

WOMEN IN NEED SOCIETY OF CALGARY

Financial Statements

December 31, 2015

WOMEN IN NEED SOCIETY OF CALGARY
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As at and for the year ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of Women In Need Society of Calgary:

We have audited the accompanying financial statements of Women In Need Society of Calgary, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Women In Need Society of Calgary as at December 31, 2015 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.

Calgary, Alberta
April 13, 2016

Calvista LLP
Chartered Professional Accountants

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Financial Position
As at December 31, 2015

	2015	2014
Assets		
Current		
Cash and cash equivalents	\$ 675,979	\$ 536,701
Restricted cash (Note 3)	30,566	1,181
Short term investment (Note 4)	-	180,000
Accounts receivable	59,740	61,244
Goods and services tax recoverable	61,821	30,201
Prepaid expenses	71,986	51,577
	<u>900,092</u>	860,904
Long term investment (Note 5)	550,000	550,000
Property and equipment (Note 6)	<u>237,743</u>	311,351
	<u>\$ 1,687,835</u>	<u>\$ 1,722,255</u>
Liabilities and Net assets		
Current		
Accounts payable and accrued liabilities	\$ 46,662	\$ 62,291
Wages payable	<u>74,716</u>	<u>64,054</u>
	121,378	126,345
Deferred contributions		
Related to operations (Note 7)	87,528	113,081
Related to property and equipment (Note 8)	78,177	112,591
Funds for future purchase of property and equipment (Note 8)	<u>15,000</u>	-
	<u>302,083</u>	352,017
Net assets		
Invested in property and equipment	159,566	198,760
Internally restricted (Note 9)	400,000	400,000
Unrestricted	<u>826,186</u>	<u>771,478</u>
	<u>1,385,752</u>	1,370,238
	<u>\$ 1,687,835</u>	<u>\$ 1,722,255</u>

On behalf of the Board

_____ Director

_____ Director

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Operations
For the year ended December 31, 2015

	2015	2014
Revenue		
Thrift stores	\$ 3,294,707	\$ 3,226,818
Donations	621,691	461,433
Gifts in kind	155,635	183,917
Recycling	145,395	142,987
United Way	129,148	113,092
Grants	123,663	144,426
Recognition of deferred contributions related to property and equipment	45,400	45,108
Casino	39,046	22,216
Interest income	14,763	16,980
Delivery	11,586	10,330
Other income	1,283	800
	<u>4,582,317</u>	<u>4,368,107</u>
Expenses		
Salaries and wages	2,962,946	2,762,641
Rent and utilities	697,087	641,874
Thrift store	229,385	226,434
Gifts in kind	155,635	183,917
Office	141,518	131,980
Amortization	131,690	90,987
Advertising and promotion	73,137	34,200
Repairs and maintenance	64,520	56,630
Professional fees	43,906	102,508
Goods and services tax	31,371	32,218
Staff and volunteer recognition and development	16,106	29,726
Donations	12,452	18,838
Program expenses	7,050	9,835
	<u>4,566,803</u>	<u>4,321,788</u>
Excess of revenue over expenses from operations	15,514	46,319
Gain (loss) on disposal of assets	-	4,000
Excess of revenue over expenses	\$ 15,514	\$ 50,319

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Changes in Net Assets
For the year ended December 31, 2015

	Invested in property and equipment	Internally restricted	Unrestricted	2015	2014
Net assets - beginning of year	\$ 198,760	\$ 400,000	\$ 771,478	\$ 1,370,238	\$ 1,319,919
Excess of revenue over expenses	(86,290)	-	101,804	15,514	50,319
Purchase of property and equipment with unrestricted funds	47,096	-	(47,096)	-	-
Net assets - end of year	\$ 159,566	\$ 400,000	\$ 826,186	\$ 1,385,752	\$ 1,370,238

The accompanying notes are an integral part of these financial statements.

