
FINANCIAL STATEMENTS

**NIKKEI NATIONAL MUSEUM AND
CULTURAL CENTRE**

December 31, 2015

TOMPKINS, WOZNY, MILLER & Co.
Chartered Professional Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Nikkei National Museum and Cultural Centre

Report on the Financial Statements

We have audited the accompanying financial statements of Nikkei National Museum and Cultural Centre (the "Society"), which comprise the statement of financial position as at December 31, 2015 and the statements of operations and changes in fund balances and cash flows 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 these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable 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, revenue under expenses, current assets and fund balances.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2015, 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.

Emphasis of Matter

As described in Note 12, Going Concern, the Society Fund a working capital deficiency of \$593,117.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society 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, Miller & Co.

Vancouver, Canada

March 16, 2016

Chartered Professional Accountants

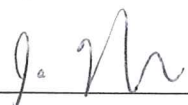
STATEMENT OF FINANCIAL POSITION

Year ended December 31

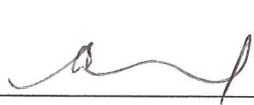
	2015			2014	
	Restricted Funds				
	Society Fund	Fisherman's Reunion Fund	Capital Asset Fund	Total	Total
	\$	\$	\$	\$	\$
ASSETS					<i>[Restated - Note 15]</i>
Current					
Cash	29,129	34,343	—	63,472	61,841
Accounts receivable <i>[note 3]</i>	14,798	—	—	14,798	28,289
Inventory	24,088	—	—	24,088	25,899
Prepaid expenses	6,822	—	—	6,822	10,377
Due from Nikkei Place Foundation <i>[note 4a]</i>	26,246	—	—	26,246	—
Due from Nikkei Senior's Health Care and Housing Society <i>[note 4b]</i>	3,324	—	—	3,324	8,542
Total current assets	104,407	34,343	—	138,750	134,948
Property and equipment <i>[note 5]</i>	—	—	3,346,937	3,346,937	3,346,296
	104,407	34,343	3,346,937	3,485,687	3,481,244
LIABILITIES AND FUND BALANCES (DEFICIENCY)					
Current liabilities					
Demand bank loans <i>[note 6]</i>	485,000	—	—	485,000	370,000
Accounts payable and accruals <i>[note 7]</i>	112,496	—	—	112,496	131,896
Deferred revenue - grants	59,172	—	—	59,172	50,844
- donations <i>[note 10]</i>	25,192	—	—	25,192	36,066
- other	50,909	—	—	50,909	29,523
Due to Nikkei Place Foundation <i>[note 4a]</i>	6,500	—	—	6,500	2,460
Due to Nikkei Senior's Health Care and Housing Society <i>[note 4b]</i>	686	—	—	686	—
Interfund payable (receivable)	(42,431)	(6,620)	49,051	—	—
Total current liabilities	697,524	(6,620)	49,051	739,955	620,789
Fund balances (deficiency)					
Externally restricted	—	40,963	—	40,963	40,591
Invested in capital assets	—	—	3,297,886	3,297,886	3,286,249
Deficiency	(593,117)	—	—	(593,117)	(466,385)
Total fund balances (deficiency)	(593,117)	40,963	3,297,886	2,745,732	2,860,455
	104,407	34,343	3,346,937	3,485,687	3,481,244

See accompanying notes to the financial statements

Approved by:



