</b>	<b>891,304</b>	<b>203,389</b>
<b>Fund balances, beginning of year</b>	<b>46,547</b>	<b>4,389,495</b>	<b>4,436,042</b>	<b>4,232,653</b>
<b>Fund balances, end of year</b>	<b>1,048,805</b>	<b>4,278,541</b>	<b>5,327,346</b>	<b>4,436,042</b>

See accompanying notes to the financial statements



**Tompkins Wozny**  
Chartered Professional Accountants

**Nikkei National Museum and Cultural Centre**

**STATEMENT OF CASH FLOWS**

Year ended March 31

		2022		2021
		Restricted Fund		
	Society	Capital Asset	Total	Total
	Fund	Fund		
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Revenue over (under) expenses for the year	1,002,258	(110,954)	891,304	203,389
Items not affecting cash				
Amortization of capital and intangible assets	—	173,700	173,700	155,823
Changes in non-cash working capital items				
Accounts receivable	145,049	—	145,049	(178,382)
Inventory	(2,493)	—	(2,493)	4,191
Prepaid expenses	19,067	—	19,067	6,116
Accounts payable and accruals	(60,207)	—	(60,207)	10,780
Deferred revenue	(53,660)	—	(53,660)	25,089
Deferred contributions	156,422	—	156,422	10,000
<b>Cash provided by operating activities</b>	<b>1,206,436</b>	<b>62,746</b>	<b>1,269,182</b>	<b>237,006</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of capital and intangible assets	—	(103,271)	(103,271)	(59,576)
Purchase of investments	(50,515)	—	(50,515)	(13,491)
Advance from (to) Nikkei Place				
Foundation (net)	(30,717)	—	(30,717)	(24,342)
<b>Cash used in investing activities</b>	<b>(81,232)</b>	<b>(103,271)</b>	<b>(184,503)</b>	<b>(97,409)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of bank loan	(15,821)	—	(15,821)	(15,424)
Proceeds from (repayment of) Canada				
Emergency Business Account loan	(40,000)	—	(40,000)	60,000
Canada Emergency Business Account Loan -				
forgiveness of debt	—	—	—	(20,000)
Change in interfund balances	(40,525)	40,525	—	—
<b>Cash provided by (used in) financing activities</b>	<b>(96,346)</b>	<b>40,525</b>	<b>(55,821)</b>	<b>24,576</b>
<b>Increase in cash for the year</b>	<b>1,028,858</b>	<b>—</b>	<b>1,028,858</b>	<b>164,173</b>
Cash, beginning of year	555,806	—	555,806	391,633
<b>Cash, end of year</b>	<b>1,584,664</b>	<b>—</b>	<b>1,584,664</b>	<b>555,806</b>

*See accompanying notes to the financial statements*



**Tompkins Wozny**  
Chartered Professional Accountants

## **NOTES TO FINANCIAL STATEMENTS**

---

March 31, 2022

### **1. NATURE OF OPERATIONS**

The Society was incorporated pursuant to the British Columbia Societies Act on September 16, 1975. On April 19, 1995, the Japanese Canadian Cultural Society changed its name to the National Nikkei Heritage Centre Society. The Society constructed the cultural and community centre portion of Nikkei Place. On December 4, 2002, the National Nikkei Heritage Centre Society changed its name to the National Nikkei Museum and Heritage Centre, and on May 31, 2003 the Society merged with the Japanese Canadian National Museum ("JCNM"). Pursuant to the agreement, the members of the JCNM became members of the Society and the Constitution of the Society was amended to incorporate the purposes of the JCNM. On July 12, 2012, the Society changed its name to the Nikkei National Museum and Cultural Centre. The Society's Constitution currently includes as its mandate to promote and work with other organizations for:

- (i) a better understanding and appreciation of Japanese Canadian culture;
- (ii) an awareness of the contribution of Japanese Canadians to Canadian society; and
- (iii) closer relations between Canada and Japan.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### **Use of Estimates**

The preparation of 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 amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets and the determination of the deferred portion of grants received. Actual results could differ from these estimates.

