



2017 Annual Report

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 2017. OCH completed a new three-year strategic plan that will provide the organization with a roadmap moving forward that is outlined in six strategic directions. The directions concentrate on organizational goals such as increasing communication with our stakeholders, moving further toward sustainability and developing a succession plan for board members and senior management. The operational directions include reaching sustainability and profitability in our social enterprises, an increase in job opportunities for young people, increasing resources to assist young people in prevention rather than crisis orientation and assisting youth to grow their assets and capabilities to reach resilience and independence.

In 2017, Operation Come Home continued to provide insights to the central planning table for the Local Employment Hub. OCH joined the steering committee of A Way Home Ottawa. Operation Come Home staff presented at numerous Social Enterprise, Housing and Community Hub conferences/summits. OCH has been consulting with a number of like-minded agencies to develop a community economic development hub for vulnerable youth in Ottawa.

OCH continues to be the leading youth serving agency in the development of community economic development (CED) opportunities for vulnerable youth. OCH strives to break the cycle of poverty by encouraging youth to work in our social enterprises, enroll in one of our supported employment programs, finish high school in our Achievement Centre or start a small business. All of the CED activities provide young people with tools and information that build resilience, assets and capacity.

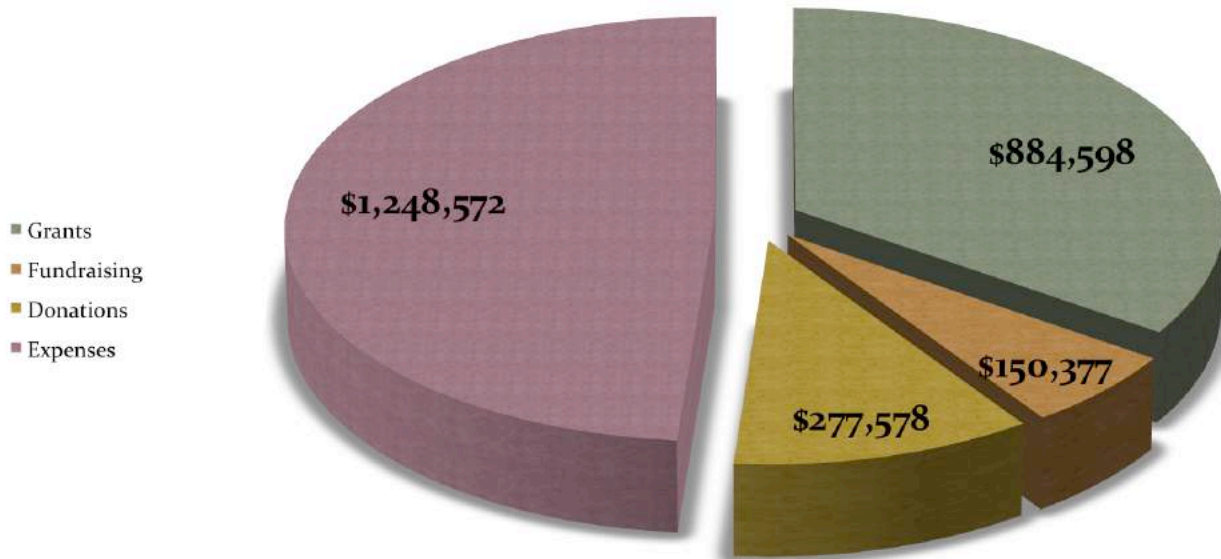


In 2017, OCH continued supporting 588 youth in finding safe, affordable and emergency housing. OCH provided employment supports to 78 youth; assisted 10 youth to start their own businesses; enrolled 31 youth in our high school with four youth graduating with high school diplomas. OCH provided 635 young people with emergency/support services in the Resource Centre. A number of at risk and homeless youth benefited from addictions, financial literacy, mental health, medical and counseling supports in 2017. Operation Come Home has 10 reunite affiliates that support runaway youth to return home across Canada. Thank you to all of our affiliates who support youth in returning home to their families. OCH reunited 27 young people in our original program, reunite.

