



2019 ANNUAL REPORT

Prepared for the Annual General Meeting of the Members

6:00 PM, Tuesday, September 17, 2019

Candace House, Suite 1B – 183 Kennedy Street, Winnipeg MB, R3C 1S6

VISION

A comforting place for victims and survivors of crime.

MISSION

Our mission is to provide a safe and comforting day refuge for victims and survivors of crime navigating the court process.

Candace House will offer access to holistic and culturally appropriate resources and referrals as well as victim support services in a way that promotes empowerment and resilience.

Candace House will endeavor to contribute to the leadership in the victim services sector through effective and strategic use of collaborative partnerships

AGENDA

1. Welcome and Call to Order – Opening Statements from Darryl Stewart, President
2. Establish Quorum – Darryl Stewart
3. Additions / Approval of the Agenda – Darryl Stewart
 - **Motion:** That the Agenda for the 2019 Annual General Meeting of Candace House be approved as presented.
4. Amend / Adoption of Annual General Meeting Minutes from Sept 18, 2019 – Monica Ross
 - **Motion:** That the minutes of Annual General Meeting of the members of Candace House held on September 18, 2018 be approved as presented.
5. Executive Director’s Report – Cecilly Hildebrand
 - **Motion:** That the Executive Director’s Report be accepted as presented.
6. President’s Report – Darryl Stewart
 - **Motion:** That the President’s Report be accepted as presented.
7. Treasurers Report – Ann Poole
 - **Motion:** That the Independent Auditors Report and Financial Statements for the fiscal year April 1, 2018 to March 31, 2019 be accepted as presented.
 - **Motion:** That Fort Group Inc. be appointed Auditors for Candace House for the fiscal year ending March 31, 2020.
8. Confirmation of Membership Fees – Darryl Stewart
 - **Motion:** That the membership fees for Candace House be set as follows,
 1. Individual/Group - \$50 (voting member)
 2. Special - “sliding scale,” what can be afforded (voting member)
9. Nominating Report – Darryl Stewart
 - Recognition of departing Board Directors
 - **Motion:** That the board slate for 2019/2020 be accepted.
10. Other Business
11. Adjournment
 - **Motion:** That the 2019 Annual General Meeting of Candace House be adjourned.

CANDACE HOUSE, Inc.
ANNUAL GENERAL MEETING
Tuesday, September 18, 2018

MINUTES

Present: Darryl Stewart, President
Cecilly Hildebrand, Executive Director
Ann Poole, Treasurer
Monica Ross, Secretary
Brian Bell, Director
Veronica Gagnon, Director
Michelle Pereira, Director
Carla Loeppky, Director
Murray Barkman
Sue Hemphill

By Proxy: Alan Libman, Director
Chris Epp-Vollrath, Director

Regrets: Ben Sparrow, Vice-President
Wilma Derksen, Honourary Board Member
Cliff Derksen

1. **Call to Order**

The President welcomed those in attendance and called the meeting to order at 6:25 p.m.

2. **Agenda Review**

MOTION by Monica Ross, seconded by Brian Bell that the Agenda for the 2018 annual General Meeting of Candace House be approved as presented.

CARRIED.

3. **Minutes Review**

Minutes of the annual general meeting held September 20, 2017 were reviewed.

MOTION by Monica Ross, seconded by Brian Bell that the Minutes of the Annual General Meeting of the members of Candace House held on September 20, 2017, be approved as presented.

CARRIED.

Minutes of the annual general meeting held September February 21, 2018 were reviewed.

MOTION by Veronica Gagnon, seconded by Ann Poole that the Minutes of the Annual General Meeting of the members of Candace House held on February 21, 2018, be adopted as presented.

CARRIED.

4. President's Report

The President acknowledged the hard work and perseverance and generosity of many in realizing Wilma and Cliff Derksen's vision with special thanks and appreciation to Executive Director, Cecilly Hildebrand, Aaron Penner for volunteering his time to fundraise and major donors including Denise & David Wall, De Fehr Foundation, Qualico and the many hundreds of other donors who stepped forward to contribute. During the year ahead, the Board and Executive Director will focus on bringing the mission and values of Candace House to life in ways that truly matter to people impacted by violent crime. His written report is included with the AGM materials.

