



**ANNUAL REPORT
FOR THE YEAR 2016**

*Together,
we provide help for today
and hope for tomorrow.*

THE COMPASS

MISSION, VISION & GOALS

OUR MEMBER AND SUPPORTING CHURCHES

OUR MISSION: Together, we provide help for today and hope for tomorrow.

OUR VISION: As a Christian community-based volunteer organization, we will serve all persons in our South Mississauga area to meet immediate needs for nutritious food, encourage the enhancement of life skills, and foster a caring community.

OUR GOALS:

1. To provide nutritious food choices for those in need.
2. To provide a variety of programs that encourage the enhancement of life skills.
3. To provide assistance in navigating necessary community and health services and supports.
4. To provide a community that offers emotional support, a caring person to listen and a safe place to visit, while honouring the dignity of all.
5. To build a community that offers spiritual support for clients, volunteers and staff.
6. To raise awareness in our churches and the broader community for those in need.
7. To secure sufficient resources (volunteers, staff, facilities and funding) to achieve our mission and vision, and to be good stewards of all of the resources entrusted to us.

MEMBER CHURCHES

Chartwell Baptist Church	First United Church Port Credit
St. Christopher's Catholic Church	Lorne Park Baptist Church
St. Stephen's-On-the-Hill United Church	Church of St. Bride Anglican
ClearView Christian Reformed Church	Mary Queen of the Sea Catholic Church
Clarkson Road Presbyterian Church	Christ Church United Church
Sheridan United Church	St. Andrew's Memorial Presbyterian Church
Trinity-St. Paul's Anglican Church	WestEdge Community Church

SUPPORTING CHURCHES

Cawthra Park United Church	Church of St. Mark - Lutheran
Park Royal Bible Church	St. Dominic's Catholic Church

lakeshore community outreach centre

CHAIR'S REPORT

COMMUNITY

Recently I was asked to describe The Compass in one word and I chose the word "COMMUNITY". I believe "Community" exemplifies what The Compass is and what The Compass is all about. As we reflect back on 2016, there is much we can be proud of. Our Compass market supported 850 individual households, an increase of 73 households over 2015. The 850 includes 345 new families which means that over 250 families have moved on and no longer need us as a food bank. We distributed more than 405,800 pounds of food and had the benefit of a sizeable increase in the amount of money donated by individuals and organizations in 2016.

With the help of our governance model, we diligently worked through the first year of our three year strategic plan. We established a new committee, Communications and Development, to better embrace challenges in communication and advocacy. That committee conducted surveys of our member churches, of our volunteers and of our clients, the results of which are helping ensure that we are continually improving how we can best support our community. Our goal is for the Community to be proud of what we do and how we do it.

Under the guidance of David McKeown, Vice Chair and Chair of the Program Committee, we have strengthened our various program offerings. With the support and cooperation of many volunteers and outside resources our monthly calendar is very full with opportunities related to ESL, computer classes, Men's and Women's groups, Refresh, lunches, breakfasts, Good Food Boxes, a cooking program, free haircuts, employment counseling, support for Ontario Works and ODSP (Ontario Disability Support Program), PAARC (Peel Addiction Assessment & Referral Centre), SHIP Housing (Supportive Housing in Peel), Public Health nurse visits, and more.

Our Member Churches continue to provide financial support and a large number of our volunteers without which we would not survive. We receive and fully appreciate the weekly support of The Mississauga Food Bank (TMFB) who provide us with approximately 50% of the food we distribute. We also receive tremendous support from various politicians within the Community: Charles Sousa our local MPP champions an annual Turkey drive coincident with the "Bite Before Christmas" an annual fund raiser done in support of The Compass and TMFB; Carolyn Parrish, City Councilor provided us with \$7,500 to assist in the purchase of fresh milk; Jim Tovey, Ward One Councilor, was instrumental in having Mi-Way adopt a 14 month pilot project whereby we can access bus tickets for our clients at a very reduced cost, he organized a couple of food drive events, is always there for us and along with our Ward Two Councilor provided us with community recreational passes for our clients; Karen Ras, Ward Two Councilor, organized a couple of events to raise public awareness and collect food; Sven Spengemann, our MP, had an open house food drive at Christmas, arranged for our Men's group to visit the Parliament buildings in Ottawa and put forth a motion to our Federal Government based on the submission made by our Men's group. Not to be forgotten, is the ongoing

strong support we receive from the Port Credit BIA who orchestrates a number of activities that are of direct benefit to The Compass.

