

FINANCIAL STATEMENTS

**NIKKEI NATIONAL MUSEUM AND
CULTURAL CENTRE**

March 31, 2025



INDEPENDENT AUDITORS' 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, 2025, 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, 2025, 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, 2025 and 2024, current assets as at March 31, 2025 and 2024, and fund balances as at April 1 and March 31 for both the 2025 and 2024 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.



INDEPENDENT AUDITORS' REPORT (CONT'D)

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.
- 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 18, 2025

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at March 31

	2025			2024
	Restricted Fund			
	Society Fund \$	Capital Asset Fund \$	Total \$	Total \$
ASSETS				
Current				
Cash	4,079,935	—	4,079,935	1,654,167
Term deposits [note 3]	500,000	—	500,000	2,700,000
Investment - Repairs & Maintenance Fund [note 4]	360,124	—	360,124	311,164
Accounts receivable [note 5]	43,815	—	43,815	104,861
Inventory	28,439	—	28,439	25,386
Prepaid expenses	5,939	—	5,939	17,382
Due from Nikkei Place Foundation [note 6(a)]	121,742	—	121,742	120,548
Total current assets	5,139,994	—	5,139,994	4,933,508
Property and equipment [note 7]	—	4,087,352	4,087,352	3,988,797
Collections, at nominal value	—	1	1	1
	5,139,994	4,087,353	9,227,347	8,922,306
LIABILITIES AND FUND BALANCES				
Current liabilities				
Current portion of bank loan [note 8]	—	—	—	207,215
Accounts payable and accruals [note 9]	106,960	—	106,960	86,549
Deferred revenue [note 11]	1,764,409	—	1,764,409	1,721,574
Deferred contributions - Repairs & Maintenance Fund [note 12]	419,807	—	419,807	384,547
Interfund payable (receivable), no specific terms	(118,583)	118,583	—	—
Total current liabilities	2,172,593	118,583	2,291,176	2,399,885
Fund balances				
Invested in capital assets	—	3,968,770	3,968,770	3,866,456
Unrestricted	2,967,401	—	2,967,401	2,655,965
Total fund balances	2,967,401	3,968,770	6,936,171	6,522,421
	5,139,994	4,087,353	9,227,347	8,922,306

Endowment Funds [note 10]

Commitments [note 16]

See accompanying notes to the financial statements

Approved by:

Director

Director



STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended March 31

	2025			2024
	Society Fund \$	Restricted Fund		Total \$
		Capital Asset Fund \$	Total \$	
REVENUE				
Grants [note 12]	738,863	150,000	888,863	630,505
Donations - cash [note 6(b)]	546,622	95,412	642,034	116,620
- in-kind	10,901	—	10,901	15,698
Rental	460,365	—	460,365	476,859
Interest	224,547	—	224,547	256,928
Special events	165,321	—	165,321	140,861
Museum programs and exhibits	164,352	—	164,352	102,626
Fundraising	126,144	—	126,144	129,051
Nikkei Place Foundation contribution [note 6(a)]	121,742	—	121,742	120,548
Museum sales	79,710	—	79,710	81,478
Memberships and other	48,788	—	48,788	65,444
School and Centre programs	64,221	—	64,221	69,473
	2,751,576	245,412	2,996,988	2,206,091
EXPENSES				
Salaries and benefits [note 14]	1,337,193	—	1,337,193	1,239,994
Museum - expenditures [note 14]	245,424	—	245,424	154,923
- in-kind	10,900	—	10,900	15,698
Heritage hub - consulting & information technology [notes 6(c) and 14]	155,496	—	155,496	44,800
Amortization	—	143,098	143,098	149,932
Repairs and maintenance	111,260	—	111,260	113,562
Utilities	99,356	—	99,356	99,445
Fundraising - expenditures [note 6(a)]	95,140	—	95,140	95,317
Office, supplies and other	93,034	—	93,034	51,360
Special events and programs	59,548	—	59,548	52,102
Property taxes	47,252	—	47,252	47,777
Shop purchases - museum	43,342	—	43,342	42,389
Insurance	39,565	—	39,565	36,633
Bank and credit card charges	33,966	—	33,966	26,079
Professional	24,849	—	24,849	18,362
Japanese War Memorial	23,578	—	23,578	4,855
Rental	13,997	—	13,997	10,867
Interest on bank loan	4,273	—	4,273	6,852
Advertising and promotion	1,967	—	1,967	1,568
	2,440,140	143,098	2,583,238	2,212,515
Revenue over (under) expenses for the year	311,436	102,314	413,750	(6,424)
Fund balances, beginning of year	2,655,965	3,866,456	6,522,421	6,258,845
Fund balances, end of year	2,967,401	3,968,770	6,936,171	6,252,421

