

CANADIAN KENDO FEDERATION
YEAR ENDED MARCH 31, 2021
(Unaudited)

TABLE OF CONTENTS

	Page
Review engagement report	1
Financial statements:	
Balance sheet, all funds	2
Statement of revenues and expenses, general fund	3
Statement of changes in net assets, all funds	4
Statement of cash flow, all funds	5
Schedule A	6
Notes to financial statements	7 - 11



REVIEW ENGAGEMENT REPORT

To the directors of

CANADIAN KENDO FEDERATION

We have reviewed the accompanying financial statements of Canadian Kendo Federation that comprise the balance sheet as at March 31, 2021 and the statements of revenues and expenses for the general fund and statements of changes in net assets and cash flow for all funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors 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 the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Canadian Kendo Federation as at March 31, 2021 and the results of its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Stern Cohen LLP

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Toronto, Canada
June 21, 2021

CANADIAN KENDO FEDERATION

ALL FUNDS

BALANCE SHEET

(Unaudited)

As at March 31,	2021 \$	2020 \$
ASSETS		
Current assets		
Cash	112,715	98,214
Investment, Schedule A	26,304	25,713
Sundry receivables	800	400
Inventory	3,050	3,050
Prepays	6,899	8,529
	149,768	135,906
Investments, Schedule A	118,996	117,607
	268,764	253,513
LIABILITIES		
Current liabilities		
Accounts payable	6,375	7,017
NET ASSETS		
General fund (Note 5(b))	68,307	57,498
Restricted - non-expendable	118,995	117,607
Restricted - expendable		
Team Canada/World Kendo Championship	65,571	61,885
Development fund - Kendo	5,846	5,836
Development fund - Iaido/Jodo	3,670	3,670
	262,389	246,496
	268,764	253,513

Other information (Note 5)

See accompanying notes.

Approved on behalf of the
Executive Board: _____



CANADIAN KENDO FEDERATION
GENERAL FUND
STATEMENT OF REVENUES AND EXPENSES

(Unaudited)

For the year ended March 31,	2021 \$	2020 \$
Revenues		
Grading and diplomas (Note 2)	8,535	63,050
Membership and club fees (Note 5(b))	28,080	48,565
Seminar income	8,230	16,010
Miscellaneous	-	240
Investment income	648	783
	45,493	128,648
Expenses		
Insurance	14,884	12,878
Legal and accounting	6,057	6,549
Web and computing expense	3,575	1,432
Office supplies	2,635	2,496
Membership fee	1,790	1,671
Public relations	1,574	5,838
PayPal expense	1,531	3,869
Travel - directors	1,312	11,747
Grading expenses	654	16,498
Seniors' leaders stipend	500	4,580
Bank charges and fees	172	241
FIK seminar	-	23,203
Travel - others	-	5,312
Amortization	-	1,600
Meetings and receptions	-	558
Office services	-	480
	34,684	98,952
Excess of revenues over expenses before fund allocations	10,809	29,696
Fund allocations (Note 3)	-	(42,500)
Excess of revenues over expenses for the year	10,809	(12,804)

See accompanying notes.



CANADIAN KENDO FEDERATION
ALL FUNDS
STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)

For the year ended March 31,	General	Restricted Non-Expendable	Restricted Expendable			2021 \$	2020 \$
			Team Canada/World Kendo Championship	Development Fund Kendo	laido/Jodo		
Beginning of year, as previously stated	38,078	117,607	61,885	5,836	3,670	227,076	221,498
Correction to prior year financial statements (Note 5(b))	19,420	-	-	-	-	19,420	22,462
Beginning of year, restated	57,498	117,607	61,885	5,836	3,670	246,496	243,960
Revenues							
Operating	44,845	-	1,000	10	-	45,855	127,865
Donations	-	-	-	-	-	-	5,782
Investment income (Note 4)	648	1,388	-	-	-	2,036	3,357
	45,493	1,388	1,000	10	-	47,891	137,004
Disbursements and accrued expenses	34,684	-	(2,686)	-	-	31,998	134,468
Excess of revenues over disbursements	10,809	1,388	3,686	10	-	15,893	2,536
Surplus, end of year	68,307	118,995	65,571	5,846	3,670	262,389	246,496

CANADIAN KENDO FEDERATION
ALL FUNDS
STATEMENT OF CASH FLOW
(Unaudited)

For the year ended March 31,	2021	2020
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses for the year		
General fund	10,809	29,696
Restricted non-expendable fund	1,388	2,574
Restricted expendable funds		
Team Canada/WKC	3,686	(12,500)
Development - Kendo	10	(10,428)
Development - Iaido/Jodo	-	(6,806)
Item not involving cash		
Amortization	-	1,600
Working capital from operations	15,893	4,136
Net change in non-cash working capital balances related to operations	588	4,093
Cash from operations	16,481	8,229
Investing activities		
Increase in investments	(1,980)	(2,562)
Change in cash during the year	14,501	5,667
Cash		
Beginning of year	98,214	92,547
End of year	112,715	98,214

See accompanying notes.

