



2018 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 2018. The Board of Directors at OCH completed a number of priorities in our three-year strategic plan that included improving our communication to stakeholders, succession planning and moving closer toward sustainability. The operational directions included reaching sustainability and profitability in our social enterprises, increasing 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. I am proud to report that BottleWorks became profitable and we are continuing to expand. FoodWorks began providing catering in 2018 and 16 youth were hired to work in FoodWorks.

In 2018, Operation Come Home continued to provide insights to the central planning table for the Local Employment Hub, Collaborative Social Enterprise Development, Built for Zero and Housing First. OCH continued to represent homeless youth at the steering committee of A Way Home Ottawa.



OCH continues to be the leading youth serving “hub” 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 and/or finish high school in our Achievement Centre. All of the CED activities provide young people with tools and information that build resilience, assets and capacity.

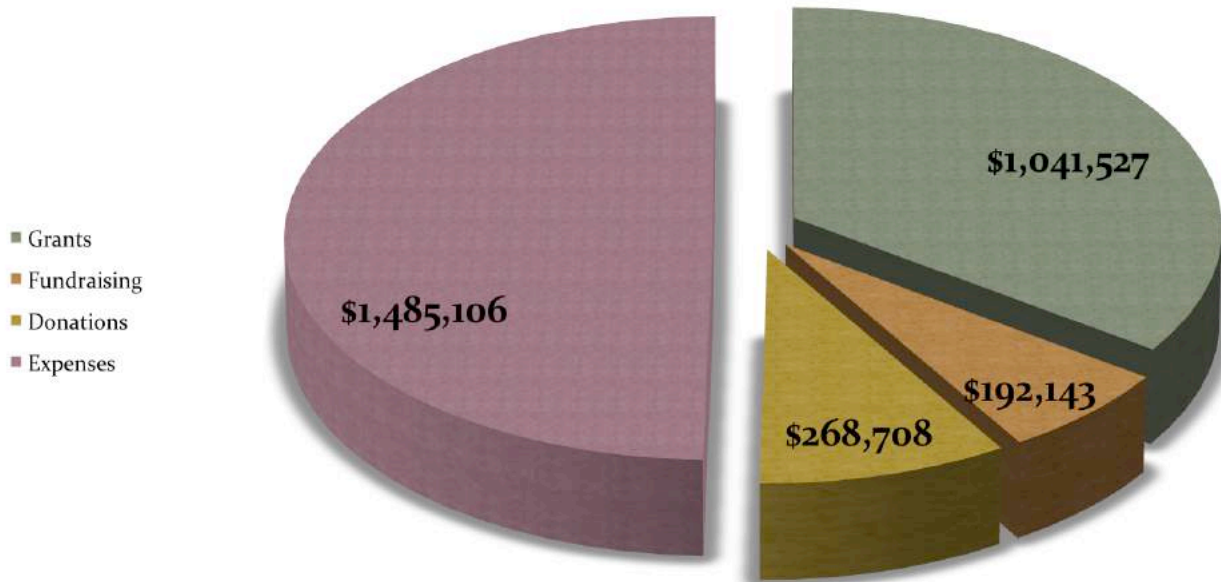
In 2018, OCH and Youturn amalgamated the school and changed the name to the John Bosco Achievement Centre. OCH supported 104 youth in finding

safe, affordable and emergency housing. OCH provided employment supports to 141 youth; served 445 youth in our resource centre; enrolled 31 youth in our high school. A total of 145 youth benefited from addictions, financial literacy, mental health, medical and counseling supports in 2018. Operation Come Home referred 69 youth in our reunite program that supports runaway youth to return home across Canada. Thank you to all of our affiliates who support youth in returning home to their families. OCH worked with 121 volunteers in 2018 and employed 35 youth in our social enterprises.

