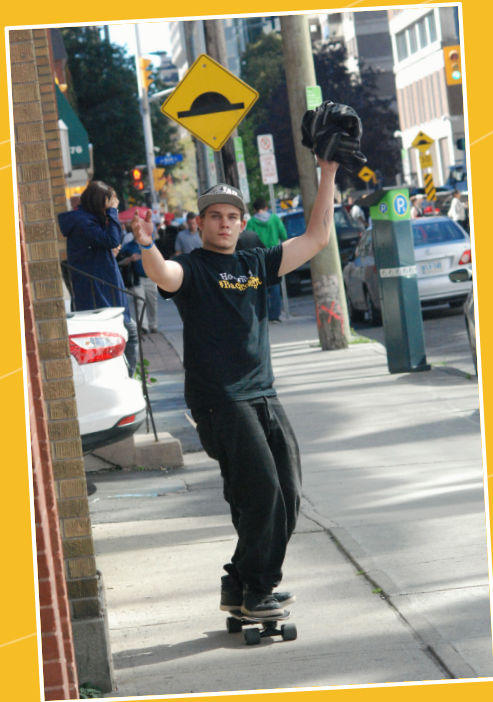


2015 Annual Report



Operation
Come Home



Opération
rentrer au foyer

A word from our Executive Director...

Operation Come Home (OCH) continued to grow in programming, innovation and support services to at risk and homeless youth in 2015. OCH continues to be the leading youth serving agency in the development of social enterprises in Ottawa. In 2015, OCH launched our fifth social enterprise, FoodWorks, a nutritious, fresh meal delivery business catering to seniors and those with disabilities. Our FarmWorks business grows organic produce for FoodWorks and sells community supported agricultural shares.

Operation Come Home continued to implement our three year strategic plan 2014-2016, with efforts on sustainability of the organization and raising awareness about all of the work that OCH does to assist at risk and homeless youth. OCH has an extensive menu of programs that continue to illustrate significant impact in the lives of vulnerable youth. In 2015, OCH continued with our two housing programs: Housing Works and Housing First; two supported employment programs, Job Action Project and the Youth Workforce Initiative. In 2015: 16 youth started their own businesses; 83 found jobs; 87 enrolled in our non-traditional high school and one high school graduate was awarded a scholarship from the Rotary Club of Ottawa. OCH continues to operate the drop-in and resource Centre, the sole Centre open in downtown Ottawa for 16 and 17 year olds. A number of at risk and homeless youth benefited from addictions, financial literacy, mental health, medical and counseling supports in 2015. OCH is very grateful for the in-kind clinical supports provided to youth on a weekly basis.

Operation Come Home continues to be involved in the development of a Housing First framework for youth in partnership with many youth serving agencies in Ottawa. The framework will be completed by Sept. 2016.

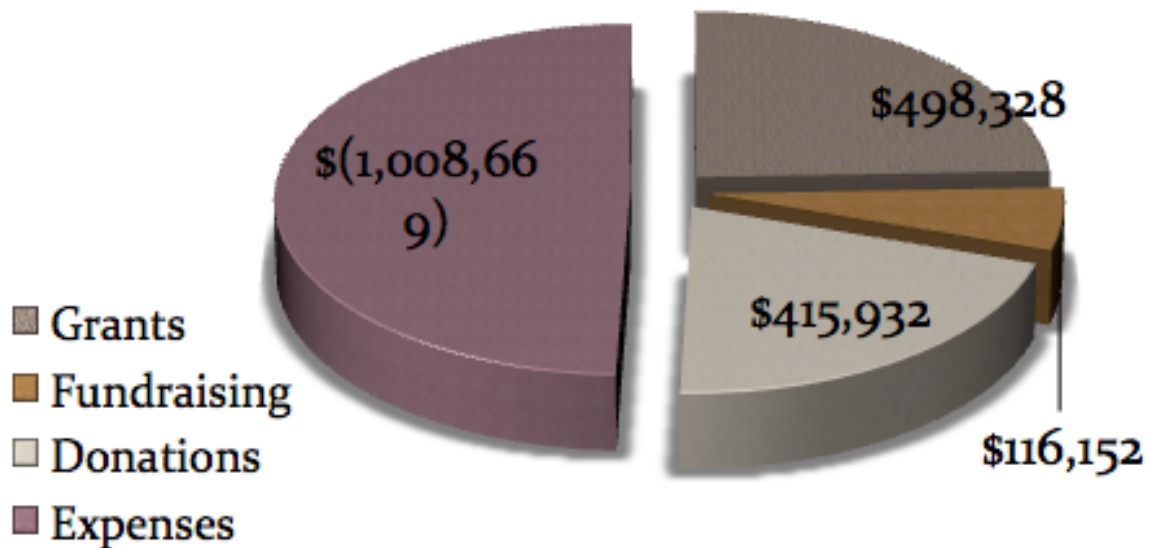
Operation Come Home has 10 reunite affiliates that support runaway youth to return home across Canada. OCH is very thankful for our affiliates because when a young person requests a travel in one of our affiliate locations, the affiliate can arrange travel in person as opposed to over the telephone. OCH continues to work with Measured Outcome to illustrate the efficacy of the reunite program.