Director



Director

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended December 31

	2015			2014	
	Restricted Funds				
	Society	Fisherman's	Capital Asset	Total	Total
	Fund	Reunion	Fund		
	\$	Fund	Fund	\$	\$
		[note 8]			[Restated - Note 15]
REVENUE					
Rental [note 4]	302,981	—	—	302,981	328,800
Grants [note 11]	285,806	—	—	285,806	280,393
Donations - cash [note 4c]	134,313	—	99,647	233,960	157,373
- in-kind [note 4c]	25,082	—	28,615	53,697	57,213
Fundraising	81,864	—	—	81,864	147,062
School and Centre programs	69,525	—	—	69,525	48,779
Museum sales	53,417	—	—	53,417	48,197
Nikkei Place Foundation contribution [note 4a]	50,000	—	—	50,000	28,000
Museum exhibits	44,979	—	—	44,979	22,487
Special events	43,531	—	—	43,531	31,546
Memberships and other	30,818	372	—	31,190	36,323
	1,122,316	372	128,262	1,250,950	1,186,173
EXPENSES					
Salaries and benefits	636,541	—	—	636,541	569,016
Amortization	—	—	116,625	116,625	117,389
Fundraising - expenditures [note 4]	99,357	—	—	99,357	212,551
- in-kind	25,082	—	—	25,082	57,213
Museum	101,069	—	—	101,069	110,904
Utilities	73,144	—	—	73,144	77,350
Repairs and maintenance	53,792	—	—	53,792	70,216
Special events and programs	47,288	—	—	47,288	26,703
Property taxes	39,325	—	—	39,325	40,175
Bank charges, interest, and credit card	31,893	—	—	31,893	21,826
Shop purchases - museum	31,671	—	—	31,671	30,691
Office and other	31,184	—	—	31,184	45,197
Japanese War Memorial	27,995	—	—	27,995	42,276
Insurance	22,987	—	—	22,987	22,492
Professional	11,070	—	—	11,070	13,772
Rental	8,749	—	—	8,749	29,547
Advertising and promotion	5,901	—	—	5,901	5,805
Consulting	2,000	—	—	2,000	—
	1,249,048	—	116,625	1,365,673	1,493,123
Revenue over (under) expenses	(126,732)	372	11,637	(114,723)	(306,950)
Fund balances (deficiency), beginning of year	(466,385)	40,591	3,286,249	2,860,455	3,167,405
Fund balances (deficiency), end of year	(593,117)	40,963	3,297,886	2,745,732	2,860,455

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2015				2014
	Restricted Funds				
	Society Fund	Fisherman's Reunion Fund	Capital Asset Fund	Total	Total
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					<i>[Restated - Note 15]</i>
Revenue over (under) expenses for the year	(126,732)	372	11,637	(114,723)	(306,950)
Items not affecting cash					
Amortization of capital assets	—	—	116,625	116,625	117,389
Changes in non-cash working capital items					
Accounts receivable	13,491	—	—	13,491	(10,960)
Inventory	1,811	—	—	1,811	(1,636)
Prepaid expenses	3,555	—	—	3,555	6,153
Accounts payable and accruals	(19,400)	—	—	(19,400)	70,196
Deferred revenue	18,840	—	—	18,840	31,391
Cash provided by (used in) operating activities	(108,435)	372	128,262	20,199	(94,417)
INVESTING ACTIVITIES					
Acquisition of capital assets	—	—	(117,266)	(117,266)	(68,250)
Advance (to) from Nikkei Place Foundation (net)	(22,206)	—	—	(22,206)	52,993
Advance (to) from Nikkei Senior's Health Care and Housing Society (net)	5,904	—	—	5,904	(8,759)
Cash used in investing activities	(16,302)	—	(117,266)	(133,568)	(24,016)
FINANCING ACTIVITIES					
Increase in demand bank loans	115,000	—	—	115,000	150,000
Change in interfund balances	14,478	(3,482)	(10,996)	—	—
Cash provided by (used in) financing activities	129,478	(3,482)	(10,996)	115,000	150,000
Increase (decrease) in cash for the year	4,741	(3,110)	—	1,631	31,567
Cash, beginning of year	24,388	37,453	—	61,841	30,274
Cash, end of year	29,129	34,343	—	63,472	61,841

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1. NATURE OF OPERATIONS

The Society was incorporated pursuant to the Society Act of British Columbia 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 Fisherman's Reunion Fund accounts for the Society's activities relating to the Fisherman's Reunion Project. Restricted contributions for this purpose are reported in this fund.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Revenue Recognition

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

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. Revenue from rentals is recognized over the applicable rental period and other revenue is recognized when the related service is performed.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets measured at amortized cost include cash, accounts receivable and due from Nikkei Senior's Health Care and Housing Society and Nikkei Place Foundation.

Financial liabilities measured at amortized cost includes demand bank loan, accounts payable, and due to Nikkei Senior's Health Care and Housing Society and Nikkei Place Foundation.

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.

Cash

Cash is defined as cash on hand, cash on deposit, and net of cheques issued and outstanding at the year-end.

The Society's statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

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 on a first-in-first-out basis.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
Operating	14,660	28,289
Government remittances - GST	138	—
Allowance for doubtful accounts	—	—
	14,798	28,289

4. RELATED PARTY TRANSACTIONS

The Society, the Nikkei Place Foundation ("Foundation") and the Nikkei Seniors Health Care and Housing Society have certain directors in common.

a) Nikkei Place Foundation

The Nikkei Place Foundation (the "Foundation") was incorporated in 2002 pursuant to the Society Act of British Columbia and provides fundraising for the Society.

