

WOMEN IN NEED SOCIETY OF CALGARY
Financial Statements
Year Ended December 31, 2014

WOMEN IN NEED SOCIETY OF CALGARY
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Year Ended December 31, 2014

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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, 2014 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.

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Independent Auditor's Report to the Members of Women In Need Society of Calgary (*continued*)

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, 2014 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 16, 2015

Calvista LLP
Professional Accountants

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Financial Position
December 31, 2014

	2014	2013
Assets		
Current		
Cash and cash equivalents	\$ 536,701	\$ 504,356
Restricted cash (Note 6)	1,181	23,396
Short term investments (Note 3)	180,000	730,000
Accounts receivable	61,244	29,916
Goods and services tax recoverable	30,201	29,843
Prepaid expenses	51,577	33,955
	<u>860,904</u>	1,351,466
Long term investments (Note 4)	550,000	-
Property and equipment (Note 5)	311,351	329,766
	<u>\$ 1,722,255</u>	<u>\$ 1,681,232</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 62,291	\$ 46,361
Wages payable	64,054	48,279
	<u>126,345</u>	94,640
Deferred contributions related to operations (Note 6)	113,081	132,391
Deferred contributions related to property and equipment (Note 7)	112,591	134,282
	<u>352,017</u>	361,313
Net Assets		
Invested in property and equipment	198,760	177,248
Internally restricted (Note 8)	400,000	400,000
Unrestricted	771,478	742,671
	<u>1,370,238</u>	1,319,919
	<u>\$ 1,722,255</u>	<u>\$ 1,681,232</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

WOMEN IN NEED SOCIETY OF CALGARY

Statement of Operations

Year Ended December 31, 2014

	2014	2013
Revenue		
Thrift stores	\$ 3,380,135	\$ 2,989,647
Donations	461,433	359,719
Gifts in kind	183,917	78,239
Grants	144,426	31,550
United Way	113,092	99,434
Recognition of deferred contributions related to property and equipment	45,108	35,420
Casino	22,216	66,515
Interest income	16,980	16,759
Other income	800	17,183
	<u>4,368,107</u>	<u>3,694,466</u>
Expenses		
Salaries and wages	2,762,641	2,286,490
Rent and utilities	641,874	627,417
Thrift store	226,434	187,664
Gift in kind	183,917	78,239
Office	131,980	96,527
Professional fees	102,508	21,998
Amortization	90,987	79,931
Repairs and maintenance	56,630	29,516
Advertising and promotion	34,200	45,270
Goods and services tax	32,218	29,843
Staff and volunteer recognition and development	29,726	33,496
Donations	18,838	11,629
Program expenses	9,835	23,979
	<u>4,321,788</u>	<u>3,551,999</u>
Excess of revenue over expenses from operations	46,319	142,467
Other income		
Gain (Loss) on disposal of assets	4,000	(1,261)
Excess of revenue over expenses	\$ 50,319	\$ 141,206

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

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Changes in Net Assets
Year Ended December 31, 2014

	Unrestricted	Internally restricted	Invested in property and equipment	2014	2013
Net assets - beginning of year	\$ 742,671	\$ 400,000	\$ 177,248	\$ 1,319,919	\$ 1,178,713
Excess of revenue over expenses	77,961	-	(27,642)	50,319	141,206
Purchase of property and equipment with unrestricted funds	(49,154)	-	49,154	-	-
Net assets - end of year	\$ 771,478	\$ 400,000	\$ 198,760	\$ 1,370,238	\$ 1,319,919

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

WOMEN IN NEED SOCIETY OF CALGARY**Statement of Cash Flows****Year Ended December 31, 2014**

	2014	2013
Operating activities		
Excess of revenue over expenses	\$ 50,319	\$ 141,206
Items not affecting cash:		
Amortization of property and equipment	90,987	79,931
Recognition of deferred contributions related to property and equipment	(45,108)	(35,420)
Loss (gain) on disposal of assets	(4,000)	1,261
	<u>92,198</u>	<u>186,978</u>
Changes in non-cash working capital:		
Accounts receivable	(31,328)	53,621
Accounts payable and accrued liabilities	15,928	143,631
Deferred contribution related to operations	(19,310)	(63,996)
Prepaid expenses	(17,622)	168
Goods and services tax payable	(358)	(6,965)
Wages payable	15,775	(68,777)
	<u>(36,915)</u>	<u>57,682</u>
Cash flow from operating activities	<u>55,283</u>	<u>244,660</u>
Investing activities		
Purchase of property and equipment	(72,571)	(223,488)
Proceeds on disposal of property and equipment	4,000	1,300
Short term investments	550,000	3,146
Long term Investments	(550,000)	-
Cash flow used by investing activities	<u>(68,571)</u>	<u>(219,042)</u>
Financing activity		
Deferred contributions related to property and equipment	23,418	98,155
Cash flow from financing activity	<u>23,418</u>	<u>98,155</u>
Increase in cash flow	10,130	123,773
Cash - beginning of year	<u>527,752</u>	<u>403,979</u>
Cash - end of year	\$ 537,882	\$ 527,752
Cash consists of:		
Cash	\$ 536,701	\$ 504,356
Restricted cash	1,181	23,396
	<u>\$ 537,882</u>	<u>\$ 527,752</u>

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

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2014

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. The stores also provide entry level employment opportunities which include access to resources, training and support. 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.