MOTION by Brian Bell, seconded by Monica Ross that the President's Report be accepted.

CARRIED.

5. Executive Director's Report

The Executive Director provided a written report included with the AGM materials. She provided highlights from the report and acknowledged with thanks contributions and assistance from the Board, Dr. Barb Toews, Sue Hemphill, Karen Shanski, Paul and Bill Hanuschak, Donna Illago, Lola Construction, Colliers Property Management, Brian Bell, Matthew Dueck and neighbours, Folklorama and People's Law Corner.

MOTION by Michelle Pereira, seconded by Brian Bell that the Executive Directors' Report be accepted.

CARRIED.

6. Treasurer's Report

The Treasurer reviewed the Independent Auditors Report and Financial Statements for the fiscal year April 1, 2017 to March 31, 2018. She thanked the Executive Director and Chris Epp-Vollrath for their assistance.

MOTION by Brian Bell, seconded by Michelle Pereira that the Independent Auditors Report and Financial Statements for the fiscal year April 1, 2017 to March 31, 2018 be received as presented.

CARRIED.

MOTION by Ann Poole, seconded by Monica Ross that Fort Group Inc. be appointed Auditors for Candace House for the fiscal year ending March 31, 2019.

CARRIED.

7. **Confirmation of Membership Fees**

MOTION by Monica Ross, seconded by Ann Poole that the membership fees for Candace House be set as follows:

1. Individual/Group - \$50 (voting member);
2. Special – “sliding scale” – what can be afforded (voting member)

CARRIED.

8. **Nominating Report**

The President noted with gratitude and appreciation the Executive Director’s leadership and initiative and efforts. He noted more resources are required as we go forward.

MOTION by Veronica Gagnon, seconded by Michelle Pereira that the Board slate for 2018/2019 be accepted.

CARRIED.

9. **Other Business**

There being no other business.

10. **Adjournment**

MOTION by Veronica Gagnon, seconded by Carla Loeppky that the 2018 Annual General Meeting of Candace House be adjourned.

CARRIED.

Meeting adjourned at 7:00 p.m.

Recorded by:

Monica Ross
Secretary
Board of Directors

Executive Director's Report

What an incredible year of mountaintop moments! What incredible accomplishments to celebrate!

- Renovation construction beginning in the spring of 2018, with set up taking place over the summer.
- Our first board meeting at Candace House in June while construction dust was still everywhere.
- The opportunity to be part of the Refuge 31 film screening of Cliff's journey through forgiveness and make another presentation together with Cliff to 100WWCW about the impact their gifts were making.
- Our second dining experience fundraiser in November.
- An incredibly successful VIP donor tour and media launch to announce that we were now open. Followed by a very well attended open house the next day. All resulting in fantastic media exposure, including a beautiful piece by Focus MB.
- The opportunity to work together with Kathy Penner during the winter to develop our donor relations and fundraising plan, and the many systems and processes associated with that.
- Expanding our staff and ability to provide services by hiring Taylor in February.
- The continued opportunities to meet and share with politicians, donors, other service providers and various stakeholders more broadly about the important work that we do. Including having given over 30 personal tours of Candace House, having made various community presentations and having had many in person meetings with leaders and potential donors.
- The continued conversations with government, including meeting with the Justice Minister's office in Ottawa, and the open door and good relationship with our provincial government including mention in the Throne Speech, invite to attend the budget reading, and personal meetings and tours with Ministers.
- Opportunities for professional development in areas of both service and management
- And the tremendous honour it has been to work together with Ann, who has dedicated so much time to Candace House, from monthly financial tasks, to working together with our Spark match, to all the work in conjunction with our audit. You will be dearly missed!

