
Financial statements of
Agence Ometz

March 31, 2015

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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 sheet as at March 31, 2015, and the statements of changes in net assets, operations 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, 2015, 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 LLP¹

June 16, 2015

¹CPA auditor, CA, public accountancy permit No. A116349

Agence Ometz

Balance sheet

As at March 31, 2015

	Notes	2015	2014
		\$	\$
Assets			
Current assets			
Cash		737,542	713,214
Cash in Trust – clients' fund	2	186,724	190,031
Accounts receivable		216,498	117,223
Receivable from B.D.H. Community Foundation	12	24,000	55,000
Prepaid expenses		73,561	76,751
		1,238,325	1,152,219
Capital assets	3	116,937	113,819
Intangible assets	3	83,765	92,578
		1,439,027	1,358,616
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		420,174	210,061
Due to clients' fund	4	186,724	190,031
Due to Federation CJA		8,579	6,971
MYP Scholarship Fund		5,058	9,808
Deferred revenue		201,763	202,227
Deferred revenue special events		140,500	278,766
Deferred contributions	5	271,923	231,936
		1,234,721	1,129,800
Deferred contributions related to capital assets and intangible assets	6	31,663	41,366
		1,266,384	1,171,166
Net assets			
Invested in capital assets and intangible assets		169,039	165,031
Unrestricted		3,604	22,419
		172,643	187,450
		1,439,027	1,358,616

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

Approved by the Board

_____, Director

_____, Director

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

Year ended March 31, 2015

		2015		2014
		Invested in capital assets and intangible assets	Unrestricted	Total
Notes		\$	\$	\$
	Balance, beginning of year	165,031	22,419	187,450
	(Deficiency) excess of revenue over expenditures	(52,179) ⁽¹⁾	37,372	(14,807)
	Ometz Pre-migration program	—	—	—
12	Investment in capital assets and intangible assets in excess of deferred contributions related to capital assets and intangible assets	56,187	(56,187)	—
	Balance, end of year	169,039	3,604	172,643

⁽¹⁾ 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 these financial statements.

Agence Ometz
Statement of operations
Year ended March 31, 2015

	Notes	2015	2014
		\$	\$
Revenue			
Federation CJA		2,286,340	2,256,473
Fee for service		1,031,815	1,012,098
Government grants	7	825,318	931,766
Operation Montreal		281,000	281,000
Centraide		313,600	320,000
Donations		729,524	619,240
B.D.H. Community Foundation	12	618,667	532,126
		6,086,264	5,952,703
Expenditures			
Operating expenses			
Program salaries and benefits		3,944,693	4,025,607
Program contract professionals		216,590	243,560
Activity costs		280,152	225,090
Professional development and memberships		29,417	26,663
Marketing		178,298	182,070
Information technology		145,402	145,124
Amortization of capital assets		31,813	32,485
Amortization of intangible assets		30,069	29,052
		4,856,434	4,909,651
Administration			
Salaries and benefits		619,310	554,711
Office and general		94,411	96,766
Insurance		41,711	41,730
Professional fees		43,597	28,934
Bank charges		4,160	4,228
		803,189	726,369
Funding and development		343,228	304,150
Total expenditures		6,002,851	5,940,170
Operational surplus before undernoted item		83,413	12,533
Restructuring costs (net of Federation CJA contribution of \$92,500)	13	98,220	—
(Deficiency) excess of revenue over expenditures		(14,807)	12,533

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

Agence Ometz
Statement of cash flows
Year ended March 31, 2015

	Notes	2015	2014
		\$	\$
Operating activities			
(Deficiency) excess of revenue over expenditures		(14,807)	12,533
Adjustments for			
Amortization of capital assets		31,813	32,485
Amortization of intangible assets		30,069	29,052
Amortization of deferred contributions related to capital assets and intangible assets		(9,703)	(12,881)
Deferred revenue		(464)	(12,192)
Deferred revenue special events		(138,266)	137,458
Deferred contributions		39,987	(46,534)
		(61,371)	139,921
Net change in non-cash working capital items	9	141,886	(117,804)
		80,515	22,117
Financing activities			
Decrease in funds due to Ometz Pre-Migration Program	12	—	(766)
Investing activities			
Acquisition of capital assets		(34,931)	(42,580)
Acquisition of intangible assets		(21,256)	(13,040)
		(56,187)	(55,620)
Increase (decrease) in cash		24,328	(34,269)
Cash, beginning of year		713,214	747,483
Cash, end of year		737,542	713,214

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

Agence Ometz

Notes to the financial statements

March 31, 2015

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

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.

2. Significant accounting policies (continued)

Financial instruments (continued)

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.

