

**WOMEN IN NEED SOCIETY OF CALGARY**  
**Financial Statements**  
**December 31, 2016**

**WOMEN IN NEED SOCIETY OF CALGARY**  
**Index to Financial Statements**  
**As at and for the year ended December 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2016 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, 2016 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 financial statements as at December 31, 2015 and for the year then ended were audited by another firm of chartered accountants who provided an unqualified auditor's report dated April 13, 2016.

*Kenway Mack Slusarchuk Stewart LLP*

April 12, 2017  
Calgary, Alberta

Chartered Professional Accountants,  
Chartered Accountants

**WOMEN IN NEED SOCIETY OF CALGARY****Statement of Financial Position****As at December 31, 2016**

	2016	2015
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 434,048	\$ 604,017
Restricted cash (Note 3)	91,776	102,528
Term deposits (Note 4)	775,000	550,000
Accounts receivable	25,573	59,740
Goods and services tax recoverable	14,964	61,821
Prepaid expenses	83,494	71,986
	<u>1,424,855</u>	1,450,092
Property and equipment (Note 5)	<u>198,161</u>	237,743
	<u>\$ 1,623,016</u>	<u>\$ 1,687,835</u>
<b>Liabilities and Net assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 44,380	\$ 46,662
Wages payable	146,592	74,716
Deferred contributions related to operations (Note 6)	91,776	87,528
	<u>282,748</u>	208,906
Deferred contributions		
Related to property and equipment (Note 7)	61,980	78,177
Funds for future purchase of property and equipment	-	15,000
	<u>344,728</u>	302,083
Net assets		
Invested in property and equipment	136,181	159,566
Internally restricted (Note 8)	400,000	400,000
Unrestricted	742,107	826,186
	<u>1,278,288</u>	1,385,752
	<u>\$ 1,623,016</u>	<u>\$ 1,687,835</u>

**Approved on behalf of the Board:**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

**WOMEN IN NEED SOCIETY OF CALGARY****Statement of Operations****For the year ended December 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Thrift stores	<b>\$ 3,510,157</b>	\$ 3,294,707
Donations	<b>198,867</b>	657,225
Recycling	<b>99,556</b>	145,395
United Way	<b>93,614</b>	93,614
City of Calgary	<b>87,500</b>	-
Grants	<b>59,066</b>	123,663
Casino	<b>52,864</b>	39,046
Recognition of deferred contributions related to property and equipment	<b>31,197</b>	45,400
Interest income	<b>14,082</b>	14,763
Delivery	<b>12,240</b>	11,586
Other income	<b>4,933</b>	1,283
	<b>4,164,076</b>	4,426,682
<b>Expenses</b>		
Salaries and wages	<b>2,933,545</b>	2,962,946
Rent and utilities	<b>673,629</b>	697,087
Thrift store	<b>225,199</b>	229,385
Office	<b>133,065</b>	141,518
Amortization	<b>90,170</b>	131,690
Advertising and promotion	<b>66,345</b>	73,137
Repairs and maintenance	<b>52,340</b>	64,520
Professional fees	<b>38,451</b>	43,906
Goods and services tax	<b>29,477</b>	31,371
Program expenses	<b>10,493</b>	7,050
Staff and volunteer recognition and development	<b>9,937</b>	16,106
Donations	<b>8,889</b>	12,452
	<b>4,271,540</b>	4,411,168
<b>(Deficit) / Excess of revenue over expenses</b>	<b>\$ (107,464)</b>	\$ 15,514

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

**WOMEN IN NEED SOCIETY OF CALGARY**

**Statement of Changes in Net Assets**

**For the year ended December 31, 2016**

	<b>Invested in property and equipment</b>	<b>Internally restricted</b>	<b>Unrestricted</b>	<b>2016</b>	<b>2015</b>
Net assets - beginning of year	\$ 159,566	\$ 400,000	\$ 826,186	\$ 1,385,752	\$ 1,370,238
Excess of revenue over expenses	(58,974)	-	(48,490)	(107,464)	15,514
Purchase of property and equipment with unrestricted funds	35,589	-	(35,589)	-	-
<b>Net assets - end of year</b>	<b>\$ 136,181</b>	<b>\$ 400,000</b>	<b>\$ 742,107</b>	<b>\$ 1,278,288</b>	<b>\$ 1,385,752</b>

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, 2016

	2016	2015
<b>Operating activities</b>		
Excess of revenue over expenses	\$ (107,464)	\$ 15,514
Items not affecting cash:		
Amortization of property and equipment	90,170	131,690
Recognition of deferred contributions related to property and equipment	(31,196)	(45,400)
	(48,490)	101,804
Changes in non-cash working capital	143,355	(81,041)
Cash flow from operating activities	94,865	20,763
<b>Investing activities</b>		
Purchase of property and equipment	(50,586)	(58,084)
Purchase of term deposits	(225,000)	-
Proceeds from term deposits	-	180,000
Cash flow from (used by) investing activities	(275,586)	121,916
<b>Financing activities</b>		
Deferred contributions related to property and equipment	-	25,984
Cash flow from financing activities	-	25,984
<b>Increase (decrease) in cash</b>	<b>(180,721)</b>	<b>168,663</b>
Cash and cash equivalents, beginning of year	706,545	537,882
<b>Cash and cash equivalents, end of year</b>	<b>\$ 525,824</b>	<b>\$ 706,545</b>
Cash and cash equivalents are comprised of:		
Cash	\$ 434,048	\$ 604,017
Restricted cash	91,776	102,528
	\$ 525,824	\$ 706,545

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

# WOMEN IN NEED SOCIETY OF CALGARY

## Notes to Financial Statements

As at and for the year ended December 31, 2016

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### 1. Nature 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 charity under Section 149(1)(f) 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 Society operates 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.