This year, the "Breakfast with Santa Foundation" offered and organized the first such event in south Mississauga on December 4th and 150 compass clients were able to participate in an amazing experience of food, fun and gifts. Another wonderful event was Christmas Day December 25th, at The Compass, coordinated by Kate Driver. It provided lunch to 40 people, an opportunity for another 30 to just drop in and socialize in the afternoon and finally a sit-down turkey dinner for 65 people at the end of the day. Thank you Kate!

We were also fortunate to be the benefactors of two corporate initiatives. The first was an Anniversary Celebration offer by Sil's Complete Auto Centre to fully overhaul the vehicle of one of our clients which they themselves could not afford to do but was much needed. The second, also a corporate Anniversary Celebration, was by Xtreme Tire Garage who in conjunction with their clients raised \$10,000 to help The Compass with our many efforts to better serve our clients.

Another exciting development at The Compass is a new Volunteer Management system which will allow our volunteers to easily signup for shifts on line and provide us with more tools to better support the generous donation of time and love that our volunteers give every time they serve at The Compass.

As I conclude my time as Chair, I would like to thank everyone for their tremendous support over the past three years: fellow board members, ministers of each of the churches, our many volunteers, Trish, Elaine, summer students and interns and I wish to say how grateful I am for the opportunity to continue to be part of The Compass as we continue to search for even more ways to be a "Community". I am proud of who we are and how we do it! Thank you.