And during all of this, the vision became reality when we welcomed our first family in fall! Candace House is everything we had hoped and dreamed it would be and more. From opening in late October to March, we provided support to over 100 different family members and loved ones following the murder of 11 people. The impact Candace House is having being seen by both staff and the partners we work with, but more importantly felt and experienced by our guests who continue to share their immense thankfulness and gratitude for the space and compassion.

Here's to another incredible year ahead continuing to offer comfort and refuge!

President's Report

We did it! In November of 2018 we opened our doors and made good on the Vision for Candace House.

As I reflect on the first year at Candace House, two powerful memories come immediately to mind. The first was my meeting with one of the families that we supported during our first year of operation. I would usually never meet any of the people we support since I have no role in providing supports or in day to day operations. This family asked to meet me, however, and when we did meet, they explained with visible passion and obvious gratitude just how much Candace House has meant to them and how helpful it was. This was a special moment for me. I wished at that moment that all the other board members, donors and volunteers that gave of their time and money over the last few years could be there with me to share the experience. It was very gratifying.

The second was viewing the "Focus Manitoba" video that Global Winnipeg so generously produced. Seeing what Candace House opening has meant for the Derksen's, was a special and inspiring thing. When Wilma Derksen talks or writes about forgiveness, she often mentions the final act in letting go and forgiving as taking some positive action or step forward; turning something bad into something good; turning a hardship into a blessing. Candace House is that for the Derksen's, that is obvious. Their example in promoting this idea tirelessly, and giving so many of us the honour and privilege of being of service in this good work, has done good for some many. For me it has drastically improved my outlook on life. I hope each of you, our Executive Director Cecilly, our board members, staff, supporters and volunteers feels as good about what we have done as I do.

Thank you all for your hard work and sacrifice and thank you once again to the Derksen's for allowing us all to be of service on bringing Candace House into being.

August 16, 2019
Board of Directors
Candace House, Inc.
1B - 183 Kennedy Street
Winnipeg, MB
R3C 1S6

Dear Board of Directors:

We have completed our audit of the financial statements of Candace House, Inc. for the year ended March 31, 2019. The primary objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement. We conducted our audit in accordance with Canadian generally accepted auditing standards and accordingly included such tests and other procedures, as we considered necessary in the circumstances. Our audit was not designed for the purpose of identifying all matters that may be of interest to management and it is inappropriate to conclude that this letter is a comprehensive assessment of such matters.

As part of our audit we performed a walk-through of your systems of internal control in place to determine that they have been properly designed and implemented and have noted no discrepancies. However, our review of internal controls was limited to those internal controls in place and was not designed to be a comprehensive assessment on the adequacy and effectiveness of internal controls over all transaction streams. It is the responsibility of the Board of Directors and management to maintain effective internal controls that safeguard the assets of the organization and prevent and detect fraud.

We are pleased to present to you some commentary and recommendations for your consideration in the paragraphs that follow:

1. AUDIT RESULTS

For the year ended March 31, 2019 we have issued a qualified audit opinion on the financial statements of Candace House, Inc. During the course of our audit we did not discover fraud nor any illegal or possibly illegal acts.

2. QUALIFIED AUDIT OPINION

In common with many charitable organizations, Candace House, Inc. derives income from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from this source was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess revenue of expenses, current assets and net assets.

3. PRIOR YEAR OBSERVATIONS

a) Dual authorization on cheques

During the prior year audit, we noted that cheques were signed by only one individual. As a matter of good governance, a control related to cash disbursements can include requiring two authorized signatures on all cheques issued by the Organization. This control can be set for cheques over a specific amount (as determined by the board of directors) or can be applied to all cheques.

Board of Directors
Candace House, Inc.
August 16, 2019
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a) Dual authorization on cheques (Continued)

By requiring two signatures, the Organization is verifying that both signers agree that the payment is accurate and approved. A second authorized signature is especially important if the same person is signing cheques, recording purchases and reconciling the bank. We recommend that a second authorized signature be routinely required on all cheques.