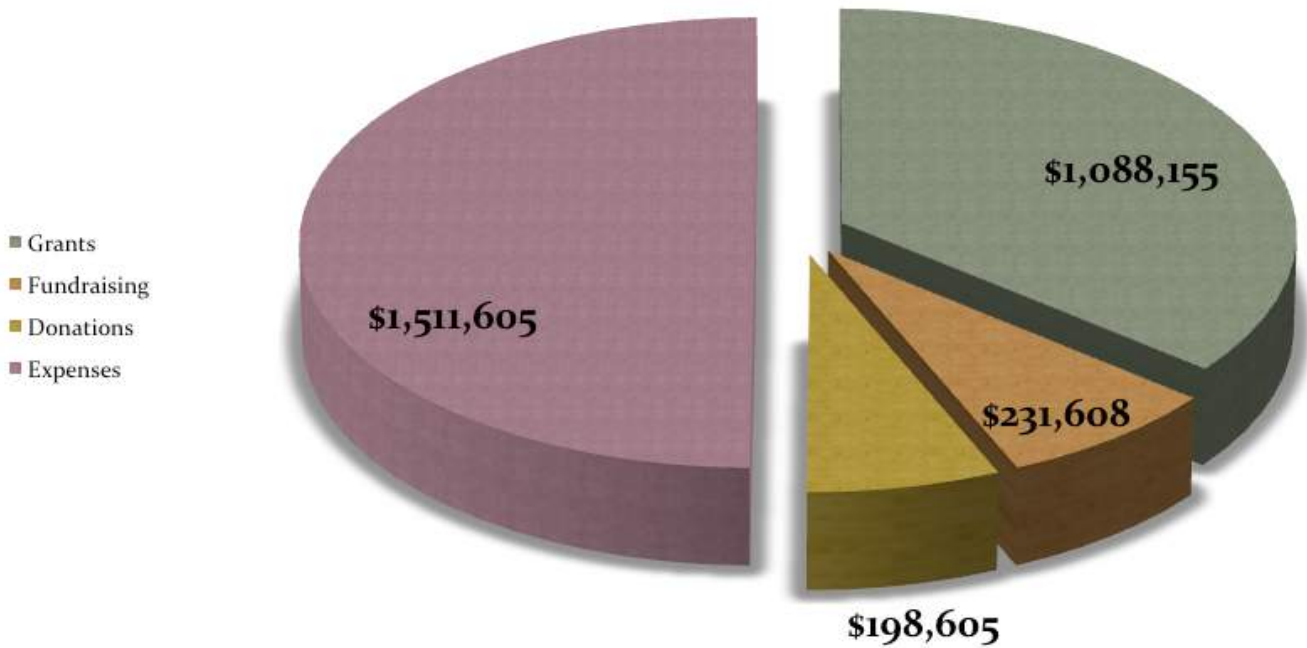
Operation Come Home hosted our annual 24 hours of homelessness, the Reality Campaign and Ottawa Music Trivia. The funding raised was invested in programs that are essential to youth such as the Resource Centre that serves more than 440+ young people on an annual basis.

Funding Profile

2017 Revenue - Operation Come Home



2018 Revenue/Expenses - Operation Come Home



Involved with OCH

Board of Directors

Staff Sgt. Dana Reynolds
Chair

Ms. Mary-Ellen Hurd
Vice-Chair

Mr. Matthew Smith
Treasurer

Mr. Eric Bollman
Secretary

Members of the Board

Mr. Tom Gougeon
Mr. Robin Ritchie
Mr. Graham Bird
Mr. Rafik Gabriel

Mr. Jeff Morrison
Ms. Claire Seymour
Ms. Shirley Westeinde

Mr. Christopher Lord
Ms. Morag McAleese
Ms. Elspeth McKay

Staff

Elspeth McKay
Lynda Franc
Ashley Brunette
Heather Fraser
Glenn Greene
Stephanie Campbell

Jenna Odorico
Lindsay Pritchard
Katie Sanders
Shelby Seabrook
Samantha Haskins
Leah Ebbs

Ryan Doucette
Dominique Murphy
Rob Chief
Bradley Tessier
Amanda Keough

Partners

Lester B. Pearson High School
Bank Street BIA
Ottawa Catholic School Board
Royal Ottawa Mental Health
Centre
Ottawa Public Health

Rotary Club of Ottawa
Greyhound Bus
VIA Rail Canada
Excellence in Literacy
Foundation
Ottawa School of Art

United World Voices
106.1 Chez
Algonquin College
Sprott School of Business
Nita Brewing Company

Sponsors

Beau's All Natural Brewing
Company
ONFE Breakfast Program
Bon Appetit Ottawa
United Way Ottawa
Fondation Ultramar
Mill Street Brewery
Bell Canada
Alterna Savings
TransCanada Pipelines
Gap Inc.