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### 2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the significant accounting policies summarized below:

#### (a) Revenue recognition

The Society 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.

Thrift stores, recycling, and delivery revenues are recognized when goods and services are provided and collection is reasonably assured.

Interest income is recognized as revenue when earned.

#### (b) Cash and cash equivalents

The Society considers all investments with maturities of three months to be cash equivalents. Cash that is subject to restrictions, thereby preventing its use for current purposes, is included in restricted cash.

#### (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(g).

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## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2016

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

##### (d) Property and equipment

Property and equipment are recorded at cost. Donated property and equipment are recorded at fair market value on the date of contribution if it can be reasonably determined. 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
Furniture and fixtures	6 years
Leasehold improvements	5 years
Inventory management system, website development and database	5 years

The Society records a write-down when property and equipment no longer has any long-term service potential to the Society and its net carrying amount exceeds its residual value. The excess net carrying amount over residual value is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

##### (e) Deferred contributions

Deferred contributions represent restricted grants and donations received for operating expenses of future periods and for the purchase of property and equipment. Deferred contributions are recognized as revenue as the related expenses or amortization expense is incurred.

##### (f) 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, restricted cash, term deposits, and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and wages payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no 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 the statement of operations.

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## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2016

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

(g) Donated services and materials

Donated materials are recognized only when the fair value is reasonably determined and when the materials and services are used in the normal course of the Society's operations and would have otherwise been purchased. The operations of the Society depend on and require volunteers. 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.

(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 collectability 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.

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#### 3. Restricted cash

Included in deferred contributions is cash that is restricted for the following purposes:

	<u>2016</u>	<u>2015</u>
Family Resource Centres	\$ 37,500	\$ 35,000
Casino approved expenditures	54,276	39,528
Property and equipment	-	15,000
Strategy and governance	-	13,000
	<u>\$ 91,776</u>	<u>\$ 102,528</u>

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#### 4. Term deposits

Term deposits consists of cashable guaranteed investment certificates that bear interest at 1.3% (2015 – 1.75%) and mature February 27, 2017 (2015 – February 27, 2016).

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## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2016

#### 5. Property and equipment

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Motor vehicles	\$ 135,647	\$ 100,471	\$ 35,176	\$ 50,431
Computer equipment	179,698	170,627	9,071	8,183
Furniture and fixtures	314,762	281,970	32,792	45,449
Leasehold improvements	355,394	289,681	65,713	52,373
Inventory management system, website development and database	129,486	74,077	55,409	81,307
	<b>\$ 1,114,987</b>	<b>\$ 916,826</b>	<b>\$ 198,161</b>	<b>\$ 237,743</b>

#### 6. Deferred contributions related to operations

	2016	2015
Balance, beginning of year	\$ 87,528	\$ 113,081
Contributions received	192,612	148,643
Transferred to deferred contributions related to capital	-	(8,057)
Contributions recognized as revenue	(188,364)	(166,140)
	<b>\$ 91,776</b>	<b>\$ 87,527</b>

#### 7. Deferred contributions related to property and equipment

	2016	2015
Balance, beginning of year	\$ 93,177	\$ 112,591
Contributions received	-	17,929
Transferred from deferred contributions related to operations	-	8,057
Contributions recognized as revenue	(31,197)	(45,400)
	<b>\$ 61,980</b>	<b>\$ 93,177</b>

#### 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, 2016 is \$400,000 (2015 - \$400,000).

## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2016

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#### 9. Commitments

The Society's total obligations under various property lease agreements, exclusive of occupancy costs, are as follows:

2017	\$ 427,348
2018	359,469
2019	310,099
2020	192,942
2021	204,380
Subsequent	<u>1,069,589</u>
	<u>\$ 2,563,827</u>

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#### 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 \$7,739 were incurred in the year ended December 31, 2016 (2015 - \$20,872) for the purposes of soliciting contributions. The total amount paid for the year ended December 31, 2016 as remuneration to employees of the Society whose principal duties involve fundraising was \$26,478 (2015 - \$82,538).

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#### 11. The Women In Need Society Fund

The Calgary Foundation holds endowment funds for the Society. The Women in Need Society endowment fund was established in 1995 to support general operations. In the current year \$2,159 (2015 - \$2,274) in revenue was received from The Calgary Foundation in relation to the Women In Need Society Fund. The market value of the endowment fund at January 31, 2017 was \$55,669 (2015 - \$53,424)

All capital contributions in the Fund are to be held by the Calgary Foundation in perpetuity for the Society. Final authority over the disbursement of all amounts relating to this fund rests with the Calgary Foundation. As a result, the total fund amount is not recorded in the books of the Society.

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## **WOMEN IN NEED SOCIETY OF CALGARY**

### **Notes to Financial Statements**

**As at and for the year ended December 31, 2016**

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#### **12. Financial instruments**

The Society's financial instruments consist of cash and cash equivalents, restricted cash, term deposits, accounts receivable, accounts payable and accrued liabilities and wages payable. All of the financial assets are measured 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, term deposits, 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.

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#### **13. Comparative figures**

The financial statements for the prior year have been reclassified, where applicable, to conform to the presentation used in the current year. In addition, gifts in kind have been eliminated from revenues and expenses on the statement of operations as it was determined that they did not meet the revenue recognition criteria as defined in the CPA Canada handbook. This change has no impact on the excess of revenues over expenses reported in the statement of operations and the statement of changes in net assets for the year ended December 31, 2015.

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