

WOMEN IN NEED SOCIETY OF CALGARY
Financial Statements
December 31, 2021

WOMEN IN NEED SOCIETY OF CALGARY
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As at and for the year ended December 31, 2021

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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, 2021 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, 2021, 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 2021 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

April 14, 2022
Calgary, Alberta

WOMEN IN NEED SOCIETY OF CALGARY**Statement of Financial Position**

As at December 31, 2021

	2021	2020
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 1,683,240	\$ 1,580,449
Contributions receivable	88,243	116,856
Accounts receivable	61,427	34,852
Goods and services tax recoverable	35,506	24,242
Prepaid expenses and deposits	254,581	103,356
	<u>2,122,997</u>	1,859,755
Investments (Note 4)	1,500,000	1,100,000
Property and equipment (Note 5)	740,746	504,322
	<u>\$ 4,363,743</u>	<u>\$ 3,464,077</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 210,053	\$ 240,814
Wages payable	168,899	145,119
Deferred contributions related to operations (Note 6)	1,081,351	428,832
	<u>1,460,303</u>	814,765
Deferred contributions		
Related to property and equipment (Note 7)	324,232	335,434
Deferred rent liability	146,417	176,382
	<u>1,930,952</u>	1,326,581
Net Assets		
Invested in property and equipment	416,514	168,888
Internally restricted (Note 8)	1,500,000	1,100,000
Unrestricted	516,277	868,608
	<u>2,432,791</u>	2,137,496
	<u>\$ 4,363,743</u>	<u>\$ 3,464,077</u>

Approved on behalf of the Board:

Michelle Kisil Director

Tracie Noble Director

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

For the year ended December 31, 2021

	2021	2020
Revenue		
Thrift stores	\$ 4,273,847	\$ 3,139,406
Government of Alberta	650,261	105,341
Donations	646,803	538,402
Grants	459,697	1,196,920
Recycling	181,724	119,166
United Way	165,000	254,508
Recognition of deferred contributions related to property and equipment	117,523	94,477
Government wage subsidies (Note 15)	67,219	427,094
Casino	58,265	59,027
Interest income	23,807	22,431
Other income	18,350	8,063
Pick up and delivery	16,750	25,001
	<u>6,679,246</u>	<u>5,989,836</u>
Expenses		
Salaries and wages	\$ 3,857,495	\$ 3,050,947
Rent and utilities	1,166,877	978,348
Thrift stores	314,469	244,778
Program expenses	266,455	215,080
Office	189,723	154,242
Amortization	189,681	148,877
Advertising and promotion	149,234	136,455
Professional fees	87,570	79,892
Repairs and maintenance	69,685	64,193
Goods and services tax	48,250	38,809
Staff and volunteer recognition and development	39,512	23,296
Donations	5,000	5,000
	<u>6,383,951</u>	<u>5,139,917</u>
Excess of revenue over expenses	<u>\$ 295,295</u>	<u>\$ 849,919</u>

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Changes in Net Assets
For the year ended December 31, 2021

	2021			2020	
	Invested in property and equipment	Internally restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 168,888	\$ 1,100,000	\$ 868,608	\$ 2,137,496	\$ 1,287,577
Excess (deficiency) of revenues over expenses	(61,158)	-	356,453	295,295	849,919
Purchase of property and equipment with unrestricted funds	308,784	-	(308,784)	-	-
Transfer to internally restricted (<i>Note 8</i>)		400,000	(400,000)	-	-
Balance, end of year	\$ 416,514	\$ 1,500,000	\$ 516,277	\$ 2,432,791	\$ 2,137,496

WOMEN IN NEED SOCIETY OF CALGARY

Statement of Cash Flows

For the year ended December 31, 2021

	2021	2020
Operating activities		
Excess of revenues over expenses	\$ 295,295	\$ 849,919
Items not affecting cash:		
Recognition of deferred contributions related to property and equipment	(117,523)	(94,477)
Amortization of property and equipment	189,681	148,877
Gain on disposal of property and equipment	(11,000)	(6,486)
Deferred rent liability	(29,965)	87,596
	<u>326,488</u>	985,429
Changes in non cash working capital items:		
Contributions receivable	28,613	(94,460)
Accounts receivable	(26,575)	(11,376)
Goods and services tax recoverable	(11,264)	(1,674)
Prepaid expenses and deposits	12,210	(34,921)
Accounts payable and accrued liabilities	(30,761)	169,861
Wages payable	23,780	26,007
Deferred contributions related to operations	489,084	65,137
Cash flow from (used in) operating activities	<u>811,575</u>	<u>1,104,003</u>
Investing activities		
Purchase of property and equipment	(426,105)	(240,061)
Proceeds received on the disposal of property and equipment	11,000	14,304
Purchase of investments	(400,000)	(400,000)
Cash flow from (used in) investing activities	<u>(815,105)</u>	<u>(625,757)</u>
Financing activities		
Contributions received related to property and equipment	106,321	80,565
Cash flow from (used in) financing activities	<u>106,321</u>	<u>80,565</u>
Increase (decrease) in cash and cash equivalents	102,791	558,811
Cash and cash equivalents, beginning of year	<u>1,580,449</u>	<u>1,021,638</u>
Cash and cash equivalents, end of year	\$ 1,683,240	\$ 1,580,449
Cash and cash equivalents are comprised of:		
Cash (Note 3)	\$ 765,323	\$ 1,151,617
Restricted cash (Note 3)	917,917	428,832
	<u>\$ 1,683,240</u>	<u>\$ 1,580,449</u>

Supplementary cash flow information (Note 13)

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2021

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 six community-based thrift stores, one bulk buy thrift store, and various online retail platforms. 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 five Community Resource Hubs, 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 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 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(h).