Bordner Ladner Gervais
Remax Hallmark
RBC
City of Ottawa
Human Resources and Skills
Development Canada
5 Days for Homelessness
Knifewear
Freeman Audio & Visual
Hydro Ottawa
Telus

Wesley & Mary Nicol
Foundation
Mealshare
Ottawa Music Trivia
Giant Tiger
CSED
Groupe Convex
SLiDE
Anonymous Funders & Donors

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 / OPÉRATION RENTRER AU FOYER

FINANCIAL STATEMENTS

DECEMBER 31, 2018

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

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INDEPENDENT AUDITORS' REPORT

To the Members of Operation Come Home / Opération Rentrer au Foyer:

Opinion

We have audited the accompanying financial statements of Operation Come Home / Opération Rentrer au Foyer (the "Organization"), which comprise the balance sheet as at December 31, 2018, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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 opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNFPO, 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 these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 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.



INDEPENDENT AUDITORS' REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



INDEPENDENT AUDITORS' REPORT (continued)

Other Matter

The comparative figures as at December 31, 2017 and for the year then ended were audited by another firm of licensed public accountants under a report with an unmodified opinion dated May 23, 2018.

Logan Katz LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
June 3, 2019

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

BALANCE SHEET

AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 216,756	\$ 82,505
Short term investments (Note 2)	126,134	116,606
Accounts receivable (Note 3)	92,171	125,937
Prepaid expenditures	6,674	7,346
	441,735	332,394
RESTRICTED INVESTMENT (Note 4)	10,000	10,000
PROPERTY AND EQUIPMENT (Note 5)	41,283	57,641
	\$ 493,018	\$ 400,035
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6 and 12)	\$ 13,687	\$ 63,247
Current portion of loan payable (Note 7)	1,569	5,506
	15,256	68,753
LOAN PAYABLE (Note 7)	-	1,924
DEFERRED CONTRIBUTIONS (Note 8)	315,430	170,529
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	25,305	36,179
	355,991	277,385
NET ASSETS		
Invested in property and equipment	15,978	21,462
Unrestricted	121,049	101,188
	137,027	122,650
	\$ 493,018	\$ 400,035

Commitments (Note 10)

Comparative Figures (Note 13)

ON BEHALF OF THE BOARD:

_____, Director

_____, Director

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED DECEMBER 31, 2018

	2018	2017
REVENUE		
Grants (Note 8 and 9)	\$ 1,088,155	\$ 1,038,311
Donations	209,748	271,233
Fundraising	231,608	192,834
	<u>1,529,511</u>	<u>1,502,378</u>
EXPENDITURES		
Advertising and promotion	22,137	16,895
Automobile	13,316	12,226
Bank charges and interest	8,605	11,086
Fundraising costs	43,655	34,845
Insurance	9,243	22,402
Office supplies	26,749	18,639
Professional and membership dues	2,125	2,247
Professional fees	42,959	49,092
Programming and supplies	65,150	52,644
Rent and utilities (Note 10)	220,492	222,338
Repairs and maintenance	6,631	7,933
Salaries and benefits	804,321	766,642
Telecommunications	9,770	7,958
Travel	7,160	9,147
Youth programming	228,332	249,533
Youth transport	1,398	1,479
	<u>1,512,043</u>	<u>1,485,106</u>
EXCESS OF REVENUE OVER EXPENDITURES, BEFORE OTHER ITEMS	17,468	17,272
OTHER ITEMS		
Amortization	(16,358)	(35,079)
Rental income	28,707	-
Property tax rebate	17,192	17,526
Investment income	2,134	1,620
Unrecoverable portion of HST	(34,766)	-
	<u>(3,091)</u>	<u>(15,933)</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 14,377</u>	<u>\$ 1,339</u>

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2018

	2018		2017	
	Invested in property and equipment	Unrestricted	Total	Total
BALANCES AT BEGINNING OF YEAR	\$ 21,462	\$ 101,188	\$ 122,650	\$ 121,311
Excess of revenue over expenditures	-	14,377	14,377	1,339
Amortization of property and equipment	(16,358)	16,358	-	-
Recognition of deferred capital contributions (Note 9)	10,874	(10,874)	-	-
BALANCES AT END OF YEAR	\$ 15,978	\$ 121,049	\$ 137,027	\$ 122,650

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 14,377	\$ 1,339
Adjustments for:		
Amortization	16,358	35,079
Recognition of deferred capital contributions	(10,874)	(14,828)
Changes in non-cash operating working capital:		
Accounts receivable	33,766	(51,123)
Prepaid expenditures	672	4,260
Accounts payable and accrued liabilities	(49,560)	22,755
Deferred contributions	144,901	46,525
	149,640	44,007
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loan	(5,861)	(5,126)
INCREASE IN CASH	143,779	38,881
Cash at beginning of year	199,111	160,230
CASH AT END OF YEAR	\$ 342,890	\$ 199,111
Cash consists of:		
Cash	\$ 216,756	\$ 82,505
Short term investments	126,134	116,606
	\$ 342,890	\$ 199,111

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

GENERAL

Operation Come Home/ Opération Rentrer au Foyer (the "Organization") is a not-for-profit organization incorporated on May 28, 2012 without share capital under the laws of Canada and is dedicated to helping youth on the street 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenditures 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.

