
Financial statements of Agence Ometz

March 31, 2018

Independent Auditor's Report	1
Balance sheet	2
Statement of changes in net assets	3
Statement of operations.....	4
Statement of cash flows	5
Notes to the financial statements	6-10

Independent Auditor's Report

To the Board of Directors of
Agence Ometz

We have audited the accompanying financial statements of Agence Ometz, which comprise the balance sheet as at March 31, 2018, 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 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, the financial statements present fairly, in all material respects, the financial position of Agence Ometz as at March 31, 2018, 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.

Deloitte LLP

June 12, 2018

¹ CPA auditor, CA, public accountancy permit No. A133206

Agence Ometz

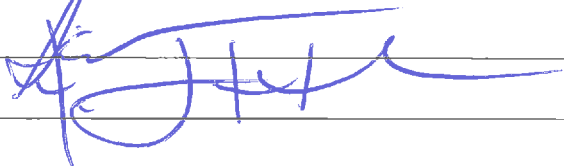
Balance sheet

As at March 31, 2018

	Notes	2018	2017
		\$	\$
Assets			
Current assets			
Cash	5	1,292,683	908,852
Cash in trust – clients’ fund	4	280,487	258,320
Accounts receivable		198,636	215,709
Prepaid expenses		14,383	48,697
		1,786,189	1,431,578
Capital assets			
Intangible assets	3	88,803	78,448
	3	116,817	108,744
		1,991,809	1,618,770
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		181,339	181,969
Due to clients’ fund	4	280,487	258,320
Due to Federation CJA		3,034	2,862
MYP Scholarship Fund		5,308	5,308
Deferred revenue		156,921	193,947
Deferred contributions – special events		39,950	–
Deferred contributions	5	665,719	518,674
		1,332,758	1,161,080
Deferred contributions related to capital assets and intangible assets	6	14,979	18,843
		1,347,737	1,179,923
Net assets			
Invested in capital assets and intangible assets		190,641	168,349
Unrestricted		453,431	270,498
		644,072	438,847
		1,991,809	1,618,770

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 _____, Director
_____, Director

Agence Ometz**Statement of changes in net assets**

Year ended March 31, 2018

	2018		2017
	Invested in capital assets and intangible assets	Unrestricted	Total
	\$	\$	\$
Balance, beginning of year	168,349	270,498	438,847
Excess (deficiency) of revenue over expenditures	(49,085)⁽¹⁾	254,310	205,225
Net investment in capital assets and intangible assets	71,377	(71,377)	—
Balance, end of year	190,641	453,431	644,072

(1) Represents amortization of capital assets and intangible assets, and deferred contributions related to capital assets and intangible assets.

The accompanying notes are an integral part of the financial statements.

Agence Ometz
Statement of operations
Year ended March 31, 2018

	Notes	2018	2017
		\$	\$
Revenue			
Federation CJA	9	2,828,442	2,693,216
Fee for service		929,272	1,000,950
Government grants	7	788,807	775,500
Operation Montréal		281,000	281,000
Centraide		250,000	250,000
Donations		840,545	945,153
B.D.H. Community Foundation	11	673,244	653,623
		6,591,310	6,599,442
Expenditures			
Operating expenses			
Program salaries and benefits		4,066,385	4,051,641
Program contract professionals		454,950	365,871
Activity costs		267,465	270,348
Professional development and memberships		41,509	48,600
Marketing		265,655	236,557
Information technology		167,933	159,053
Amortization of capital assets		19,720	22,739
Amortization of intangible assets		33,229	27,640
		5,316,846	5,182,449
Administration			
Salaries and benefits		723,439	678,278
Office and general		86,425	95,886
Insurance		41,342	39,224
Professional fees		44,361	57,104
Bank charges		812	2,338
		896,379	872,830
Funding and development		172,860	337,183
Total expenditures		6,386,085	6,392,462
Excess of revenue over expenditures		205,225	206,980

The accompanying notes are an integral part of the financial statements.

Agence Ometz
Statement of cash flows
Year ended March 31, 2018

	Notes	2018	2017
		\$	\$
Operating activities			
Excess of revenue over expenditures		205,225	206,980
Adjustments for:			
Amortization of capital assets		19,720	22,739
Amortization of intangible assets		33,229	27,640
Amortization of deferred contributions related to capital assets and intangible assets		(3,864)	(5,509)
Write off of capital assets and intangible assets		—	6,242
		254,310	258,092
Net change in non-cash working capital items	8	200,898	4,960
		455,208	263,052
Investing activities			
Acquisition of capital assets		(30,075)	(9,346)
Acquisition of intangible assets		(41,302)	(55,858)
		(71,377)	(65,204)
Net increase in cash		383,831	197,848
Cash, beginning of year		908,852	711,004
Cash, end of year		1,292,683	908,852

The accompanying notes are an integral part of the financial statements.

Agence Ometz

Notes to the financial statements

March 31, 2018

1. Nature of business

Agence Ometz (the "Organization") is a charitable social services agency, which supports and strengthens individuals and families by offering a range of human services in the fields of employment, immigration and social services.

As a constituent agency, the Organization receives significant funding from Federation CJA.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organization 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 the related expenses are incurred. Restricted contributions related to the acquisition of capital assets and intangible assets are recorded as deferred contributions and are amortized on the same basis as the related capital assets and intangible assets are amortized. 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. Unrestricted interest income is recognized as revenue when earned.

Fees from revenue-producing activities (fees for service) are recognized as revenue when the services are rendered and collection is reasonably assured.

Cash in trust – clients' fund and due to clients' fund

Cash in trust – clients' fund represents cash held in trust by the Organization on behalf of certain individuals who require assistance in the payment of their expenses. The in-trust amount is offset by a matching due to clients' fund liability.

