

Financial Statements

**Toronto Japanese Association of
Commerce and Industry**

December 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of the
Toronto Japanese Association of Commerce and Industry

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the **Toronto Japanese Association of Commerce and Industry**, which comprise the balance sheet as at December 31, 2016 and the statements of revenue and expenses and changes in unrestricted net assets 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 auditors' 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 auditors consider internal control relevant to the entity'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 entity'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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Toronto Japanese Association of Commerce and Industry** as at December 31, 2016 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Toronto, Canada
February 15, 2017

Toronto Japanese Association of Commerce and Industry

BALANCE SHEET

As at December 31

	2016	2015
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	115,788	52,244
Short-term deposits <i>[note 3]</i>	200,000	250,000
HST/GST recoverable	3,427	3,943
Prepaid expenses and other assets	13,723	30,887
Total current assets	332,938	337,074
	332,938	337,074
LIABILITIES AND UNRESTRICTED NET ASSETS		
Current		
Accrued liabilities <i>[note 4]</i>	12,338	13,286
Deferred revenue	8,760	9,400
Total current liabilities	21,098	22,686
Unrestricted net assets	311,840	314,388
	332,938	337,074

See accompanying notes

On behalf of the Board:

Director

Director

Toronto Japanese Association of Commerce and Industry

**STATEMENT OF REVENUE AND EXPENSES
AND CHANGES IN UNRESTRICTED NET ASSETS**

Years ended December 31

	2016	2015
	\$	\$
REVENUE		
Membership fees	289,982	300,630
Interest and other income	2,032	1,740
Event - Athletics	9,717	9,859
Event - Cultural	40,939	37,799
Event - Fundraising	20,850	20,890
	363,520	370,918
EXPENSES		
Administration <i>[note 6]</i>	201,801	199,769
Education <i>[note 5]</i>	36,000	35,000
Community relations	12,822	10,751
Public relations	5,560	4,500
Event - Athletics	12,746	12,394
Event - Cultural	76,289	82,462
Donation	20,850	20,890
	366,068	365,766
Excess (deficiency) of revenue over expenses for the year	(2,548)	5,152
Unrestricted net assets, beginning of year	314,388	309,236
Unrestricted net assets, end of year	311,840	314,388

See accompanying notes

Toronto Japanese Association of Commerce and Industry

STATEMENT OF CASH FLOWS

Years ended December 31

	2016	2015
	\$	\$
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses for the year	(2,548)	5,152
Net change in non-cash working capital balances related to operations	16,092	(71,734)
Cash provided by (used in) operating activities	13,544	(66,582)
INVESTING ACTIVITIES		
Redemption of short-term deposit	250,000	250,000
Investment in short-term deposit	(200,000)	(250,000)
Cash provided by investing activities	50,000	—
Net increase (decrease) in cash and cash equivalents during the year	63,544	(66,582)
Cash and cash equivalents, beginning of year	52,244	118,826
Cash and cash equivalents, end of year	115,788	52,244

See accompanying notes

Toronto Japanese Association of Commerce and Industry

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. ORGANIZATION

Toronto Japanese Association of Commerce and Industry [the “Association”] was incorporated under the Corporations Act (Ontario) to promote friendly relations between Canada and Japan through economic, commercial and industrial activities or exchanges. Members of the Association consist of Japanese corporations, representative offices and individuals in the Province of Ontario. The Association helps to unite the Toronto Japanese business community and to promote and protect its interests.

The Association is a non-profit organization and files under Section 149 (1) (1) of the Income Tax Act (Canada) as a tax exempt organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the CPA Canada Handbook - Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

Revenue recognition

Membership fees are recorded as revenue over the term of the membership and interest income is recorded as earned.

Fees for events and amounts raised for distribution to charities and other external organizations as part of the charge for an event are recorded as revenue when events are held. The amount raised for distribution is recorded as a liability.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short maturity of approximately three months or less from the date of purchase.

Toronto Japanese Association of Commerce and Industry

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Short-term deposits

Short-term deposits with original maturities of greater than three months and remaining maturities of less than one year are classified as short-term deposits.

Contributed materials and services

Contributed materials and services are not recorded in the financial statements.

Allocation of expenses

The costs of personnel and other expenses directly related to functions are allocated to each function. General support and other costs are not allocated.

Controlled not-for-profit organizations

Controlled not-for-profit organizations are not consolidated. Instead, the Association discloses the summarized financial statements of any controlled organizations.

3. SHORT-TERM DEPOSIT

The Association's short-term deposit as at December 31, 2016 bears interest at 0.81% [2015 – 0.64%] and matures on June 15, 2017 [2015 – matured on June 15, 2016].

4. GOVERNMENT REMITTANCES PAYABLE

As at December 31, 2016, accrued liabilities include government remittances payable of \$3,094 [2015 – \$3,610].

5. JAPANESE SCHOOL OF TORONTO SHOKOKAI INC.

The Association has control over the Japanese School of Toronto Shokokai Inc. [the "School"], a not-for-profit organization incorporated under the Corporations Act (Ontario), since the School's Board of Directors consists of the Association's members. The School is a Saturday community school providing academic programs for Japanese speaking students.

Toronto Japanese Association of Commerce and Industry

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

The School's audited financial statements as at and for the years ended March 31, 2016 and 2015 include the following information:

	2016	2015
	\$	\$
Assets	511,496	527,438
Liabilities	208,554	213,890
Net assets	302,942	313,548
Revenue	1,200,951	1,170,857
Expenses	1,211,557	1,149,410
Cash flows (used in) operating activities	(32,932)	(15,718)
Cash flows used in investing activities	(975)	(8,563)

During the year, \$36,000 [2015 - \$35,000] was approved by the Association to the School as educational support. This contribution has been recorded in education expenses in the statement of revenue and expenses and changes in unrestricted net assets.

6. ADMINISTRATION EXPENSES

Administration expenses consist of the following:

	2016	2015
	\$	\$
Salaries and benefits	151,046	149,919
Office rent	23,865	24,574
Other	26,890	25,276
	201,801	199,769

Toronto Japanese Association of Commerce and Industry

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

7. Commitments

Under the terms of operating leases in existence as at December 31, 2016, the Association will be committed to future minimum annual lease payments for premises as follows:

	2016
	\$
	<hr/>
2017	26,492
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	26,492
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