

CANADIAN KENDO FEDERATION

YEAR ENDED MARCH 31, 2025

(Unaudited)

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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, 2025 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, 2025 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
Licensed Public Accountants
Toronto, Canada
September 16, 2025

CANADIAN KENDO FEDERATION

ALL FUNDS

BALANCE SHEET

(Unaudited)

As at March 31,	2025 \$	2024 \$
ASSETS		
Current assets		
Cash	390,232	367,353
Investment, Schedule A	-	27,252
Sundry receivables	2,500	758
Inventory	-	2,682
Prepays	24,545	26,408
	417,277	424,453
LIABILITIES		
Current liabilities		
Accounts payable	16,654	14,956
Deferred revenue	2,266	335
	18,920	15,291
NET ASSETS		
General fund	211,072	161,925
Restricted - non-expendable	119,920	119,920
Restricted - expendable		
Team Canada Kendo	38,147	103,683
Team Canada Iaido	4,000	4,000
Development fund - Kendo	21,417	10,479
Development fund - Iaido/Jodo	3,801	9,155
	398,357	409,162
	417,277	424,453

Other information (Note 4)

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,	2025 \$	2024 \$
Revenues		
Membership and club fees	99,995	71,275
Grading and diplomas (Note 2)	93,929	79,487
Donations and other	5,541	23,183
Seminar income	60,364	15,140
National Championship	11,170	26,400
Investment income	8,260	6,244
	279,259	221,729
Expenses		
National Championship	33,525	36,704
Seminars	69,808	30,706
Grading expenses	23,911	28,201
Insurance	32,832	27,048
Travel	14,378	24,899
Equipment and supplies	-	16,631
Legal and accounting	17,571	11,109
Bank charges and transaction fees	10,578	7,069
Web and computing expense	6,622	6,348
Seniors' leaders stipend	4,800	4,763
Meetings and receptions	1,345	1,539
Public relations	287	1,313
Membership fee	1,449	996
Office supplies	326	526
	217,432	197,852
Excess of revenues over expenses before fund allocations	61,827	23,877
Fund allocations (Note 3)	(12,680)	(2,000)
Excess of revenues over expenses for the year	49,147	21,877

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				2025 \$	2024 \$
			Team Canada		Development Fund			
			Kendo	Iaido	Kendo	Iaido/Jodo		
Beginning of year	161,925	119,920	103,683	4,000	10,479	9,155	409,162	399,083
Revenues								
Operating	270,999	-	-	-	-	-	270,999	226,524
Donations	-	-	6,139	-	20,633	4,466	31,238	61,985
Investment income	8,260	-	-	-	-	-	8,260	6,363
	279,259	-	6,139	-	20,633	4,466	310,497	294,872
Disbursements and accrued expenses	217,432	-	86,675	-	17,195	-	321,302	284,793
Excess (deficiency) of revenues over disbursements	61,827	-	(80,536)	-	3,438	4,466	(10,805)	10,079
Interfund transfers (Note 3)	(12,680)	-	15,000	-	7,500	(9,820)	-	-
Surplus, end of year	211,072	119,920	38,147	4,000	21,417	3,801	398,357	409,162

CANADIAN KENDO FEDERATION

ALL FUNDS

STATEMENT OF CASH FLOW

(Unaudited)

For the year ended March 31,	2025 \$	2024 \$
Operating activities		
Excess of revenues over expenses for the year		
General fund	61,827	23,877
Restricted non-expendable fund	-	119
Restricted expendable funds		
Team Canada Kendo	(80,536)	(11,888)
Development - Kendo	3,438	(779)
Development - Iaido/Jodo	4,466	(1,250)
Working capital from (required by) operations	(10,805)	10,079
Net change in non-cash working capital balances related to operations	6,432	(16,134)
Cash required by operations	(4,373)	(6,055)
Investing activities		
Decrease in investments	27,252	119,808
Change in cash during the year	22,879	113,753
Cash		
Beginning of year	367,353	253,600
End of year	390,232	367,353

See accompanying notes.

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2025

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 Jodo 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. Revenues received for gradings scheduled to occur after year-end are recorded as deferred revenue.

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) Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of revenues and expenses when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the organization's operations and would otherwise have been purchased. In fiscal 2025, there were no contributions of materials or services to be recognized in the financial statements.

In fiscal 2024 an approximate \$13,921 of event supplies and installation labor were donated to organization. These contributions are recognized in the financial statements as they would have otherwise been purchased by the organization.

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2025

1. Significant accounting policies (cont'd)

(c) Inventory

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

(d) 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.

(e) 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.

(f) 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.

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2025

1. Significant accounting policies (cont'd)

(g) 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, accounts payable and deferred revenue.

2. Grading and diplomas

Net revenue from grading and diplomas consist of the following:

	2025 \$	2024 \$
Revenue	93,929	88,547
Refunds	-	(9,060)
	93,929	79,487

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2025

3. Fund allocations

Funds were allocated to/(from) the general fund as follows:

	2025 \$	2024 \$
Team Canada Kendo	(15,000)	-
Team Canada Iaido	-	(2,000)
Kendo Development Fund	(7,500)	-
Iaido/Jodo Development Fund	9,820	-
	(12,680)	(2,000)

4. 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.