



**ANNUAL REPORT
FOR THE YEAR 2017**

*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	St. Mary Star 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
St. Dominic's Catholic Church	

SUPPORTING CHURCHES

Cawthra Park United Church	Church of St. Mark - Lutheran
Park Royal Bible Church	

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CHAIR'S REPORT

"What is this place?"

"What is this place?" is a question new visitors often ask.

In 2017 we held 50 community breakfasts, 50 community lunches and 20 community dinners, open to everyone. Throughout the year, one-on-one meetings with Peel addiction, housing and employment counsellors were held at The Compass. ESL classes, cooking classes, haircuts, Bible studies and distribution of fresh fruit and vegetable boxes were offered. About 250 volunteers spent 21,000 hours at The Compass helping, encouraging, listening, cleaning, cooking, food-sorting, volunteer-scheduling and organizing.

A women's group met weekly at The Compass for dinner, fellowship and presentations, like Taiko drummers; the Alpha group met for three months to watch a video series and discuss Christianity; and, a men's group met weekly to hear the life experiences of a wide range of people including a Canadian Navy chaplain, and a geologist who discovered a lost gold mine in Peru. About six volunteers tended four garden plots and produced about 350 pounds of tomatoes, zucchini and peppers for The Compass. They added another 350 pounds of fresh vegetables to our shelves by partnering with other community gardens in Mississauga.

A small group of volunteers work to make sure our facilities are safe, clean, organized and used as efficiently as possible. It is not an easy task. All of the available space is put to full use but there are still long wait times and crowding on many market days. While the Board considers accommodation options for the future, in 2017 we approved a plan to use apartment space behind The Compass as a short-term measure to address our lack of space. Renovations did not begin in 2017 but are now underway.

The Compass is also a food bank. In 2017 there were about 1,840 people in 860 households who came to The Compass for food. More than one-third of the households were new to The Compass in 2017.

These are a few *things* The Compass did last year but falls short of an adequate explanation of who we are. The Compass is a community that provides compassion by extending God's love to whoever comes through the doors. We do this by offering help for today and hope for tomorrow.

Our 15 member churches, including new church member St. Dominic's, and three supporting churches are the backbone of The Compass. Collectively, the churches provide essential spiritual, financial and volunteer support. The Compass is a volunteer run organization but we rely heavily on our three part-time employees. Trish Trapani, Market Manager, did an outstanding job managing almost 13,000 shopping trips, the distribution of 390,000 pounds of food and coordinating support services. Trish received a Canada 150 award from MP Sven Spengemann in recognition of her work in our community. Sheryl Darlington is our enthusiastic and committed Volunteer Manager. She ensures that we had enough trained volunteers available and organized to carry out the work of The Compass. Elaine McCarthy, with her many years of Compass experience, continues to provide us valuable help with training of our volunteers.

We are supported by many generous people and organizations. Residents of Mississauga contributed food, time, money and encouragement. Local organizations held fund-raisers, prepared meals for 100 people, provided manpower to clean and renovate, sorted food, and held children's Christmas parties. In September, a family coordinated another very successful "Walk the Walk for The Compass", our major fund-raising event for the year and a must-attend event for all Compass supporters. The Mississauga Food Bank (TMFB) provided

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The Compass with 40% of the food distributed in 2017. We would be hard pressed to serve our clients without their support. We benefit from the dedication of people like Dan Meadowcroft and his team who have raised funds for The Compass and TFMB every year for the last nine years with the Bite Before Christmas event.

The Compass acknowledges the generous support of Ellen Timms and the Port Credit BIA, which raised money throughout the year and promoted The Compass at BIA events. Our MP, Sven Spengemann, and his staff held an open house food drive at Christmas. His Youth Constituency Group ran a very successful toiletry drive over the summer, providing us with items that are frequently in short supply in our market. Carolyn Parrish, City Councillor, assisted with the supply of fresh milk to support our goal of providing nutritional food. MPP for Mississauga South, Charles Sousa, promoted an annual turkey drive, enabling us to provide households with food at Christmas.

The Compass has a debt of gratitude for the work of the late Jim Tovey on behalf of The Compass. In November, he spoke at a dinner held in honour of The Compass volunteers. After thanking the volunteers for their work, Jim announced that City Council made the temporary half-priced bus ticket program permanent for The Compass and other agencies. It was but one of many ways that Jim provided practical help for people who need it most. The year also brought about the tragic and sudden death of Don McDiarmid, a board member for five years, who worked tirelessly to improve and secure the future of The Compass. Their support and passion for The Compass will be missed.

