

**FINANCIAL STATEMENTS**

**NIKKEI NATIONAL MUSEUM AND  
CULTURAL CENTRE**

**March 31, 2023**



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# INDEPENDENT AUDITOR'S REPORT

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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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and fund balances as at April 1 and March 31 for both the 2023 and 2022 years.

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.



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## INDEPENDENT AUDITOR'S REPORT

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- 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 21, 2023

Chartered Professional Accountants



## STATEMENT OF FINANCIAL POSITION

As at March 31

	2023			2022
	Restricted Fund			
	Society Fund	Capital Asset Fund	Total	Total
	\$	\$	\$	\$
<i>[Recast- note 16]</i>				
<b>ASSETS</b>				
<b>Current</b>				
Cash	2,851,072	—	2,851,072	1,584,664
Term deposits <i>[note 3]</i>	1,500,000	—	1,500,000	—
Investment - Repairs & Maintenance Fund <i>[note 4]</i>	297,815	—	297,815	225,078
Accounts receivable <i>[note 5]</i>	23,388	—	23,388	37,683
Inventory	32,107	—	32,107	34,606
Prepaid expenses	6,483	—	6,483	654
Due from Nikkei Place Foundation <i>[note 6(a)]</i>	75,150	—	75,150	50,224
<b>Total current assets</b>	<b>4,786,015</b>	<b>—</b>	<b>4,786,015</b>	<b>1,932,909</b>
Property and equipment <i>[note 7]</i>	—	4,108,245	4,108,245	4,173,385
Collections, at nominal value	—	1	1	1
	<b>4,786,015</b>	<b>4,108,246</b>	<b>8,894,261</b>	<b>6,106,295</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current liabilities</b>				
Current portion of bank loan <i>[note 8]</i>	16,804	—	16,804	16,279
Accounts payable and accruals <i>[note 9]</i>	90,561	—	90,561	68,718
Deferred revenue - grants <i>[note 12b]</i>	1,577,741	—	1,577,741	131,324
- donations <i>[note 11]</i>	78,956	—	78,956	86,005
- other	110,637	—	110,637	72,718
Deferred contributions - Repairs & Maintenance Fund <i>[note 13]</i>	283,495	—	283,495	324,998
Due to Nikkei Place Foundation <i>[note 6(a)]</i>	—	—	—	361
Interfund payable (receivable), no specific terms	(104,159)	104,159	—	—
<b>Total current liabilities</b>	<b>2,054,035</b>	<b>104,159</b>	<b>2,158,194</b>	<b>700,403</b>
Bank loan <i>[note 8]</i>	207,222	—	207,222	224,072
<b>Total liabilities</b>	<b>2,261,257</b>	<b>104,159</b>	<b>2,365,416</b>	<b>924,475</b>
<b>Fund balances</b>				
Invested in capital assets	—	4,004,087	4,004,087	4,133,015
Unrestricted	2,524,758	—	2,524,758	1,048,805
<b>Total fund balances</b>	<b>2,524,758</b>	<b>4,004,087</b>	<b>6,528,845</b>	<b>5,181,820</b>
	<b>4,786,015</b>	<b>4,108,246</b>	<b>8,894,261</b>	<b>6,106,295</b>

Endowment Funds *[note 10]*

See accompanying notes to the financial statements

Approved by:

