

WOMEN IN NEED SOCIETY OF CALGARY
Financial Statements
December 31, 2023

WOMEN IN NEED SOCIETY OF CALGARY
Index to Financial Statements
As at and for the year ended December 31, 2023

	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

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, 2023 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, 2023, 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 2023 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 28, 2024
Calgary, Alberta

WOMEN IN NEED SOCIETY OF CALGARY

Statement of Financial Position

As at December 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 1,341,572	\$ 2,150,440
Contributions receivable	147,661	46,352
Accounts receivable	52,269	9,143
Goods and services tax recoverable	32,642	34,269
Prepaid expenses and deposits	214,952	229,930
	1,789,096	2,470,134
Investments (Note 4)	1,800,000	1,800,000
Property and equipment (Note 5)	778,356	642,126
Long-term deposits	112,008	84,781
	\$ 4,479,460	\$ 4,997,041
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 168,305	\$ 251,054
Wages payable	285,918	212,552
Deferred contributions related to operations (Note 6)	588,994	1,205,123
	1,043,217	1,668,729
Deferred contributions		
Related to property and equipment (Note 7)	357,767	239,895
Deferred rent liability	144,924	163,150
	1,545,908	2,071,774
Commitments (Note 9)		
Net Assets		
Invested in property and equipment	420,589	402,231
Internally restricted (Note 8)	1,800,000	1,800,000
Unrestricted	712,963	723,036
	2,933,552	2,925,267
	\$ 4,479,460	\$ 4,997,041

Approved on behalf of the Board:

Tracie Noble Director

Shannon Rylorclink Director

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

For the year ended December 31, 2023

	2023	2022
Revenue		
Thrift stores	\$ 6,179,138	\$ 5,446,928
Grants	606,109	470,889
Donations	547,559	732,395
Government of Alberta	416,498	513,522
Donation for rent (Note 9, 12)	326,869	326,869
Recycling	171,898	219,868
Interest income	168,830	79,926
Recognition of deferred contributions related to property and equipment	149,146	125,285
United Way	105,000	80,000
Other income	102,611	22,114
Casino	62,689	154,945
Pick up and delivery	22,711	22,411
	<u>8,859,058</u>	<u>8,195,152</u>
Expenses		
Salaries and wages	\$ 5,520,539	\$ 4,615,420
Rent and utilities (Note 9)	1,651,337	1,546,090
Thrift stores	375,979	334,541
Amortization	294,587	240,162
Program expenses	287,027	259,048
Office	205,462	209,224
Repairs and maintenance	157,948	108,568
Professional fees	126,431	106,362
Advertising and promotion	106,256	176,586
Goods and services tax	64,207	57,111
Staff and volunteer recognition and development	61,000	49,167
Donations	-	397
	<u>8,850,773</u>	<u>7,702,676</u>
Excess of revenue over expenses	<u>\$ 8,285</u>	<u>\$ 492,476</u>

WOMEN IN NEED SOCIETY OF CALGARY
Statement of Changes in Net Assets
For the year ended December 31, 2023

	2023			2022	
	Invested in property and equipment	Internally restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 402,231	\$ 1,800,000	\$ 723,036	\$ 2,925,267	\$ 2,432,791
Excess (deficiency) of revenues over expenses	(145,441)	-	153,726	8,285	492,476
Purchase of property and equipment with unrestricted funds	163,799	-	(163,799)	-	-
Transfer to internally restricted <i>(Note 8)</i>	-	-	-	-	-
Balance, end of year	\$ 420,589	\$ 1,800,000	\$ 712,963	\$ 2,933,552	\$ 2,925,267

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

For the year ended December 31, 2023

	2023	2022
Operating activities		
Excess of revenues over expenses	\$ 8,285	\$ 492,476
Items not affecting cash:		
Recognition of deferred contributions related to property and equipment	(149,146)	(125,285)
Amortization of property and equipment	294,587	240,162
Deferred rent liability	(18,226)	16,733
	<u>135,500</u>	624,086
Changes in non cash working capital items:		
Contributions receivable	(101,309)	41,891
Accounts receivable	(43,126)	52,284
Goods and services tax recoverable	1,627	1,237
Prepaid expenses and deposits	(12,249)	(60,130)
Accounts payable and accrued liabilities	(82,749)	41,001
Wages payable	73,366	43,653
Deferred contributions related to operations	(616,129)	123,772
Cash flow from (used in) operating activities	<u>(645,069)</u>	867,794
Investing activities		
Purchase of property and equipment	(430,817)	(141,542)
Purchase of investments	-	(300,000)
Cash flow from (used in) investing activities	<u>(430,817)</u>	(441,542)
Financing activities		
Contributions received related to property and equipment	267,018	40,948
Cash flow from (used in) financing activities	<u>267,018</u>	40,948
Increase (decrease) in cash and cash equivalents	(808,868)	467,200
Cash and cash equivalents, beginning of year	<u>2,150,440</u>	1,683,240
Cash and cash equivalents, end of year	\$ 1,341,572	\$ 2,150,440
Cash and cash equivalents are comprised of:		
Cash (Note 3)	\$ 916,013	\$ 1,108,852
Restricted cash (Note 3)	425,559	1,041,588
	<u>\$ 1,341,572</u>	<u>\$ 2,150,440</u>

Supplementary cash flow information (Note 12)

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2023

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 less than 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, 2023

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.

