



Victoria Nikkei Cultural Society

Treasurer's Report for 2023 Year-End

The Victoria Nikkei Cultural Society is using a cash-basis accounting method. Unlike an accrual method, where revenue and expenses within a fiscal period are recognized even though some sales deposits and expense disbursements haven't actually been transacted through the bank, the cash accounting method recognizes revenue and expenses **only** when deposits and disbursement have been transacted through the bank. This concept is important in understanding the dramatic change in the Society's financial position from 2022 to 2023.

The 2023 financial position of the Victoria Nikkei Cultural Society improved over the previous year, going from a loss of \$829 to a gain of \$17,870. The Society has no liabilities, so this gain is represented on the balance sheet as a direct increase in assets and a change in member's equity from \$52,685 in 2022 to \$70,555 in 2023. In December, \$40,000 was used to purchase a fixed income investment earning 5.1% per annum. Fixed income investments made in previous years, totalling \$11,689, earned \$127. It is expected that when these particular previous-year investments mature in 2024, they will be rolled over at higher rates of return than they are currently earning.

Typically, a key component of an income statement is a comparison of current year numbers to those of the previous year. For 2023 however, there would be little value in the comparison due to some exceptional revenue entries and changes to how some expense items were allocated. The Society is fortunate to be very well supported with donations from the community. In 2023, we received a very generous donation of note from Noriaki and Kazuko Mito for \$5,000, which resulted in a higher than normal donations total of \$7,920. And, revenue posted to our miscellaneous account in 2023 was also higher than would be normally be expected. This was due to a deposit of \$9,201 in 2023 for revenue earned at the cultural fair in 2022. So, after consideration and adjustment of these exceptional items, a more realistic revenue total for 2023 would be \$47,366 rather than the \$61,567 reported.

Almost 70% of the Society's total expenses in 2023 were attributed just 3 categories, the cultural fair, administration and special events. The cultural fair is the Society's premier event, generating almost half our annual revenue, so it is understandable that it would incur the highest costs. The fair's reported expenses of \$12,489 however are lower than what would have been reported had the Society's legacy method of allocation been used. Specifically, in 2023, a number of pieces of equipment that, in the past, would have been charged to the fair, were instead charged to an Admin account. Equipment purchased included point of sale wireless terminals, WIFI antennas, canopies and tables. The reason for the reallocation was because the equipment was, and will continue to be, used by other activities and events sponsored by the Society, not just the fair. The total value of equipment purchased for the fair and other events was \$3,683. It should be noted that the Society has determined that individual pieces of equipment valued at over \$2,500 will be deemed a depreciable asset. The Society does not currently own any depreciable assets. It should also be noted that beginning in 2024, equipment will be charged to a dedicated equipment account and longer charged to admin.

Expenses charged to the special events account included the cost of sponsoring the Bystander Intervention Workshop, the Nonviolent Communication Workshop and expenses related to the welcoming of navy ships from Japan.

At year end, there were 3 revenue items and 1 disbursement that were carried over into the 2024 fiscal period. The net amount of these items carried into the new year was \$901.

Submitted by David Lawson, January, 2024



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2023 Balance Sheet - Final

January 1st to December 31st

Assets	
Current assets	
Cash on hand/Floats	0.00
Bank-Coast Capital	18,738.60
Investments	
Term deposits (GIC)	<u>51,816.03</u>
Total Assets	<u>70,554.63</u>
Liabilities	0.00
Equity	
Retained Earnings, beginning of year	52,684.89
Earnings, year to date	<u>17,869.74</u>
Total Equity	<u>70,554.63</u>



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2023 Income Statement - Final

January 1st to December 31st

Revenue	
Membership dues	2,246.62
Donations	7,920.15
Grants	0.00
Merchandise	100.00
*Misc. revenue	9,362.99
Events	
Ikebana classes	4,992.21
Cultural Fair	29,352.17
Japan Fest	5,372.26
Mochi Tsuki Kai	128.55
Obon	0.00
Udon Lunch	0.00
Special Events	2,091.83
Total Revenue	61,566.78
Expenses	
Administration	11,426.02
NAJC	3,644.61
Technology	868.96
Cultural Identity Initiatives	
HR Committee	0.00
Heritage Committee	300.00
Uminari Talko	500.00
Furusato dancers	0.00
Ikebana Classes	3,651.80
Cultural Fair	12,489.09
Japan Fest	2,363.44
Mochi Tsuki Kai	312.35
Obon	459.06
Udon Luncheon	483.17
Tanabata	0.00
VNCS Grant program	1,500.00
Special Events	5,698.54
Total Expenses	43,697.04
Net Income	17,869.74

*Includes revenue received in 2022 but booked in the current year.