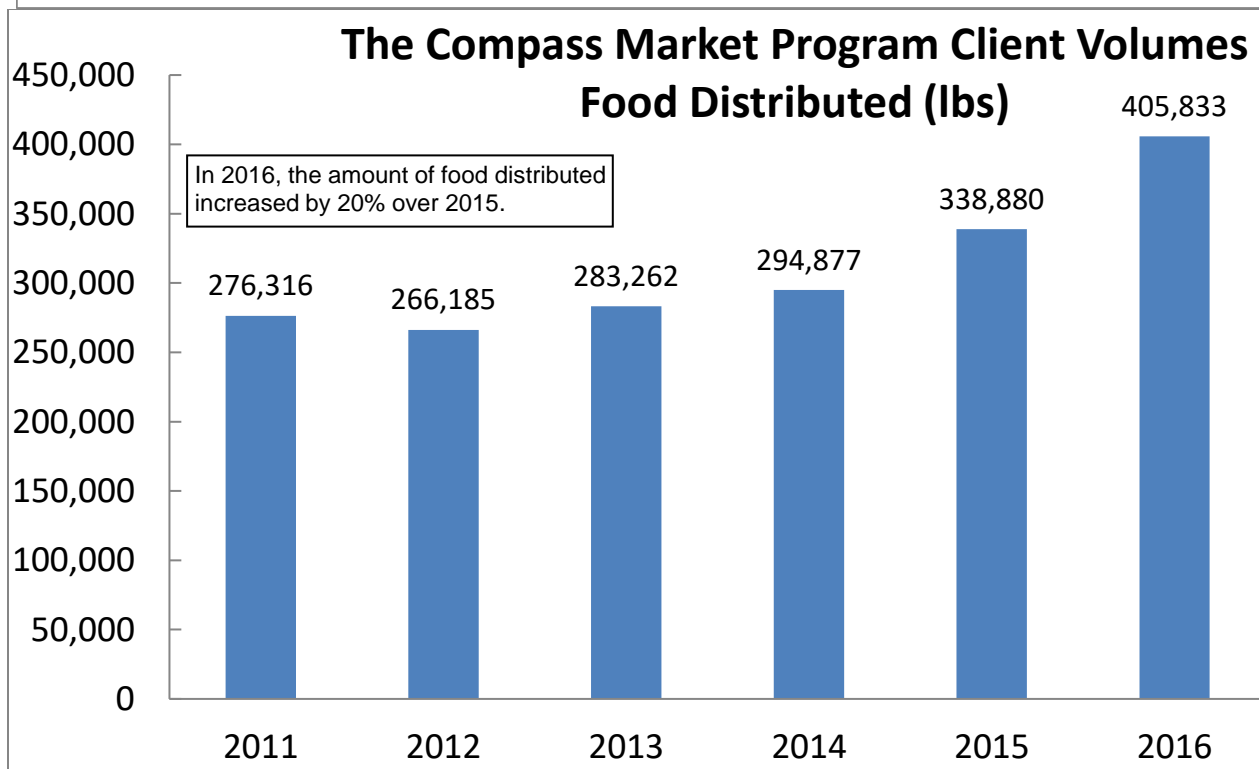
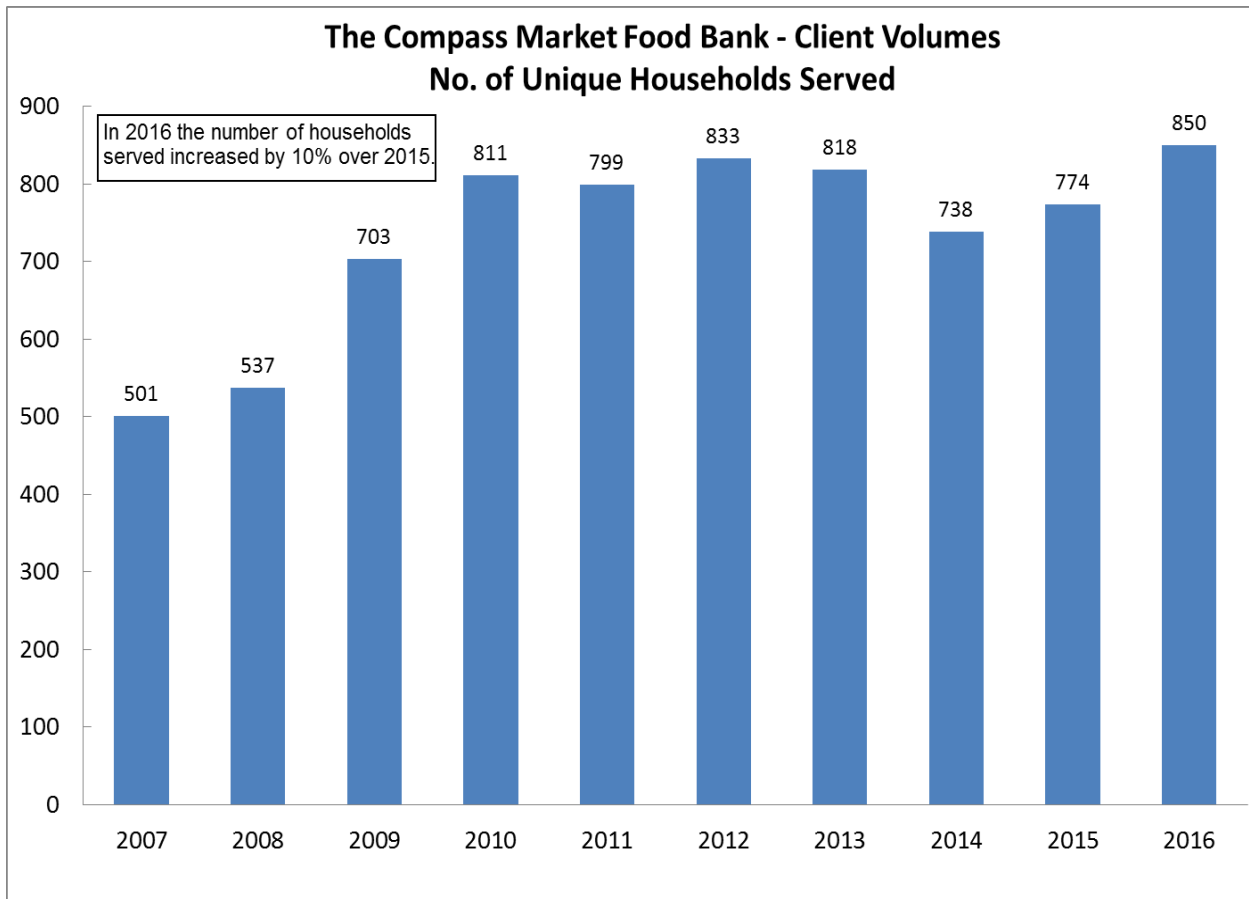
Respectfully submitted by