(g) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. 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, 2023

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, 2023

3. Cash and cash equivalents

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

	<u>2023</u>	<u>2022</u>
Program expenditures	\$ 413,968	\$ 1,012,916
Casino approved expenditures	11,591	28,672
Total restricted cash and cash equivalents	<u>425,559</u>	1,041,588
Unrestricted cash and cash equivalents	<u>916,013</u>	1,108,852
Total cash and cash equivalents	<u>\$ 1,341,572</u>	<u>\$ 2,150,440</u>

A revolving line of credit has been authorized by Alberta Treasury Branch ("the bank") to a maximum of \$300,000 (2022 - \$300,000) and bears interest, payable monthly, at the bank's prime rate plus 1.25%. No amount is outstanding on the revolving line of credit as at the year end.

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>2023</u>	<u>2022</u>
93-day flex notice account	\$ 800,000	\$ 1,500,000
Cashable guaranteed investment certificates	1,000,000	300,000
	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>

The 93-day flex notice account bears interest at 5.70% (2022 - 1.00% to 5.25%) and requires 93 days notice before withdrawal. The cashable guaranteed investment certificates bear interest at rates from 3.25% to 4.67% (2022 - 3.95%) with maturity dates of May 2024 and November 2024. 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, 2023

5. Property and equipment

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Motor vehicles	\$ 257,779	\$ 205,764	\$ 52,015	\$ 85,488
Computer equipment	467,646	413,245	54,401	84,838
Furniture and fixtures	673,926	484,457	189,469	203,773
Leasehold improvements	1,057,420	661,678	395,742	241,402
Inventory management system, website development and database	224,972	138,243	86,729	26,625
	\$ 2,681,743	\$ 1,903,387	\$ 778,356	\$ 642,126

6. Deferred contributions related to operations

	2023	2022
Balance, beginning of year	\$ 1,205,123	\$ 1,081,351
Contributions received	983,355	1,451,291
Contributions repaid	(225,824)	-
Contributions recognized as revenue	(1,373,660)	(1,327,519)
	\$ 588,994	\$ 1,205,123

7. Deferred contributions related to property and equipment

	2023	2022
Balance, beginning of year	\$ 239,895	\$ 324,232
Contributions received	267,018	40,948
Contributions recognized as revenue	(149,146)	(125,285)
	\$ 357,767	\$ 239,895

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2023

8. Internally restricted net assets

The Board of Directors has designated \$1,500,000 (2022 - \$1,500,000) for the Operating Reserve Fund and \$300,000 (2022 - \$300,000) for the Growth and Sustainability Fund. Interest earned on the internally restricted net assets has been approved for use in general operations by the Board. During the year, there were no Board of Directors approved transfers (2022 - \$300,000) of unrestricted funds to internally restricted net assets. The total internally restricted net asset balance as at December 31, 2023 is \$1,800,000 (2022 - \$1,800,000).

9. Commitments

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

2024	\$ 1,180,399
2025	1,192,324
2026	1,164,380
2027	912,198
2028	463,777
Subsequent	<u>1,781,558</u>
	<u>\$ 6,694,636</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, if included, the total property lease commitments disclosed above would be reduced by \$2,334,960.

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 \$43,411 were incurred in the year ended December 31, 2023, (2022 - \$26,669) for the purposes of soliciting contributions. The total amount paid for the year ended December 31, 2023, as remuneration to employees of the Society whose principal duties involve fundraising was \$348,577 (2022 - \$277,800).

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, \$3,141 (2022 - \$3,139) 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, 2023 was \$63,784 (2022 - \$62,826).

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.

WOMEN IN NEED SOCIETY OF CALGARY

Notes to Financial Statements

As at and for the year ended December 31, 2023

12. Supplementary cash flow information

The Society received a contribution during the year of \$326,869 (2022 - \$326,869) in exchange for rent for the period from July 1, 2023 to June 30, 2024, of which \$163,435 (2022 - \$163,435) is included in prepaid expenses and deferred contributions related to operations as at December 31, 2023.

13. 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 market or liquidity risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk from contributions receivable from funders. However, the Society has a significant number of funders which minimizes concentration of credit risk.

14. 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.