2. Summary of significant accounting policies

Basis of presentation

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 at the date of purchase of less than ninety days.

c) Inventory

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

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WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2014

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 and methods:

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

Donated property and equipment are recorded at fair market value at the date of contribution if it can be reasonably determined.

e) Goods and services tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with 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 \$183,917 in goods were donated (2013 - \$78,239).

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 and benefits payable. The financial assets measured at fair value include marketable securities that hold investments in equity instruments.

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WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2014

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. 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. Short term investments

	<u>2014</u>	<u>2013</u>
Guaranteed investment certificates - maturity date August 27, 2014 Interest rates range 1.35%-1.75%	\$ -	\$ 550,000
Guaranteed investment certificates - maturity date May 28, 2015 Interest rate at 1.25%	180,000	-
Guaranteed investment certificate - maturity date May 28, 2014, Interest rate range 1.50%-1.55%	-	180,000
	<u>\$ 180,000</u>	<u>\$ 730,000</u>

4. Long term investments

	<u>2014</u>	<u>2013</u>
Alberta Treasury Branch, non-redeemable guaranteed income certificate, - maturity date February 27, 2016, interest rate at 1.75%	<u>\$ 550,000</u>	<u>\$ -</u>

WOMEN IN NEED SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended December 31, 2014

5. Property and equipment

	Cost	Accumulated amortization	2014 Net book value
Furniture and fixtures	\$ 288,696	\$ 245,657	\$ 43,039
Motor vehicles	143,458	64,669	78,789
Inventory management and database	113,061	24,439	88,622
Computer equipment	165,865	141,079	24,786
Leasehold improvements	303,049	226,934	76,115
	\$ 1,014,129	\$ 702,778	\$ 311,351
			2013 Net book value
Furniture and fixtures	\$ 288,696	\$ 215,445	\$ 73,251
Motor vehicles	143,733	90,057	53,676
Inventory management and database	93,099	4,387	88,712
Computer equipment	164,330	138,931	25,399
Leasehold improvements	291,624	202,896	88,728
	\$ 981,482	\$ 651,716	\$ 329,766

6. Deferred contributions, related to operations

	2014	2013
Balance, beginning of the year	\$ 132,391	\$ 65,883
Contribution received for future years	166,361	309,035
Contribution recognized as revenue during the year	(162,253)	(144,372)
Reclassification of contribution related to property and equipment	(23,418)	(98,155)
Balance, end of the year	\$ 113,081	\$ 132,391

Restricted cash represents cash held under the terms and conditions of funding provided under Alberta Gaming and Liquor Commission's charitable gaming activities. The obligation from these funds is presented on the statement of financial position as part of deferred contributions related to operations and is recognized as revenue as related expenses are incurred.

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2014

7. Deferred contributions, related to property and equipment

	<u>2014</u>	<u>2013</u>
Balance, beginning of the year	\$ 134,282	\$ 71,546
Contribution recognized as revenue during the year	(45,109)	(35,419)
Reclassification of contributions from operating	<u>23,418</u>	<u>98,155</u>
Balance, end of year	<u>\$ 112,591</u>	<u>\$ 134,282</u>

In the current year, unrestricted contributions of \$23,418 (2013 - \$98,155) have been transferred from deferred contributions related to operations to deferred contributions related to property and equipment based on usage of funds.

8. 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, 2014 is \$400,000 (December 31, 2013: \$400,000).

9. Commitments

The Society has entered into leases for rental of premises which expire on varying dates to 2019. Minimum lease payments including operating costs for the next five years are as follows:

2015	\$ 379,748
2016	510,002
2017	493,352
2018	153,792
2019	<u>92,728</u>
	<u>\$ 1,629,622</u>

10. 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 \$27,876 were incurred in the year ended December 31, 2014 (December 31, 2013: \$8,000) for the purposes of soliciting contributions. The total amount paid for the year ended December 31, 2014 as remuneration to employees of the Society whose principal duties involve fundraising was \$52,546 (December 31, 2013: \$42,000).

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2014

11. 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 \$2,123 (December 31, 2013: \$2,123) in revenue was received from The Calgary Foundation in relation to the Women In Need Society Fund.

12. 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 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.
