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2018-03-31

CANADIAN KENDO FEDERATION
133424457Canada Revenue Agency
Agence du revenu
du Canada

Protected B when completed

**Registered Canadian Amateur
Athletic Association Information Return****Identification**

Name of association CANADIAN KENDO FEDERATION	
Address 610-65 SAINT-PAUL QUEST	
City MONTREAL	
Province or territory QC	Postal code H2Y 3S5

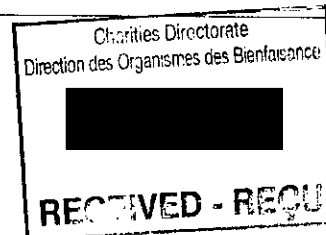
Return for fiscal period ending 2018-03-31 Year Month Day
Is this the first return filed by this association? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If "no," has the fiscal period changed from the last return filed? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Is this the final return to be filed by this association? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If "yes," please attach an explanation.
File number
BN/Registration number 13342 4457 RR0001

Is the address above the same mailing address as last year? Yes ☒ No ☐If no, is the address above the new mailing address? Yes ☐ No ☐**Instructions**

- Complete the Identification area.
- Complete the boxes (above right) to indicate the end of the association's fiscal period.
- Attach FINANCIAL STATEMENTS for the fiscal period covered by this return. These should include a statement of revenue and expenditures for the fiscal period and a statement of assets and liabilities as of the end of the fiscal period. The statements should indicate the different sources of revenue in sufficient detail to show how funds were spent or invested.
 - a list of the names, addresses, and occupations or lines of business of the association's current directors.
 - a list of the names and the official positions of the people who are authorized to issue official receipts for the association.
 - a note that fully explains what replacement procedure is followed in the event of lost or spoiled receipts.
 - six months from the end of the fiscal period of the association, mail or deliver a completed return and all required documents to:

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

ized by the Minister of National Revenue.



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Information required

1. Have any changes not previously reported been made to the association's governing documents? If **yes**, please attach a certified copy of the changes. Yes ☐ No ☒
2. Have complete books and records been kept (including duplicate copies of receipts) which fully substantiate all financial transactions during the fiscal period? If **no**, please attach an explanation. Yes ☒ No ☐
3. Please indicate the total amount for which the association issued official donation receipts in this fiscal period. \$ 20,680.00
4. Are the receipt forms used to acknowledge payments that are NOT gifts clearly distinguishable from official donation receipts which bear the BN/registration number? If **no**, please attach an explanation. Yes ☒ No ☐
5. Did the association issue official donation receipts showing a date in the previous calendar year for donations that were mailed or otherwise submitted after the end of the calendar year? If **yes**, please attach an explanation. Yes ☐ No ☒
6. Have official donation receipts been issued to acknowledge donations in a form other than cash or cheque - e.g., goods, services rendered, etc.? If **yes**, please attach a list of these gifts and their value as shown on the official donation receipt. Yes ☐ No ☒
7. Has any amount donated to the association been returned to the donor during the year? If **yes**, please attach an explanation. Yes ☐ No ☒
- 8 a. During the fiscal period, did the association accept any gifts with the express or implied condition that such gifts were to be used for the benefit of another person, club, society or association? If **yes**, please attach an explanation. Yes ☐ No ☒
- b. Did the association issue an official donation receipt to acknowledge such a gift? Yes ☐ No ☒

Certification

To be signed by two directors of the association.


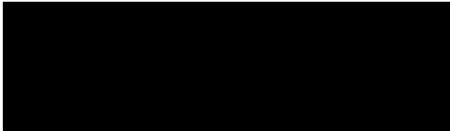
1. I, D'ORANGEVILLE, CHRISTIAN
of [REDACTED] Name of director whose signature appears below.
[REDACTED] Address
2. I, JOHN MAISONNEUVE
of [REDACTED] Name of director whose signature appears below.
[REDACTED] Address

HEREBY CERTIFY that the information given in this return and in all attachments is, to the best of my knowledge, correct, complete and current.
(Note: It is a serious offense under the *Income Tax Act* to provide false or deceptive information.)

