

2014 Annual Report



Operation
Come Home



Opération
rentrer au foyer

A word from our Executive Director...



Elspeth McKay
Executive Director at OCH

Operation Come Home continued to provide valuable and innovative services to at-risk and homeless youth ages 16-29 during 2014. Some of the highlights were:

- The completion of a three-year longitudinal study of the Achievement Centre, the non-traditional high school at OCH
- The support from Her Excellency, Sharon Johnston; the addition of a medical Doctor to our clinical team
- The success of our Breakfast on the Rideau; and the number of new affiliates associated with the Reunite program.

The Achievement Centre study was performed to better understand how to ensure young people are successful in graduating from high school. Some of the highlights of the study include: 230 students participated in the study; 15 youth graduated; 54% admitted to having mental health issues; 32% admitted to suffering from addictions issues, 75 credits achieved; and 21% were aged 17. The study provided OCH with some valuable insights on how to proceed to ensure success in the Centre.

Her Excellency, Sharon Johnston provided OCH with a great deal of support in 2014. She visited OCH and spent the morning speaking to young people about their hopes and dreams for the future. In addition, Her Excellency invited youth and staff to Rideau Hall on two occasions: for FarmWorks youth and staff to tour the gardens and greenhouses; and for re: Purpose youth to design a jewelry collection inspired by Her Excellency to be sold in the re: Purpose storefront.

The Breakfast on the Rideau was a huge success in 2014 thanks to our Board of Directors. After the breakfast, one of the attendees decided to come and provide medical services to the youth at OCH. Dr. Tanner currently works with youth at OCH on a weekly basis. Our original program, Reunite, which started in 1971 expanded in 2014 with the addition of nine new affiliates across Canada. The age for re-unification increased to 21 years. The reunite program expanded the mandate to include those young people that who are victims of human trafficking.

The five social enterprises operated by Operation Come Home: FarmWorks, BottleWorks, BeadWorks, Buy Your Beaus Online, and re: Purpose changed the way in which they operate. All of the social enterprises are youth lead and managed. All of the employees in the social enterprises are youth who have previously gained access to Operation Come Home. This new method of service delivery has proven to be highly successful for the young people who have been given the opportunity to learn new skills, take on leadership roles and to flourish in a business environment. In addition, four youth were assisted to start up their own businesses in 2014, with the support of Innovation and Entrepreneurship Works programs.

Operation Come Home continues to provide front-line services to at risk and homeless youth between the ages of 16-30 in Ottawa and across Canada. OCH ensures that young people are provided with programs that work and those that matter to them. The team at OCH utilizes a "strength based" model of intervention that highlights the promise in young people and what their hopes and dreams are for the future. I am proud to be a part of Operation Come Home and hope that our team will continue to flourish whilst being guided by those we serve.

OCH Updates & Funding Profile

TO PLANT A SEED IS TO BELIEVE IN TOMORROW.

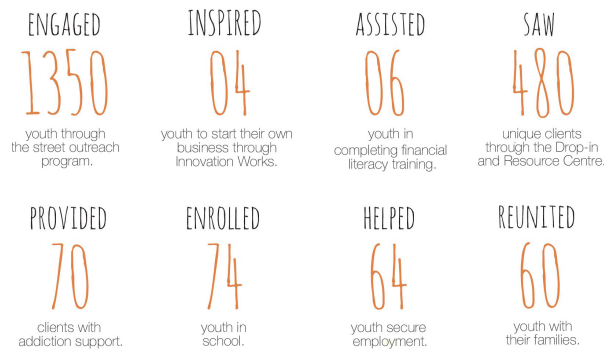
At Operation Come Home, we work with hundreds of homeless or at-risk Ottawa youth every year — from a variety of backgrounds and circumstances. And they all have one thing in common:

THEY JUST WANT TO GROW AND MAKE A BETTER LIFE FOR THEMSELVES.