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2025			2024
	<u>Restricted Fund</u>			
	Society	Capital		
	Fund	Asset	Total	Total
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Revenue over (under) expenses for the year	311,436	102,314	413,750	(6,424)
Items not affecting cash				
Amortization of capital and intangible assets	—	143,098	143,098	149,932
Changes in non-cash working capital items				
Accounts receivable	61,046	—	61,046	(81,473)
Inventory	(3,053)	—	(3,053)	6,721
Prepaid expenses	11,443	—	11,443	(10,899)
Accounts payable and accruals	20,411	—	20,411	(4,012)
Deferred revenue	42,835	—	42,835	(45,760)
Deferred contributions	35,260	—	35,260	101,052
Cash provided by operating activities	479,378	245,412	724,790	109,137
INVESTING ACTIVITIES				
Acquisition of capital and intangible assets	—	(241,653)	(241,653)	(30,484)
Proceeds (purchase) of investments and term deposits	2,151,040	—	2,151,040	(1,213,349)
Advances to Nikkei Place Foundation (net)	(1,194)	—	(1,194)	(45,398)
Cash provided by (used in) investing activities	2,149,846	(241,653)	1,908,193	(1,289,231)
FINANCING ACTIVITIES				
Repayment of bank loan	(207,215)	—	(207,215)	(16,811)
Change in interfund balances	3,759	(3,759)	—	—
Cash used in financing activities	(203,456)	(3,759)	(207,215)	(16,811)
Increase (decrease) in cash for the year	2,425,768	—	2,425,768	(1,196,905)
Cash, beginning of year	1,654,167	—	1,654,167	2,851,072
Cash, end of year	4,079,935	—	4,079,935	1,654,167

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

March 31, 2025

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 interfund 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 whereby externally restricted contributions (grants and donations) are recognized in the respective fund corresponding to the purpose for which they were contributed and received. Restricted contributions for which no corresponding restricted fund is presented are recognized in the Society Fund using deferral method.

Unrestricted contributions are recognized as revenue in the Society Fund.

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 or when the related event takes place.

Interest income is recognized as revenue in accordance with the terms of the underlying investment, which is generally with the passage of time.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 accounts payable.

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, Equipment and Intangibles

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. Building improvements under construction are capitalized and are not amortized until the asset is fully constructed.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Research costs relating to intangible assets are expensed as incurred. Once the Society reaches the development stage on an internally generated intangible asset, the costs shall be capitalized. As at March 31, 2025, all costs relating to the Heritage Hub Project have been expensed.

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 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 61,500 photographs and digital images, 71 metres of textual records, 2,000+ library books, 1,050+ oral history records, 191 film reels, and over 3,340 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. TERM DEPOSITS

Term deposits bear interest at 3.88% [2024 - 5.35% to 5.41%] and mature on September 12, 2025.

4. INVESTMENTS - REPAIRS & MAINTENANCE FUND

The Repairs & Maintenance Fund includes cash and money market funds of \$359,131 [2024 - \$310,185] and shares of \$993 [2024 - \$979].

5. ACCOUNTS RECEIVABLE

	2025	2024
	\$	\$
Operating	31,521	23,855
GST receivable	1,664	—
Accrued interest	10,630	81,006
	43,815	104,861

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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, 2025, the Foundation was indebted to the Society in the amount of \$121,742 [2024 - \$120,548].

Accounts receivable at March 31, 2025, include amounts owing from the Foundation in the amount of \$1,642 [2024 - \$2,452].