#### **Fund Accounting**

The Society Fund accounts for current operations and programs as well as the Society's general operations. Unrestricted contributions (donations and grants) and restricted contributions to be used for operations are reported in this fund.

The Capital Asset Fund accounts for the unamortized cost of capital assets, intangible assets and any inter fund debt. Restricted contributions received for capital assets and intangible assets are reported as revenue in this fund.



## NOTES TO FINANCIAL STATEMENTS

---

March 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Revenue Recognition

The Society follows the restricted fund method for the Capital Asset Fund whereby externally restricted contributions (grants and donations) are recognized in the respective fund corresponding to the purpose for which they were contributed and received.

Unrestricted contributions are recognized as revenue in the Society Fund, which follows the deferral method.

Restricted contributions related to the Society Fund are recorded as revenue of the fund in the year the related expenses are incurred.

Unrestricted donations are recorded as revenue at the time the donations are received. Restricted donations received by the Society Fund are deferred and recognized as revenue when the related expense is incurred.

Donations in kind are recorded as revenue at the time the donations are received and are recorded at fair value, if independent evidence is available to support the fair value.

Revenue from sales is recognized when the title to the goods is transferred to the customer which generally coincides with the receipt of payment. Revenue from rentals is recognized over the applicable rental period and other revenue is recognized when the related service is performed.

Canadian Emergency Wage Subsidies are recognized as income when the Society meets the conditions of the program and when the Society is reasonably assured of collection of the respective claims.

#### Contributed Services

Volunteers contribute their time to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, money market funds, investment in shares, accounts receivable and due from Nikkei Place Foundation.

Financial liabilities measured at amortized cost includes bank loan, accounts payable, and amounts due to Nikkei Place Foundation.





## NOTES TO FINANCIAL STATEMENTS

---

March 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### **Inventory**

Inventory is valued at the lower of cost and net realized value as determined by management. Cost includes direct purchase price and is determined by specific identification.

#### **Property and Equipment**

Property and equipment is recorded at cost.

Contributed property and equipment is recorded at fair value, if independent evidence is available to support the fair value.

Amortization of the Society's property and equipment is provided on the declining-balance basis. The rate is 4% for the cultural community centre and parking garage and 20% for equipment and furniture. The artwork and paintings are not amortized. The value of the artwork and paintings is assessed on an annual basis to determine if any write-down is required. Amortization expense is reported in the Capital Asset Fund.

No amortization is recorded on property and equipment until the year the asset is available for use.

#### **Collections**

Collections are recorded at a nominal value of \$1.

The Nikkei National Museum & Cultural Centre is home to the largest community-driven repository of Japanese Canadian history in Canada. By acquiring, preserving, and making accessible archival records and personal belongings related to Japanese Canadian heritage, the Society stands as an important resource to learn about Japanese Canadians' place in Canadian history. Preserved within the storage vault are over 43,300 photographs and digital images, 42 metres of textual records, 650+ oral history records, 156 film reels, and over 2,600 artworks and objects that were once the personal belongings of individuals and organizations in Canada of Japanese ancestry and heritage. Governed by the NNM Collections Policy and the NNM Loans Policy, the Collections department follows the NNM Collection Management Practices and Procedures, conducting acquisitions, rejections, deaccessions, appraisal, arrangement and description, digitization, preservation and conservation, repatriation, and access; and follows the codes of ethics of the International Council of Museums, Association of Canadian Archivists, Canadian Conservation Institute, and the Canadian Museums Association.



## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

### 3. INVESTMENTS - REPAIRS & MAINTENANCE FUND

The Repairs & Maintenance Fund includes cash and money market funds of \$224,095 [2021 - \$173,551] and shares of \$983 [2021 - \$1,012].