Patrick Cullen, CCLP
Chair of the Board

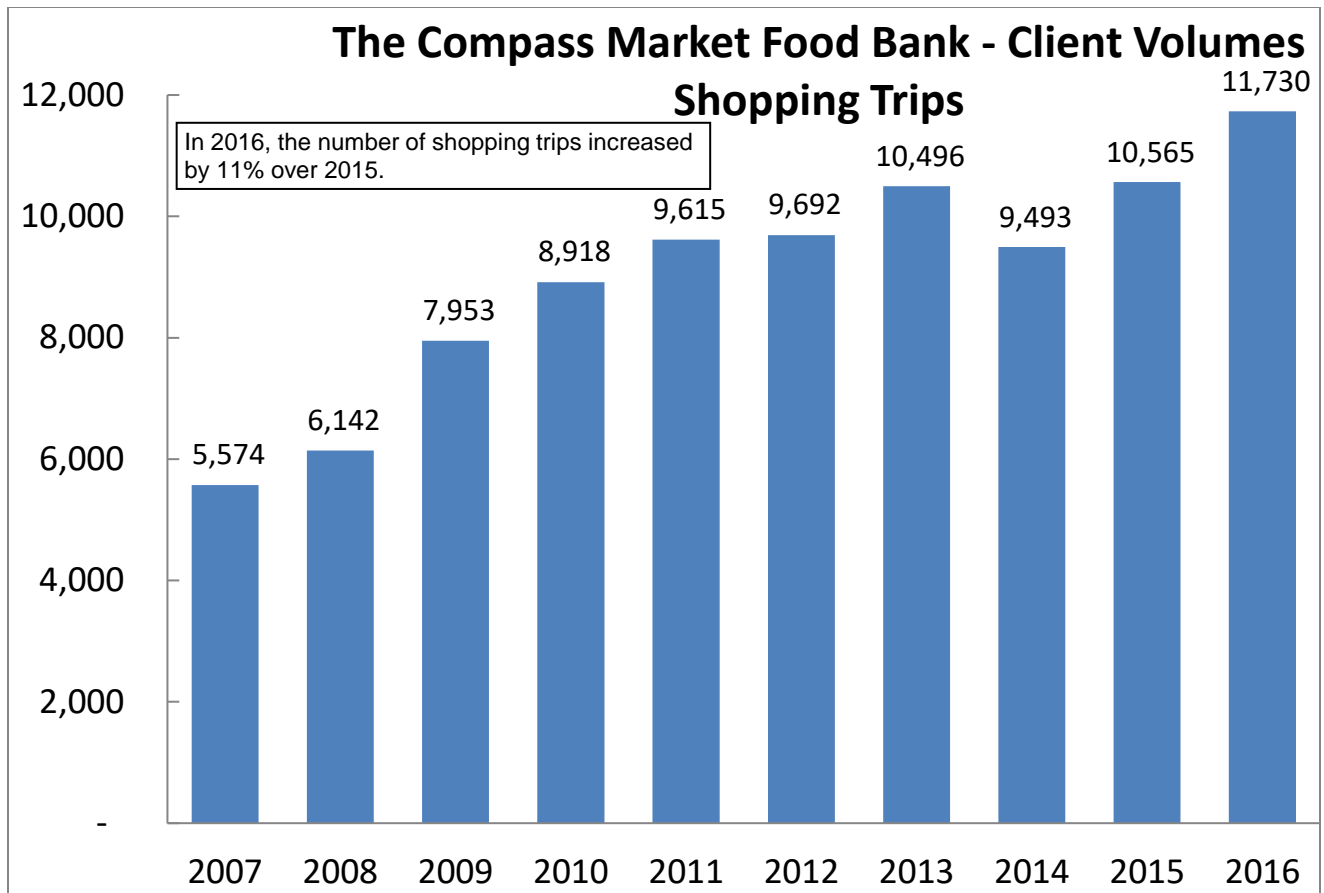
THE COMPASS BY THE NUMBERS

- The Compass Market program was open for 147 days in 2016 and we distributed 203 tons of food during the year.
- The volume of food we provide through The Compass Market program, while important, is not as important as the contacts we have with our clients, whether it is shopping with our clients (11,730 trips), renewing their vouchers or meeting new clients to find out their needs and enroll them at The Compass.
- In addition to The Compass Market program, our variety of other programs provide us with an opportunity to assist our clients and build stronger relationships, as well as providing our clients with an opportunity to socialize and interact with each other. These programs include:
 - Tuesday Lunch and Thursday Coffee Time (Breakfast) programs
 - Summer BBQs and Special occasion dinners (Easter, Thanksgiving, Christmas)
 - Good Food Box
 - ESL and literacy classes
 - Refresh program
 - Women's group
 - Income tax clinic
 - Cooking classes
 - Computer classes
 - Men's group
 - Foot care and haircuts
- We also provide our clients with access to an Employment coordinator, as well as representatives from Ontario Works, Supportive Housing in Peel (SHIP) and Peel Addiction Assessment & Referral Centre (PAARC).
- Based on The Compass Market program, in 2016:
 - We served 1,745 different individuals from 850 client households (individuals and families).
 - 28% of these individuals were children (under 18), while 7% were seniors (65+).
 - For those households reporting dietary considerations: 26% identified as diabetic, 14% as Halal, 14% with milk allergies, 5% with peanut allergies, and 5% with seafood allergy (fish, crustaceans or shellfish).
 - For those households disclosing their housing status: 79% of our client households live in private rental housing, 8% report living with family/friends, 6% live in social housing, 5% own their own home and 3% report living either on the street or in emergency shelter.
 - Primary sources of income for our client households was: 31% from social assistance (Ontario Works), 23% from provincial disability plan (ODSP), 12% from employment income (full or part-time), 10% from pension (CPP, OAS or private pension), and 9% reported no income.
- All of this important work serving our community is accomplished through the diligent work of our Market Manager and Volunteer Manager, and an army of 190 dedicated volunteers.

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TREASURER'S REPORT