Accounts payable as at March 31, 2025, include amounts owing from the Society to the Foundation in the amount of \$Nil [2024 - \$6,358]. All amounts due from and to the Foundation are non-interest bearing.

Fundraising expenses includes \$22,327 [2024 - \$18,005] paid to the Foundation.

The Foundation made contributions in the amount of \$121,742 [2024 - \$120,548] to the Society. The amount is included in contribution revenue.

b) Donation Revenue

For the year ended March 31, 2025, the Society received donations totaling \$21,590 [2024 - \$32,313] from nine [2024 - ten] of its board directors.

For the year ending March 31, 2025, the Society received donations in the amount of \$25,000 [2024 - \$15,000] from a private foundation that is controlled by one of the board of directors. Of this amount, \$20,000 [2024 - \$10,000] is included in deferred contributions – Repairs & Maintenance Fund and remaining \$5,000 [2024 - \$5,000] is reported as revenue in the current year.

c) Consulting Expense

During the year ended March 31, 2025, a company who's controlling shareholder is related to a director of the Society, provided consulting services in the amount of \$139,395 [2024 - \$Nil].

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, 2025

7. CAPITAL ASSETS

Property and Equipment

	Cost \$	Accumulated Amortization \$	Net \$
2025			
Land	740,000	—	740,000
Cultural Community Centre	5,917,262	2,948,769	2,968,493
Building improvements under construction			
- Roof, HVAC and Sakura Momiji	172,314	—	172,314
Parking garage	220,000	129,435	90,565
Equipment and furniture	657,589	601,259	56,330
Artwork and paintings	59,650	—	59,650
	7,766,815	3,679,463	4,087,352
2024			
Land	740,000	—	740,000
Cultural Community Centre	5,860,278	2,826,269	3,034,009
Parking garage	220,000	125,662	94,338
Equipment and furniture	645,235	584,435	60,800
Artwork and paintings	59,650	—	59,650
	7,525,163	3,536,366	3,988,797

The Society's land, cultural centre and parking garage is pledged as collateral for the Society's line of credit banking facility [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.

The current building improvements under construction are expected to be completed in fiscal 2026 and amortization will commence at that time.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

8. BANK LOAN AND LINE OF CREDIT BANKING FACILITY

The Society has a revolving credit facility in the amount of \$350,000 at the Toronto Dominion Bank. As at March 31, 2025, the balance of the bank loan was \$Nil [2024 - \$207,215].

The line of credit 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 line of credit.

9. ACCOUNTS PAYABLE AND ACCRUALS

	2025 \$	2024 \$
Operating	93,067	74,207
Wages payable	11,266	6,429
Government remittances - WorkSafeBC	1,484	1,781
- GST	—	3,268
- PST	1,143	864
	106,960	86,549

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, with a capital balance of \$257,125 [2024 - \$207,125] and a market value of \$270,616 [2024 - \$214,650]. 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, 2025, the principal balance of these contributions totaled \$2,434,841 [2024 - \$2,410,976].

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

11. DEFERRED REVENUE

Deferred revenue consists of the following amounts:

	2025 \$	2024 \$
Grants	1,140,513	1,533,591
Donations	520,192	76,180
Other	103,704	111,803
	1,764,409	1,721,574

The Society received 92% [2024 – 90%] of its deferred grant revenue under a funding agreement referred to in note 16(b).

12. GRANT REVENUE

Grant revenue includes the following:

	2025 \$	2024 \$
Akiko Gomyo Foundation - Nikkei Matsuri	1,000	6,000
Canadian Museums Association - Young Canada Works in Heritage Organizations	5,800	—
Canadian Heritage - Building Communities through Arts and Heritage - Matsuri	7,700	9,800
Canadian Heritage - MAP - Digital Access to Heritage - Mobile Digitization Project	10,915	98,237
Canadian Museums Association - Young Canada Works - Building Careers in	14,025	17,121
City of Burnaby - Community Grant	—	5,000
City of Burnaby - Mural Grant Program	—	7,000
City of Burnaby - Festivals Burnaby	12,000	15,000
Deux Mille Foundation	—	5,000
Doris Kimura Charitable Giving Foundation	—	413
Employment & Social Development Canada - Canada Summer Jobs	9,658	—
Employment & Social Development Canada - New Horizons for Seniors Program	17,334	—
Japanese Canadian Legacies Society - Heritage Pillar - Heritage Hub	337,128	113,655
Japanese Canadian Legacies Society - Community Fund - Kansha Volunteers	20,000	—
Japanese Canadian Legacies Society - Community Fund - Rintaro Hayashi Translation Project	20,000	—
Japanese Canadian Legacies Society - Community Fund - Roof Replacement	150,000	—
Subtotal	605,560	277,226

