

*Financial statements of*

**AGENCE OMETZ**

*March 31, 2013 and March 31, 2012*

# **AGENCE OMETZ**

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## 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 sheets as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 in our audits 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 of March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

*Deloitte s.e.n.c.r.l.*<sup>1</sup>

June 20, 2013

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A116349

# AGENCE OMETZ

## Balance sheets

as at March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
<b>Assets</b>			
Current assets			
Cash	747,483	584,853	311,166
Cash in Trust – clients’ fund (Note 3)	166,530	163,235	156,685
Accounts receivable	96,818	132,376	125,178
Receivable from B.D.H. Community Foundation (Note 13)	-	63,000	234,000
Prepaid expenses	56,900	31,961	7,608
	<b>1,067,731</b>	975,425	834,637
Capital assets (Note 4)	212,314	204,481	203,374
	<b>1,280,045</b>	1,179,906	1,038,011
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	250,031	205,121	205,259
Due to clients’ fund (Note 5)	166,530	163,235	156,685
Due to FEDERATION CJA	2,601	9,214	4,215
Due to Ometz Pre-Migration Program (Note 13)	766	-	6,500
Homeshare Reserve	6,415	-	-
Deferred revenue	214,419	240,054	240,793
Deferred revenue special events	141,308	156,747	-
Deferred contributions (Note 6)	272,055	210,083	199,082
	<b>1,054,125</b>	984,454	812,534
Deferred contributions related to capital assets (Note 7)	54,247	71,352	100,616
	<b>1,108,372</b>	1,055,806	913,150
<b>Net assets</b>			
Invested in capital assets	158,067	133,129	102,758
Unrestricted	13,606	(9,029)	22,103
	<b>171,673</b>	124,100	124,861
	<b>1,280,045</b>	1,179,906	1,038,011

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

### Approved by the Board

.....Director

.....Director

# AGENCE OMETZ

## Statements of changes in net assets

years ended March 31, 2013 and March 31, 2012

	Invested in capital assets	Unrestricted	Total
	\$	\$	\$
<b>Balance, as at April 1, 2011</b>	102,758	22,103	124,861
(Deficiency) excess of revenue over expenditures	(33,163) <sup>(1)</sup>	32,402	(761)
Investment in capital assets in excess of deferred contributions related to capital assets	63,534	(63,534)	-
<b>Balance, as at March 31, 2012</b>	<b>133,129</b>	<b>(9,029)</b>	<b>124,100</b>
Excess (deficiency) of revenue over expenditures	(44,889) <sup>(1)</sup>	92,462	47,573
Investment in capital assets in excess of deferred contributions related to capital assets	69,827	(69,827)	-
<b>Balance, as at March 31, 2013</b>	<b>158,067</b>	<b>13,606</b>	<b>171,673</b>

<sup>(1)</sup> Amortization of capital assets and deferred contributions related to capital assets.

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

# AGENCE OMETZ

## Statements of operations

years ended March 31, 2013 and March 31, 2012

	2013	2012
	\$	\$
<b>Revenue</b>		
FEDERATION CJA	2,298,304	2,293,890
Fee for service	1,046,461	1,035,713
Government grants (Note 8)	969,715	945,697
Operation Montreal	271,000	270,000
Centraide	320,000	320,000
Donations	652,226	304,605
B.D.H. Community Foundation (Note 13)	562,390	536,290
Rent in kind (Note 9)	210,000	210,000
	<b>6,330,096</b>	<b>5,916,195</b>
<b>Expenditures</b>		
Operating expenses		
Program salaries and benefits	3,921,347	3,845,325
Program contract professionals	346,396	287,660
Activity costs	288,274	281,466
Professional development and memberships	24,627	30,329
Rent (Note 9)	210,000	210,000
Marketing	161,842	140,772
Information technology	143,632	175,395
Amortization of capital assets	61,994	62,427
	<b>5,158,112</b>	<b>5,033,374</b>
Administration		
Salaries and benefits	646,192	574,022
Office and general	97,481	94,533
Insurance	42,012	43,932
Professional fees	30,454	28,046
Bank charges	4,808	4,703
	<b>820,947</b>	<b>745,236</b>
Funding and development	303,464	138,346
<b>Total expenditures</b>	<b>6,282,523</b>	<b>5,916,956</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>47,573</b>	<b>(761)</b>