This is my first report as Chair. The Compass is well run at both the operational and board level. I inherited this from Pat Cullen who chaired the Compass Board for three years and oversaw the development of a strategic plan, the creation of board committees and implementation of operational processes. On behalf of the Board, thank you Pat for your service as chair and continuing support as a board member. The Compass is blessed to have a board that shares a common vision for The Compass and that works well together. Thank you, Board, for your dedication and many hours of hard work towards making The Compass a special place. Particular thanks go to board members Glenn Thompson and Kairy Macaulay who are stepping down this year; each made substantial contributions to The Compass.

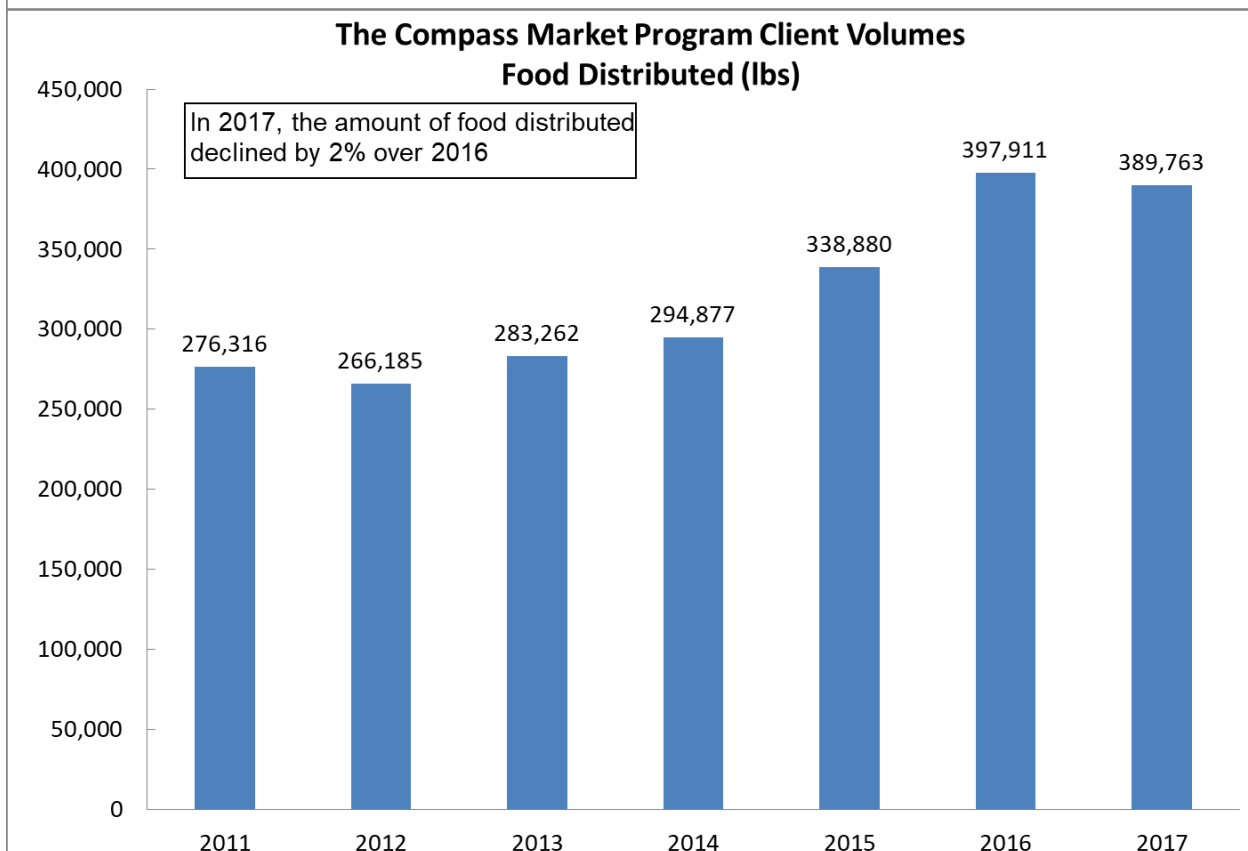
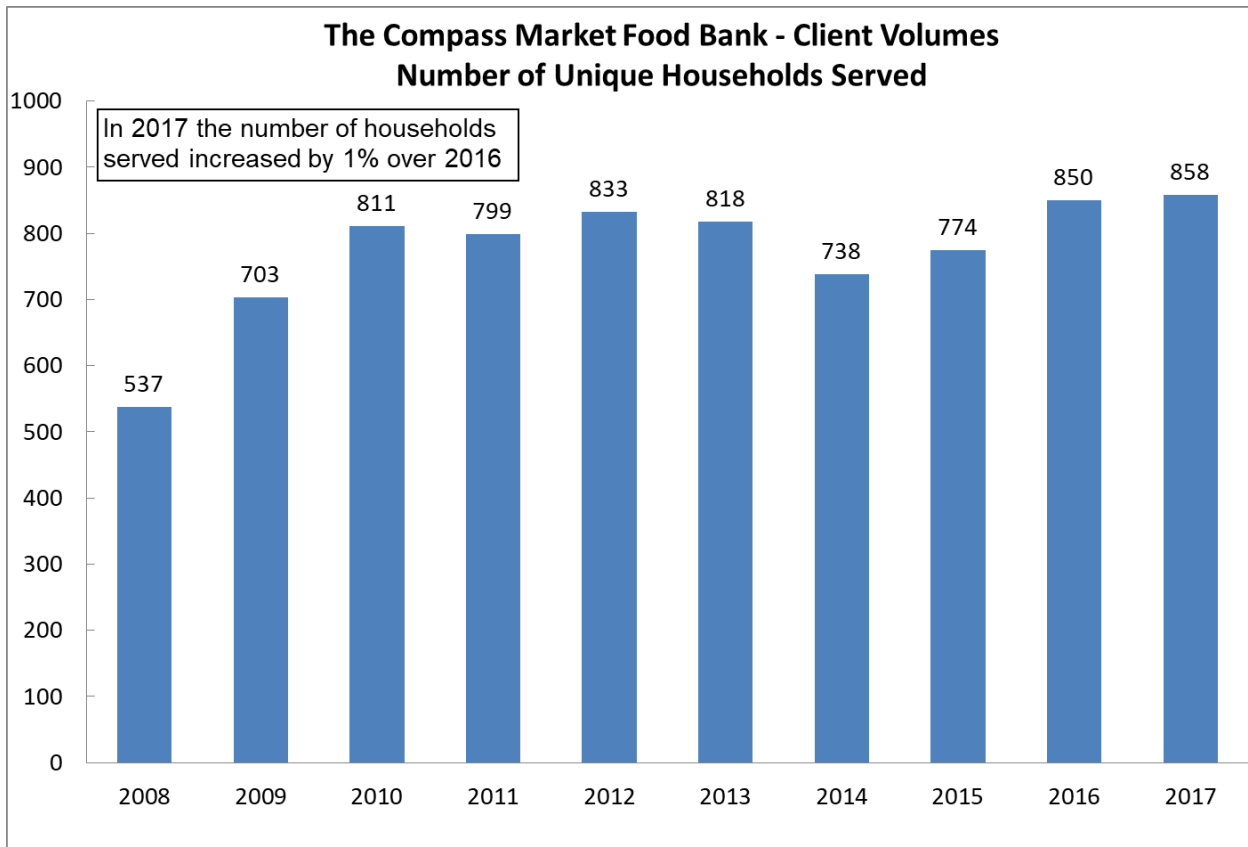
The Compass is much more than a sum of its parts. It cannot be defined by the number of volunteer hours or pounds of food distributed. Committed and compassionate volunteers are integral to The Compass chemistry. Programs, emotional and practical support and community are elements of something bigger. Strong local support from churches, residents, organizations, political leaders and businesses are crucial ingredients. These things make us "The Compass".

