
Financial statements of Agence Ometz

March 31, 2019

Independent Auditor's Report	1-2
Balance sheet	3
Statement of changes in net assets	4
Statement of operations	5
Statement of cash flows	6
Notes to the financial statements	7-12

Independent Auditor's Report

To the Board of Directors of
Agence Ometz

Opinion

We have audited the financial statements of Agence Ometz (the "Organization"), which comprise the balance sheet as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, 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 (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

June 11, 2019

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

Agence Ometz

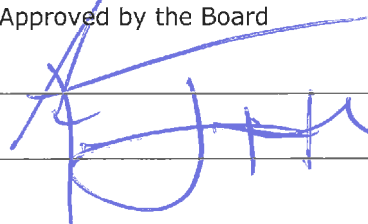
Balance sheet

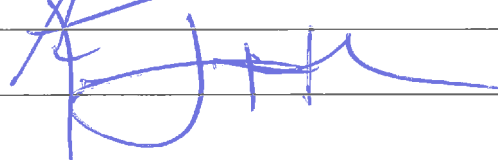
As at March 31, 2019

	Notes	2019	2018
		\$	\$
Assets			
Current assets			
Cash		451,839	1,292,683
Short term investment, rate of 2.47%, maturing in April 2019		1,000,000	—
Cash in trust – clients' fund	4	300,373	280,487
Accounts receivable		161,386	198,636
Prepaid expenses		3,200	14,383
		1,916,798	1,786,189
Capital assets	3	130,933	44,842
Intangible assets	3	115,558	84,410
		2,163,289	1,915,441
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		186,444	181,339
Due to clients' fund	4	300,373	280,487
Due to Federation CJA		16,176	3,034
Due to Community Assistance Program		25,000	—
MYP Scholarship Fund		5,308	5,308
Deferred revenue		187,703	156,921
Deferred contributions – special events		5,000	39,950
Deferred contributions	5	708,940	665,719
		1,434,944	1,332,758
Deferred contributions related to capital assets and intangible assets	6	1,885	1,885
		1,436,829	1,334,643
Net assets			
Invested in capital assets and intangible assets		244,606	127,367
Unrestricted		481,854	453,431
		726,460	580,798
		2,163,289	1,915,441

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, 2019

		2019		2018
		Invested in capital assets and intangible assets	Unrestricted	Total
Notes		\$	\$	\$
		\$	\$	\$
	Balance, beginning of year as previously presented	190,641	453,431	438,847
	Change in accounting policy	(63,274)	—	(65,284)
13	Balance beginning of year restated	127,367	453,431	373,563
	Excess (deficiency) of revenue over expenses	(65,376)	211,038	207,235
	Net investment in capital assets and intangible assets	182,615	(182,615)	—
	Balance, end of year	244,606	481,854	580,798

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

Agence Ometz
Statement of operations
Year ended March 31, 2019

	Notes	2019	2018
		\$	\$
			(Restated see Note 13)
Revenue			
Federation CJA	9	3,025,951	2,828,442
Fee for service		842,143	929,272
Government grants	7	834,245	788,807
Operation Montréal		281,000	281,000
Centraide		250,000	250,000
Donations		868,183	853,639
B.D.H. Community Foundation	11	672,958	673,244
Interest income		21,142	1,647
		6,795,622	6,606,051
Expenses			
Operating expenses			
Program salaries and benefits	12	4,107,972	3,988,741
Program contract professionals		322,145	454,950
Activity costs		325,530	267,465
Professional development and memberships		51,441	41,509
Marketing		324,561	287,839
Information technology		205,436	167,933
Amortization of capital assets		22,261	25,452
Amortization of intangible assets		43,115	38,581
		5,402,461	5,272,470
Administration			
Salaries and benefits	12	690,166	684,971
Office and general		107,248	86,425
Office renovations		74,127	—
Insurance		40,903	41,342
Professional fees		46,615	44,361
Bank charges		2,652	2,459
		961,711	859,558
Funding and development		285,788	266,788
Total expenses		6,649,960	6,398,816
Excess of revenue over expenses		145,662	207,235

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

Agence Ometz
Statement of cash flows
Year ended March 31, 2019

	Notes	2019	2018
		\$	\$
			(Restated see Note 13)
Operating activities			
Excess of revenue over expenses		145,662	207,235
Adjustments for:			
Amortization of capital assets		22,261	25,452
Amortization of intangible assets		43,115	38,581
Amortization of deferred contributions related to capital assets and intangible assets		—	(16,958)
		211,038	254,310
Net change in non-cash working capital items	8	130,733	200,898
		341,771	455,208
Investing activities			
Acquisition of capital assets		(108,352)	(30,075)
Acquisition of intangible assets		(74,263)	(41,302)
		(182,615)	(71,377)
Net (decrease) increase in cash and cash equivalents		159,156	383,831
Cash and cash equivalents, beginning of year	8	1,292,683	908,852
Cash and cash equivalents, end of year	8	1,451,839	1,292,683

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

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, school 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 and cash equivalents

Cash and cash equivalents comprise cash and short-term investments with a term to maturity of three months or less at the date of acquisition.