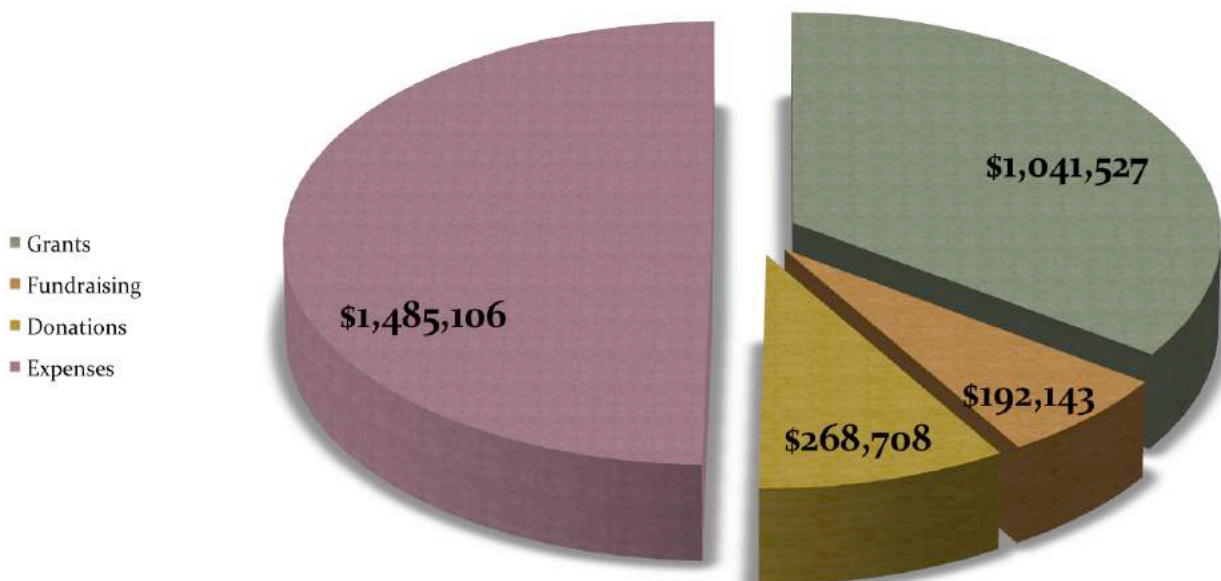
Operation Come Home hosted our annual 24 hours of homelessness, the Reality Campaign, Big Art Come Back and Ottawa Music Trivia. The funding raised was invested in programs that are essential to youth such as the Resource Centre that serves more than 500+ young people on an annual basis.

Funding Profile

2016 Revenue - Operation Come Home



2017 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. Tom Gougeon
Mr. Robin Ritchie
Mr. Graham Bird

Mr. Bruce Nicol
Mr. Rafik Gabriel
Mr. Jeff Morrison

Ms. Claire Symour
Ms. Elspeth McKay

Staff

Elspeth McKay
Lynda Franc
Ashley Brunette
Heather Fraser
Jenna Odorico
Staff

Lindsay Pritchard
Katie Sanders
Shelby Seabrook
Breann Kingsbury
Lee Benson
Sarah Chadsey

Leah Ebbs
Ryan Doucette
Dominique Murphy
Rob Chief
Bradley Tessier

Partners

Lester B. Pearson High School
Bank Street BIA
Royal Ottawa Mental Health
Centre
Ottawa Public Health
Rotary Club of Ottawa

Greyhound Bus
Excellence in Literacy
Foundation
Ottawa School of Art
United World Voices
Ottawa Public Health

Big Brothers Big Sisters Ottawa
Subway
106.1 Chez
Algonquin College
Sprott School of Business

Sponsors

Beau's All Natural Brewing
Company
Ottawa Catholic School Board
ONFE Breakfast Program
Bon Appetit Ottawa
United Way Ottawa
Fondation Ultramar
Community Foundation of
Ottawa

CIBC
City of Ottawa
Human Resources and Skills
Development Canada
5 Days for Homelessness
Knifewear
Hydro Ottawa
Telus
Anonymous Funders & Donors

The Wesley Nicol Foundation
Intact Insurance
Ottawa Law Run
TD Bank
Dominion City Brewing
Mealshare
Tartan Homes
Ottawa Music Trivia
Giant Tiger

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

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

Operation Come Home

Financial statements
December 31, 2017



Building a better
working world

Independent auditors' report

To the Members of
Operation Come Home

We have audited the accompanying financial statements of **Operation Come Home**, which comprise the balance sheet as at December 31, 2017, and the statements of operations, changes in net assets 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.

Auditors' 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 auditors' 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 auditors consider 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 for 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, 2017 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.