David McKeown
Board Chair
April 2018

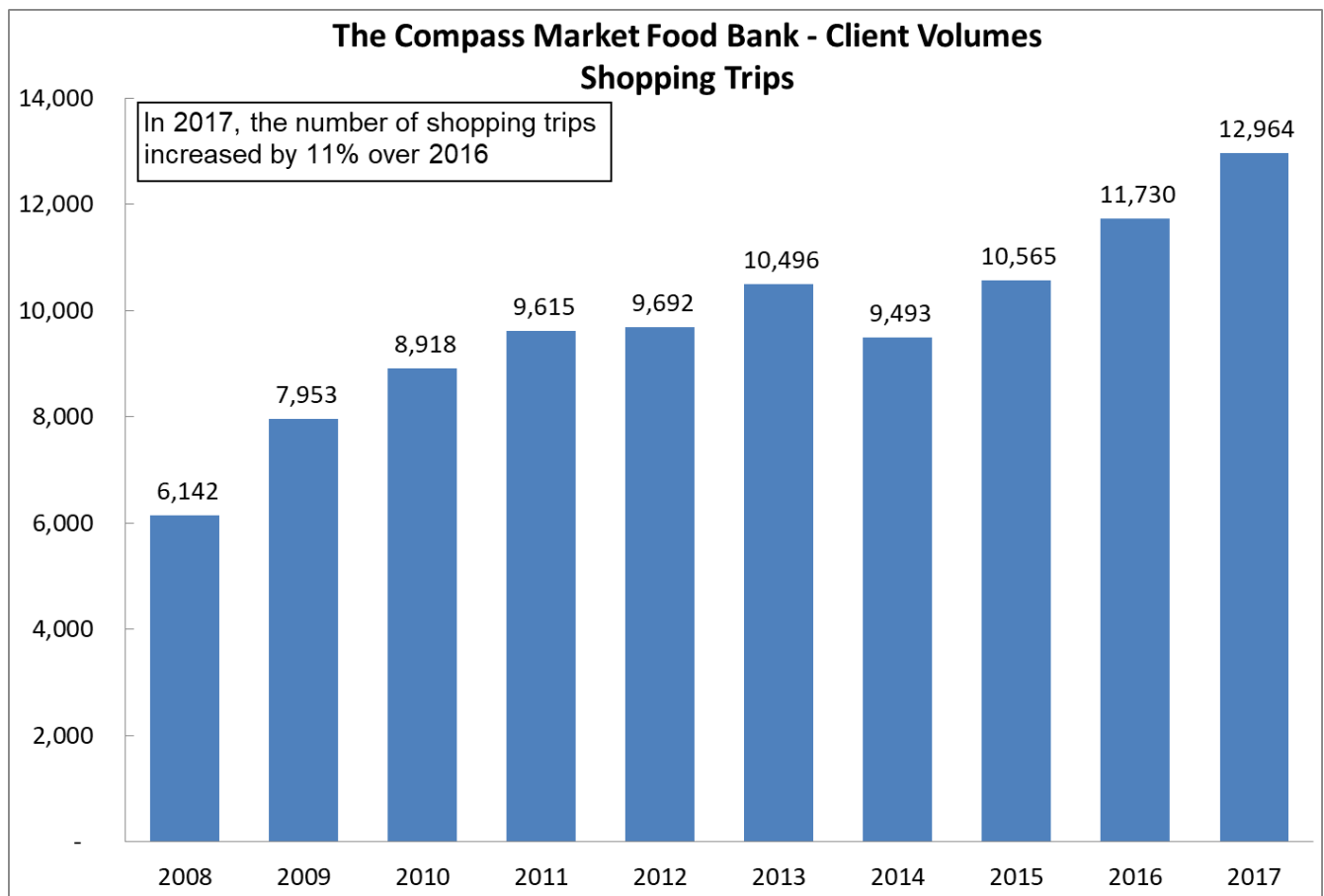
THE COMPASS BY THE NUMBERS

- The Compass Market program was open for 149 days in 2017 and we distributed 195 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 (12,964 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
 - Alpha Christian study
- We also provide our clients with access to an Employment coordinator, representatives from Ontario Works, Supportive Housing in Peel (SHIP) and Peel Addiction Assessment & Referral Centre (PAARC).
- Based on The Compass Market program, in 2017:
 - We served 1,839 different individuals from 858 client households (individuals and families).
 - 29% of these individuals were children (under 18), while 8% were seniors (65+).
 - For those households reporting dietary considerations: 12% identified as diabetic, 3% as Halal, 7% with milk allergies, 2% with peanut allergies, and 3% with seafood allergy (fish, crustaceans or shellfish).
 - For those households disclosing their housing status: 76% of our client households live in private rental housing, 6% report living with family/friends, 7% live in social housing, 4% 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: 30% from social assistance (Ontario Works), 24% from provincial disability plan (ODSP), 12% from employment income (full or part-time), 12% 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 250 dedicated volunteers.

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TREASURER'S REPORT

THE COMPASS' FINANCIAL PICTURE A review of 2017 by the Board of Directors

The "Operating Results" on the following page summarizes the financial situation of The Compass for 2017 compared to 2016, and 2018 budget expectations. The Auditor's Report as provided by HVGP accompanies the operating results. The audited financial statements include the Statement of Operations, Balance Sheet, and Statement of Cash Flows and Statement of Changes in Fixed Assets.

