
Financial statements of Agence Ometz

March 31, 2022

Independent Auditor's Report.....	1-2
Statement of financial position	3
Statement of changes in net assets.....	4
Statement of operations	5
Statement of cash flows	6
Notes to the financial statements.....	7-14

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 statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations 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, 2022, 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*¹

June 15, 2022

¹ CPA auditor, public accountancy permit No. A133206

Agence Ometz
Statement of financial position
As at March 31, 2022

	Notes	2022	2021
		\$	\$
Assets			
Current assets			
Cash		817,314	1,870,434
Short-term investments	3	2,140,000	1,000,000
Cash in trust – clients’ fund	5	351,591	399,367
Accounts receivable		174,711	484,532
		3,483,616	3,754,333
Capital assets	4	327,730	522,087
Intangible assets	4	82,930	113,378
		3,894,276	4,389,798
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		288,315	225,728
Due to clients’ fund	5	351,591	399,367
Due to Federation CJA	13	6,101	673,771
Pension liability	13	—	55,000
Due to Community Assistance Program	8	11,242	—
Deferred revenue		72,622	113,462
Deferred contributions	6	1,323,600	1,466,112
		2,053,471	2,933,440
Pension liability	13	153,548	160,076
Loan payable to B.D.H. Community Foundation	12	140,000	—
Deferred contributions related to capital assets and intangible assets	7	14,425	19,668
		2,361,444	3,113,184
Net assets			
Invested in capital assets and intangible assets		396,235	615,797
Unrestricted		1,136,597	660,817
		1,532,832	1,276,614
		3,894,276	4,389,798

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

Approved by the Board

DocuSigned by:

Joel Skalit

1E0576E6B729445...

_____, Director

DocuSigned by:

[Signature]

574EF721563E402...

_____, Director

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

Year ended March 31, 2022

	2022			2021
	Invested in capital assets and intangible assets	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	615,797	660,817	1,276,614	977,813
Excess (deficiency) of revenue over expenses	(284,559)	540,777	256,218	298,801
Net investment in capital assets and intangible assets	64,997	(64,997)	—	—
Balance, end of year	396,235	1,136,597	1,532,832	1,276,614

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

Agence Ometz
Statement of operations
Year ended March 31, 2022

	Notes	2022	2021
		\$	\$
Revenue			
Federation CJA	8	1,898,149	1,038,943
Fee for service		625,953	606,984
Government grants	9	2,013,951	3,016,697
Operation Montréal		281,000	281,000
Centraide		250,000	250,000
Donations		1,058,006	646,843
B.D.H. Community Foundation	12	650,000	650,000
Interest income		12,627	4,762
		6,789,686	6,495,229
Expenses			
Operating expenses			
Program salaries and benefits	13	3,941,772	3,753,817
Program contract professionals		201,283	204,955
Activity costs		402,414	318,795
Professional development and memberships		19,876	20,228
Marketing		236,423	140,517
Information technology		325,471	272,330
Amortization of capital assets		235,813	230,298
Amortization of intangible assets		53,989	57,238
		5,417,041	4,998,178
Administration			
Salaries and benefits	13	710,670	523,951
Office and general		83,980	63,668
Insurance		54,649	42,364
Professional fees		40,335	80,119
Bank charges		3,509	3,448
		893,143	713,550
Funding and development		223,284	168,764
Total expenses		6,533,468	5,880,492
Excess of revenue over expenses before undernoted		256,218	614,737
Pension expense	13	—	315,936
Excess of revenue over expenses		256,218	298,801

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

Agence Ometz
Statement of cash flows
Year ended March 31, 2022

	Notes	2022	2021
		\$	\$
Operating activities			
Excess of revenue over expenses		256,218	298,801
Adjustments for:			
Amortization of capital assets		235,813	230,298
Amortization of intangible assets		53,989	57,238
Amortization of deferred contributions related to capital assets and intangible assets		(5,243)	—
		540,777	586,337
Net change in non-cash working capital items	10	(528,900)	554,783
		11,877	1,141,120
Investing activities			
Acquisition of short term investments		(1,000,000)	—
Acquisition of capital assets		(41,456)	(24,554)
Acquisition of intangible assets		(23,541)	(46,391)
		(1,064,997)	(70,945)
Net (decrease) increase in cash		(1,053,120)	1,070,175
Cash, beginning of year		1,870,434	800,259
Cash, end of year		817,314	1,870,434

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

Agence Ometz

Notes to the financial statements

March 31, 2022

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.

The Organization's funding includes an allocation from Federation CJA and government and other grants. The Organization is dependent upon these sources of funding to continue operations.

The Organization is a constituent agency of Federation CJA.

2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Adoption of the amendments to Section 3856, Financial Instruments, for financial instruments originated or exchanged in a related party transaction

Effective April 1, 2021, the Organization has adopted the amendments to Handbook Section 3856, *Financial Instruments* ("Section 3856") related to the recognition of financial instruments originated or exchanged in a related party transaction, referred to herein as the "related party financial instruments amendments". These amendments to Section 3856 establish new guidance for determining the measurement of a related party financial instrument. The related party financial instruments amendments require that such a financial instrument be initially measured at cost, which is determined based on whether the instrument has repayment terms. If the instrument has repayment terms, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any reduction for impairment. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction. Subsequent measurement is based on how the instrument was initially measured.

The adoption of these amendments had no material impact on the amounts recognized in the Organization's financial statements or disclosures.

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.