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Cash Flows
For the year ended December 31, 2015

	2015	2014
Operating activities		
Excess of revenue over expenses	\$ 15,514	\$ 50,319
Items not affecting cash:		
Amortization of property and equipment	131,690	90,987
Recognition of deferred contributions related to property and equipment	(45,400)	(45,108)
Gain on disposal of property and equipment	-	(4,000)
	<u>101,804</u>	92,198
Changes in non-cash working capital	<u>(81,041)</u>	(36,915)
Cash flow from operating activities	<u>20,763</u>	55,283
Investing activities		
Purchase of property and equipment	(58,084)	(72,571)
Proceeds on disposal of property and equipment	-	4,000
Short term investments	180,000	550,000
Long term investments	-	(550,000)
Cash flow from (used by) investing activities	<u>121,916</u>	(68,571)
Financing activities		
Deferred contributions related to property and equipment	<u>25,984</u>	23,418
Cash flow from financing activities	<u>25,984</u>	23,418
Increase in cash flow	168,663	10,130
Cash and cash equivalents - beginning of year	<u>537,882</u>	527,752
Cash and cash equivalents - end of year	\$ 706,545	\$ 537,882
Cash and cash equivalents consists of:		
Cash and cash equivalents	\$ 675,979	\$ 536,701
Restricted cash	<u>30,566</u>	<u>1,181</u>
	\$ 706,545	\$ 537,882

WOMEN IN NEED SOCIETY OF CALGARY
Notes to Financial Statements
As at and for the year ended December 31, 2015

1. Purpose of the organization

Women In Need Society of Calgary (the "Society") was incorporated under the Societies Act of Alberta on May 19, 1992 and is a registered charitable society under Section 149(1)(l) of the Income Tax Act, and as such is exempt from income taxes. The Society was established to help women and families help themselves through innovative and effective programs and services.

The Society supports women by helping them build new lives for themselves and their families. The primary contribution is through the operation of four community based thrift stores that, in addition to selling goods to the public, offer limited free goods to clients who are referred by many community agencies. Funds from the stores and fundraising activities are used to operate six Family Resource Centres, which provide women and their families help to connect with resources, services and support in their local community. The stores also provide entry level employment opportunities which include access to resources, training and support.

2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations as per Part III of the CPA Handbook and within the framework of the significant accounting policies summarized below:

(a) Revenue recognition

Women In Need Society of Calgary follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(b) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities of less than ninety days from the balance sheet date.

(c) Inventory

The thrift stores sell donated clothing, household goods, furniture and similar items. No value has been assigned to the inventory on hand; see note 2(f).

(continues)

WOMEN IN NEED SOCIETY OF CALGARY
Notes to Financial Statements
As at and for the year ended December 31, 2015

2. Summary of significant accounting policies (*continued*)

(d) Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates:

Motor vehicles	5 years
Computer equipment	3 years
Computer software	1 year
Furniture and fixtures	6 years
Leasehold improvements	5 years
Inventory management and database	5 years

Donated property and equipment are recorded at fair market value on the date of contribution if it can be reasonably determined, and recognized as revenue based on its amortization expenses.

(e) Goods and services tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense and the rebate treated as a receivable.

(f) Donated services and materials

The operations of the Society depend on and require the voluntary services of its members. The value of donated services cannot be reasonably determined and therefore have not been reflected in these financial statements. Donated materials during the year were composed of clothing and materials to be used in thrift store operations as saleable inventory as well as contributed maintenance and repair supplies and services. Donated materials are recognized only when the fair value is reasonably determined. During the year \$155,635 in goods were donated (2014 - \$183,917).

(g) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as unrealized gains or losses in the statement of operations.

The financial assets measured at amortized cost include cash and cash equivalents, restricted cash, short term investments, accounts receivable and long term investments. The financial liabilities measured at amortized cost include accounts payable, accrued liabilities and wages payable. The financial assets measured at fair value include marketable securities that hold investments in equity instruments.

(continues)

WOMEN IN NEED SOCIETY OF CALGARY
Notes to Financial Statements
As at and for the year ended December 31, 2015

2. Summary of significant accounting policies (continued)

(h) Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Accrued liabilities are based on management's estimates. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the statement of operations in the years in which they became known.

3. Restricted cash

Included in deferred contributions related to operations on the Statement of Financial Position is restricted cash of \$30,566, which represents cash held under the terms and conditions of funding provided under Alberta Gaming and Liquor Commission's charitable gaming activities.