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 method as follows:

Office equipment	Straight-line	5 years
Computers	Straight-line	4 years
Leasehold improvements	Straight-line	10 years
Website	Straight-line	4 years
Database	Straight-line	4 years
Software	Straight-line	4 years

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

2. Significant accounting policies (continued)

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 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

Capital assets

	2019		2018
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
			(Restated see Note 13)
			Net book value
Office equipment	207,005	187,809	19,196
Computers	269,386	245,700	23,686
Leasehold improvements	157,535	69,484	88,051
	633,926	502,933	130,933
			10,615
			15,454
			18,773
			44,842

3. Capital assets and intangible assets (continued)

Intangible assets

	2019		2018
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
			(Restated see Note 13)
Website	54,954	21,175	24,641
Database	330,289	254,712	52,170
Software	50,566	44,364	7,599
	435,809	320,251	84,410

4. Due to clients' fund

	2019	2018
	\$	\$
Balance, beginning of year	280,487	258,320
Receipts	1,292,532	1,568,900
	1,573,019	1,827,220
Disbursements	(1,272,646)	(1,546,733)
Balance, end of year	300,373	280,487

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:

	2019	2018
	\$	\$
Balance, beginning of year	665,719	518,674
Received in the year	5,098,092	4,873,231
	5,763,811	5,391,905
Recognized as revenue in the year	(5,054,871)	(4,726,186)
Balance, end of year	708,940	665,719

Agence Ometz**Notes to the financial statements**

March 31, 2019

6. Deferred contributions related to capital assets and intangible assets

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

	2019	2018
	\$	\$
		(Restated see Note 13)
Balance, beginning of year	1,885	18,843
Recognized as revenue in the year	—	(16,958)
Balance, end of year	1,885	1,885

7. Government grants

	2019	2018
	\$	\$
Emploi-Québec	526,651	496,686
Immigration, Diversité et Inclusion	52,553	62,319
Programme de Soutien aux Organismes Communautaires	196,423	153,960
Human Resources and Skill Development of Canada	47,646	52,049
Other grants	10,972	23,793
	834,245	788,807

8. Additional information related to the statement of cash flows*Cash and cash equivalents*

	2019	2018
	\$	\$
Cash	451,839	1,292,683
Short-term investments	1,000,000	—
	1,451,839	1,292,683

Net change in non-cash working capital items

	2019	2018
	\$	\$
Decrease in accounts receivable	37,250	17,073
Decrease in prepaid expenses	11,183	34,314
Increase (decrease) in accounts payable and accrued liabilities	5,105	(630)
Increase in due to Federation CJA	13,142	172
Increase in due to Community Assistance Program	25,000	—
Increase (decrease) in deferred revenue	30,782	(37,026)
(Decrease) increase in deferred contributions – special events	(34,950)	39,950
Increase in deferred contributions	43,221	147,045
	130,733	200,898

Agence Ometz

Notes to the financial statements

March 31, 2019

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 \$1,313,896 (\$1,297,554 in 2018). During the year, program expenses amounted to \$1,313,896 (\$1,297,554 in 2018), of which \$475,530 (\$391,771 in 2018) were in support of the Organization's programs and were therefore included in total revenues from Federation CJA of \$3,025,951 (\$2,828,442 in 2018) 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, 2019, 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 \$672,958 (\$673,244 in 2018) to the Organization, which is presented in the statement of operations as revenue. This amount includes \$60,958 (\$61,244 in 2018) 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 \$630,000 for 2018). 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 \$199,380 (\$196,748 in 2018). The plan is held and administered by Federation CJA.

Agence Ometz**Notes to the financial statements**March 31, 2019

13. Change in accounting policy

On March 31, 2018, the Organization has elected to record the amortization of its office equipment, computers, database, and software over their respective useful lives using the straight-line method, as allowed. This constitutes a change in accounting policy, as the method used in prior years was diminishing balance. The Organization elected to change its accounting policy in order to more accurately reflect the amortization of the underlying assets. The financial statements have been restated retrospectively to reflect this change in accounting policy.

The adjustments have been recorded as follows:

	March 31, 2018		
	As previously reported	Adjustment	Restated
	\$	\$	\$
Balance sheet			
Capital assets	88,803	(43,961)	44,842
Intangible assets	116,817	(32,407)	84,410
Deferred contribution related to capital assets and intangible assets	14,979	(13,094)	1,885
Invested in capital assets and intangible assets	190,641	(63,274)	127,367
Net assets	644,072	(63,274)	580,798
Statement of changes in net assets			
Balance, beginning of year	438,847	(65,284)	373,563
Excess (deficiency) of revenue over expenses	205,225	2,010	207,235
Balance, end of year	644,072	(63,274)	580,798
Statement of operations			
Donations	840,545	13,094	853,639
Amortization of capital assets	19,720	5,732	25,452
Amortization of intangible assets	33,229	5,352	38,581
Statement of cash flows			
Excess of revenue over expenses	205,225	2,010	207,235
Amortization of capital assets	19,720	5,732	25,452
Amortization of intangible assets	33,229	5,352	38,581
Amortization of deferred contribution related to capital assets and intangible assets	(3,864)	(13,094)	(16,958)

14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.