Schedule A
CANADIAN KENDO FEDERATION
INVESTMENTS
(Unaudited)

As at March 31,	2021 \$	2020 \$
Restricted - non-expendable		
BMO GIC due July 13, 2020, 2.25%	-	117,607
BMO GIC due July 22, 2021, 0.75%	118,996	-
General fund		
National Bank GIC due October 25, 2022, 2.29%	26,304	25,713
	145,300	143,320

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2021

Canadian Kendo Federation (CKF) is a Registered Canadian Amateur Athletic Association, not-for-profit organization and the Canadian governing body for the advancement, development and promotion of Kendo, Iaido, and Judo in Canada. CKF is a member of the International Kendo Federation (FIK). The organization is exempt from tax under the Income Tax Act.

1. 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:

(a) Revenue recognition

Membership fees, individual and dojo, are recorded when received. Grading and certificate revenue, net of refunds, are recorded, including its related expenses, in the grading year period.

Revenue from national championships and seminars is recognized when the events take place.

Donations are recorded when received.

Interest income is recognized on the accrual basis.

(b) Inventory

Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

(c) Investments

Investments are recorded at fair value with gains and losses recognized in net income. The fair value is determined on the basis of quoted market prices.

(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, liabilities, revenue and expenditures during the year. Actual results could differ from these estimates.

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2021

1. Significant accounting policies (cont'd)

(e) *Fund accounting*

The organization follows the restricted fund method of accounting for its revenues.

The general fund accounts for the organization's ongoing operations and administrative activities.

The restricted non-expendable fund holds investments and reports investment income earned.

The restricted expendable fund reports contributions and expenses relating to special events and external activities the organization chooses to support. The restricted expendable fund is financed by the general fund as well as through external donations.

(f) *Financial instruments*

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and liabilities at amortized cost except for investments, which are measured at fair value.

The organization's financial instruments that are measured at amortized cost consist of cash, sundry receivables, accounts payable and deferred revenue.

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2021

2. Grading and diplomas

Net revenue from grading and diplomas consist of the following:

	2021	2020
	\$	\$
Revenue	8,535	89,235
Refunds	-	(26,185)
	8,535	63,050

3. Fund allocations

Funds were allocated from the general fund as follows:

	2021	2020
	\$	\$
Team Canada/World Kendo Fund	-	(30,000)
Kendo Development Fund	-	(7,500)
Iaido/Jodo Development Fund	-	(5,000)
	-	(42,500)

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2021

4. Investment income

Investment income consists of the following:

	2021	2020
	\$	\$
Investment income - general fund	648	783
Investment income - restricted non expendable	1,388	2,574
	2,036	3,357

5. Other information

(a) *Financial instruments*

The organization is exposed to the following significant financial risks:

i) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk with respect to its investments in interest bearing financial instruments. The organization does not use derivative financial instruments to alter the effects of this risk.

ii) *Liquidity risk*

Liquidity risk is the risk that the organization will encounter difficulty in meeting its financial obligations when they come due. The organization manages its liquidity risk by monitoring and managing the cash requirements to ensure the organization has sufficient funds to meet its operational requirements. The primary source of liquidity is cash generated from operations. The organization expects to meet these obligations as they come due by generating sufficient cash flows from operations.

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2021

5. Other information (cont'd)

(b) Correction of prior year financial statements

Membership fees, both individual and dojo, were previously recorded over the membership period which resulted in a portion of fees collected being deferred as of year end. In accordance with accounting standards for not-for-profit organizations, membership fees, for which the organization has no further obligations, are earned when received. This resulted in fiscal 2020 revenues being overstated by \$3,042, deferred revenue overstated by \$19,420, and fiscal 2020 opening net assets were understated by \$22,462. The fiscal 2020 comparative figures have been amended where necessary to conform with this correction.

(c) COVID-19

The outbreak of the novel coronavirus ("COVID-19"), in March 2020, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which have included travel bans, state and country lockdowns, self-imposed quarantine periods and social distancing have created material disruption to businesses globally, which are resulting in an economic slowdown. The duration and impact of the COVID-19 pandemic is unknown at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results of the organization nor its future condition and operations in future periods.

The pandemic has impacted the organization by forcing the cancellation of in-person grading and diploma events, as well as other member related services which has impacted membership fees.