THE COMPASS' FINANCIAL PICTURE SECURING AND USING MONETARY RESOURCES TO SUPPORT OUR MINISTRY A review of 2016 by the Board of Directors

The "Operating Results" on the following page summarizes the financial situation of The Compass' ministries and activities for 2016 compared to 2015, and 2017 budget expectations. The financial statements portray our revenues, expenditures and cash flow, and the available assets. The Auditor's Report as provided by HVGP accompanies the statements.

Since The Compass first began in 2002, we have had many busy and successful years in the support of our clients and in our finances. We continue to respond to identified needs, offering a diverse range of ministries and programs. In our Market, we have diversified our protein options for our clients to include ground pork, along with the consistent offering of chicken and fish. We continue to provide fresh milk and eggs. In 2016, we purchased three fridges, one freezer, and three food warmers to better store food to serve our clients.

We are truly blessed to have strong support from the churches, our people and the local community. Total revenues reached \$351,000, which is \$21,000 above 2015 and \$34,500 above our budget. Donations from individuals and organizations increased by \$36,000 compared to 2015. Annual contributions from the churches increased by \$6,000. Fund-raising initiatives are important to enable us to do the work we do, with the principal sources being the September Compass Walk and The Bite before Christmas campaign. We are thankful for all of the ongoing strong support we receive, enabling us to provide a variety of programs and product offerings to our clients.

Our overall operating expenditures of \$340,600 were \$37,000 more than in 2015. The expenditure increase in 2016 over 2015 was primarily due to spending more on food for clients, and closely matches our budgeted amount.

2017 budget

As always, forecasting our revenues is a challenge. We have budgeted revenues to match actual 2016 revenues. We plan for our existing client services to carry on throughout 2017, with the potential to introduce some new ones.

For yet another year, uncertain economic times will challenge our clients; and we believe that the demands on our Market will be at least at the current level. Our expenditure budget reflects a 3% increase over 2016 spending. This budget provides spending similar to 2016. Spending amounts and allocations are adjusted as changes are identified in products provided from donations and The Mississauga Food Bank

Overall, the 2017 budget shows a conservative surplus of \$2,669.