Ottawa, Canada
May 23, 2018

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants



A member firm of Ernst & Young Global Limited

Operation Come Home

Balance sheet

As at December 31

	2017	2016
	\$	\$
Assets		
Current		
Cash	82,505	45,194
Short-term investments [note 2]	116,606	115,036
Accounts receivable [note 3]	125,937	85,384
Prepaid expenses	7,346	11,606
Total current assets	332,394	257,220
Restricted investment [note 4]	10,000	10,000
Tangible capital assets, net [note 5]	57,641	92,720
	400,035	359,940
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	63,247	51,062
Current portion of loan payable [note 9]	5,506	5,126
Deferred grant funding [note 7]	170,529	124,004
Total current liabilities	239,282	180,192
Loan payable [note 9]	1,924	7,430
Deferred contributions related to tangible capital assets [note 8]	36,179	51,007
Total liabilities	277,385	238,629
Commitments [note 10]		
Net assets		
Invested in tangible capital assets	21,462	41,713
Unrestricted	101,188	79,598
Total net assets	122,650	121,311
	400,035	359,940

See accompanying notes

On behalf of the Board:

Director



Director



Operation Come Home

Statement of changes in net assets

Year ended December 31

	Invested in tangible capital assets	Unrestricted	2017 total	2016 total
	\$	\$	\$	\$
Balance, beginning of year	41,713	79,598	121,311	74,157
Excess (deficiency) of revenue over expenses for the year	(35,079)	36,418	1,339	47,154
Amortization of deferred contributions related to tangible capital assets	14,828	(14,828)	—	—
Balance, end of year	21,462	101,188	122,650	121,311

See accompanying notes

Operation Come Home

Statement of operations

Year ended December 31

	2017	2016
	\$	\$
Revenue		
Grants <i>[note 8]</i>	1,041,527	884,598
Donations and fundraising	460,851	427,955
	<u>1,502,378</u>	<u>1,312,553</u>
Expenses		
Advertising and promotion	16,895	6,641
Automobile	12,226	8,619
Bank charges and interest	11,086	8,695
Fundraising costs	34,845	14,501
Insurance	22,402	2,674
Office supplies	18,639	20,976
Professional and membership dues	2,247	1,398
Professional fees	46,398	98,879
Programming and supplies	64,261	47,119
Rent and utilities <i>[note 9]</i>	196,774	190,544
Repairs and maintenance	7,933	6,028
Salaries and employee benefits	766,642	633,209
Telecommunications	7,958	11,023
Travel	9,147	3,771
Youth programming	266,174	193,551
Youth transport	1,479	944
	<u>1,485,106</u>	<u>1,248,572</u>
Excess of revenue of expenses from operations before the following	<u>17,272</u>	<u>63,981</u>
Other income (expense)		
Amortization of tangible capital assets	(35,079)	(34,635)
Property tax rebate	17,526	17,698
Interest	1,620	110
	<u>(15,933)</u>	<u>(16,827)</u>
Excess of revenue over expenses for the year	<u>1,339</u>	<u>47,154</u>

See accompanying notes

Operation Come Home

Statement of cash flows

Year ended December 31

	2017	2016
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	1,339	47,154
Add (deduct) items not involving cash		
Amortization of tangible capital assets	35,079	34,635
Amortization of deferred contributions related to tangible capital assets	(14,828)	(19,420)
Amortization of deferred lease inducement	—	(4,833)
	<u>21,590</u>	57,536
Changes in non-cash working capital balances related to operations		
Accounts receivable	(40,553)	12,081
Prepaid expenses	4,260	(8,954)
Accounts payable and accrued liabilities	12,185	18,232
Deferred grant funding	46,525	114,346
Cash provided by operating activities	<u>44,007</u>	193,241
Investing activities		
Acquisition of tangible capital assets	—	(46,546)
Grants received to purchase tangible capital assets	—	34,441
Cash used in investing activities	<u>—</u>	(12,105)
Financing activities		
Proceeds from loan	—	15,775
Principal repayments on loan	(5,126)	(3,219)
Cash provided by (used in) financing activities	<u>(5,126)</u>	12,556
Net increase in cash during the year	38,881	193,692
Cash and cash equivalents (bank indebtedness), beginning of year	<u>160,230</u>	(33,462)
Cash and cash equivalents, end of year	<u>199,111</u>	160,230
Cash and cash equivalents consist of		
Cash	82,505	45,194
Short-term investments	116,606	115,036
	<u>199,111</u>	160,230

See accompanying notes

Operation Come Home

Notes to financial statements

December 31, 2017

1. Summary of significant accounting policies

Operation Come Home [the "Organization"] 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. The Organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of estimates

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 revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in the period in which they become known.