  
Director

  
Director

# STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended March 31

	2023			2022
	Society Fund \$	Restricted Fund		Total \$
		Capital Asset Fund \$	Total \$	
<b>REVENUE</b>				[Recast- note 16]
Rental [note 6(a)]	356,445	—	356,445	196,720
Grants [note 12a]	414,502	29,763	444,265	684,376
Donations - cash [note 6(b)]	1,871,469	—	1,871,469	1,038,689
- in-kind	2,989	—	2,989	86,194
Wage subsidy - government assistance	—	—	—	158,011
Fundraising [note 6(a)]	129,202	—	129,202	56,734
School and Centre programs	60,255	—	60,255	56,574
Museum sales	91,995	—	91,995	75,675
Special events	75,856	—	75,856	33,712
Memberships, interest and other	106,858	—	106,858	26,088
Museum exhibits	56,422	—	56,422	4,534
Nikkei Place Foundation contribution [note 6(a)]	75,150	—	75,150	69,863
	<b>3,241,143</b>	<b>29,763</b>	<b>3,270,906</b>	<b>2,487,170</b>
<b>EXPENSES</b>				
Salaries and benefits [note 12 & 14]	1,013,232	—	1,013,232	792,531
Museum - expenditures	132,751	—	132,751	124,782
- in-kind	2,989	—	2,989	85,900
Amortization	—	158,691	158,691	157,530
Fundraising - expenditures [note 6(a)]	58,658	—	58,658	22,366
Utilities	90,199	—	90,199	87,246
Special events and programs	38,972	—	38,972	28,764
Repairs and maintenance	120,928	—	120,928	68,115
Office, supplies and other	48,837	—	48,837	33,158
Interest on bank loan	7,337	—	7,337	7,843
Property taxes	31,510	—	31,510	36,728
Shop purchases - museum	46,549	—	46,549	41,356
Insurance	29,353	—	29,353	25,936
Professional	110,565	—	110,565	41,083
Bank and credit card charges	21,715	—	21,715	17,884
Rental	4,719	—	4,719	2,560
Advertising and promotion	3,502	—	3,502	1,972
Japanese War Memorial	3,374	—	3,374	3,942
	<b>1,765,190</b>	<b>158,691</b>	<b>1,923,881</b>	<b>1,579,696</b>
<b>Revenue over (under) expenses for the year</b>	<b>1,475,953</b>	<b>(128,928)</b>	<b>1,347,025</b>	<b>907,474</b>
<b>Fund balances, beginning of year</b>	<b>1,048,805</b>	<b>4,133,015</b>	<b>5,181,820</b>	<b>4,274,346</b>
<b>Fund balances, end of year</b>	<b>2,524,758</b>	<b>4,004,087</b>	<b>6,528,845</b>	<b>5,181,820</b>

See accompanying notes to the financial statements

## STATEMENT OF CASH FLOWS

Year ended March 31

	2023		2022	
	Society Fund \$	Restricted Fund Capital Asset Fund \$	Total \$	Total \$
				<i>[Recast- note 16]</i>
<b>OPERATING ACTIVITIES</b>				
Revenue over (under) expenses for the year	1,475,953	(128,928)	1,347,025	907,474
Items not affecting cash				
Amortization of capital and intangible assets	—	158,691	158,691	157,530
Changes in non-cash working capital items				
Accounts receivable	14,295	—	14,295	145,049
Inventory	2,501	—	2,501	(2,493)
Prepaid expenses	(5,829)	—	(5,829)	19,067
Accounts payable and accruals	21,843	—	21,843	(60,207)
Deferred revenue	1,477,287	—	1,477,287	(53,660)
Deferred contributions	(41,503)	—	(41,503)	156,422
<b>Cash provided by operating activities</b>	<b>2,944,547</b>	<b>29,763</b>	<b>2,974,310</b>	<b>1,269,182</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of capital and intangible assets	—	(93,554)	(93,554)	(103,271)
Purchase of investments	(1,572,737)	—	(1,572,737)	(50,515)
Advance from (to) Nikkei Place Foundation (net)	(25,286)	—	(25,286)	(30,717)
<b>Cash used in investing activities</b>	<b>(1,598,023)</b>	<b>(93,554)</b>	<b>(1,691,577)</b>	<b>(184,503)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of bank loan	(16,325)	—	(16,325)	(15,821)
Repayment of Canada Emergency Business Account loan	—	—	—	(40,000)
Change in interfund balances	(63,791)	63,791	—	—
<b>Cash provided by (used in) financing activities</b>	<b>(80,116)</b>	<b>63,791</b>	<b>(16,325)</b>	<b>(55,821)</b>
<b>Increase in cash for the year</b>	<b>1,266,408</b>	<b>—</b>	<b>1,266,408</b>	<b>1,028,858</b>
Cash, beginning of year	1,584,664	—	1,584,664	555,806
<b>Cash, end of year</b>	<b>2,851,072</b>	<b>—</b>	<b>2,851,072</b>	<b>1,584,664</b>

See accompanying notes to the financial statements

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2023

### 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.

As a part of the new strategic plan 2022- 2026, the Society updated its Mission, Vision and Values:

**Mission:**

To honour, preserve, and share the history and heritage of Japanese Canadians and Japanese culture in Canada.

**Vision:**

A nationally recognized museum and gathering place that bridges Japanese and Canadian arts, culture and history, fostering pride in our heritage and a strong multicultural Canada.

**Values:**

1. Respect for heritage
2. Commitment to a diverse community
3. Inclusiveness, compassion and humility

### 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:



## NOTES TO FINANCIAL STATEMENTS

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March 31, 2023

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

#### 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.

#### 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.



## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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

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, term deposits, 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.

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, 50% for computers 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.

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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

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 museum repository, we care for 52,500 photographs and digital images, 50 metres of textual records, 650+ oral history records, 156 film reels, and over 3,000 artworks and artefacts that were once the personal belongings of individuals and organizations. 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.

### 3. INVESTMENTS - TERM DEPOSITS

Term deposits bear interest at 5% and have maturity dates of April 3, 2023 and May 30, 2023, respectively.

