

**WOMEN IN NEED SOCIETY OF CALGARY**  
**Financial Statements**  
**December 31, 2020**

**WOMEN IN NEED SOCIETY OF CALGARY**  
**Index to Financial Statements**  
**As at and for the year ended December 31, 2020**

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	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13

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## INDEPENDENT AUDITORS' REPORT

To: The Directors of **Women in Need Society of Calgary**

### Opinion

We have audited the financial statements of Women in Need Society of Calgary (the "Society"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the 2020 Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

### Responsibilities of Management and Those Charged With Governance 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## Independent Auditors' Report (continued)

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

March 24, 2021  
Calgary, Alberta

**WOMEN IN NEED SOCIETY OF CALGARY****Statement of Financial Position****As at December 31, 2020**

	2020	2019
<b>Assets</b>		
Current		
Cash and cash equivalents (Note 4)	\$ 1,580,449	\$ 1,021,638
Contributions receivable	116,856	22,396
Accounts receivable	34,852	23,476
Goods and services tax recoverable	24,242	22,568
Prepaid expenses and deposits	103,356	68,435
	<u>1,859,755</u>	1,158,513
Restricted investments (Note 5)	1,100,000	700,000
Property and equipment (Note 6)	504,322	420,956
	<u>\$ 3,464,077</u>	<u>\$ 2,279,469</u>
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 240,814	\$ 70,953
Wages payable	145,119	119,112
Deferred contributions related to operations (Note 7)	428,832	351,666
	<u>814,765</u>	541,731
Deferred contributions		
Related to property and equipment (Note 8)	335,434	298,287
Funds for future purchase of property and equipment (Note 8)	-	63,088
Deferred rent liability	176,382	88,786
	<u>1,326,581</u>	991,892
Net Assets		
Invested in property and equipment	168,888	122,669
Internally restricted (Note 9)	1,100,000	700,000
Unrestricted	868,608	464,908
	<u>2,137,496</u>	1,287,577
	<u>\$ 3,464,077</u>	<u>\$ 2,279,469</u>

**Approved on behalf of the Board:***Tom Whalen*\_\_\_\_\_  
Director*Swayne Dubois*\_\_\_\_\_  
Director

**WOMEN IN NEED SOCIETY OF CALGARY****Statement of Operations**

For the year ended December 31, 2020

	2020	2019
<b>Revenue</b>		
Thrift stores	\$ 3,139,406	\$ 3,835,374
Grants	1,196,920	352,922
Donations	538,402	365,321
Government wage subsidies (note 16)	427,094	-
United Way	254,508	98,700
Recycling	119,166	155,481
Government of Alberta	105,341	193,347
Recognition of deferred contributions related to property and equipment	94,477	60,029
Casino	59,027	78,393
Pick up and delivery	25,001	127,751
Interest income	22,431	21,813
Other income	8,063	476
	<u>5,989,836</u>	<u>5,289,607</u>
<b>Expenses</b>		
Salaries and wages	\$ 3,050,947	\$ 2,945,936
Rent and utilities	978,348	973,906
Thrift store	244,778	225,366
Program expenses	215,080	107,234
Office	154,242	130,983
Amortization	148,877	111,543
Advertising and promotion	136,455	46,920
Professional fees	79,892	57,642
Repairs and maintenance	64,193	38,093
Goods and services tax	38,809	33,890
Staff and volunteer recognition and development	23,296	21,067
Donations	5,000	5,000
	<u>5,139,917</u>	<u>4,697,580</u>
<b>Excess of revenue over expenses</b>	<u>\$ 849,919</u>	<u>\$ 592,027</u>

**WOMEN IN NEED SOCIETY OF CALGARY**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2020**

	<b>2020</b>			2019	
	<b>Invested in property and equipment</b>	<b>Internally restricted</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
<b>Balance, beginning of year</b>	<b>\$ 122,669</b>	<b>\$ 700,000</b>	<b>\$ 464,908</b>	<b>\$ 1,287,577</b>	<b>\$ 695,550</b>
Excess (deficiency) of revenues over expenses	<b>(47,914)</b>	<b>-</b>	<b>897,833</b>	<b>849,919</b>	<b>592,027</b>
Purchase of property and equipment with unrestricted funds	<b>94,133</b>	<b>-</b>	<b>(94,133)</b>	<b>-</b>	<b>-</b>
Transfer to internally restricted (note 9)		<b>400,000</b>	<b>(400,000)</b>	<b>-</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ 168,888</b>	<b>\$ 1,100,000</b>	<b>\$ 868,608</b>	<b>\$ 2,137,496</b>	<b>\$ 1,287,577</b>