During the current year audit, we noted that for cheques over \$1,000 two signatures were presents. We consider this recommendation to be resolved.

b) Account numbers in QuickBooks

During the prior year audit, we noted that the Organization does not assign account numbers to its accounts in QuickBooks. Account numbers make it easier to identify and segregate similar types of account balances by assigning specific numberings to different classes of assets, liabilities, revenues and expenses. It also allows the audit and correspondence between the Organization and auditor to be more efficient. We recommend the Organization use the account numbering we have assigned to its accounts as provided in the year end trial balance.

During the current year audit we noted that account numbers had been assigned to all accounts. We consider this recommendation to be resolved.

4. CURRENT YEAR OBSERVATIONS

a) Self assessment of PST

During the current year audit we noted that the organization began purchasing certain softwares and licenses from companies outside of Manitoba (for example; Adobe Suite and Grant Advance) on which no PST is charged. When these purchases are made, RST should be self-assessed and remitted to Manitoba Finance Taxation Division. As a result of not self-assessing the RST the organization has an outstanding liability to the Province of Manitoba and could be assessed penalties and interest on any amounts owing. Additionally, both the Organizations liabilities and expenses could be understated in the financial statements. We recommend that going forward the Organization complete filing of the R.T. 8 - Casual Purchaser's Return for any out of Province software purchases being made (as well as any other out of province asset purchases being made).

This communication is prepared solely for your information and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We would like to take this opportunity to thank the personnel of the organization for their assistance and cooperation during our audit.

Yours very truly,
Fort Group Chartered Professional Accountants Inc.

PER: Aaron Pauls, CPA, CA, Partner

CANDACE HOUSE, INC.
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
MARCH 31, 2019

DRAFT

CANDACE HOUSE, INC.

MARCH 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of directors of Candace House, Inc.:

Qualified Opinion

We have audited the accompanying financial statements of Candace House, Inc., which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flow for the year then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Candace House, Inc. as at March 31, 2019, and the results of its operations and its cash flow for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, Candace House, Inc. derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from this source was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess revenue of expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 judgment 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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the organization 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 representing the underlying transactions and events in a manner that achieved 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.

Winnipeg, Manitoba
Date of approval

**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**CANDACE HOUSE, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2019**

| | <u>2019</u> | <u>2018</u> |
|---|-------------------|----------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 121,756 | 240,984 |
| Grants and donations receivable | 5,204 | 17,762 |
| GST receivable | 6,224 | 2,823 |
| Prepaid expenses | <u>4,019</u> | <u>4,757</u> |
| | 137,203 | 266,326 |
| TANGIBLE CAPITAL ASSETS (Note 2(b) and 3) | <u>258,137</u> | <u>72,845</u> |
| | <u>\$ 395,340</u> | <u>339,171</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 13,841 | 64,546 |
| Deferred contributions (Note 4) | 26,893 | 30,096 |
| Current portion of capital contributions (Note 5) | <u>11,495</u> | <u>-</u> |
| | 52,229 | 94,642 |
| DEFERRED CAPITAL CONTRIBUTIONS (Note 5) | <u>77,982</u> | <u>43,000</u> |
| | <u>130,211</u> | <u>137,642</u> |
| NET ASSETS | | |
| Invested in tangible capital assets | 168,660 | - |
| Unrestricted | <u>96,469</u> | <u>201,529</u> |
| | <u>265,129</u> | <u>201,529</u> |
| | <u>\$ 395,340</u> | <u>339,171</u> |

APPROVED BY THE BOARD:

_____ Director

_____ Director

**CANDACE HOUSE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2019**

| | INVESTED IN TANGIBLE CAPITAL ASSETS | UNRESTRICTED | 2019 | 2018 |
|---|--|---------------|----------------|----------------|
| NET ASSETS, BEGINNING OF YEAR | \$ - | 201,529 | 201,529 | 46,775 |
| EXCESS OF REVENUE OVER EXPENSES | (8,794) | 72,394 | 63,600 | 154,754 |
| DEFERRED CAPITAL CONTRIBUTIONS | (86,000) | 86,000 | - | - |
| PURCHASE OF TANGIBLE CAPITAL ASSETS | 190,609 | (190,609) | - | - |
| TRANSFER OF CONSTRUCTION IN PROGRESS | 72,845 | (72,845) | - | - |
| NET ASSETS, END OF YEAR | <u>\$ 168,660</u> | <u>96,469</u> | <u>265,129</u> | <u>201,529</u> |