### 4. INVESTMENTS - REPAIRS & MAINTENANCE FUND

The Repairs & Maintenance Fund includes cash and money market funds of \$296,888 [2022 - \$224,095] and shares of \$927 [2022 - \$983].

### 5. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Operating	11,059	36,669
Accrued interest	12,329	—
Government remittances - GST	—	1,014
	<b>23,388</b>	<b>37,683</b>

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 6. 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, 2023, the Society has a receivable from the Foundation in the amount of \$75,150 [2022 - \$50,224].

As at March 31, 2023, the Society has a payable to the Foundation in the amount of \$Nil [2022 - \$361]. The payable is non-interest bearing and is unsecured.

Rental revenue includes \$Nil [2022 - \$6,000] charged to the Foundation.

Fundraising expenses includes \$734 [2022 - \$1,607] paid to the Foundation.

The Foundation made contributions in the amount of \$163,961 [2022 - \$119,863] to the Society. Of this amount, \$Nil [2022 - \$50,000] is included in deferred contributions – repairs & maintenance fund, \$10,761 [2022- \$Nil] is included in fundraising revenue, \$28,050 [2022- \$Nil] is included in donation revenue, \$50,000 [2022- \$Nil] is included in grant revenue, and \$75,150 [2022 - \$69,863] is included in contribution revenue.

#### b) Donation Revenue

For the year ended March 31, 2023, the Society received donations from the board of directors in the amount of \$11,550 [2022 - \$40,748].

For the year ending March 31, 2023, the Society received donations in the amount of \$10,000 [2022 - \$10,000] from a private foundation that is controlled by one of the board of directors as well as \$1,000 [2021- \$Nil] from another director. These amounts are 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.

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 7. CAPITAL ASSETS

#### Property and Equipment

	Cost \$	Accumulated Amortization \$	Net \$
<b>2023</b>			
Land	740,000	—	740,000
Cultural Community Centre	5,842,095	2,700,231	3,141,864
Parking garage	220,000	121,731	98,269
Equipment and furniture	632,934	564,472	68,462
Artwork and paintings	59,650	—	59,650
	<b>7,494,679</b>	<b>3,386,434</b>	<b>4,108,245</b>
<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>

The Society's land, cultural centre and parking garage is pledged as collateral for the Society's bank loan [note 8].

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.

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

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 8. 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, 2023, the balance was \$224,026 [2022 - \$240,351].

	2023 \$	2022 \$
Repayable in monthly blended payments of \$1,972, including interest at 3.17%, renewable November 2024	224,026	240,351
Less: current portion	(16,804)	(16,279)
	207,222	224,072

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 7]. 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:

	\$
2024	16,804
2025	17,343
2026	17,901
2027 and thereafter	171,978
	224,026

### 9. ACCOUNTS PAYABLE AND ACCRUALS

	2023 \$	2022 \$
Operating	75,456	62,104
Wages payable	11,467	4,889
Government remittances - WorkSafe BC	1,300	1,068
- GST	1,494	—
- PST	844	657
	90,561	68,718

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 10. 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 \$167,125 [2022 - \$137,125] and market value of \$163,574 [2022 - \$138,293]. 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, 2023, the principal balance of these contributions totaled \$2,384,530 [2022 - \$897,273].

### 11. DEFERRED DONATIONS

Deferred donations consist of the following designated amounts:

	2023 \$	2022 \$
JC War Memorial in Stanley Park	15,685	17,734
Saimoto Collection	25,662	20,662
Signage project	6,215	6,215
Steveston Memorial Project	16,394	16,394
Uyeda Family Collection	15,000	15,000
Washi Exhibition	—	10,000
	78,956	86,005

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 12. GRANT REVENUE AND OTHER INFORMATION

(a) Grant revenue includes the following:

	2023	2022
	\$	\$
Alacrity Canada - Launch Online	—	7,470
BC Farmers Market Expansion Program	—	7,832
Canadian Council of Archives - Young Canada Works in Heritage Organizations	8,618	—
Canadian Heritage - Building Communities through Arts and Heritage	12,400	12,800
Canadian Heritage - Canada Summer Jobs	14,754	9,479
Canadian Heritage Veterans Affairs	2,500	—
Canadian Heritage - MAP - COVID-19	—	100,000
Canadian Heritage - MAP - Digital Access to Heritage	33,389	11,773
Canadian Heritage - MAP Exhibition Circulation Fund	—	8,300
Canadian Heritage - Enhancement of Official Languages	1,963	1,037
Canadian Museums Association - Young Canada Works in Heritage	12,592	30,886
Canadian Museums Association - Young Canada Works - Building Careers in Heritage	12,250	42,388
City of Burnaby - Festivals Burnaby	15,000	—
Community Foundations of Canada	35,941	39,017
Information & Communications Technology Council - Work Integrated Learning - Digital Program	7,500	—
Nikkei Place Foundation - Repairs, Maintenance, Facility Improvement	50,000	—
MOFA Japan - Strengthen Livelihood and Business Foundations of Japanese Nationals Overseas and People of Japanese Descent	—	17,620
Japanese Canadian Association of Yukon	—	1,900
Japanese Canadian Survivors Health & Wellness Fund	10,000	—
LA Shoji Foundation	5,000	—
Library & Archives Canada - Documentary Heritage Communities Program	—	49,965
Metro Vancouver - Regional Cultural Project	3,459	5,000
<b>Subtotal</b>	<b>225,366</b>	<b>345,467</b>



## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 12. GRANT REVENUE AND OTHER INFORMATION (CONT'D)

Balance Forward	225,366	345,467
National Association of Japanese Canadians - Community Development Fund	1,350	1,150
Province of BC - Heritage BC - 150 Time Immemorial Grant Program	11,173	—
Province of BC - BC Arts Council - Arts Impact	30,000	—
Province of BC - BC Arts Council - Operating	40,250	46,309
Province of BC - BC Arts Council - Pivot Program	—	50,000
Province of BC - BC Arts Council - Arts & Culture Resilience Supplement	30,000	108,000
Province of BC - BC Museums Association - Family Day	1,200	900
Province of BC - Community Gaming	50,000	50,000
Province of BC - BC Arts Council - Arts Infrastructure	25,000	—
SFU - Academy to Community	7,523	7,477
Technation Career Ready Program	—	2,964
UBC - Irving Barber Foundation - BC History Digitization Program	20,908	8,037
University of Victoria	—	10,000
University of Victoria - SSHRC	—	47,822
Vancouver Heritage Foundation	—	1,250
Veteran Affairs Canada	—	5,000
Other	1,495	—
	444,265	684,376
Grant monies used for capital purchases	(29,763)	(62,746)
	414,502	621,630

Grant monies used for funding salaries and wages amounted to \$122,173 [2022 - \$261,581].

(b) As at March 31, 2023, deferred revenue – grants includes \$1,500,000 [2022 - \$Nil] received from the Japanese Canadian Legacies Society (“JCLS”). Pursuant to the grant agreement, the Society will receive up to \$3,500,000 (in total) over a period ending January 31, 2028.

The related project will support an enhanced online Japanese Canadian Heritage Hub which will provide an upgraded online Japanese Canadian Archives and Collection database, connecting users to the digital archives and collections of the Society and various database partners.

(c) Cash includes \$1,758 [2022 - \$822] 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, 2023

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

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

	2023	2022
	\$	\$
Balance, beginning of year	324,998	168,576
Contributions in the year	16,150	156,422
Amount used in the year	(57,653)	—
<b>Balance, end of year</b>	<b>283,495</b>	<b>324,998</b>

### 14. 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 employee [2022 - One] earned over \$75,000. The total amount paid to the employee for the year was \$88,147 [2022 - \$84,965].

### 15. 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, 2023:

#### Credit Risk

The Society is exposed to credit risk with respect to its cash, money market fund, term deposits, 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

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March 31, 2023

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

#### Interest Rate Risk

The Society has interest rate risk on its cash, money market fund, term deposits, 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.

### 16. RECAST OF PRIOR YEAR'S FIGURES

During the year, it was determined that the Society's intangible asset – Virtual Museum Website, did not provide economic benefits and as a result, the prior year's figures have been recast as follows

#### Statement of Financial Position

Intangible asset, virtual museum website, was decreased by \$145,524 from \$145,524 to \$Nil and total assets decreased by \$145,524 from \$6,251,819 to \$6,106,295;

#### Statement of Operations and Changes in Fund Balances

##### March 31, 2022

Amortization expense was decreased by \$16,170 from \$173,700 to \$157,530;

Revenue over expenditures for the year increased by \$16,170 from \$891,304 to \$907,474;

Fund balances, invested in capital assets decreased by \$145,526 from \$4,278,541 to \$4,133,015 and total fund balances decreased by \$145,526 from \$5,327,346 to \$5,181,820.

##### March 31, 2021

Fund balances, invested in capital assets decreased by \$161,694 from \$4,389,495 to \$4,227,801 and total fund balances decreased by \$161,694 from \$4,436,042 to \$4,274,348.

The statement of changes in cash flows has also been changed accordingly.

### 17. COMPARATIVE FIGURES

Certain 2022 comparative figures have been reclassified to conform to the current year presentation.