As at December 31, 2015, the Society has a receivable from the Foundation in the amount of \$26,246 [2014 - \$Nil]. The receivable is non-interest bearing and is unsecured.

As at December 31, 2015, the Society has a payable to the Foundation in the amount of \$6,500 [2014 - \$2,460]. The payable is non-interest bearing and is unsecured.

Rental revenue includes \$18,396 [2014 - \$18,396] charged to the Foundation.

The Foundation has guaranteed the Society's demand bank loans which have a balance at December 31, 2015 of \$485,000 (see note 6).

In addition, the following related party transactions also occurred during the year:

	2015	2014
	\$	\$
Disbursements received from the Foundation	50,000	28,000
Fundraising received from the Foundation	22,250	—
Expenses paid to the Foundation		
Fundraising expenses	21,750	64,784

b) Nikkei Seniors Health Care and Housing Society

As at December 31, 2015, the Society has a receivable from the Nikkei Seniors Health Care and Housing Society in the amount of \$3,324 [2014 - \$8,542]. The receivable is non-interest bearing and unsecured.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4. RELATED PARTY TRANSACTIONS (CONT'D)

As at December 31, 2015, the Society has a payable to the Nikkei Seniors Health Care and Housing Society in the amount of \$686 [2014 - \$Nil]. The payable is non-interest bearing and unsecured.

Rental revenue includes \$11,906 [2014 - \$11,406] charged to the Nikkei Seniors Health Care and Housing Society.

c) Donation Revenue

For the year ended December 31, 2015, the Society received donations from the board of directors in the amount of \$81,685 [2014 - \$25,250]. Of these donations, \$75,000 [2014 - \$Nil] relate to the construction of the martial arts room and are included in the Capital Asset Fund. In addition, \$Nil [2014 - \$778] of in-kind donations were received.

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.

5. PROPERTY AND EQUIPMENT

	Cost \$	Accumulated amortization \$	Net \$
2015			
Land (a)	740,000	—	740,000
Cultural Community Centre (b)	4,190,078	1,833,205	2,356,873
Parking garage	220,000	87,900	132,100
Equipment and furniture	502,847	435,458	67,389
Artwork and paintings	50,575	—	50,575
	5,703,500	2,356,563	3,346,937
2014			
Land (a)	740,000	—	740,000
Cultural Community Centre (b)	4,088,594	1,739,915	2,348,679
Parking garage	220,000	82,395	137,605
Equipment and furniture	494,010	416,173	77,837
Artwork and paintings	42,175	—	42,175
	5,584,779	2,238,483	3,346,296

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

5. PROPERTY AND EQUIPMENT (CONT'D)

(a) The Nikkei Seniors Health Care and 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.

(b) As at December 31, 2015, the Society has incurred \$117,934 [2014 - \$16,451] of architectural and construction costs for the martial arts room which have been capitalized and are included in the Cultural Community Centre. These costs will be amortized in January 2016 when the related improvements were completed.

6. DEMAND BANK LOANS

The Society has arranged a demand credit facility with the Toronto Dominion Bank to a maximum of \$300,000 (operating loan) and \$200,000 (reducing demand loan), respectively. Both loans bear interest at prime plus 1.75% as at December 31, 2015, the loan balances were \$285,000 [2014 - \$370,000] and \$200,000 [2014 - \$Nil], respectively.

The credit facility is interest only, with the limit reduced on a monthly basis by \$20,000 commencing February 29, 2016.

The credit facility is secured by an unlimited guaranteed provided by the Nikkei Place Foundation (see note 4) and is supported by a General Security Agreement ("GSA") on the Society's present and acquired personal property.

The Society is currently in discussions with the Toronto Dominion Bank to remove the GSA referred to above with the goal of having a mortgage pledged against the Society's land and Cultural Community Centre (see note 5) to support the borrowings.

7. ACCOUNTS PAYABLE AND ACCRUALS

	2015	2014
	\$	\$
Operating	102,082	121,762
Vacation payable	9,615	9,627
Government remittances - GST	—	40
- WorkSafe BC	799	467
	112,496	131,896

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

8. RESTRICTED FISHERMEN'S REUNION FUND

The Fishermen's Reunion Fund is externally restricted and can only be spent on expenses related to the Fishermen's Reunion Project (the "Project"). The Project was launched at the Reunion Dinner in November 2001, which was the first phase of the project. The second phase entailed the construction of a statue to honour the contribution of Japanese Fishermen to the British Columbia Fishing Industry. The third phase was the publication of two books depicting the life of Japanese fishermen. The fourth phase involves the creation of a Nikkei Fishing exhibit.