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

# AGENCE OMETZ

## Statements of cash flows

years ended March 31, 2013 and March 31, 2012

	2013	2012
	\$	\$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures	47,573	(761)
Adjustment for:		
Amortization of capital assets	61,994	62,427
Amortization of deferred contributions related to capital assets	(17,105)	(29,264)
Homeshare reserve	6,415	-
Deferred revenue	(25,635)	(739)
Deferred revenue special events	(15,439)	156,747
Deferred contributions	61,972	11,001
	<b>119,775</b>	<b>199,411</b>
Net change in non-cash working capital items (Note 10)	<b>111,916</b>	<b>144,310</b>
	<b>231,691</b>	<b>343,721</b>
<b>Financing activities</b>		
Increase (decrease) in funds due to Ometz Pre-Migration Program (Note 13)	<b>766</b>	<b>(6,500)</b>
<b>Investing activities</b>		
Acquisition of capital assets	<b>(69,827)</b>	<b>(63,534)</b>
Increase in cash	<b>162,630</b>	<b>273,687</b>
Cash, beginning of year	<b>584,853</b>	<b>311,166</b>
<b>Cash, end of year</b>	<b>747,483</b>	<b>584,853</b>

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



**AGENCE OMETZ**  
**Notes to the financial statements**  
**March 31, 2013 and March 31, 2012**

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**1. Nature of business**

Agence Ometz (the “Organization”) is a non-profit 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. Adoption of a new accounting framework**

During the year ended March 31, 2013, the Organization adopted the new Canadian accounting standards for not-for-profit organizations (the “new standards” or “ASNPO”) adopted by the Canadian Institute of Chartered Accountants (“CICA”). In accordance with CICA Handbook Section 1501, *First-time Adoption* (“Section 1501”), the date of transition to the new standards was April 1, 2011, and the Organization has prepared and presented an opening balance sheet at the date of transition to the new standards. This opening balance sheet is the starting point for the Organization’s accounting under the new standards. In its opening balance sheet, under the recommendations of Section 1501, the Organization:

- a) recognized all assets and liabilities whose recognition is required by the new standards;
- b) did not recognize items as assets or liabilities if the new standards do not permit such recognition;
- c) reclassified items that it recognized previously as one type of asset, liability or component of net assets, but are recognized as a different type of asset, liability or component of net assets under the new standards; and
- d) applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies set out in Note 3 have been consistently applied to all years presented. There were no changes in the financial statements with the adoption of the new standards.

# AGENCE OMETZ

## Notes to the financial statements

### March 31, 2013 and March 31, 2012

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### 3. 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 are recorded as deferred credits and are amortized on the same basis as the related capital 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 Agence Ometz 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*

Capital 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 and software	diminishing balance	25%
Website	straight-line	3 years
Database	diminishing balance	25%
Leasehold improvements	straight-line	5 years

#### *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.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments 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 statements 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.

**AGENCE OMETZ**  
**Notes to the financial statements**  
**March 31, 2013 and March 31, 2012**

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**3. Significant accounting policies (continued)**

*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 accrued liabilities. Actual results could differ from these estimates.

*Contributed services and materials*

Services are contributed to assist the Organization in carrying out its activities. Because of the difficulty of determining the fair value, contributed services, with the exception of rent-free space, the fair value of which can be reasonably estimated (see Note 9), are not recognized in the financial statements. Contributed materials are recorded when it is feasible to establish the fair value.

**4. Capital assets**

	<b>March 31, 2013</b>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
	\$	\$	\$
Office equipment	193,126	144,624	48,502
Computers and software	292,120	234,867	57,253
Website	61,400	44,777	16,623
Database	174,789	92,419	82,370
Leasehold improvements	54,009	46,443	7,566
	<b>775,444</b>	<b>563,130</b>	<b>212,314</b>

	March 31, 2012		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
	\$	\$	\$
Office equipment	175,427	135,030	40,397
Computers and software	269,577	217,785	51,792
Website	49,077	38,929	10,148
Database	161,289	64,963	96,326
Leasehold improvements	50,247	44,429	5,818
	705,617	501,136	204,481

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**Notes to the financial statements**  
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**4. Capital assets (continued)**

	<u>April 1, 2011</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
	\$	\$	\$
Office equipment	160,955	126,805	34,150
Computers and software	256,444	202,367	54,077
Website	37,951	31,405	6,546
Database	139,920	34,888	105,032
Leasehold improvements	46,813	43,244	3,569
	<u>642,083</u>	<u>438,709</u>	<u>203,374</u>

**5. Due to clients' fund**

	<u>2013</u>	<u>2012</u>
	\$	\$
Balance, beginning of year	<b>163,235</b>	156,685
Receipts	<b>1,173,290</b>	1,194,271
	<u><b>1,336,525</b></u>	<u>1,350,956</u>
Disbursements	<b>(1,169,995)</b>	(1,187,721)
Balance, end of year	<u><b>166,530</b></u>	<u>163,235</u>

**6. Deferred contributions**

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

Changes in deferred contributions balance are as follows:

	<u>2013</u>	<u>2012</u>
	\$	\$
Balance, at beginning of year	<b>210,083</b>	199,082
Received in the year	<b>4,302,600</b>	3,945,786
Recognized as revenue in the year	<b>(4,240,628)</b>	(3,934,785)
Balance, at end of year	<u><b>272,055</b></u>	<u>210,083</u>