4. Short term investment

	<u>2015</u>	<u>2014</u>
Guaranteed investment certificates - maturity date May 28, 2015 Interest rate at 1.25%	\$ -	\$ 180,000

5. Long term investment

	<u>2015</u>	<u>2014</u>
Alberta Treasury Branch, non-redeemable guaranteed income certificate, - maturity date February 27, 2016, interest rate at 1.75%	\$ -	\$ 550,000
Alberta Treasury Branch, cashable guaranteed income certificate, - maturity date February 27, 2017, interest rate at 1.3%	<u>550,000</u>	<u>-</u>
	<u>\$ 550,000</u>	<u>\$ 550,000</u>

WOMEN IN NEED SOCIETY OF CALGARY
Notes to Financial Statements
As at and for the year ended December 31, 2015

6. Property and equipment

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Motor vehicles	\$ 135,647	\$ 85,216	\$ 50,431	\$ 78,789
Computer equipment	174,709	166,526	8,183	24,786
Computer software	35,171	25,946	9,225	-
Furniture and fixtures	310,920	265,471	45,449	43,039
Leasehold improvements	313,639	261,266	52,373	76,115
Inventory management and database	119,237	47,155	72,082	88,622
	\$ 1,089,323	\$ 851,580	\$ 237,743	\$ 311,351

7. Deferred contributions related to operations

	2015	2014
Balance, beginning of year	\$ 113,081	\$ 132,391
Additions	148,643	166,361
Transferred to deferred contributions related to P&E	(8,057)	(23,418)
Utilization	(166,139)	(162,253)
	\$ 87,528	\$ 113,081

8. Deferred contributions related to property and equipment

	2015	2014
Balance, beginning of year	\$ 112,591	\$ 134,282
Additions	17,929	-
Transferred from deferred contributions related to operations	8,057	23,418
Utilization	(45,400)	(45,109)
	\$ 93,177	\$ 112,591

9. Internally restricted net assets

In April 2004, the Board of Directors appropriated certain funds for working capital purposes. Interest earned on the internally restricted net assets has been approved for use in general operations by the Directors. There were no transactions related to internally restricted net assets for the current year, therefore the balance at December 31, 2015 is \$400,000 (December 31, 2014: \$400,000).

WOMEN IN NEED SOCIETY OF CALGARY
Notes to Financial Statements
As at and for the year ended December 31, 2015

10. Commitments

The Society has entered into leases for rental of premises which expire on varying dates to 2020. Minimum lease payments including operating costs for the next five years are as follows:

2016	\$	556,578
2017		298,788
2018		223,729
2019		95,206
2020		5,595
		<hr/>
	\$	<u>1,179,896</u>

11. Fundraising expenses

As required disclosure under Section 7(2) of the Regulations of the Charitable Fund-Raising Act of Alberta, expenses in the amount of \$20,872 were incurred in the year ended December 31, 2015 (December 31, 2014: \$27,876) for the purposes of soliciting contributions. The total amount paid for the year ended December 31, 2015 as remuneration to employees of the Society whose principal duties involve fundraising was \$82,538 (December 31, 2014: \$52,546).

12. The Women In Need Society Fund

In 1995 the Society entered into an agreement with The Calgary Foundation (TCF) whereby the Women In Need Society Fund was established. Within the agreement TCF receives capital contributions which it invests in accordance with its investment policy. TCF distributes the income from the Fund to the Society to be used as its Board deems necessary or desirable to further its objectives and purposes. In the current year \$2,274 (December 31, 2014: \$2,123) in revenue was received from The Calgary Foundation in relation to the Women In Need Society Fund.

WOMEN IN NEED SOCIETY OF CALGARY
Notes to Financial Statements
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13. Financial instruments

The Society's financial instruments consist of cash and cash equivalents, restricted cash, short term investments, accounts receivable, long term investments, accounts payable and accrued liabilities and wages and benefits payable. All of these are reported at amortized cost.

The Society may become exposed to a number of risks arising from its various financial instruments through its activities. These risks, and the steps management takes to mitigate the risks, are described below:

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash held with financial institutions, short-term investments and long-term investments, as well as credit exposure from accounts receivable. The maximum exposure to credit risk is equal to the carrying value of these financial assets. This risk is mitigated by holding cash, restricted cash and cash equivalents and guaranteed investment certificates with major financial institutions and by supporting significant receivables with underlying agreements. The Society believes credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulties in meeting its financial obligations. This risk is mitigated by holding callable investments or investments with terms of eighteen months or less. The Society believes that liquidity risk is minimal.

14. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.