**WOMEN IN NEED SOCIETY OF CALGARY****Statement of Cash Flows**

For the year ended December 31, 2020

	2020	2019
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 849,919	\$ 592,027
Items not affecting cash:		
Recognition of deferred contributions related to property and equipment	(94,477)	(60,029)
Amortization of property and equipment	148,877	111,543
Gain on disposal of property and equipment	(6,486)	-
Deferred rent liability	87,596	25,359
	<u>985,429</u>	668,900
Contributions receivable	(94,460)	13,134
Accounts receivable	(11,376)	(6,631)
Goods and services tax recoverable	(1,674)	(5,236)
Prepaid expenses	(34,921)	12,965
Accounts payable and accrued liabilities	169,861	21,872
Wages payable	26,007	23,554
Deferred contributions related to operations	65,137	75,811
Cash flow from (used in) operating activities	<u>1,104,003</u>	<u>804,369</u>
<b>Investing activities</b>		
Purchase of property and equipment	(240,061)	(270,284)
Proceeds received on the disposal of property and equipment	14,304	-
Purchase of restricted investments	(400,000)	(300,000)
Cash flow from (used in) investing activities	<u>(625,757)</u>	<u>(570,284)</u>
<b>Financing activities</b>		
Contributions received related to property and equipment	80,565	249,293
Repayment of bank loans	-	(83,840)
Cash flow from (used in) financing activities	<u>80,565</u>	<u>165,453</u>
<b>Increase in cash and cash equivalents</b>	<b>558,811</b>	<b>399,538</b>
Cash and cash equivalents, beginning of year	<u>1,021,638</u>	622,100
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,580,449</b>	<b>\$ 1,021,638</b>
Cash and cash equivalents are comprised of:		
Cash	\$ 1,151,617	\$ 606,884
Restricted cash (Note 4)	428,832	414,754
	<u>\$ 1,580,449</u>	<u>\$ 1,021,638</u>



# WOMEN IN NEED SOCIETY OF CALGARY

## Notes to Financial Statements

As at and for the year ended December 31, 2020

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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 five community-based thrift stores, one bulk buy thrift store, and one online thrift store. The stores sell goods to the public and offer limited free goods to clients who are referred by many community agencies. Funds from the stores and fundraising activities are used to operate four 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. Changes in accounting policies

Effective January 1, 2020, the Society adopted the amendment to the CPA Canada Handbook Section 3065 Leases that provides a practical expedient to not account for rent concessions that occurred as a direct consequence of the COVID-19 pandemic as a new lease. The practical expedient was applied to rent concessions on a lease-by-lease basis.

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### 3. 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.

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

Interest income is recognized as revenue when earned.

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## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2020

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

(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 3(h).

(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 a capital asset no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits or service potential associated with it is less than its net carrying amount. The excess of the asset's net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations for the applicable fund. 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) Deferred rent liability

The rental costs incurred under operating lease agreements are expensed on a straight-line basis over the term of the lease. In reduced rent periods the difference from the actual rent amount paid and the amount expensed is represented as deferred rent liability.

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## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2020

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

##### (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 equivalents, contributions receivable, accounts receivable, and restricted investments. 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.

##### (h) Donated materials and services

Donated materials and services 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 and donated materials and services. Donated materials during the year were composed of clothing, household goods, furniture, and similar items to be used in thrift store operations as saleable inventory as well as contributed maintenance and repair supplies and services. The value of donated materials and services cannot be reasonably determined, and the donated materials would not have otherwise been purchased and therefore have not been reflected in these financial statements.

##### (i) 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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## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2020

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#### 4. Cash and cash equivalents

Included in cash and cash equivalents are amounts which are restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Program expenditures	\$ 379,071	\$ 289,294
Casino approved expenditures	49,761	47,840
Property and equipment	-	63,088
Others	-	14,532
Total restricted cash and cash equivalents	<b>428,832</b>	414,754
Unrestricted cash and cash equivalents	<b>1,151,617</b>	606,884
Total cash and cash equivalents	<b><u>\$ 1,580,449</u></b>	<b><u>\$ 1,021,638</u></b>

A revolving line of credit has been authorized by Alberta Treasury Branch ("the bank") to a maximum of \$300,000 (2019 - \$300,000) and bears interest, payable monthly, at the bank's prime rate plus 1.25%.