LAKESHORE COMMUNITY OUTREACH CENTRE INC.
operating as THE COMPASS

OPERATING RESULTS

For the years ending December 31

	2015	2016	2017
	Actual	Budget	Budget
Operating revenues			
Contributions by supporting churches	\$ 97,067	\$ 94,000	\$ 102,969
Donations from individuals and organizations	156,422	158,600	192,656
Proceeds from fund-raising events	65,916	54,650	46,870
Grants	6,054	5,000	4,062
Other revenues: Tax rebates	3,160	3,100	3,269
Other revenues: Interest	1,460	1,500	1,515
	<u>330,079</u>	<u>316,850</u>	<u>351,341</u>
Operating expenditures			
Food and supplies for clients	69,137	86,400	87,218
Bus tickets for clients	14,792	12,500	12,891
Women's program	85	2,750	1,365
Men's program	2,611	2,750	4,507
Good Food Boxes	3,121	3,000	2,666
Other client programs	10,030	12,350	7,702
Publicity	715	3,000	204
Administration: office, training, miscellaneous	9,026	17,000	16,384
Professional Fees: Audit	3,118	3,300	4,314
Fundraising	1,781	500	3,974
Occupancy: rent, cleaning, utilities, insurance	93,234	94,300	97,882
Alterations, equipment and furnishings	1,866	1,000	4,380
Staff members' compensation and benefits	94,047	101,850	97,097
Total	<u>303,563</u>	<u>340,700</u>	<u>340,584</u>
Excess of Operating revenues over expenditures, or (deficit)	<u>26,516</u>	<u>(23,850)</u>	<u>10,757</u>
Capital Fund expenditures			
Renovation of premises (washroom renovation)	11,537	-	-
Equipment and furnishings (freezers, fridges, software)	8,264	13,500	11,423
Less: Donations received for renovation of washroom	(10,500)	-	-
	<u>9,301</u>	<u>13,500</u>	<u>11,423</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 17,215</u>	<u>\$ (37,350)</u>	<u>\$ (666)</u>
	<u>\$ 2,669</u>		

lakeshore community outreach centre

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Financial Statements

Year ended December 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Lakeshore Community Outreach Centre Inc.

We have audited the accompanying financial statements of Lakeshore Community Outreach Centre Inc. (Operating as The Compass), which comprise the statement of financial position as at December 31, 2016, 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.

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 organization'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 organization'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, except as noted in the following paragraph, that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Basis for Qualified Opinion

Lakeshore Community Outreach Centre Inc., in common with many charitable organizations, derives revenue from donations, contributions and fundraising the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, current assets and net assets.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2016 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.

Hutton Valero Gove PricewaterhouseCoopers LLP

Mississauga, Ontario
March 30, 2017

Licensed Public Accountants

LAKESHORE COMMUNITY OUTREACH CENTRE INC.**(OPERATING AS THE COMPASS)****Statement of Operations****Year ended December 31**

	2016	2015
REVENUE		
Donations from individuals and organizations	\$ 192,656	\$ 156,422
Contributions by supporting churches	102,969	97,067
Fund-raising events	46,870	65,916
Grants	4,062	6,054
Property tax rebates and other	3,269	3,160
Investment income	1,515	1,460
	<u>351,341</u>	<u>330,079</u>
EXPENDITURES		
Occupancy	97,882	93,234
Staff compensation and benefits	97,097	94,047
Food and supplies for clients	87,218	69,137
Administration	16,384	9,026
Bus tickets for clients	12,891	14,792
Other client programs	10,368	13,151
Women and men's programs	5,872	2,696
Alterations, equipment and furnishings	4,380	1,866
Professional fees	4,314	3,118
Fundraising expenses	3,974	1,781
Publicity	204	715
	<u>340,584</u>	<u>303,563</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME	<u>10,757</u>	<u>26,516</u>
OTHER INCOME (EXPENSES)		
Donations received for capital assets	-	10,500
Capital asset expenditures (Note 3)	(11,423)	(19,801)
	<u>11,423</u>	<u>9,301</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ (666)</u>	<u>\$ 17,215</u>

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Statement of Changes in Net Assets

Year ended December 31

	<u>Operating</u>	<u>Internally restricted fund</u>	<u>Total 2016</u>	<u>Total 2015</u>
NET ASSETS - BEGINNING OF YEAR	\$ 136,022	\$ 121,145	\$ 257,167	\$ 239,952
Excess of revenue over expenditures	10,757	-	10,757	26,516
Capital contributions	-	-	-	10,500
Capital expenditures	(11,423)	-	(11,423)	(19,801)
NET ASSETS - END OF YEAR	\$ 135,356	\$ 121,145	\$ 256,501	\$ 257,167