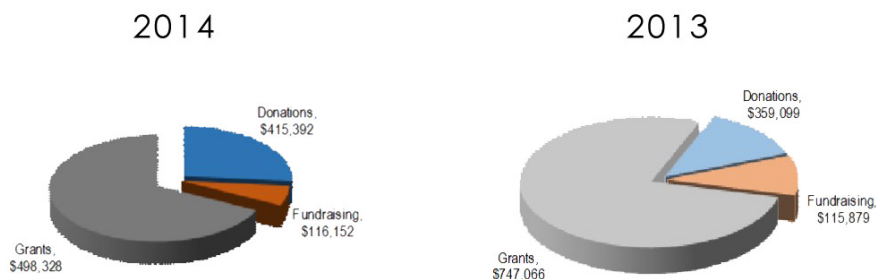
We're dedicated to providing local youth with the information, assistance and opportunities they need to get off the street, take control of their lives and make a positive contribution to our community.

Operation Come Home effectively delivers a variety of critical programs, including:

- Achievement Centre
- Finance Matters
- Housing Works
- Cactus Youth Drop-In and Resource Centre
- Reunite
- Youth Outreach Programs: Street Outreach Team and STOP (Students Taking on Prevention)
- Social Enterprises: BottleWorks, Buy Your Beau's Online, FarmWorks, re:Purpose, Beadworks
- Individual Employment Support Program
- Innovation Works



Funding Profile 2014 Compared to 2013



<p>Total Revenue: \$1,029,872</p> <p>Expenses: \$1,008,669</p> <p>Other Income: \$4,721</p> <p>Excess of Revenue over Expenses: \$25,924</p>	<p>Total Revenue: \$1,222,044</p> <p>Expenses: \$1,281,833</p> <p>Other Income: (\$19,104)</p> <p>Excess of Revenue over Expenses: (\$78,893)</p>
--	---

Involved with OCH

Board of Directors

Staff Sgt. Dana Reynolds
Chair

Mr. Frank Lambros
Vice-Chair

Mr. Warren Schou
Treasurer

Mr. Michael Church
Secretary

Members of the Board

Ms. Mary Ellen Hurd
Mr. Phil Wasserman
Mr. Pat Kelly

Mr. Eric Bollman
Mr. Tom Gougeon
Mr. Robin Ritchie

Mr. Graham Bird
Mr. Daniel Vallee
Mr. John May

Mr. Bruce Nicol
Mr. Rafik Gabriel
Ms. Elspeth McKay

Staff

Elspeth McKay
Executive Director
Natalie Elliott
Director of Programs
Lynda Franc
Manager of Development
Emily Miller
Executive Assistant/Administration

Liz Thompson
OCSB Teacher
Ashley Mathieu
RAC Staff /Financial Literacy
Melanie Savage
Job Action Centre
Katie Sanders
Outreach/Addictions Staff
Jacob McIsaac
Drop-in/Housing Staff

Carolyn McLelland
Job Action Centre/FarmWorks
Bobbi Love
BottleWorks Support Staff
David Remo
FarmWorks Support Staff
Stacey Sutherland
Drop-in Support Staff

Partners

Royal Ottawa Mental
Health Centre
Housing Help
Pathways for Success
Lester B. Pearson High
School

Ottawa Catholic
School Board
Greyhound Canada
Rotary Club of
Ottawa
Sage Youth
Dans La Rue

House of Nazareth
Our Place
Choices for Youth
Christie Ossington
Neighbourhood
Centre
LOFT

Kingston Youth Shelter
ROOF
Okanagan Boys and
Girls Club
ACT Alberta

Corporate Sponsors

Beau's All Natural Brewing
Company
CIBC
Scotiabank (Rideau &
William)

Project Clearskies
Bon Appetit Ottawa
La Fondation Ultramar
Rogers

5 Days for Homelessness
Knifewear
Hydro Ottawa
TD Canada Trust

Green Shield Canada
Mischa Weisz Foundation
Rotary Club of Ottawa
Anonymous Funders &
Donors

Thank you also to all of our volunteers for your time and efforts! We couldn't do what we do without you!