Significant estimates include assumptions used in estimating the measurement and collectability 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.

Financial instruments

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.

Measurement of financial instruments

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

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.

Financial assets and liabilities measured at amortized cost include cash, short-term investments, accounts payable and accrued liabilities, and loan payable.

There are no financial assets or financial liabilities measured at fair value.

Operation Come Home

Notes to financial statements

December 31, 2017

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 lives using the following methods and rates:

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

In the year of acquisition, half of the normal amortization is recorded for all tangible capital assets, except leasehold improvements.

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.

Operation Come Home

Notes to financial statements

December 31, 2017

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.

2. Short-term investments

Short-term investments are valued at amortized cost and consist of a redeemable guaranteed investment certificate of \$100,900 [2016 – \$100,000], which matures on October 25, 2018 and bears interest at 0.9%, and mutual funds of \$15,706 [2016 – \$15,036]. As at December 31, 2017, the mutual funds have a market value of \$23,928 [2016 – \$22,703].

3. Accounts receivable

	2017	2016
	\$	\$
HST receivable	74,622	61,136
Grants receivable	51,240	24,173
Accrued interest receivable	75	75
	<u>125,937</u>	<u>85,384</u>

4. Restricted investment

The restricted investment consists of a redeemable guaranteed investment certificate that matures in July 2018 [2016 – July 2017] and bears interest at 0.45% per annum [2016 – 0.5%]. Upon maturity, the investment will be renewed into an additional 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.

Operation Come Home

Notes to financial statements

December 31, 2017

5. Tangible capital assets

	2017		2016	
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Computer hardware	100,280	87,092	13,188	18,841
Furniture and equipment	79,704	64,623	15,081	18,852
Leasehold improvements	69,830	68,684	1,146	15,112
Security system	2,000	1,807	193	241
Signage	8,830	6,747	2,083	2,604
Software	20,854	19,957	897	1,281
Vehicle	42,105	17,052	25,053	35,789
	323,603	265,962	57,641	92,720

6. Credit facility

The Organization has an authorized line of credit of \$120,000, with interest at the bank's prime rate plus 1.5%. As at December 31, 2017, \$120,000 [2016 – \$120,000] of this line of credit remained unused.

7. Deferred grant funding

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

	2017 \$	2016 \$
Balance, beginning of year	124,004	9,658
Amount received during the year	724,171	369,076
Amount recognized as revenue in the year	(677,646)	(254,730)
Balance, end of year	170,529	124,004

Operation Come Home

Notes to financial statements

December 31, 2017

8. Deferred contributions related to tangible capital assets

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

	2017 \$	2016 \$
Balance, beginning of year	51,007	35,986
Contributions received in the year	—	34,441
Amount amortized to revenue in the year	(14,828)	(19,420)
Balance, end of year	36,179	51,007
Composed of		
Contributions expended to acquire capital assets – unamortized balance	36,179	51,007
Contributions not yet expended	—	—
	36,179	51,007

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

9. Loan payable

	2017 \$	2016 \$
Loan payable, repayable in monthly instalments of \$488, bearing interest at 7.18%, and maturing on April 5, 2019	7,430	12,556
Less: current portion	5,506	5,126
	1,924	7,430

Principal repayments during the next three years are as follows:

	\$
2018	5,506
2019	1,924
	7,430

Operation Come Home

Notes to financial statements

December 31, 2017

10. Commitments

The Organization holds a lease for its premises located at 150 Gloucester Street, Ottawa, Ontario. The lease was renewed beginning May 1, 2016 for a five-year term to April 30, 2021. Future minimum lease and principal loan payments (pre-tax) over the next four years are as follows:

	\$
2018	167,500
2019	167,500
2020	167,500
2021	55,833
	<u>558,330</u>

11. 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.

12. Financial instruments – risks and uncertainties

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure as at December 31, 2017.

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.

Operation Come Home

Notes to financial statements

December 31, 2017

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 that accumulate interest at a fixed rate. The Organization is also exposed to interest rate cash flow risk on its credit facility.

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 exposures

There have been no significant changes in the Organization's risk exposures from fiscal 2016.

13. Subsequent event

On January 29, 2018, the Organization entered into a 3-year micro loan agreement with Alterna Savings and Credit Union Limited for \$10,000. The loan is repayable in monthly instalments of \$306, bearing interest at 6.45%, and matures January 31, 2021.