The Compass responds to the identified needs of our clients, offering a diverse range of programs along with our Food Bank. In our Market, we continue to provide protein options such as chicken, fish and ground pork. Providing fresh milk, eggs, apples, potatoes, onions and carrots are important staples that are always offered.

We are truly blessed to have strong support from the churches, area businesses, individuals and the local community. Total revenues reached \$408,000, which is \$56,700 above 2016 and \$53,500 above our budget. We are thankful for all of the ongoing strong support we receive, enabling us to continue to provide a variety of programs and product offerings to our clients. In 2017 we received two large donations - \$17,500 from the Pinball Clemons Foundation, and \$25,000 from another Foundation.

Our overall operating expenditures of \$357,000 were \$16,400 more than in 2016. The expenditure increase in 2017 over 2016 was primarily due to spending more on food for clients, and in preparation costs for our upcoming renovation. We still closely matched our budgeted amounts.

Thanks in part to the two large donations, we recorded a surplus of just over \$48,000 in 2017.

2018 budget

We are forecasting our revenues at \$367,700, to match actual 2017 revenues after adjusting for the two large donations. We expect our existing client programs and services to carry on throughout 2018, with similar expenditures as 2017.

With the ongoing financial challenges our clients face, we believe that the demands on our Market will be at least at the current level. We have introduced a 'Critical Commodities' program, where churches, groups and individuals have committed to providing a specific item for the year, thereby decreasing expenditures for The Compass and ensuring a continuing supply of critical items for our clients. To date, we have identified shampoo, toilet paper, tea, diapers, jam, canned meats, instant coffee, granola bars, and canned stew and chili as critical commodities. Spending amounts and allocations are adjusted as changes are identified in products provided from donations and The Mississauga Food Bank

This budget provides total expenditures 5% above 2017 actual results.

Overall, the 2018 budget shows a conservative deficiency of \$4,900 which is well within our capacity to absorb.

LAKESHORE COMMUNITY OUTREACH CENTRE INC.
operating as THE COMPASS

OPERATING RESULTS

For the years ending December 31

	2016		2017		2018
	Actual		Budget	Actual	Budget
Operating revenues					
Contributions by supporting churches	\$ 102,969	\$ 100,000	\$ 104,832	\$ 100,000	
Donations from individuals and organizations	192,656	187,000	238,870	199,000	
Proceeds from fund-raising and other	55,716	67,500	64,326	68,700	
	<u>351,341</u>	<u>354,500</u>	<u>408,028</u>	<u>367,700</u>	
Operating expenditures					
Food, supplies, bus tickets for clients	100,109	105,000	117,809	109,500	
Client programs	16,240	19,450	14,163	16,400	
Administration, training, audit, fundraising	24,876	20,300	19,990	20,550	
Occupancy: rent, utilities, insurance, repairs	102,262	100,150	95,609	114,000	
Building Renovation	-	-	11,999	-	
Staff compensation and benefits	97,097	106,131	97,406	112,169	
Total	<u>340,584</u>	<u>351,031</u>	<u>356,976</u>	<u>372,619</u>	
Excess of Operating revenues over expenditures, or (deficit)	<u>10,757</u>	<u>3,469</u>	<u>51,052</u>	<u>(4,919)</u>	
Capital Fund expenditures					
Equipment (freezers, fridges, software)	<u>11,423</u>	<u>800</u>	<u>2,942</u>	<u>-</u>	
Excess (deficiency) of revenues over expenditures	<u>\$ (666)</u>	<u>\$ 2,669</u>	<u>\$ 48,110</u>	<u>\$ (4,919)</u>	

lakeshore community outreach centre

**LAKESHORE COMMUNITY OUTREACH CENTRE INC.
(OPERATING AS THE COMPASS)**

Financial Statements
December 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Directors of Lakeshore Community Outreach Centre Inc. (Operating as The Compass):

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, 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 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 for our qualified audit opinion.

Basis for Qualified Opinion

Lakeshore Community Outreach Centre Inc. (Operating as The Compass), 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.

INDEPENDENT AUDITORS' REPORT CONTINUED

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 Lakeshore Community Outreach Centre Inc. (Operating as The Compass) 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.