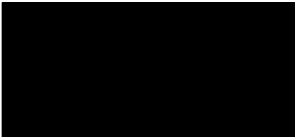
1. Signature of director	[REDACTED]	Position with the association	PRESIDENT
Home telephone number	[REDACTED]	Business telephone number	[REDACTED]
Date			
2. Signature of director	[REDACTED]	Position with the association	TREASURER
Home telephone number	[REDACTED]	Business telephone number	[REDACTED]
Date			

CANADIAN KENDO FEDERATION
DIRECTORS & OFFICERS
2018

President

 Christian D'Orangeville


Vice-President - East

Hyun-June Choi


Secretary

Neil Grendzwill



Vice-President- West

Makiko Ara


Director and Treasurer

John Maisonneuve


Directors:

David Mori


Pamela Morgan


Patrick Suen


CANADIAN KENDO FEDERATION

YEAR ENDED MARCH 31, 2018

(Unaudited)

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[REDACTED]

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Business Advisors

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, 2018 and the statements of revenue 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.

Basis for Qualified Conclusion

The organization recognizes membership and club fees on a straight line basis over the calendar year. Under Canadian accounting standards for not-for-profit organizations, membership and club fees, where no future services are required to be rendered to members, are considered to be a contribution and therefore should be recognized on a cash basis when received. The effect of this departure from Canadian accounting standards for not-for-profit organizations would be an understatement of revenue for the year of \$817 (2017- \$3,845 understatement) and an overstatement of deferred revenue and an understatement of net assets, general fund of \$20,535 (2017- \$19,718).

Qualified Conclusion

Based on our review, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, 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, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

[REDACTED]

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Toronto, Canada

[REDACTED]

CANADIAN KENDO FEDERATION**ALL FUNDS****BALANCE SHEET**

(Unaudited)

As at March 31,	2018 \$	2017 \$
ASSETS		
Current assets		
Cash	127,863	153,008
Investment, Schedule A	25,053	25,053
Inventory	3,624	2,347
Prepays	6,010	7,380
	162,550	187,788
Capital asset (Note 4)	3,200	4,800
Investments, Schedule A	114,089	113,124
	279,839	305,712
LIABILITIES		
Current liabilities		
Accounts payable	5,640	5,720
Deferred revenue	20,534	19,718
	26,174	25,438
NET ASSETS		
General fund	44,907	69,238
Restricted - non-expendable	114,089	113,124
Restricted - expendable		
Team Canada/World Kendo Championship	67,538	76,225
Development fund - Kendo	17,350	15,406
Development fund - Iaido/Jodo	9,781	6,281
	253,665	280,274
	279,839	305,712

Other information (Note 6)

See accompanying notes.

Approved on behalf of the
Executive Board: _____

CANADIAN KENDO FEDERATION
GENERAL FUND
STATEMENT OF REVENUE AND EXPENSES

(Unaudited)

For the year ended March 31,	2018 \$	2017 \$
Revenue		
Grading and diplomas (Note 2)	72,195	59,378
Membership and club fees	46,154	44,760
National Championship (2018 - Kendo, 2017- Iaido)	18,355	16,403
Miscellaneous	23	337
Investment income	275	126
FIK seminar	17,592	-
	154,594	121,004
Expenses		
National Championship	24,658	17,551
Grading expenses	18,950	17,020
Insurance	12,300	13,391
Travel - directors	18,081	8,211
Legal and accounting	5,782	5,201
██████████ expense	4,730	3,965
Seniors' leaders stipend	7,090	6,134
Public relations	3,350	2,972
Office supplies	2,374	1,043
Office services	2,880	2,880
Web and computing expense	2,942	3,901
Membership fee	1,127	1,657
Travel - others	2,968	609
Bank charges and fees	1,343	887
Equipment and supplies	91	535
Meetings and receptions	1,311	1,312
FIK seminar	24,848	-
Amortization	1,600	1,600
	136,425	88,869
Excess of revenue over expenses before fund allocations	18,169	32,135
Fund allocations (Note 3)	(42,500)	(42,500)
Deficiency of revenue over expenses for the year	(24,331)	(10,365)