DRAFT

**CANDACE HOUSE, INC.
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2019**

| | <u>2019</u> | <u>2018</u> |
|---|------------------|----------------|
| REVENUE | | |
| Donations | \$ 91,412 | 150,249 |
| Fundraising | 16,880 | 20,250 |
| Grants | 93,675 | 85,305 |
| Interest | 221 | 161 |
| Membership dues | - | 301 |
| Amortization of deferred capital contributions (Note 5) | 5,747 | - |
| | <u>207,935</u> | <u>256,266</u> |
| EXPENSES | | |
| Amortization of tangible capital assets | 14,541 | 156 |
| Business expenses | 25 | - |
| Fundraising | 3,818 | 5,962 |
| Facilities and maintenance | 44,373 | 27,675 |
| Insurance | 4,751 | 3,301 |
| Office | 3,954 | 1,332 |
| Professional services | 10,613 | 21,675 |
| Public relations | 509 | 708 |
| Programs and services | 3,142 | - |
| Professional development | 44 | - |
| Salaries and benefits | 52,034 | 36,538 |
| Subscriptions and resources | 2,522 | 2,517 |
| Telephone, internet and website | 1,797 | 1,057 |
| Travel and meetings | 2,212 | 591 |
| | <u>144,335</u> | <u>101,512</u> |
| EXCESS OF REVENUES OVER EXPENSES | <u>\$ 63,600</u> | <u>154,754</u> |

**CANDACE HOUSE, INC.
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2019**

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|----------------|
| CASH PROVIDED BY (USED IN): | | |
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 63,600 | 154,754 |
| Add back non-cash item(s): | | |
| Amortization of deferred capital contributions | (5,747) | - |
| Amortization of tangible capital assets | <u>14,541</u> | <u>156</u> |
| | 72,394 | 154,910 |
| Changes in non-cash working capital: | | |
| Grants and donations receivable | 12,558 | (17,762) |
| GST receivable | (3,401) | (1,774) |
| Prepaid expenses | 738 | 15,491 |
| Accounts payable and accrued liabilities | (50,705) | 60,862 |
| Deferred contributions | <u>(3,203)</u> | <u>16,596</u> |
| | 28,381 | 228,323 |
| INVESTING ACTIVITIES | | |
| Purchase of tangible capital assets | (190,609) | (72,845) |
| FINANCING ACTIVITIES | | |
| Deferred capital contributions received | <u>43,000</u> | <u>43,000</u> |
| INCREASE (DECREASE) IN CASH | (119,228) | 198,478 |
| CASH, BEGINNING OF YEAR | <u>240,984</u> | <u>42,506</u> |
| CASH, END OF YEAR | <u>\$ 121,756</u> | <u>240,984</u> |

CANDACE HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

1. STATUS AND PURPOSE OF THE ORGANIZATION

Candace House, Inc. (the "Organization") is a non-profit charitable organization which provides support to victims and survivors of violent crime in Manitoba - providing a home-like day refuge during the court proceedings. The Organization was incorporated, without share capital, under the Corporations Act of Manitoba and is exempt from income taxes under the Income Tax Act of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

(a) Revenue Recognition

The Organization 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.

(b) Tangible Capital Assets

Tangible capital assets acquired by the Organization are recorded at cost. Donated capital assets are recorded at estimated fair market values. Amortization based on the estimated useful life of the underlying asset is calculated on a straight-line basis at the following rates:

| | |
|------------------------|----------|
| Furniture and fixtures | 5 years |
| Leasehold improvements | 10 years |

Assets under development or construction are not amortized until available for use.

(c) Contributed Services and Donated Materials

Contributed services and donated materials are not recognized in the financial statements. Donated capital assets are capitalized in the year they are received.