Operation Come Home hosted a fantastic Breakfast on the Rideau in 2015 at the Shaw Centre. The breakfast featured Dr. John Bradford and three young entrepreneurs that had an opportunity to showcase their business and to articulate what Operation Come Home has done for them. It was a heartfelt event that touched the hearts of the more than 500 attendees.

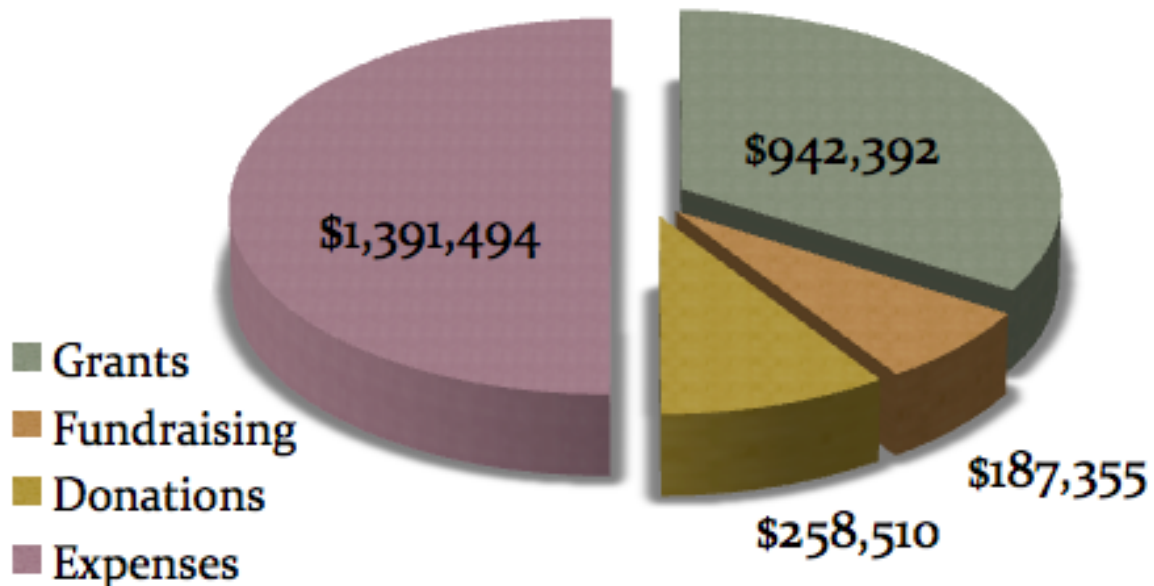
OCH was busy on social media in 2015 and has more than 3,000 followers and friends on Facebook. Operation Come Home worked closely with our local Bank St. Business Improvement Area and the Centretown community as a whole. OCH was honored to work with MP McKenna, MPP Naqvi and Councilor McKenney in 2015, all of whom are very supportive of our work at Operation Come Home.

Funding Profile

2014 Revenue - Operation Come Home



2015 Revenue - Operation Come Home



Involved with OCH

Board of Directors

Staff Sgt. Dana Reynolds
Chair

Ms. Mary Ellen Hurd
Vice-Chair

Mr. Khalid Haddad
Treasurer

Mr. Eric Bollman
Secretary

Members of the Board

Mr. Phil Wasserman

Mr. Graham Bird

Mr. Rafik Gabriel

Mr. Tom Gougeon

Mr. John May

Mr. Jeff Morrison

Mr. Robin Ritchie

Mr. Bruce Nicol

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/Heather Fraser
OCSB Teacher