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

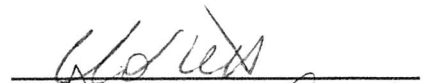
Statement of Financial Position

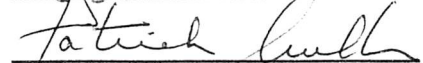
December 31

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 191,720	\$ 136,839
Guaranteed investment certificates (Note 2)	50,000	110,000
Accounts receivable	9,704	12,530
Advances and deposits	7,471	5,239
Total Current	258,895	264,608
NON-CURRENT ASSETS		
Advances and deposits	3,424	3,424
TOTAL ASSETS	<u>\$ 262,319</u>	<u>\$ 268,032</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,818	\$ 10,865
NET ASSETS		
Operating	135,356	136,022
Internally restricted fund	121,145	121,145
Total Net Assets	256,501	257,167
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 262,319</u>	<u>\$ 268,032</u>

COMMITMENTS (NOTE 4)

ON BEHALF OF THE BOARD





Director

Director

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Statement of Cash Flows

Year ended December 31

	2016	2015
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	\$ (666)	\$ 17,215
Change in non-cash working capital items		
Accounts receivable	2,826	(6,535)
Advances and deposits	(2,232)	(628)
Accounts payable and accrued liabilities	(5,047)	1,132
(DECREASE) INCREASE IN CASH	(5,119)	11,184
CASH - BEGINNING OF YEAR	246,839	235,655
CASH - END OF YEAR	\$ 241,720	\$ 246,839
CASH CONSISTS OF:		
Cash in bank	\$ 191,720	\$ 136,839
Guaranteed investment certificates	50,000	110,000
	\$ 241,720	\$ 246,839

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Notes to Financial Statements

December 31, 2016

NATURE OF OPERATIONS

Lakeshore Community Outreach Centre Inc., operating as The Compass, is incorporated under the laws of the Province of Ontario without share capital. The organization is a registered charitable organization under the Income Tax Act and is exempt from income taxes.

The mission of the organization is to help people in southern Mississauga who are experiencing economic, social or emotional challenges. The organization assists in the relief of poverty by providing food and other basic supplies to persons in need, conducts varied programs for them and serves as a venue for fellowship, encouragement and support.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are as follows:

(a) Fund accounting

The organization follows the restricted fund method of accounting and the financial statements include the following funds:

Internally Restricted Fund

The board of directors has established an internally restricted fund as a contingency to sustain current services to clients and capital expenditures. Additions and expenditures from this internally restricted fund must be approved by the board of directors.

Unrestricted Operating Fund

The Unrestricted Operating Fund accounts for the organizations general operations and activities. This fund reports unrestricted resources.

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Notes to Financial Statements

December 31, 2016

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) 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 expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Gifts-in-kind are recorded as revenue at their estimated fair value when distributed or used by the organization.

Investment income is recorded when earned.

Government grants pertaining to specific projects are recognized as revenue as the related project expenses are incurred.

(c) Capital assets

Capital assets are recorded as expenses in the year they are acquired.

(d) Contributed services

Volunteers contribute many hours each year in carrying out the organization's activities. Accomplishing the organization's objectives would not be possible without their dedication. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(e) Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Notes to Financial Statements

December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instrument classification

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

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and guaranteed investment certificates.

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

2. GUARANTEED INVESTMENT CERTIFICATES

Short term investments are comprised of cashable guaranteed investment certificates (GIC's) maturing at December 2019 at interest rates of 0.75% to 0.85%. Market value approximates carrying value.

3. CAPITAL ASSETS

The organization's capital assets consist of leasehold improvements, furniture and equipment, and software. The capital assets expensed in the year was \$11,423. In 2015, the amount of capital assets expensed were \$19,800, of which \$10,500 had been received as a donation.

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Notes to Financial Statements

December 31, 2016

4. COMMITMENTS

The organization's obligations, under two property lease agreements, exclusive of occupancy costs are:

2017	\$ 68,247
2018	<u>51,186</u>
	<u>\$ 119,433</u>

5. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) 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.

(i) Currency risk

The organization is not exposed to any currency risk.

(ii) Interest rate risk

The organization manages its GIC's to ensure funds are available when needed. The investment policy is primarily directed to reduce risk and interest earned is of secondary importance.

(iii) Other price risk

The organization is not exposed to price risk.

The organization's market risk is unchanged from the prior year.

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Notes to Financial Statements

December 31, 2016

6. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