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			2018 \$	2017 \$
			Team Canada/World Kendo Championship	Development Fund Kendo	Iaido/Jodo		
Surplus, beginning of year	69,238	113,124	76,225	15,406	6,281	280,274	260,002
Revenues							
Operating	154,319	-	9,987	-	-	164,306	120,878
Donations	-	-	20,160	-	500	20,660	20,260
Investment income (Note 5)	275	965	-	-	-	1,240	2,505
	154,594	965	30,147	-	500	186,206	143,643
Disbursements and accrued expenses	136,425	-	68,834	5,556	2,000	212,815	123,371
Excess (deficiency) of revenues over disbursements	18,169	965	(38,687)	(5,556)	(1,500)	(26,609)	20,272
Interfund transfers (Note 3)	(42,500)	-	30,000	7,500	5,000	-	-
Surplus, end of year	44,907	114,089	67,538	17,350	9,781	253,665	280,274

CANADIAN KENDO FEDERATION

ALL FUNDS

STATEMENT OF CASH FLOW

(Unaudited)

For the year ended March 31,	2018 \$	2017 \$
Operating activities		
Excess (deficiency) of revenue over expenses for the year		
General fund	18,169	32,135
Restricted non-expendable fund	965	2,379
Restricted expendable funds		
Team Canada/WKC	(38,687)	5,924
Development - Kendo	(5,556)	(14,776)
Development - Iaido/Jodo	(1,500)	(5,390)
Item not involving cash		
Unrealized losses on investments	149	1,701
Amortization	1,600	1,600
Working capital from (required by) operations	(24,860)	23,573
Net change in non-cash working capital balances related to operations	829	1,259
Cash from (required by) operations	(24,031)	24,832
Investing activities		
Increase in investments	(1,114)	(3,578)
Change in cash during the year	(25,145)	21,254
Cash		
Beginning of year	153,008	131,754
End of year	127,863	153,008

See accompanying notes.

Schedule A
CANADIAN KENDO FEDERATION
INVESTMENTS
(Unaudited)

As at March 31,	2018 \$	2017 \$
Restricted - non-expendable		
Bond Fund	36,640	36,585
Bond Fund	25,725	25,627
Dividend Fund	15,422	14,916
GIC due May 25, 2018, 0.85%	36,302	35,996
	114,089	113,124
General fund		
GIC due September 24, 2018, 1.10%	25,053	25,053
	139,142	138,177

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2018

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 over the membership period. 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) Capital assets

Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of the assets to operations over their estimated useful lives. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included in income.

Amortization is charged to operations on a straight-line basis at the following annual rates:

Computer software	5 years
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CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2018

1. Significant accounting policies (cont'd)

(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 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.

(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 funds, accounts payable and deferred revenue.

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2018

2. Grading and diplomas

Net revenue from grading and diplomas consist of the following:

	2018 \$	2017 \$
Revenue	95,800	79,863
Refunds	(23,605)	(20,485)
	<u>72,195</u>	<u>59,378</u>

3. Fund allocations

Funds were allocated from the general fund as follows:

	2018 \$	2017 \$
Team Canada/World Kendo Fund	(30,000)	(30,000)
Kendo Development Fund	(7,500)	(7,500)
Iaido/Jodo Development Fund	(5,000)	(5,000)
	<u>(42,500)</u>	<u>(42,500)</u>

4. Capital assets

	Cost \$	Accumulated amortization \$	Net 2018 \$	2017 \$
Computer software	8,000	4,800	<u>3,200</u>	<u>4,800</u>

CANADIAN KENDO FEDERATION
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2018

5. Investment income

Investment income (loss) consists of the following:

	2018 \$	2017 \$
Investment income - general fund	275	126
Investment income - restricted non expendable	1,114	4,080
Unrealized losses	(149)	(1,701)
	1,240	2,505

6. 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.