Grants

Grants revenue represents funds received from federal, provincial, and/or municipal governments, as well as private organizations, for specific initiatives administered by the Organization. Grants are recognized as revenue when costs are incurred towards the initiative. Grants that have not been fully spent at year end are reported as deferred contributions.

Donations

Donation revenue is recognized as revenue when the amount to be received can be reasonably estimated and collection is ultimately assured.

Fundraising

Fundraising revenue is recognized in the period in which the event occurs. Receipts of these revenue which relate to the subsequent fiscal year are recorded as deferred contributions on the balance sheet.

Rental income

The Organization receives revenue from monthly subleases of space. Revenue is recognized when earned and collection is reasonably assured.

Investment Income

Investment income includes dividends and interest earned on investments held, net of applicable charges. Unrestricted investment income is recorded directly in the statement of revenue and expenditures when earned.

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Capital Contributions

Deferred capital contributions represent the unamortized balance of funding received for the acquisition of property and equipment. The amortization of such contributions is recognized as revenue on the same basis as and when the related property and equipment is amortized.

Cash and Cash Equivalents

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

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

Property and Equipment

Property and equipment are recorded at cost. Amortization is provided using the following annual rates and bases:

Computer hardware	30%	declining balance
Furniture and equipment	20%	declining balance
Leasehold improvements	5 years	straight-line
Security system	20%	declining balance
Signage	20%	declining balance
Software	30%	declining balance
Vehicles	30%	declining balance

In the year of acquisition, half of the normal amortization is recorded for all property and equipment, except for leasehold improvements.

Financial Instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

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 the statement of revenue and expenditures.

Financial assets measured at amortized cost include cash, short term investments, and accounts receivable.

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Measurement of financial instruments (continued)

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loan payable.

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

The Organization does not enter into any derivative financial instrument arrangements for hedging and speculation purposes.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenue and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenditures. The accounts receivable is netted by an allowance for doubtful accounts of \$Nil (2017 - \$Nil).

Transaction Costs

Transaction costs are comprised primarily of legal, accounting, underwriters' fees and other costs directly attributable to the acquisition, issuance or disposal of financial assets or financial liabilities. Transaction costs related to financial assets or financial liabilities that are measured at amortized cost are netted against the carrying value of the financial asset or liability.

Contributed Materials and Services

Volunteers contribute countless hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.

Furthermore, the Organization benefits from various donations of materials and services. The fair value of which is not recognized in the financial statements.

Foreign Currency Transactions

The Organization uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities, if any, are translated at the rate of exchange in effect at year end. Other assets and liabilities are translated at their historic rates. Items appearing in the statement of revenue and expenditures are translated at average year rates. Exchange gains and losses are included in the statement of revenue and expenditures.

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

These financial statements have been prepared by management in accordance with ASNFPPO and accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from these estimates. The significant estimates in the financial statements include the estimated useful lives of and related amortization of property and equipment, collectibility of receivables, the amount of certain accrued liabilities, deferred contributions, and deferred capital contributions.

2. SHORT TERM INVESTMENTS

	2018	2017
Guaranteed investment certificate, maturing November 2019, bearing interest at 1.8% (2017 - 0.9%)	\$ 102,144	\$ 100,900
Mutual funds	16,028	15,706
Funds in US equities	7,962	-
	\$ 126,134	\$ 116,606

As at December 31, 2018, the mutual funds and US equities have a market value of \$23,915 and \$5,802, respectively (2017 - \$23,928 and \$Nil).

3. ACCOUNTS RECEIVABLE

	2018	2017
Harmonized Sales Tax receivable	\$ 81,466	\$ 74,622
Grants receivable	10,705	51,240
Accrued interest receivable	-	75
	\$ 92,171	\$ 125,937

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

4. RESTRICTED INVESTMENT

The restricted investment consists of a redeemable guaranteed investment certificate that matures in July 2019 (2017 - July 2018) and bears interest at 0.6% per annum (2017- 0.45%). 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.