Financial Statements

For the year ended December 31, 2014

Operation Come Home
Financial Statements
For the year ended December 31, 2014

Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Summary of Significant Accounting Policies	6
Notes to Financial Statements	9

Independent Auditor's Report

To the Members of Operation Come Home

We have audited the accompanying financial statements of Operation Come Home, which comprise the statement of financial position as at December 31, 2014, the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Operation Come Home as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
June 24, 2015
Ottawa, Ontario

Operation Come Home Statement of Financial Position

December 31 2014 2013

Assets

Current

Cash	\$	9,941	\$	7,633
Short-term investments (Note 1)		14,320		13,837
Accounts receivable (Note 2)		19,864		60,441
Prepaid expenses		3,162		3,214

47,287 85,125

Restricted investment (Note 3) 10,000 10,000

Tangible capital assets (Note 4) 82,087 72,023

\$ 139,374 \$ 167,148

Liabilities and Net Assets

Current

Bank indebtedness (Note 5)	\$	9,414	\$	40,633
Accounts payable and accrued liabilities		11,934		33,858

21,348 74,491

Deferred contribution related to tangible capital assets (Note 6) 21,617 13,505

Deferred lease inducement (Note 7) 19,333 28,000

62,298 115,996

Net Assets


Invested in tangible capital assets		60,470		58,518
Unrestricted		16,606		(7,366)

77,076 51,152

\$ 139,374 \$ 167,148

On behalf of the Board:

 _____ Director

 _____ Director

Operation Come Home Statement of Changes in Net Assets

For the year ended December 31

2014

2013

	Invested in Tangible Capital Assets	Unrestricted	Total	Total
Balance , beginning of year	\$ 58,518	\$ (7,366)	\$ 51,152	\$ 130,045
Excess (deficiency) of revenue over expenses for the year	(22,603)	48,527	25,924	(78,893)
Acquisition of tangible capital assets	32,667	(32,667)	-	-
Contribution received related to tangible capital assets	(13,308)	13,308	-	-
Amortization of contribution related to tangible capital assets	5,196	(5,196)	-	-
Balance , end of year	\$ 60,470	\$ 16,606	\$ 77,076	\$ 51,152

Operation Come Home Statement of Operations

For the year ended December 31	2014	2013
Revenue		
Donations	\$ 415,392	\$ 359,099
Fundraising	116,152	115,879
Grants (Note 6)	498,328	738,218
	1,029,872	1,213,196
Expenses		
Advertising and promotion	1,774	4,227
Automobile	8,539	11,166
Bank charges and interest	5,724	7,058
Fundraising costs	21,152	42,078
Insurance	13,675	12,715
Office supplies	18,502	13,023
Professional and membership dues	1,074	2,257
Professional fees	44,484	81,137
Programming and supplies	44,273	25,112
Rent and utilities (Note 7)	174,266	181,849
Repair and maintenance	5,862	5,900
Salaries and employee benefits	556,062	744,021
Telecommunications	8,455	8,942
Travel	1,375	8,040
Youth programming	101,930	121,112
Youth transport	1,522	13,196
	1,008,669	1,281,833
Excess (deficiency) of revenue over expenses from operations	21,203	(68,637)
Other income (expenses)		
Amortization of tangible capital assets	(22,603)	(19,254)
Property tax rebate	26,721	8,848
Interest	603	150
	4,721	(10,256)
Excess (deficiency) of revenue over expenses for the year	\$ 25,924	\$ (78,893)