Capital assets and intangible assets

Capital assets and intangible assets are recorded at cost and amortized over their respective estimated useful lives using the straight-line or diminishing balance method as follows:

Office equipment	diminishing balance	20%
Computers	diminishing balance	25%
Leasehold improvements	straight-line	10 years
Website	straight-line	4 years
Database	diminishing balance	25%
Software	diminishing balance	25%

Software, website and database are presented as intangible assets on the balance sheet.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

Agence Ometz

Notes to the financial statements

March 31, 2018

2. Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statements of operations as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statements of operations in the period the reversal occurs.

Use of estimates

The preparation of financial statements in conformity with the 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the estimated useful lives of capital assets and intangible assets, and accrued liabilities. Actual results could differ from these estimates.

Contributed services and materials

Office space and various services are contributed free of charge to assist the Organization in carrying out its activities. Because of the difficulty of determining the fair value of contributed services, they are not recognized in the financial statements. Contributed materials are recorded when it is feasible to establish the fair value.

3. Capital assets and intangible assets

	2018		2017
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Office equipment	191,689	158,158	33,531
Computers	252,649	216,150	36,499
Leasehold improvements	81,236	62,463	18,773
Website	33,210	8,569	24,641
Database	279,220	197,446	81,774
Software	49,116	38,714	10,402
	887,120	681,500	205,620

Website, database and software are presented as intangible assets on the balance sheet.

Agence Ometz**Notes to the financial statements**

March 31, 2018

4. Due to clients' fund

	2018	2017
	\$	\$
Balance, beginning of year	258,320	225,207
Receipts	1,568,900	1,547,584
	1,827,220	1,772,791
Disbursements	(1,546,733)	(1,514,471)
Balance, end of year	280,487	258,320

Due to clients' fund is offset by a matching cash in trust asset on the balance sheet.

5. Deferred contributions

Deferred contributions represent externally restricted funding received that is related to future periods.

Changes in deferred contributions balance are as follows:

	2018	2017
	\$	\$
Balance, beginning of year	518,674	500,118
Received in the year	4,873,231	4,822,992
	5,391,905	5,323,110
Recognized as revenue in the year	(4,726,186)	(4,804,436)
Balance, end of year	665,719	518,674

6. Deferred contributions related to capital assets and intangible assets

Changes to deferred contributions related to capital assets and intangible assets are as follows:

	2018	2017
	\$	\$
Balance, beginning of year	18,843	24,352
Recognized as revenue in the year	(3,864)	(5,509)
Balance, end of year	14,979	18,843

Agence Ometz**Notes to the financial statements**

March 31, 2018

7. Government grants

	2018	2017
	\$	\$
Emploi-Québec	496,686	480,023
Immigration, Diversité et Inclusion	62,319	62,721
Programme de Soutien aux Organismes Communautaires	153,960	152,890
Human Resources and Skill Development of Canada	52,049	58,828
Other grants	23,793	21,038
	788,807	775,500

8. Cash flows*Net change in non-cash working capital items*

	2018	2017
	\$	\$
Decrease (increase) in accounts receivable	17,073	(2,350)
Decrease in prepaid expenses	34,314	30,383
Decrease in accounts payable and accrued liabilities	(630)	(18,523)
Increase in due to Federation CJA	172	705
Decrease (increase) in deferred revenue	(37,026)	39,995
Increase (decrease) in deferred contributions – special events	39,950	(63,806)
Increase in deferred contributions	147,045	18,556
	200,898	4,960

9. Community assistance program

The Organization administers the Community Assistance Program (CAP) on behalf of Federation CJA. CAP offers programs and services to help improve the quality of life and to help maintain a Jewish lifestyle for families and individuals on limited sources of income. The program is funded by contributions from Federation CJA, which amounted to \$1,297,554 (\$1,398,336 in 2017). During the year, program expenditures amounted to \$1,297,554 (\$1,398,336 in 2017), of which \$391,771 (\$339,399 in 2017) were in support of the Organization's programs and were therefore included in total revenues from Federation CJA of \$2,828,442 (\$2,693,216 in 2017) in the statement of operations.

10. Financial instruments

Credit risk

The Organization, as part of its operations, monitors the financial condition of its customers and reviews the credit history of each new customer. The Organization does not have a significant exposure to any individual customer or counterparty. The Organization establishes an allowance for doubtful accounts that corresponds to the credit risks of its specific customers, historical trends and economic circumstances.

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balance and cash flows generated from operations to meet its requirements. As at March 31, 2018, the most significant liabilities are accounts payable and accrued liabilities and due to clients' fund.

11. Related party transactions

B.D.H.

B.D.H. Community Foundation (B.D.H.) is an independent foundation that acquires and maintains cemetery plots for indigent burials and provides financial support to the Organization. During the year, B.D.H made a donation of \$673,244 (\$653,623 in 2017) to the Organization, which is presented in the statement of operations as revenue. This amount includes \$61,244 (\$56,491 in 2017) of income earned from endowment funds held by B.D.H.

The Chief Executive Officer of the Organization is the Executive Director of B.D.H.

These transactions were made in the normal course of operations and have been recorded at the exchange amounts.

Federation CJA

Federation CJA provides the Organization office space in its building on a rent-free basis and various other services free of charge, including human resources, security, and information technology. The estimated cost of such services is approximately \$630,000 (approximately \$587,000 for 2017). These costs are not recognized in the financial statements.

12. Pension plan

The Organization sponsors a defined contribution pension plan covering substantially all of its employees. The contribution rates of the employer and employees are 5% and 3% of eligible salaries, respectively. Pension expense and contributions paid during the year were \$196,748 (\$198,342 in 2017). The plan is held and administered by Federation CJA.