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

	2025	2024
	\$	\$
Balance Forward	605,560	277,226
Japanese Canadian Legacies Society - Intergenerational Wellness - Tomoshihi Bus	40,000	—
Japanese Canadian Legacies Society - Heritage Sites - War Memorial	18,057	—
LA Shoji Foundation - Nikkei Matsuri	5,000	5,000
Metro Vancouver - Regional Cultural Project	—	3,541
Oakville Community Foundation	4,087	—
Province of BC - Heritage BC - 150 Time Immemorial Grant Program	62,559	915
Province of BC - BC Arts Council - Operating Assistance	45,000	45,000
Province of BC - BC Arts Council - Arts & Culture Resilience Supplement	—	141,323
Province of BC - Community Gaming	50,000	50,000
Province of BC - BC Arts Council - Arts Infrastructure	—	25,000
Province of BC - BC Fairs, Festivals, and Events Fund	17,700	51,000
Tourism Burnaby - Bite of Burnaby	2,000	—
SFU - Academy to Community	—	5,000
UBC - Irving Barber Foundation - BC History Digitization Program	—	14,500
University of Victoria - Social Sciences and Humanities Research Council (SSHRC)	10,500	9,500
Veterans Affairs Canada - Commemorative Partnership Program - War Memorial Remembrance Day	3,400	2,500
Veterans Affairs Canada - Commemorative Partnership Program - Warrior Spirit Online Exhibition	25,000	—
	888,863	630,505
Grant monies used for capital purchases	(150,000)	(12,301)
	738,863	618,204

During the year ended March 31, 2025, the Society received 86% [2024 - 68%] of grant revenue from two sources to fund specific programs, projects and capital improvements.

Cash includes \$5,067 [2024 - \$40,572] of gaming funds received from the Province of B.C. The balance is held in a separate bank account

13. DEFERRED CONTRIBUTIONS - REPAIRS & MAINTENANCE FUND

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

	2025	2024
	\$	\$
Balance, beginning of year	384,547	283,495
Contributions in the year	101,987	116,925
Amount used in the year	(66,727)	(15,873)
Balance, end of year	419,807	384,547

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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, five employees [2024 - four] earned over \$75,000. The total amount paid to the employees for the year was \$451,088 [2024 - \$335,608]. During the year, the Society also paid \$139,395 [2024 - \$Nil] to one of its contractor companies.

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, 2025:

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.

Interest Rate Risk

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

a) During the year, the Society entered into two contracts in the amount of \$1,292,802 plus applicable taxes for a roof replacement project and \$384,919 plus applicable taxes for an HVAC replacement project. During the year, the Society incurred \$32,658 of costs relating to these projects.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

16. COMMITMENTS (CONT'D)

b) Under a \$3,500,000 contractual funding agreement that expires January 31, 2028, the Society is creating a comprehensive Heritage Hub featuring a digital database and heritage portal for the Nikkei National Museum & Cultural Centre. This initiative will enhance the preservation and improve the accessibility of the rich history and cultural heritage of Japanese Canadians. Leveraging modern technology, the project will ensure that valuable historical data is accurately digitized, stored, and presented in an engaging and user-friendly manner. The Heritage Hub will serve as a centralized repository for historical documents, photographs, and multimedia content, enabling easy and secure access for families, researchers, educators, and the public. A total of \$1,500,000 has been received since inception of the agreement of which \$337,128 [2024 - \$113,655] has been recorded as grant revenue and \$1,049,217 [2024 - \$1,386,345] as deferred grant revenue.

17. COMPARATIVE FIGURES

Certain 2024 comparative figures have been reclassified to conform to the current year's presentation.