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**Notes to the financial statements**  
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**7. Deferred contributions related to capital assets**

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

	<u>2013</u>	<u>2012</u>
	\$	\$
Balance, beginning of year	71,352	100,616
Recognized as revenue in the year	<b>(17,105)</b>	(29,264)
Balance, end of year	<b>54,247</b>	71,352

**8. Revenue: Government grants**

	<u>2013</u>	<u>2012</u>
	\$	\$
Emploi-Québec	<b>419,393</b>	438,859
Health Canada	<b>207,233</b>	184,137
MICC (PANA)	<b>99,272</b>	94,771
PSOC	<b>73,848</b>	72,117
HRSDS	<b>21,481</b>	20,849
Conseil du Trésor, Québec	<b>49,721</b>	49,749
Other grants	<b>98,767</b>	85,215
	<b>969,715</b>	945,697

**9. Rent in kind**

FEDERATION CJA provides Agence Ometz office space in its building on a rent-free basis. The management of the Organization has established that the fair value of the rent-free space totals approximately \$210,000 (approximately \$210,000 for 2012), which is presented as rent-in-kind revenue with an equivalent offsetting amount as rent expense in the statements of operations. Fair value was estimated based on the fair value per square foot for comparable office space in the area where the building is located.

**10. Cash flows**

Net change in non-cash working capital items consists of the following:

	<u>2013</u>	<u>2012</u>
	\$	\$
Decrease in accounts receivable and receivable from B.D.H. Community Foundation	<b>98,558</b>	163,802
Increase in prepaid expenses	<b>(24,939)</b>	(24,353)
Increase (decrease) in accounts payable and accrued liabilities	<b>44,910</b>	(138)
(Decrease) increase in funds due to FEDERATION CJA	<b>(6,613)</b>	4,999
	<b>111,916</b>	144,310

# AGENCE OMETZ

## Notes to the financial statements

March 31, 2013 and March 31, 2012

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### 11. 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 \$1,613,379 (\$1,813,166 in 2012). During the year, program expenditures amounted to \$1,613,379 (\$1,813,166 in 2012).

### 12. 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, 2013 and March 31, 2012, the most significant liabilities are accounts payable and accrued liabilities, due to clients’ fund, due to FEDERATION CJA and due to Ometz Pre-Migration Program.

### 13. Related party transactions

#### OMETZ-PMP

During the year, the Organization recorded a \$15,000 contribution to Ometz Pre-migration Program (OMETZ-PMP) (nil in 2012) and \$766 due to OMETZ-PMP (nil as at March 31, 2012 and \$6,500 as at April 1, 2011) in relation to certain program expenses incurred by OMETZ-PMP. The Organization controls OMETZ-PMP as OMETZ-PMP’s Board of Directors is a subset of the Organization’s Board of Directors and OMETZ-PMP is managed by the same executive directors as those of the Organization.

OMETZ-PMP promotes, facilitates and assists interested Jewish immigrants in their immigration process to Canada, specifically in the Province of Quebec, according to existing Federal and provincial regulations. OMETZ-PMP is incorporated under the *Canada Corporations Act* as a not-for-profit organization.

**AGENCE OMETZ**  
**Notes to the financial statements**  
**March 31, 2013 and March 31, 2012**

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**13. Related party transactions (continued)**

The OMETZ-PMP financial statements are available on request. The financial information of OMETZ-PMP is as follows:

	March 31, <u>2013</u>	March 31, <u>2012</u>	April 1, <u>2011</u>
	\$	\$	\$
Total assets <sup>(1)</sup>	4,775	10,725	41,742
Total liabilities	1,531	8,949	2,409
Net assets	3,244	1,776	39,333
Revenue <sup>(1)</sup>	81,229	68,502	-
Expenditures	79,761	106,059	-
Excess (deficiency) of revenues over expenditures	1,468	(37,557)	-

<sup>(1)</sup> There were no contributions receivable from the Organization as at March 31, 2013 (nil at March 31, 2012 and \$6,500 as at April 1, 2011).

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 Agence Ometz. During the year, B.D.H made a donation of \$562,390 (\$536,290 in 2012) to the Organization, which is reflected in the statements of operations as revenue. This amount includes \$52,629 (\$36,290 in 2012) of income earned from endowment Funds held by B.D.H. There was a receivable of nil on the balance sheet as at March 31, 2013 (\$63,000 as at March 31, 2012, \$234,000 as at April 1, 2011).

One of the two co-executive directors of Agence Ometz 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.

**14. Pension Plan**

The Organization sponsors a defined contribution 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 \$196,178 (\$184,069 in 2012). The plan is held and administered by FEDERATION CJA.