(d) Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Estimates include amounts payable for services not billed yet at the time these financial statements were approved and amortization. Actual results may differ from estimates.

(e) Financial Instruments

Financial instruments held by the Organization include cash, accounts receivable and accounts payable and accrued liabilities. The organization initially measures its financial instruments at fair value when the asset or liability is first recognized. The organization subsequently measures its financial instruments at cost or amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

**CANDACE HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

3. TANGIBLE CAPITAL ASSETS

| | <u>2019</u> | | <u>2018</u> | |
|--|-------------------|-------------------------------------|---------------|-------------------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Cost</u> | <u>Accumulated Amortization</u> |
| Leasehold improvements - under development | \$ - | - | 72,845 | - |
| Leasehold improvements | 254,545 | 12,727 | - | - |
| Furniture and fixtures | <u>19,068</u> | <u>2,749</u> | <u>936</u> | <u>936</u> |
| | <u>\$ 273,613</u> | <u>15,476</u> | <u>73,781</u> | <u>936</u> |
| Net book value | <u>\$ 258,137</u> | | <u>72,845</u> | |

During the year, the Organization received \$9,224 (2018 - \$ nil) in donated furniture and leasehold improvements.

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for the resource library and executive director salary. Changes in the deferred contributions are as follows:

| | <u>2019</u> | | | |
|---|----------------------------|-----------------------------------|-------------------------------|----------------------------|
| | <u>Opening Balance</u> | <u>Contributions Received</u> | <u>Revenue Recognized</u> | <u>Closing Balance</u> |
| The Winnipeg Foundation - Resource Library | \$ 13,054 | - | 1,923 | 11,131 |
| The Winnipeg Foundation - Executive Director | 17,042 | 35,000 | 36,842 | 15,200 |
| Assiniboine Credit Union - Sustainable Organization Grant | <u>-</u> | <u>5,000</u> | <u>4,438</u> | <u>562</u> |
| | <u>\$ 30,096</u> | <u>40,000</u> | <u>43,203</u> | <u>26,893</u> |

| | <u>2018</u> | | | |
|--|----------------------------|-----------------------------------|-------------------------------|----------------------------|
| | <u>Opening Balance</u> | <u>Contributions Received</u> | <u>Revenue Recognized</u> | <u>Closing Balance</u> |
| The Winnipeg Foundation - Resource Library | \$ 13,500 | - | 446 | 13,054 |
| The Winnipeg Foundation - Executive Director | <u>-</u> | <u>35,000</u> | <u>17,958</u> | <u>17,042</u> |
| | <u>\$ 13,500</u> | <u>35,000</u> | <u>18,404</u> | <u>30,096</u> |

**CANDACE HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized balance of contributions received for the purchase of tangible capital assets and donated capital assets. Changes in deferred capital contribution balances are as follows:

| | | <u>2019</u> | | |
|--|----------------------------|-----------------------------------|--|----------------------------|
| | <u>Opening Balance</u> | <u>Contributions Received</u> | <u>Amortization of Contributions</u> | <u>Closing Balance</u> |
| In-kind donations | \$ - | 9,224 | 797 | 8,427 |
| The Winnipeg Foundation - Capital Assistance | \$ 25,000 | - | 1,250 | 23,750 |
| The Winnipeg Committee For Safety - Security System | 3,000 | - | 150 | 2,850 |
| The Thomas Sill Foundation - Capital Assistance | 15,000 | - | 750 | 14,250 |
| The Cardinal Foundation - Smudge Facilities | - | 5,000 | 250 | 4,750 |
| Province of Manitoba - CPF Funding | - | 25,000 | 1,250 | 23,750 |
| Province of Manitoba - Municipal Relations Grant | - | 13,000 | 1,300 | 11,700 |
| | <u>\$ 43,000</u> | <u>61,448</u> | <u>5,747</u> | <u>89,477</u> |
| Less: Current portion | | | | <u>(11,495)</u> |
| | | | | <u>\$ 77,982</u> |