Ashley Brunette
RAC Staff /Financial Literacy

Corey Fisher/Stacey Sutherland
Youth Workforce Initiative

Katie Sanders
Outreach/Addictions Staff

Jacob McIsaac
Drop-in/Housing Staff

Carolyn McLelland/Bobbi Love
Job Action Centre/FarmWorks

David Remo
FarmWorks Support Staff

Stacey Sutherland
Drop-in Support Staff

Partners

Royal Ottawa Mental Health Centre
Rotary Club of Ottawa
Greyhound Bus

Lester B. Pearson High School
Bank St. BIA
Sage Youth

Sponsors

Beau's All Natural Brewing
Company

Ottawa Catholic School
Board (OCSB)

ONFE Breakfast Program

Community Foundation of
Ottawa

CIBC
City of Ottawa

Human Resources and Skills
Development Canada

Bon Appetit Ottawa
United Way Ottawa

La Fondation Ultramar
5 Days for Homelessness
Knifewear

Hydro Ottawa
Telus

Anonymous Funders &
Donors

For a full list of our funders and supporters, please visit www.operationcomehome.ca

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, 2015

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, 2015, 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, 2015 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
May 5, 2016
Ottawa, Ontario

Operation Come Home Statement of Financial Position


December 31	2015	2014
Assets		
Current		
Cash	\$ 15,840	\$ 9,941
Short-term investments (Note 1)	15,036	14,320
Accounts receivable (Note 2)	97,465	19,864
Prepaid expenses	2,652	3,162
	130,993	47,287
Restricted investment (Note 3)	10,000	10,000
Tangible capital assets (Note 4)	80,809	82,087
	\$ 221,802	\$ 139,374

Liabilities and Net Assets

Current		
Bank indebtedness (Note 5)	\$ 64,338	\$ 9,414
Accounts payable and accrued liabilities	32,830	11,934
Deferred grant funding (Note 6)	9,658	-
	106,826	21,348
Deferred contribution related to tangible capital assets (Note 7)	35,986	21,617
Deferred lease inducement (Note 8)	4,833	19,333
	147,645	62,298
Net Assets		
Invested in tangible capital assets	44,823	60,470
Unrestricted	29,334	16,606
	74,157	77,076
	\$ 221,802	\$ 139,374

On behalf of the Board:

 Director

 Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Operation Come Home
Statement of Changes in Net Assets**

For the year ended December 31

2015

2014

	Invested in Tangible Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	\$ 60,470	\$ 16,606	\$ 77,076	\$ 51,152
Excess (deficiency) of revenue over expenses for the year	(27,096)	24,177	(2,919)	25,924
Acquisition of tangible capital assets	25,818	(25,818)	-	-
Contribution received related to tangible capital assets	(29,242)	29,242	-	-
Amortization of contribution related to tangible capital assets	14,873	(14,873)	-	-
Balance, end of year	\$ 44,823	\$ 29,334	\$ 74,157	\$ 77,076

Operation Come Home Statement of Operations

For the year ended December 31

2015

2014

Revenue

Donations	\$ 258,510	\$ 415,392
Fundraising	187,355	116,152
Grants (Note 7)	942,392	498,328
	<u>1,388,257</u>	<u>1,029,872</u>

Expenses

Advertising and promotion	6,806	1,774
Automobile	12,187	8,539
Bank charges and interest	7,113	5,724
Fundraising costs	17,688	21,152
Insurance	13,827	13,675
Office supplies	17,656	18,502
Professional and membership dues	2,843	1,074
Professional fees	76,854	44,484
Programming and supplies	28,633	44,273
Rent and utilities (Note 8)	208,548	174,266
Repair and maintenance	1,813	5,862
Salaries and employee benefits	698,915	556,062
Telecommunications	9,789	8,455
Travel	6,857	1,375
Youth programming	280,861	101,930
Youth transport	1,104	1,522
	<u>1,391,494</u>	<u>1,008,669</u>

Excess (deficiency) of revenue over expenses from operations

<u>(3,237)</u>	21,203
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Other income (expenses)

Amortization of tangible capital assets	(27,096)	(22,603)
Property tax rebate	26,578	26,721
Interest	836	603
	<u>318</u>	<u>4,721</u>

Excess (deficiency) of revenue over expenses for the year

<u>\$ (2,919)</u>	<u>\$ 25,924</u>
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Operation Come Home Statement of Cash Flows

