

QUILTS OF VALOUR - CANADA SOCIETY

FINANCIAL STATEMENTS

JULY 31, 2021

QUILTS OF VALOUR - CANADA SOCIETY

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Quilts of Valour - Canada Society

We have reviewed the accompanying financial statements of Quilts of Valour - Canada Society that comprise the statement of financial position as at July 31, 2021, and the statements of operations and changes in 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.

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.

Marcil Lavallée

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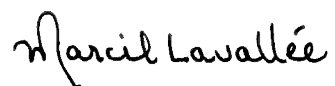


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Quilts of Valour - Canada Society as at July 31, 2021, 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.

Other Matter

The statement of financial position as at July 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended were not reviewed or audited, and were compiled by management.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
October 13, 2021

QUILTS OF VALOUR - CANADA SOCIETY

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JULY 31, 2021

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	2021	2020
REVENUES		
Donation	\$ 78,030	\$ 37,722
Sale of goods	22,047	5,039
Grant - Veterans Affairs Canada	5,000	-
	105,077	42,761
EXPENSES		
Program		
Quilting supplies	45,645	33,958
Cost of goods sold	18,950	784
Courier, postage and freight	1,109	3,312
Advertising and branding	183	-
	65,887	38,054
Administrative		
Office expenses	1,298	2,087
Travel	967	1,235
Professional fees	-	2,320
Interest and bank charges	175	70
	2,440	5,712
	68,327	43,766
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	36,750	(1,005)
NET ASSETS, BEGINNING OF YEAR	34,279	35,284
NET ASSETS, END OF YEAR	\$ 71,029	\$ 34,279

QUILTS OF VALOUR - CANADA SOCIETY

STATEMENT OF FINANCIAL POSITION

JULY 31, 2021

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	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 63,640	\$ 22,605
Accounts receivable (Note 3)	7,532	10,210
Inventory	11,220	625
Prepaid expenses	-	2,760
	\$ 82,392	\$ 36,200
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 4,613	\$ 1,921
Deferred revenue	6,750	-
	11,363	1,921
NET ASSETS		
Unrestricted	71,029	34,279
	\$ 82,392	\$ 36,200

ON BEHALF OF THE BOARD



_____, Director

LAVIOLETTE,
JENNIFER 058

Digitally signed by LAVIOLETTE,
JENNIFER 058
Date: 2021.10.14 15:00:54 -0400

_____, Director

QUILTS OF VALOUR - CANADA SOCIETY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JULY 31, 2021

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	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 36,750	\$ (1,005)
Net change in non-cash items related to operating activities:		
Accounts receivable	2,678	3,277
Inventory	(10,595)	784
Prepaid expenses	2,760	(2,760)
Accounts payable	2,692	(411)
Deferred revenue	6,750	-
	4,285	890
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,035	(115)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,605	22,720
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 63,640	\$ 22,605

Cash and cash equivalents consist of cash.

QUILTS OF VALOUR - CANADA SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2021

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1. STATUTE AND NATURE OF OPERATIONS

The Quilts of Valour - Canada Society is incorporated under the Canada Not-for-profit Corporations Act. The Organization delivers quilts and assists individuals across Canada who make and donate the quilts by providing supplies as needed and a support network. The Organization also sells goods for making quilts to raise funds while encouraging quilters to make and donate quilt blocks. The Organization is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Revenue recognition

The Organization follows the deferral method of accounting for grants. Restricted grants are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from sale of goods is recognized when there is persuasive evidence that an arrangement exists, delivery has occurred, the price is fixed or determinable and the ultimate collection is reasonably assured.

Donations are recognized as revenue when the amount is received or receivable when collection is reasonably assured unless deferred for specific future use.

Contributed services

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours, contributed services are not recognized in the financial statements.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

QUILTS OF VALOUR - CANADA SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2021

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Cash and cash equivalents

The Organization's policy is to present bank balances, including bank indebtedness with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalents.

3. ACCOUNTS RECEIVABLE

	2021		2020
Donation receivable	\$ 3,490	\$	7,000
GST/HST rebates receivable	4,042		3,210
	\$ 7,532	\$	10,210

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NOTES TO THE FINANCIAL STATEMENTS

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4. CORONAVIRUS PANDEMIC

The coronavirus pandemic (COVID-19) has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The financial impact on the Organization is dependent on the future course of events, including the duration of interruptions and trade restrictions imposed by the government, the rollout of the vaccination program among the general public and the effectiveness of measures taken in Canada and other countries to combat the virus. These events are highly uncertain and, as such, the Organization cannot determine the ultimate financial impacts at this time.