Operation Come Home Statement of Cash Flows

For the year ended December 31	2014	2013
Cash flows from (used in) operating activities		
Deficiency of revenue over expenses for the year	\$ 25,924	\$ (78,893)
Adjustments for non-cash items:		
Amortization of tangible capital assets	22,603	19,254
Amortization of deferred contribution related to tangible capital assets	(5,196)	(1,500)
Amortization of deferred lease inducement	(8,667)	6,333
	34,664	(54,806)
Changes in non-cash working capital items		
Accounts receivable	40,577	(35,014)
Prepaid expenses	52	8,716
Accounts payable and accrued liabilities	(21,924)	20,727
Contingencies liabilities	-	(25,000)
	53,369	(85,377)
Cash flows from (used in) investing activities		
Acquisition of tangible capital assets	(32,667)	(27,815)
Grant received to purchase tangible capital assets	13,308	15,005
	(19,359)	(12,810)
Increase (decrease) in cash during the year	34,010	(98,187)
Cash (cash deficiency), beginning of year	(19,163)	79,024
Cash (cash deficiency), end of year	\$ 14,847	\$ (19,163)
Represented by:		
Cash	\$ 9,941	\$ 7,633
Short-term investment	14,320	13,837
Bank indebtedness	(9,414)	(40,633)
	\$ 14,847	\$ (19,163)

Operation Come Home Summary of Significant Accounting Policies

December 31, 2014

Nature of Organization	<p>Operation Come Home is a not-for-profit organization incorporated without share capital under the laws of Canada and is dedicated to helping youth on the streets in the Ottawa area.</p> <p>The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.</p>
Basis of Presentation	<p>These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles.</p>
Use of Estimates	<p>The preparation of financial statements in accordance 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 revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumption are reviewed periodically and as adjustments become necessary, they are reported in the periods in which they become known.</p> <p>Significant estimates include assumptions used in estimating: the measurement and collectibility of accounts receivable, the fair value of financial instruments, the useful lives and related amortization of tangible capital assets, provisions for accrued liabilities, and the portion of government grants earned.</p>
Financial Instruments	<p>Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.</p> <p><u>Measurement of financial instruments</u></p> <p>The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, if any.</p> <p>The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.</p> <p>Financial assets and liabilities measured at amortized cost include cash, short-term investments, bank indebtedness and accounts payable and accrued liabilities.</p> <p>There are no financial assets or financial liabilities measured at fair value.</p>

Operation Come Home

Summary of Significant Accounting Policies

December 31, 2014

Financial Instruments
(continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded 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 and it does not exceed original cost. The amount of the reversal is recognized in operations.

Transaction costs

The organization recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Cash and Cash Equivalents

Cash and cash equivalents disclosed include bank overdrafts, with balances that fluctuate frequently from being positive to overdrawn, and temporary investments, with a maturity period of three months or less from the date of acquisition.

Term deposits that the organization cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

Tangible Capital Assets

Tangible capital assets are accounted for at cost. Amortization is based on their estimated useful life using the following methods and rates:

Computer hardware	30%	diminishing balance basis
Furniture and equipment	20%	diminishing balance basis
Leasehold improvements		straight-line, over 5 years
Security system	20%	diminishing balance basis
Signage	20%	diminishing balance basis
Software	30%	diminishing balance basis
Vehicle	30%	diminishing balance basis

Lease Inducements

The benefits of lease inducements which consist of costs paid by landlords for leasehold improvements and periods of free rent, nominal or reduced rents during the lease term, are aggregated and amortized on a systematic basis into rent and occupancy costs over the term of the lease. This results in a consistent annual rent expense before realty taxes and operating expenses.

Operation Come Home Summary of Significant Accounting Policies

December 31, 2014

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.

**Contributed Materials
and Services**

Volunteers contribute a significant number of hours each year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Operation Come Home Notes to Financial Statements

December 31, 2014

1. Short-Term Investments

Short-term investments consist of mutual funds and are valued at amortized cost. As at December 31, the mutual funds have a market value of \$19,682 (2013 - \$18,682).