### 4. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Operating	36,669	137,341
Canada Emergency Wage Subsidy	—	44,758
Government remittances - GST	1,014	633
	37,683	182,732

### 5. RELATED PARTY TRANSACTIONS

The Society and the Nikkei Place Foundation ("Foundation") have certain directors in common.

#### a) Nikkei Place Foundation

The Foundation was incorporated in 2002 pursuant to the Societies Act of British Columbia and provides fundraising for the Society.

As at March 31, 2022, the Society has a receivable from the Foundation in the amount of \$50,224 [2021 - \$20,901].

As at March 31, 2022, the Society has a payable to the Foundation in the amount of \$361 [2021 - \$1,755]. The payable is non-interest bearing and is unsecured.

Rental revenue includes \$6,000 [2021 - \$6,000] charged to the Foundation.

Fundraising expenses includes \$1,607 [2021 - \$21,722] paid to the Foundation.

The Foundation made contributions in the amount of \$119,863 [2021 - \$17,893] to the Society. Of this amount, \$50,000 [2021 - \$Nil] is included in deferred contributions – repairs & maintenance fund, \$17,461 [2021 - \$3,481] is included in memberships and other income and \$52,402 [2021 - \$14,412] is included in contribution revenue.

#### b) Donation Revenue

For the year ended March 31, 2022, the Society received donations from the board of directors in the amount of \$40,748 [2021 - \$25,896].



## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

### 5. RELATED PARTY TRANSACTIONS (CONT'D)

For the year ending March 31, 2022, the Society received a donation in the amount of \$10,000 (2021 - \$Nil) from a private foundation that is controlled by one of the board of directors. This amount is included in deferred contributions – repairs & maintenance fund.

The above amounts were incurred in the normal course of business and are measured at the exchange amount, which is the amount of the consideration established and agreed to by the parties.

### 6. CAPITAL ASSETS

#### i) Property and Equipment

	Cost \$	Accumulated Amortization \$	Net \$
<b>2022</b>			
Land	740,000	—	740,000
Cultural Community Centre	5,761,919	2,570,991	3,190,928
Parking garage	220,000	117,636	102,364
Equipment and furniture	625,030	539,112	85,918
Artwork and paintings	54,175	—	54,175
	<b>7,401,124</b>	<b>3,227,739</b>	<b>4,173,385</b>
<b>2021</b>			
Land	740,000	—	740,000
Cultural Community Centre	5,705,157	2,439,218	3,265,939
Parking garage	220,000	113,371	106,629
Equipment and furniture	578,521	517,620	60,901
Artwork and paintings	54,175	—	54,175
	<b>7,297,853</b>	<b>3,070,209</b>	<b>4,227,644</b>

The Society's land, cultural centre and parking garage is pledged as collateral for the Society's bank loan [note 7].

The Nikkei Seniors Health Care and Housing Society (the "Housing Society"), formerly the Japanese Canadian Society of Greater Vancouver for Senior Citizens Housing, has transferred in past years, for legal purposes, its allocated property to the Society and is currently leasing the property for 60 years for \$10. At the end of the lease, the lessee has the option to purchase the land for \$10. This property has not been recorded in these financial statements as the benefit and use of property remain with the transferor.



## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

### 6. CAPITAL ASSETS (CONT'D)

The Housing Society is responsible for operating expenses, such as property taxes and common area maintenance, relating to their share of the property.

#### ii) Intangible Asset – Virtual Museum Website

The Society has completed the development of a virtual museum website and has incurred \$161,694 in costs [2021 - \$161,694]. Amortization commenced in 2022 on a straight-line basis over 10 years. As at March 31, 2022, the Society has an accumulated amortization on the virtual museum in the amount of \$16,170 [2021 - \$Nil].

### 7. BANK LOAN

The Society has a non-revolving credit facility in the amount of \$723,333 at the Toronto Dominion Bank. As at March 31, 2022, the balance was \$240,351 [2021 - \$256,172].