In 2012, \$30,000 was internally transferred from the Fisherman's Reunion Fund to the Society Fund to implement the fourth phase of the project, creating a Nikkei Fishing exhibit.

9. 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 in the amount of \$17,180 [2014 - \$17,025] and market value of \$17,780 [2014 - \$16,914]. There were no contributions during the current year or prior year. 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.

10. DEFERRED DONATIONS

Deferred donations consists of \$25,192 [2014 - \$36,066] designated for the "They Went to War" Campaign which will help preserve the Japanese Canadian War Memorial cenotaph at Stanley Park. This project was expected to be completed in 2015 with ongoing maintenance costs.

	2015	2014
	\$	\$
Balance, beginning of year	36,066	25,275
Contributions in the year	1,126	45,791
Expenses in the year	(12,000)	(35,000)
Balance, end of year	25,192	36,066

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

11. GRANTS REVENUE

Grant revenue includes the following,

	2015	2014
	\$	\$
Audain Foundation	—	5,000
B.C. Community Gaming (a)	50,000	50,000
B.C. Arts Council	64,270	35,720
Burnaby Arts Council	500	500
Canada Council for the Arts	—	18,000
Canada Federal Government	2,500	—
Canada Summer Job	10,898	9,704
Canadian Heritage - Museums Assistance Program	25,900	—
Charles Kadota Research Centre	13,000	—
Citizenship and Immigrations Canada	6,500	5,750
City of Burnaby	18,000	18,000
Department of Canadian Heritage	—	32,500
Deux Mille Foundation	6,000	5,000
EMC Heritage Trust Project	—	10,000
Hamber Foundation	—	1,500
Heritage BC	10,000	—
Japanese Canadian Citizens Association	—	2,000
Japan Foundation Toronto	1,200	—
Minister of Veteran Affairs	—	28,286
National Association of Japanese Canadians	2,563	3,937
Nikkei Seniors Health Care and Housing Society	2,000	6,500
Other	1,381	—
Social Sciences and Humanities Research Council	42,100	—
UBC - Irving Barber Foundation	7,791	9,392
Vancity Community Foundation	3,000	—
Vancouver Foundation	612	25,000
Vancouver Heritage Foundation	—	1,500
Vancouver Japanese Language School	—	7,500
Village of New Denver	7,954	—
Young Canada Works	9,637	4,604
	285,806	280,393

(a) Cash includes \$12 [2014 - \$7] of gaming funds received from the Province of B.C. The balance is held in a separate bank account.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

12. GOING CONCERN

As at December 31, 2015, the Society has a working capital deficiency of \$593,117 [2014 - \$466,385] in the Society Fund. The Society's ability to continue as a going concern is dependent upon the generation of future revenue over expenses, the continued support of its members and funders and the support of the Nikkei Place Foundation.

13. 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 December 31, 2015:

Credit Risk

The Society is exposed to credit risk with respect to its cash 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.

The Society is exposed to additional liquidity risk due to its working capital deficiency in the Society Fund (see note 12).

Interest Rate Risk

The Society has interest rate risk on its cash 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 risk on its financial instruments.

14. COMPARATIVE FIGURES

Certain 2014 comparative figures have been reclassified to conform to the current presentation.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

15. ACCOUNTING ADJUSTMENT

The Society has adjust 2014 donation revenue of \$6,150 which was recorded as a liability instead of Capital Asset Fund revenue.

The effect of the adjustment is as follows:

Statement of Operations and Changes in Fund Balances

2014 donation revenue - in-kind increased by \$6,150 from \$51,063 to \$57,213;

2014 total revenues increased by \$6,150 from \$1,180,023 to \$1,186,173;

2014 revenue over (under) expenses for the year decreased by \$6,150 from (\$313,100) to (\$306,950);

2014 Capital Asset Fund's fund balance increased by \$6,150 from \$3,280,099 to \$3,286,249;

2014 total fund balances increased by \$6,150 from \$2,854,305 to \$2,860,455.

Statement of Financial Position

Total liabilities decreased by \$6,150 from \$626,939 to \$620,789.

The statement of cash flows has also been adjusted where applicable.