Hufter Valvano Grove Philipp LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 22, 2018

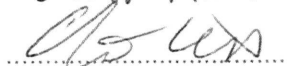
LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)

BALANCE SHEET December 31, 2017

	Notes	2017	2016
ASSETS			
CURRENT			
Cash		\$ 238,443	\$ 191,720
Guaranteed investment certificates	2	50,000	50,000
Accounts receivable		14,421	9,704
Advances and deposits		11,038	7,471
		313,902	258,895
DEPOSITS			
		-	3,424
		\$ 313,902	\$ 262,319
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		\$ 4,291	\$ 5,818
Deferred revenue		5,000	-
		9,291	5,818
COMMITMENTS			
	4		
NET ASSETS			
Operating fund		183,466	135,356
Internally restricted fund		121,145	121,145
		304,611	256,501
		\$ 313,902	\$ 262,319

Approved by the Board:

 Director

 Director

LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)

STATEMENT OF CHANGES IN NET ASSETS

For the year ended ended December 31, 2017

	Operating fund	Internally restricted fund	Total 2017	Total 2016
BALANCE, beginning of year	\$ 135,356	\$ 121,145	\$ 256,501	\$ 257,167
Excess of revenue over expenditures	48,110	-	48,110	(666)
BALANCE, end of year	\$ 183,466	\$ 121,145	\$ 304,611	\$ 256,501

LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)**STATEMENT OF OPERATIONS**

For the year ended December 31, 2017

	Note	2017	2016
REVENUE			
Donations from individuals and organizations		\$ 238,870	\$ 192,656
Contributions by supporting churches		104,832	102,969
Fund-raising events		55,182	46,870
Grants		5,326	4,062
Property tax rebates and other		3,443	3,269
Investment income		375	1,515
		408,028	351,341
EXPENDITURES			
Food and supplies for clients		108,650	87,218
Staff compensation and benefits		97,406	97,097
Occupancy		95,595	97,882
Administration		14,080	16,384
Building development		11,999	1,419
Bus tickets for clients		9,159	12,891
Other client programs		8,335	10,368
Women & men's programs		5,828	5,872
Professional fees		3,314	2,896
Fundraising expenses		1,944	3,974
Publicity		652	203
Alternations, equipment and furnishings		14	4,380
		356,976	340,584
EXCESS OF REVENUE OVER EXPENDITURES BEFORE UNDERNOTED ITEMS			
		51,052	10,757
CAPITAL ASSET EXPENDITURES	3	(2,942)	(11,423)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR			
		\$ 48,110	\$ (666)

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 48,110	\$ (666)
Net change in non-cash working capital items:		
Accounts receivable	(4,717)	2,826
Advances and deposits	(3,566)	(2,232)
Guaranteed investment certificates	-	60,000
Deposits	3,424	-
Accounts payable and accrued liabilities	(1,528)	(5,047)
Deferred revenue	5,000	-
	46,723	54,881
INCREASE IN CASH	46,723	54,881
CASH, beginning of year	191,720	136,839
CASH, end of year	\$ 238,443	\$ 191,720

LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

DESCRIPTION OF BUSINESS

Lakeshore Community Outreach Centre Inc. (Operating as The Compass), is a not-for-profit organization (hereinafter, "the Organization") incorporated without share capital under the Ontario corporations act. 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 were prepared in accordance with Canadian generally accepted accounting principles applying accounting standards for not-for-profit organizations and include the following significant accounting policies:

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 have 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. The fund reports unrestricted resources.

LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

1 SIGNIFICANT ACCOUNTING POLICIES continued

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.

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

Capital assets

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

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 the financial statements.

Measurement uncertainty

The preparation of financial statements in conformity 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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the period they become known. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

1 SIGNIFICANT ACCOUNTING POLICIES continued **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 maturing at December 2019 at interest rates of 0.80% 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 were \$2,942 (2016 - \$11,423).

4 COMMITMENTS

The Organization is committed under two property lease agreements, exclusive of occupancy costs for:

2018	\$ 51,186
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LAKESHORE COMMUNITY OUTREACH CENTRE INC. (OPERATING AS THE COMPASS)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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 assist users of financial statements in assessing the extent of risk related to financial instruments.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market.

Interest rate risk

The Organization is exposed to interest rate risk. Interest rate risk is the risk that the Organization has interest rate exposure on its guaranteed investment certificates. This exposure may have an effect on its earnings in future periods. The Organization reduces its exposure to interest rate risk by managing its guaranteed investment certificates to ensure funds are available when needed. The investment policy is primarily directed to reduce risk and interest earned is of secondary importance. In the opinion of management the interest rate risk exposure to the Organization low. The risk is unchanged from the prior year.

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.