5. PROPERTY AND EQUIPMENT

	2018			2017	
	Cost	Accumulated Amortization	Net	Net	
Computer hardware	\$ 100,280	\$ 91,048	\$ 9,232	\$ 13,188	
Furniture and equipment	79,704	67,639	12,065	15,081	
Leasehold improvements	69,830	69,830	-	1,146	
Security system	2,000	1,845	155	193	
Signage	8,830	7,163	1,667	2,083	
Software	20,854	20,226	628	897	
Vehicles	42,105	24,569	17,536	25,053	
	\$ 323,603	\$ 282,320	\$ 41,283	\$ 57,641	

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Organization does not have government remittances owing at year end.

7. LOAN PAYABLE

	2018		2017	
Loan payable, repayable in monthly instalments of \$488, bearing interest at 7.18%, and maturing on April 5, 2019.	\$	1,569	\$	7,430
Less: current portion		1,569		5,506
	\$	-	\$	1,924

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

8. DEFERRED CONTRIBUTIONS

Deferred contributions represent funding and donations, as well as other restricted contributions received with respect to certain projects and activities, to be conducted subsequent to the year end. Changes in the deferred contributions balance during the year are as follows:

	2018	2017
BALANCE AT BEGINNING OF YEAR	\$ 170,529	\$ 124,004
Amount received during the year	1,222,375	724,171
Amounts recognized as revenue in the year	(1,077,474)	(677,646)
BALANCE AT END OF YEAR	\$ 315,430	\$ 170,529

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of grants contributed to the Organization for the acquisition of property and equipment. The changes in the balance of deferred capital contributions related to property and equipment for the year are as follows:

	2018	2017
BALANCE AT BEGINNING OF YEAR	\$ 36,179	\$ 51,007
Amounts recognized as revenue	(10,874)	(14,828)
BALANCE AT END OF YEAR	\$ 25,305	\$ 36,179

The balance at the end of the year is composed of contributions expended to acquired capital assets that have not yet been amortized.

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

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

10. COMMITMENTS

The Organization holds a lease for its premises located at 150 Gloucester Street, Ottawa, Ontario. The lease is for a five-year term which expires April 2021. Future minimum lease payments to expiry are as follows:

2019	\$ 167,500
2020	167,500
2021	<u>55,833</u>
	<u>\$ 390,833</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

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date:

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 is exposed to credit risk on its cash and accounts receivables. In order to reduce its credit risk, the Organization has placed its cash with major financial institutions. The Organization 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 an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and loan payable. The Organization manages its liquidity risk by monitoring its operating requirements through the use of budget and cash forecasts.

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

12. FINANCIAL INSTRUMENTS (continued)

Risks (continued)

Currency Risk

Current risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization receives funding in a foreign currency. Consequently, some assets and revenues are exposed to foreign exchange fluctuations. As at December 31, 2018, included in investments is \$5,870 in US dollars and converted in Canadian dollars.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate 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.

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. The Organization is not exposed to other price risk.

Credit Facility

The Organization has access to an authorized line of credit of \$120,000, bearing interest at the bank's prime rate plus 1.5%. As at December 31, 2018, \$120,000 (2017 - \$120,000) of this line of credit remained unused.

The Organization has access to \$28,000 of unsecured credit on credit cards, bearing interest at 12.99% per annum. The credit unused as at December 31, 2018 amounts to \$22,311 (2017 - \$11,953) and is included in accounts payable and accrued liabilities.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the presentation adopted in the current year.

OPERATION COME HOME / OPÉRATION RENTRER AU FOYER

SCHEDULE A - SCHEDULE OF REVENUE AND EXPENDITURES - CITY FUNDING

YEAR ENDED DECEMBER 31, 2018

	Community Homelessness Prevention Initiative	Federal Homelessness Partnering Strategy	Peer Support Worker #1	Peer Support Worker # 2	Home For Good	Total
REVENUE						
City of Ottawa funding	\$ 64,547	\$ 67,230	\$ 8,333	\$ 18,751	\$ 19,250	\$ 178,111
EXPENDITURES	(64,547)	(62,710)	(8,333)	(18,751)	(5,267)	(159,608)
EXCESS OF REVENUE OVER EXPENDITURES	-	4,520	-	-	13,983	18,503
TRANSFER TO FOLLOWING YEAR	-	(4,520)	-	-	(13,983)	(18,503)
ENDING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	-