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 (see Note 8). Contributed materials are recorded when it is feasible to establish the fair value.

3. Capital assets and intangible assets

	2015			2014
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	223,504	169,553	53,951	57,573
Computers	279,594	224,615	54,979	44,926
Leasehold improvements	61,403	53,396	8,007	11,320
Web site	68,990	60,162	8,828	11,312
Database	198,003	133,304	64,699	71,669
Software	55,756	45,518	10,238	9,597
	887,250	686,548	200,702	206,397

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

Agence Ometz

Notes to the financial statements

March 31, 2015

4. Due to clients' fund

	2015	2014
	\$	\$
Balance, beginning of year	190,031	166,530
Receipts	1,263,557	1,215,204
	1,453,588	1,381,734
Disbursements	(1,266,864)	(1,191,703)
Balance, end of year	186,724	190,031

5. Deferred contributions

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

Changes in deferred contributions balance are as follows:

	2015	2014
	\$	\$
Balance, at beginning of year	231,936	278,470
Received in the year	4,229,131	4,218,839
	4,461,067	4,497,309
Recognized as revenue in the year	(4,189,144)	(4,265,373)
Balance, at end of year	271,923	231,936

6. Deferred contributions related to capital assets and intangible assets

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

	2015	2014
	\$	\$
Balance, beginning of year	41,366	54,247
Recognized as revenue in the year	(9,703)	(12,881)
Balance, end of year	31,663	41,366

Agence Ometz

Notes to the financial statements

March 31, 2015

7. Government grants

	2015	2014
	\$	\$
Emploi-Québec	454,525	460,701
Health Canada	—	64,919
Immigration, Diversité et Inclusion	110,970	105,149
PSOC	75,705	75,030
HRSDS	22,829	22,369
Conseil du Trésor, Québec	—	46,646
Autorité des marchés financiers	31,500	37,500
Other grants	129,789	119,452
	825,318	931,766

8. Contributions in kind

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 incurring such services is approximately \$611,000 (approximately \$716,000 for 2014).

9. Cash flows

Net change in non-cash working capital items

	2015	2014
	\$	\$
Increase in accounts receivable and receivable from B.D.H. Community Foundation ⁽¹⁾	(68,275)	(70,630)
Decrease (increase) in prepaid expenses	3,190	(19,851)
(Decrease) increase in MYP Scholarship fund	(4,750)	9,808
Increase (decrease) in accounts payable and accrued liabilities ⁽¹⁾	210,113	(41,501)
Increase in due to Federation CJA	1,608	4,370
	141,886	(117,804)

⁽¹⁾ On December 31, 2013, the net assets of Ometz Pre-migration Program (OMETZ-PMP) were transferred to the Organization. This non-monetary transaction is reflected in the net change in non-cash working capital items for the year ended March 31, 2014 above. Refer to Note 12 for more information.

10. 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 \$1,532,266 (\$1,472,585 in 2014). During the year, program expenditures amounted to \$1,532,266 (\$1,472,585 in 2014).

11. 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, 2015, the most significant liabilities are accounts payable and accrued liabilities and due to clients' fund.

12. 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 \$618,667 (\$532,126 in 2014) to the Organization, which is presented in the statement of operations as revenue. This amount includes \$49,939 (\$44,848 in 2014) of income earned from endowment Funds held by B.D.H. As at March 31, 2015, an amount of \$24,000 (\$55,000 as at March 31, 2014), is receivable from 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.

OMETZ-PMP

On December 31, 2013, Ometz Pre-migration Program (OMETZ-PMP), originally incorporated under the *Canada Corporations Act* as a not-for-profit organization, was dissolved and the net assets were transferred to the Organization. The Organization previously controlled OMETZ-PMP as OMETZ-PMP's Board of Directors was a subset of the Organization's Board of Directors and OMETZ-PMP was managed by the same executive directors as those of the Organization. The Organization continues to carry on the operations of the dissolved OMETZ-PMP.

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Notes to the financial statements

March 31, 2015

12. Related party transactions (continued)

OMETZ-PMP (continued)

The net assets transferred to the Organization on December 31, 2013, comprised the following:

	\$
Total assets	4,775
Total liabilities	1,531
Net assets	<u>3,244</u>

13. Restructuring cost

During the year, the Organization undertook a restructuring initiative and incurred restructuring costs of \$190,720. As at March 31, 2015, this amount is included in accounts payable and accrued liabilities. Federation CJA committed to contributing \$92,500 towards costs associated with the restructuring initiative which is included in accounts receivable as at March 31, 2015.

14. 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 \$193,409 (\$191,863 in 2014). The plan is held and administered by Federation CJA.