For the year ended December 31

2015

2014

Cash flows from (used in) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (2,919)	\$ 25,924
Adjustments for non-cash items:		
Amortization of tangible capital assets	27,096	22,603
Amortization of deferred contribution related to tangible capital assets	(14,873)	(5,196)
Amortization of deferred lease inducement	(14,500)	(8,667)
	(5,196)	34,664
Changes in non-cash working capital items		
Accounts receivable	(77,601)	40,577
Prepaid expenses	510	52
Accounts payable and accrued liabilities	20,896	(21,924)
Deferred grants	9,658	-
	(51,733)	53,369
Cash flows from (used in) investing activities		
Acquisition of tangible capital assets	(25,818)	(32,667)
Grant received to purchase tangible capital assets	29,242	13,308
	3,424	(19,359)
Increase (decrease) in cash during the year	(48,309)	34,010
Cash (cash deficiency), beginning of year	14,847	(19,163)
Cash (cash deficiency), end of year	\$ (33,462)	\$ 14,847
Represented by:		
Cash	\$ 15,840	\$ 9,941
Short-term investment	15,036	14,320
Bank indebtedness	(64,338)	(9,414)
	\$ (33,462)	\$ 14,847

Operation Come Home

Summary of Significant Accounting Policies

December 31, 2015

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, 2015

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, 2015

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, 2015

1. Short-Term Investments

Short-term investments consist of mutual funds and are valued at amortized cost. As at December 31, 2015 the mutual funds have a market value of \$21,822 (2014 - \$19,682).

2. Accounts Receivable

	2015	2014
HST receivable	\$ 29,307	\$ 19,789
Grants receivable	68,083	-
Accrued interest receivable	75	75
	\$ 97,465	\$ 19,864

3. Restricted Investment

The restricted investment is a redeemable guaranteed investment certificate which matures in July 2016 (2014 - July 2015) and bears interest at 0.7% (2014 - 1.2%) 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

	2015			2014		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer hardware	\$ 100,279	\$ 73,364	\$ 26,915	\$ 79,428	\$ 66,297	\$ 13,131
Furniture and equipment	75,264	56,695	18,569	70,297	52,674	17,623
Leasehold improvement	69,830	40,752	29,078	69,830	26,786	43,044
Security system	2,000	1,698	302	2,000	1,622	378
Signage	8,830	5,575	3,255	8,830	4,761	4,069
Software	20,854	19,024	1,830	20,854	18,240	2,614
Vehicle	8,600	7,740	860	8,600	7,372	1,228
	\$ 285,657	\$ 204,848	\$ 80,809	\$ 259,839	\$ 177,752	\$ 82,087

Operation Come Home Notes to Financial Statements

December 31, 2015

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, 2015, \$70,393 of this line of credit remained unused. The remaining bank indebtedness balance is a result of outstanding cheques at year end.

6. Deferred Grant Funding

Deferred grant funding represent contributions received from HRDC grant, which have been received but not yet used during the year. Changes in the deferred contributions balance during the year are as follows:

Balance, beginning of year	\$	-
Add: Amount received during the year		286,884
Less: Amount recognized as revenue in the year		<u>(277,226)</u>
Balance, end of year	\$	<u>9,658</u>

7. Deferred Contribution Related to Tangible Capital Assets

Deferred contributions related to capital assets represent the unamortized amount of grants contributed to the organization for the acquisition of capital assets. Changes in the deferred contribution balances during the year are as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 21,617	\$ 13,505
Contributions received in the year	29,242	13,308
Less: Amount amortized to revenue in the year	<u>(14,873)</u>	<u>(5,196)</u>
Balance, end of year	<u>\$ 35,986</u>	<u>\$ 21,617</u>
Comprised of:		
Contributions expended to acquire capital assets - unamortized balance	\$ 31,914	\$ 21,617
Contributions not yet expended	<u>4,072</u>	<u>-</u>
	<u>\$ 35,986</u>	<u>\$ 21,617</u>

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

Operation Come Home Notes to Financial Statements

December 31, 2015

8. Deferred Lease Inducement

	2015	2014
Balance, beginning of year	\$ 19,333	\$ 28,000
Deduct: Amortization of reduced rent	14,500	8,667
Balance, end of year	\$ 4,833	\$ 19,333

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

9. Commitments

The organization has entered a lease for its premises on a building located at 150 Gloucester Street. This lease expires on April 30, 2016. The organization renewed the lease, which will begin on May 1, 2016 and expire on April 30, 2021. Future minimum payments over the five years are as follows:

2016	\$ 164,166
2017	167,500
2018	167,500
2019	167,500
2020	167,500
	\$ 834,166

10. 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.

Operation Come Home Notes to Financial Statements

December 31, 2015

11. 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, 2015.

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. The organization mitigates its credit risk by placing its cash with major financial institutions. The institute routinely assesses the financial strength of its contributors and establishes an allowance for doubtful accounts based on credit risk applicable to particular contributors, historical and other information.

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.

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 on its credit facilities and investments.

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 2014 fiscal year.