2. Accounts Receivable

	2014	2013
HST receivable	\$ 19,789	\$ 28,594
Grants receivable	-	31,772
Accrued interest receivable	75	75
	\$ 19,864	\$ 60,441

3. Restricted Investment

The restricted investment is a redeemable guaranteed investment certificate which matures in July 2015 (2013 - July 2014) and bears interest at 1.20% (2013 - 0.8%) per annum. Upon maturity, the investment will be renewed into another guaranteed investment certificate. The use of this investment is restricted by the bank as it is held as security for overdraft protection on the organization's operating account.

4. Tangible Capital Assets

	2014			2013		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer hardware	\$ 79,428	\$ 66,297	\$ 13,131	\$ 73,664	\$ 61,904	\$ 11,760
Furniture and equipment	70,297	52,674	17,623	60,961	49,432	11,529
Leasehold improvement	69,830	26,786	43,044	52,263	14,577	37,686
Security system	2,000	1,622	378	2,000	1,528	472
Signage	8,830	4,761	4,069	8,830	3,744	5,086
Software	20,854	18,240	2,614	20,854	17,119	3,735
Vehicle	8,600	7,372	1,228	8,600	\$ 6,845	1,755
	\$ 259,839	\$ 177,752	\$ 82,087	\$ 227,172	\$ 155,149	\$ 72,023

Operation Come Home Notes to Financial Statements

December 31, 2014

5. Credit Facilities

The organization has an authorized line of credit of \$120,000, with interest at the bank's prime rate plus 1.5%. At December 31, 2014, \$110,879 of this line of credit remained unused. The remaining bank indebtedness balance is a result of outstanding cheques at year end.

6. Deferred Contribution Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represent restricted contributions received for the purchase of depreciable tangible capital assets.

Changes in the deferred contribution balance during the year are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 13,505	\$ -
Contributions received in the year	13,308	15,005
Less: Amount amortized to revenue in the year	<u>(5,196)</u>	<u>(1,500)</u>
Balance, end of year	<u>\$ 21,617</u>	<u>\$ 13,505</u>

The amount amortized in the current year is included in grants revenue.

7. Deferred Lease Inducement

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 28,000	\$ 21,667
Add: Periods of reduced rent	-	6,333
Deduct: Amortization of reduced rent	<u>8,667</u>	<u>-</u>
Balance, end of year	<u>\$ 19,333</u>	<u>\$ 28,000</u>

The amount amortized in the current year is a reduction in rent expense.

Operation Come Home Notes to Financial Statements

December 31, 2014

8. **Commitments**

The organization has entered in a lease for its premises on a building located at 150 Gloucester Street. This lease expires on April 30, 2016. Future minimum payments over the next two years are as follows:

2015	\$ 151,667
2016	<u>52,500</u>
	<u>\$ 204,167</u>

9. **Contribution Agreements**

Contributions received from government agencies may be subject to audit under the terms and conditions of the contribution agreement. Should an audit reveal that any of the expenses of the project are not in accordance with funding guidelines or should any unspent funds remain at the end of the project, the funder may require the organization to reimburse a portion of the funds advanced. No claim for reimbursement has been made to date and management is of the opinion that the amount of any possible claim cannot be anticipated at this time. No provision for reimbursement of funds has been made in the financial statements. In the event any sum has to be reimbursed, it will be treated as a current period expense.

10. **Risks and Concentrations**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at December 31, 2014.

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 organization's main credit risks relate to its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its bank indebtedness and accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

Operation Come Home Notes to Financial Statements

December 31, 2014

10. Risks and Concentrations (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization's revenue and expenses as well as its financial instruments are in Canadian currency. Consequently, the organization is not exposed to foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate price risk on its investments which accumulate interest at a fixed rate. The organization is also exposed to interest rate cash flow risk on its credit facilities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is not exposed to significant other price risk.

Change in risk

There have been no significant changes in the company's risk exposures from the 2013 fiscal year.

11. Comparative Amounts

In certain instances, 2013 amounts presented for comparative purposes have been reclassified to conform to the financial statement presentation adopted for the current year.