	2022 \$	2021 \$
Repayable in monthly blended payments of \$1,972, including interest at 3.17%, renewable November 2024.	240,351	256,172
Less: current portion	(16,279)	(15,823)
	<b>224,072</b>	<b>240,349</b>

The bank loan is supported by a security agreement covering a continuing collateral mortgage in the amount of \$1,000,000 representing a first charge on the Society's land and Cultural Community Centre [note 6]. A general assignment of rents and an assignment of fire insurance to the Toronto Dominion Bank in the amount of \$9,500,000 as First Loss Payee is also pledged as collateral for the loan.

Principal payments due on the mortgage payable in the next five years are estimated as follows:

	\$
2023	16,279
2024	16,803
2025	17,343
2026	17,901
2027 and thereafter	172,025
	<b>240,351</b>



## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

### 8. ACCOUNTS PAYABLE AND ACCRUALS

	2022	2021
	\$	\$
Operating	62,104	119,646
Wages payable	4,889	7,884
Government remittances - WorkSafe BC	1,068	704
- PST	657	691
	68,718	128,925

### 9. ENDOWMENT FUNDS

#### i) Nikkei Place Endowment Fund

The Nikkei Place Endowment Fund was established for the purpose of supporting the development of programs and for support of the operating costs of the Society. The Society has set up the Endowment Fund with the Vancouver Foundation, the capital balance of the endowment fund is \$137,125 [2021 - \$17,125] and market value of \$138,293 [2021 - \$20,861]. The contributions to the Vancouver Foundation will not be returned to the Society. The Society is entitled to the interest earned which is paid annually to the Society.

#### ii) Restricted Endowment Fund - Nikkei Place Foundation

Various private donors have made contributions to a restricted endowment fund in the Nikkei Place Foundation where the investment income is paid to the Society on an annual basis.

As at March 31, 2022, the principal balance of these contributions totaled \$897,273 [2021 - \$357,870].

### 10. DEFERRED DONATIONS

Deferred donations consist of the following designated amounts:

	2022	2021
	\$	\$
JC War Memorial in Stanley Park	17,734	15,634
Saimoto Collection	20,662	—
Signage project	6,215	6,215
Steveston Memorial Project	16,394	16,394
Uyeda Family Collection	15,000	—
Washi Exhibition	10,000	—
	86,005	38,243



## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

### 11. GRANTS REVENUE

Grant revenue includes the following:

	2022 \$	2021 \$
Alacrity Canada - Launch Online	7,470	—
BC Museum Association - BC Family Day	900	1,250
BC Farmers' Market Expansion Program	7,832	—
Canadian Heritage - Building Communities through Arts and Heritage	12,800	20,500
Canadian Heritage - Canada Summer Job	9,479	8,772
Canadian Heritage - MAP	—	161,729
Canadian Heritage - MAP - COVID-19	100,000	105,100
Canadian Heritage - MAP - Digital Access to Heritage	11,773	—
Canadian Heritage - MAP - Exhibition Circulation Fund Component	8,300	—
Canadian Heritage - Enhancement of Official Languages	1,037	3,000
Canadian Museum of History - Digital Museums of Canada	30,886	56,614
Canadian Museums Association - Young Canada Works	42,388	17,156
Community Foundations of Canada	39,017	—
MOFA Japan - Strengthen Livelihood and Business Foundations for Japanese Nationals Overseas and People of Japanese Descent	17,620	—
Japanese Canadian Association of Yukon	1,900	—
Library & Archives Canada - Documentary Heritage Communities Program	49,965	6,816
Metro Vancouver Cultural Grant - Regional Project	5,000	4,495
National Association of Japanese Canadians	1,150	2,500
Province of BC - BC Arts Council - Operating	46,309	47,191
Province of BC - BC Arts Council - Pivot Program	50,000	—
Province of BC - BC Arts Council - Resilience Supplement	108,000	—
Province of BC - BC Arts Council Early Career Development	—	9,493
Province of BC - Community Gaming (a)	50,000	50,000
SFU - Academy to Community Award	7,477	—
Technation Career Ready Program	2,964	—
UBC - Irving Barber Foundation - BC History Digitization Program	8,037	12,322
University of Victoria	10,000	—
University of Victoria - SSHRC	47,822	75,570
Vancouver Foundation	—	50,000
Vancouver Heritage Foundation	1,250	1,250
Veteran Affairs Canada	5,000	5,000
	<b>684,376</b>	<b>638,758</b>
Grants monies used for capital and intangible purchases	<b>(62,746)</b>	<b>(69,543)</b>
	<b>621,630</b>	<b>569,215</b>