(continues)

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2021

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 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) Leases

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.

The Society adopted the amendment to the CPA Canada Handbook Section 3065 Leases that provides a practical expedient to not account for rent concessions or reductions 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.

(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.

(continues)

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2021

2. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

The financial assets measured at amortized cost include cash and equivalents, contributions receivable, accounts receivable, and 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 receivables 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.

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2021

3. Cash and cash equivalents

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

	<u>2021</u>	<u>2020</u>
Program expenditures	\$ 813,421	\$ 379,071
Casino approved expenditures	104,496	49,761
Total restricted cash and cash equivalents	<u>917,917</u>	428,832
Unrestricted cash and cash equivalents	<u>765,324</u>	1,151,617
Total cash and cash equivalents	<u>\$ 1,683,241</u>	<u>\$ 1,580,449</u>

A revolving line of credit has been authorized by Alberta Treasury Branch ("the bank") to a maximum of \$300,000 (2020 - \$300,000) and bears interest, payable monthly, at the bank's prime rate plus 3.7%.

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.

4. Investments

Investments consist of:

	<u>2021</u>	<u>2020</u>
93-day flex notice account	\$ 1,200,000	\$ 200,000
Cashable guaranteed investment certificates	300,000	900,000
	<u>\$ 1,500,000</u>	<u>\$ 1,100,000</u>

The 93-day flex notice account bears interest at 1.00% (2020 – 1.25%) and requires 93 days notice before withdrawal. The cashable guaranteed investment certificate bears interest at 0.35% (2020 – 0.51% to 1.30%) with a maturity date of November 2022. The investments are internally restricted, see note 8.

WOMEN IN NEED SOCIETY OF CALGARY**Notes to Financial Statements**

As at and for the year ended December 31, 2021

5. Property and equipment

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Motor vehicles	\$ 231,307	\$ 106,007	\$ 125,300	\$ 169,135
Computer equipment	411,537	305,867	105,670	46,292
Furniture and fixtures	574,580	380,884	193,696	134,236
Leasehold improvements	752,444	465,541	286,903	139,428
Inventory management system, website development and database	139,517	110,340	29,177	15,231
	\$ 2,109,385	\$ 1,368,639	\$ 740,746	\$ 504,322

6. Deferred contributions related to operations

	2021	2020
Balance, beginning of year	\$ 428,832	\$ 351,666
Contributions received	2,154,427	1,230,417
Contributions repaid	(129,680)	-
Contributions re-designated to operations by donor	-	12,029
Contributions recognized as revenue	(1,372,228)	(1,165,280)
	\$ 1,081,351	\$ 428,832

7. Deferred contributions related to property and equipment

	2021	2020
Balance, beginning of year	\$ 335,434	\$ 361,375
Contributions received	106,321	80,565
Contributions re-designated to operations by donor	-	(12,029)
Contributions recognized as revenue	(117,523)	(94,477)
	\$ 324,232	\$ 335,434

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2021

8. 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 (2020 - \$400,000) of unrestricted funds to internally restricted net assets. The internally restricted net asset balance at December 31, 2021 is \$1,500,000 (2020 - \$1,100,000).

9. Commitments

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

2022	\$ 876,901
2023	709,306
2024	704,626
2025	634,426
2026	498,676
Subsequent	<u>1,400,976</u>
	<u>\$ 4,824,911</u>

The landlord of one of the locations has agreed to pledge an annual gift equal to the basic rent of \$311,304 plus GST for a 10-year period ending June 30, 2031. The annual pledge has not been included as a reduction in the above annual commitments and the total property lease commitments disclosed above would be reduced by \$2,957,616.

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 \$22,548 were incurred in the year ended December 31, 2021, (2020 - \$8,889) for the purposes of soliciting contributions. The total amount paid for the year ended December 31, 2021, as remuneration to employees of the Society whose principal duties involve fundraising was \$145,500 (2020 - \$184,405).

11. Related party transactions

During the year, the members of the Board of Directors contributed \$6,314 (2020 - \$19,282) to the Society.

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2021

12. 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, \$2,549 (2020 - \$2,482) 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, 2021 was \$69,764 (2020 - \$63,737)

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.

13. Supplementary cash flow information

The Society received a contribution during the year of \$326,869 in exchange for rent for the period from July 1, 2021 to June 30, 2022, of which \$163,435 is included in prepaid expenses and deferred contributions related to operations.

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.

15. 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 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 \$67,219 (2020 - \$402,094), 10% Temporary Wage Subsidy of \$nil (2020 - \$25,000), Government of Alberta relaunch grant of \$80,804 (2020 - \$25,000), among other COVID relief amounts received from various other funders.

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.