The following has been pledged as security:

- A general security agreement covering all assets of the Society.
- Assignment of a guaranteed investment certificate in the amount of \$300,000.

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#### 5. Restricted investments

Restricted investments consist of:

	<u>2020</u>	<u>2019</u>
Cashable guaranteed investment certificates	\$ 900,000	\$ 700,000
93-day flex notice account	200,000	-
	<b><u>\$ 1,100,000</u></b>	<b><u>\$ 700,000</u></b>

The 93-day flex notice account bears interest at 1.25% (2019 – nil) and requires 93 days notice before withdrawal. The cashable guaranteed investment certificates bear interest at 0.51% to 1.30% (2019 – 1.86 to 2.10%) with maturity dates of March to November 2021. Subsequent to year end, an additional \$400,000 was invested. The investments are internally restricted, see note 9.

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## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2020

#### 6. Property and equipment

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Motor vehicles	\$ 264,867	\$ 95,732	\$ 169,135	\$ 154,840
Computer equipment	309,435	263,143	46,292	62,460
Furniture and fixtures	479,859	345,623	134,236	42,884
Leasehold improvements	549,338	409,910	139,428	129,984
Inventory management system, website development and database	115,580	100,349	15,231	30,788
	<b>\$ 1,719,079</b>	<b>\$ 1,214,757</b>	<b>\$ 504,322</b>	<b>\$ 420,956</b>

#### 7. Deferred contributions related to operations

	2020	2019
Balance, beginning of year	\$ 351,666	\$ 250,915
Contributions received	1,230,417	652,209
Contributions re-designated to operations by donor	12,029	24,940
Contributions recognized as revenue	(1,165,280)	(576,398)
	<b>\$ 428,832</b>	<b>\$ 351,666</b>

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

	2020	2019
Balance, beginning of year	\$ 361,375	\$ 197,051
Contributions received	80,565	249,293
Contributions re-designated to operations by donor	(12,029)	(24,940)
Contributions recognized as revenue	(94,477)	(60,029)
	<b>\$ 335,434</b>	<b>\$ 361,375</b>

Deferred contributions relating to property and equipment are comprised of:

Funds spent on property and equipment	\$ 335,434	\$ 298,287
Funds for future purchase of property and equipment	-	63,088
	<b>\$ 335,434</b>	<b>\$ 361,375</b>

## WOMEN IN NEED SOCIETY OF CALGARY

### Notes to Financial Statements

As at and for the year ended December 31, 2020

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#### 9. Internally restricted net assets

The Board of Directors has designated certain funds for working capital purposes. Interest earned on the internally restricted net assets has been approved for use in general operations by the Board. During the year, the Board of Directors approved the transfer of \$400,000 (2019 - \$300,000) of unrestricted funds to internally restricted net assets. The internally restricted net asset balance at December 31, 2020, is \$1,100,000 (2019 - \$700,000). Subsequent to year end, the Board of Directors approved the transfer of an additional \$400,000.

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#### 10. Commitments

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

2021	\$ 687,119
2022	565,573
2023	402,659
2024	393,298
2025	323,098
Subsequent	<u>187,348</u>
	<u>\$ 2,559,095</u>

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#### 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 \$8,889 were incurred in the year ended December 31, 2020, (2019 - \$9,622) for the purposes of soliciting contributions. The total amount paid for the year ended December 31, 2020, as remuneration to employees of the Society whose principal duties involve fundraising was \$184,405 (2019 - \$119,037).

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#### 12. Related party transactions

During the year, the members of the Board of Directors contributed \$19,282 (2019 - \$13,778) to 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, 2020**

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#### **13. 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 \$2,482 (2019 - \$2,287) 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 December 31, 2020 was \$63,737 (2019 - \$62,062)

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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#### **14. Financial instruments**

The Society's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in Calgary. The Society is not exposed to significant credit, market, or liquidity risks.

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#### **15. Comparative figures**

The financial statements for the prior year have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

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#### **16. Novel coronavirus ("COVID-19")**

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring periodic closures of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

As a result of the pandemic and government measures, the Society had to close its stores from March 31, 2020 to May 20, 2020, resulting in a decrease in revenues and related costs. The Society continues to operate and has adopted health, safety, and physical distancing protocols. In addition, the Society has received funds from government support initiatives in the form of the Canadian Emergency Wage Subsidy of \$402,094 and the 10% Temporary Wage Subsidy of \$25,000.

The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments or their ongoing impact on the Society.

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