Grant monies used for funding salaries and wages amounted to \$261,581 [2021 - \$175,676].

(a) Cash includes \$822 [2021 - \$780] of gaming funds received from the Province of B.C. The balance is held in a separate bank account.



## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

### 12. DEFERRED CONTRIBUTIONS - REPAIRS & MAINTENANCE FUND

The fund is restricted for use on the repair and maintenance of the Society's building.

	2022	2021
	\$	\$
Balance, beginning of year	168,576	158,576
Contributions in the year	156,422	10,000
<b>Balance, end of year</b>	<b>324,998</b>	<b>168,576</b>

### 13. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose wages and benefits paid to employees and contractors when amounts paid are \$75,000 or more during the fiscal year.

During the year, one employees [2021 - Nil] earned over \$75,000. The total amount paid to the employee for the year was \$84,965 [2021 - \$Nil].

### 14. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at March 31, 2022:

#### Credit Risk

The Society is exposed to credit risk with respect to its cash, money market fund, investment in shares, due from Nikkei Place Foundation and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash is held by a Canadian chartered bank.

#### Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.



## NOTES TO FINANCIAL STATEMENTS

---

March 31, 2022

### 14. FINANCIAL INSTRUMENTS (CONT'D)

#### Interest Rate Risk

The Society has interest rate risk on its cash, money market fund, and bank loan. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows.

It is management's opinion that the Society is not exposed to other significant risks on its financial instruments. There has been no change in the Society's risk exposure in the above noted risks since the previous year.

### 15. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The Society also applied for and received a \$60,000 loan under the Canada Emergency Business Account ("CEBA") in 2021. The loan is non-interest bearing until December 31, 2023, and then interest accrues at the prime rate until December 31, 2025, when the loan is due. If the loan is repaid on or before December 31, 2023, \$20,000 of the loan will be forgiven.

As the Society has met and expects to continue to comply with the loan's terms and conditions and expects to repay the loan on or before December 31, 2022, the 25% forgivable portion of the loan or \$20,000, has been taken into 2021 income.

As at March 31, 2022, the Society has repaid the loan.

### 16. COVID-19

Provincial Health Officers Orders continued to impact the NNMCC operations throughout 2021-22. The NNMCC sought municipal, provincial, federal and foundation grants to support ongoing activities, while we continued to experience lower revenues due to COVID-19 restrictions. NNMCC qualified for, and received, Canada Emergency Wage Subsidy until December 2021, and adjusted revenue generating activities such as venue rentals, online shopping, and programming. We continued to provide programs and services in modified formats, with onsite activity where possible, given our foundational role as a physical community gathering place. Generous support from our donors will ensure our financial stability as we begin to recover and rebuild operations as PHO restrictions lessen as of March 2022.

### 17. CONTINGENCY

The Society was named as a beneficiary of an estate. However, under the British Columbia Wills Variation Act, an action has been filed in the Supreme Court of British Columbia by a claimant. Since the amount to be received by the Society is unknown and the outcome of the claimant's action is not currently determinable, no amount has been recorded as an asset or liability.

