1. NATURE OF ORGANIZATION

Karate Nova Scotia (the "Society") is a Non-Profit Organization under the laws of Nova Scotia as of February 7, 1992. The Society is an organizing body for Karate in the Province of Nova Scotia, providing and hosting events relating to competition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in accounting policy
In 2019, the Society changed its accounting policy from cash to accrual basis of accounting. The Board of Directors (the "Board") feels that this method is a more appropriate financial presentation as it presents revenue and expenses as they are earned rather than received.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand and bank deposits.

Revenue recognition
Revenue is recorded as at the date of delivery and invoicing. Receivables are provided with an allowance if the account becomes doubtful and written-off if it becomes uncollectible.

Property, plant, and equipment
Property, plant, and equipment are recorded at cost. Amortization is provided annually at the rates calculated to write-off the assets over their estimated useful life as follows:

Trailer	10 years, straight-line

Use of estimates
The Board reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revisions. Many items in the preparation of these financial statements require the Board's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to the changes in net assets as appropriate in the year they become known.

Significant items subject to the Board's estimates include allowance for doubtful accounts and useful lives of property, plant, and equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Financial instruments
The Society considers any contract creating a financial asset, liability, or change in net assets as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financials instruments:

- cash and cash equivalents
- receivables
- payables and accruals
- loans payable

Measurement
The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all of its financial assets and financial liabilities at amortized cost. The Society removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Impairment
Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Unless otherwise noted, it is the Board's opinion that the Society is not exposed to significant interest or currency risks arising from financial instruments. The fair value of these financial instruments approximates their carrying values.

Credit risk
The Society is exposed to credit risk through payment default on its receivables. Exposure to credit risk on receivables is managed through active monitoring and collection practices. A provision for uncollectible accounts has been determined based on respective aging of accounts, risk profile of certain accounts and collections subsequent to year end.

3. CASH

Cash consists of unrestricted operating funds held on deposit with Scotiabank, as well funds on deposit as follows:

	2021	2020
Undeposited Cash	$ -	$ 3,958
Scotiabank Operations	89,951	78,584
Scotiabank Savings	78,521	-
	$ 168,472	**$ 82,542**

4. FIXED ASSETS

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Trailer	$ 3,126	$ 652	**$ 2,475**	**$ 2,787**

5. DEFERRED REVENUE

	2021	2020
Membership	$ -	$ 247
NSPPI Grant	36,320	17,723
	$ 36,320	**$ 17,970**

6. NSPPI Grant

	2021	2020
Grant	$ 25,000	$ 25,000
Expenses:		
Athletes	521	3,459
Coaches	2,626	984
Officials	-	449
Training	3,257	2,385
NSPPI Expenses	**6,403**	**7,277**
Deferred NSPPI Grant	**$ 18,597**	**$ 17,723**

7. PRIOR PERIOD ADJUSTMENT

In 2020 It was determined that Karate Nova Scotia received a Grant of $4,000 on behalf of Karate Canada for the 2018 Karate Nationals but had not distributed the funds.

8. PROVINCIAL TEAM LIABILITY

The provincial teams fundraising is deposited into the Karate Nova Scotia bank account and thus Karate Nova Scotia holds a liability representing cash owed to the provincial team. At year-end Karate Nova Scotia holds $3,285 (2020 - NIL) of the provincial teams fundraising.