| | | <u>2018</u> | | |
|--|----------------------------|-----------------------------------|--|----------------------------|
| | <u>Opening Balance</u> | <u>Contributions Received</u> | <u>Amortization of Contributions</u> | <u>Closing Balance</u> |
| The Winnipeg Foundation - Capital Assistance | \$ - | 25,000 | - | 25,000 |
| The Winnipeg Committee For Safety - Security System | - | 3,000 | - | 3,000 |
| The Thomas Sill Foundation - Capital Assistance | - | 15,000 | - | 15,000 |
| | <u>\$ -</u> | <u>43,000</u> | <u>-</u> | <u>43,000</u> |

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | <u>2019</u> | <u>2018</u> |
|--------------------------------|------------------|---------------|
| Accrued liabilities | \$ 4,930 | - |
| Construction holdbacks payable | - | 4,252 |
| Leasehold improvements | - | 55,830 |
| Trade payables | 5,056 | 3,672 |
| Vacation accrual | 3,855 | 792 |
| | <u>\$ 13,841</u> | <u>64,546</u> |

**CANDACE HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

7. COMMITMENTS

On May 1, 2017, the Organization signed a five year lease for operational space located at 183 Kennedy Street. The future annual lease commitments under this lease are as follows:

| | | | |
|-----------|------|----|----------------|
| March 31, | 2020 | \$ | 37,800 |
| | 2021 | | 39,375 |
| | 2022 | | 39,375 |
| | 2023 | | 13,125 |
| | | | <u>129,675</u> |
| | | \$ | <u>129,675</u> |

8. FINANCIAL RISK MANAGEMENT

(a) Credit Risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they come due. Financial liabilities consist of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are paid in the normal course of business and except under certain exceptions, no later than three months.

The organization's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due.

(b) Credit Risk

Credit risk is the risk that a counterparty will default on its financial liabilities. Financial instruments which potentially subject the Organization to credit risk and concentrations of credit risk consist principally of cash, temporary investments, and accounts receivable. Management manages credit risk associated with accounts receivable by pursuing collections when they are due.

9. COMPARATIVE FIGURES

Certain of the prior year comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

Presentation of Candace House Board Slate for 2019/2020

The following candidates have been nominated for re-election/confirmation to the Board of Directors for Candace House.

The following member(s) stepped down this past year:

Michelle Pereira – Vice President of Marketing, Habitat for Humanity (Winnipeg, MB)

Director, Re-elected September 29, 2016

Term: 2017-2019

The following member(s) will be stepping down:

Ann Poole – Payroll Specialist, IBEX Payroll (Winnipeg, MB)

Treasurer, Re-elected September 29, 2016

Term: 2016-2019

The following member(s) are nominated for re-election:

Brian Bell – Retired Crown Attorney (Winnipeg, MB)

Director, Elected September 29, 2016

Term: 2016-2019

Monica Ross – Associate Lawyer, Gray & Company (Winnipeg, MB)

Secretary, Re-elected September 29, 2017

Term: 2016 - 2019

The following members continue to serve as Directors:

Darryl Stewart – Chief Executive Officer, IBEX Payroll (Winnipeg, MB)

President and Board Chair, Elected October 21, 2014

Term: 2017 - 2020

Alan Libman – Lawyer (Winnipeg, MB)

Director, Candace Derksen Family Rep, Re-elected October 21, 2014

Term: 2017 - 2020

Veronica Gagnon – Executive Assistant, Government of Manitoba (Winnipeg, MB)

Director, Filled vacancy January 19, 2015

Term: 2017 - 2020

Christine Epp-Vollrath – Business Consultant (Winnipeg, MB)

Director, Filled vacancy July 10, 2017

Term: 2017 – 2020

Carla Loepky – Director of Epidemiology and Surveillance, Manitoba Government

Director, Elected September 18, 2019

Term: 2018 – 2021

**Note: Directors are elected for three-year terms, commencing from the date of election until the annual general meeting three years next following. Directors are eligible for re-election.*