2. Accounting policies (continued)*Capital assets*

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

Office equipment	5 years
Computers	4 years
Leasehold improvements	Term of lease

Intangible assets

Intangible assets are recorded at cost and amortized over their respective estimated useful life using the straight-line method as follows:

Website	4 years
Database	4 years
Software	4 years

Impairment of long-lived assets

Long-lived assets such as capital assets and intangible assets (other than indefinite-life intangible assets) are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value of a long-lived asset exceeds the total undiscounted cash flows expected from the use and eventual disposition of the asset, and the carrying value exceeds its fair value. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

*Financial instruments**Initial measurement*

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Organization in the transaction.

2. Accounting policies (continued)

Financial instruments (continued)

Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for the following:

- (a) Investments in unlisted shares, which are measured at cost less any reduction for impairment;
- (b) Investments in listed shares and derivative financial instruments that are not designated in a qualifying hedging relationship, which are measured at fair value at the balance sheet date. The fair value of listed shares is based on the latest closing price, and the fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments.

Interest earned on short-term investments and bonds, dividends received on unlisted shares, unrealized gains and losses on listed shares, and realized gains and losses on sales of short-term investments and bonds are included in Other income in the statement of earnings.

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 revenues and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the estimated useful life of capital assets and intangible assets, and accrued liabilities. Actual results could differ from these estimates.

Contributed services and materials

Certain 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. Short-term investments

The amount of \$2,140,000 consists of three Guaranteed Investment Certificates ("GICs") for a total of \$2,000,000 (two GICs for a total of \$1,000,000 in 2021), at a 0.95% rate each (0.58% and 0.50% in 2021), maturing all in December 2022 (June and December 2021 in 2021) and an investment of \$140,000 held in trust by the B.D.H. Community Foundation (nil in 2021) as described in Note 12.

Agence Ometz

Notes to the financial statements

March 31, 2022

4. Capital assets and intangible assets

Capital assets

	2022			2021
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	312,767	246,963	65,804	87,796
Computers	330,637	281,735	48,902	26,881
Leasehold improvements	728,708	515,684	213,024	407,410
	1,372,112	1,044,382	327,730	522,087

Intangible assets

	2022			2021
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Website	59,103	54,431	4,672	11,357
Database	450,171	377,550	72,621	95,381
Software	59,570	53,933	5,637	6,640
	568,844	485,914	82,930	113,378

5. Due to clients' fund

	2022	2021
	\$	\$
Balance, beginning of year	399,367	318,203
Receipts	1,319,093	1,477,968
Disbursements	(1,366,869)	(1,396,804)
Balance, end of year	351,591	399,367

Due to clients' fund is offset by a matching cash in trust asset in the statement of financial position.

6. Deferred contributions

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

Changes in deferred contributions balance are as follows:

	2022	2020
	\$	\$
Balance, beginning of year	1,466,112	1,492,268
Received in the year	4,137,156	3,080,312
Recognized as revenue in the year	(4,279,668)	(3,106,468)
Balance, end of year	1,323,600	1,466,112

Agence Ometz

Notes to the financial statements

March 31, 2022

7. Deferred contributions related to capital assets and intangible assets

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

	2022	2021
	\$	\$
Balance, beginning of year	19,668	1,885
Received in the year	—	17,783
Recognized as revenue in the year	(5,243)	—
Balance, end of year	14,425	19,668

8. 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 \$932,933 (\$991,760 in 2021). During the year, the CAP expenses amounted to \$932,933 (\$991,760 in 2021), of which \$399,207 (\$386,320 in 2021) were in support of the Organization's programs and were therefore included in total revenues from Federation CJA of \$1,898,149 (\$1,038,943 in 2021) in the statement of operations. As at March 31, 2022 the Organization has an amount due to CAP of \$11,242 (nil in 2021).

9. Government grants

	2022	2021
	\$	\$
Federal grants ⁽¹⁾	1,179,609	2,080,314
Emploi-Québec	545,084	519,516
Immigration, francisation and integration	—	146,222
Programme de soutien aux organismes communautaires	259,829	227,775
Human Resources and Skills Development Canada	24,429	34,700
Other grants	5,000	8,170
	2,013,951	3,016,697

⁽¹⁾ Federal grant related to the COVID-19

During the fiscal year, in the context of the COVID-19 pandemic, the Organization qualified as an eligible employer for the Canada Emergency Wage Subsidy ("CEWS") in demonstrating that the Organization has observed the predetermined decrease in revenue required during the program eligibility period. In the statement of operations, an amount of \$1,116,000 (\$2,065,341 in 2021) related to the CEWS is recorded with Government grants.

The Organization also qualified as an eligible employer for the Canada Emergency Rent Subsidy ("CERS"). In the statement of operations, an amount of \$63,609 (\$14,973 in 2021) related to the CERS is recorded with Government grants.

Agence Ometz

Notes to the financial statements

March 31, 2022

10. Additional information related to the statement of cash flows

Net change in non-cash working capital items

	2022	2021
	\$	\$
Accounts receivable	309,821	(280,829)
Prepaid expenses	—	9,864
Accounts payable and accrued liabilities	62,587	15,413
Due to Federation CJA	(667,670)	672,426
Pension liability	(61,528)	215,076
Due to Community Assistance Program	11,242	(45,000)
Deferred revenue	(40,840)	(23,794)
Deferred contributions	(142,512)	(26,156)
Deferred contributions related to capital assets and intangible assets	—	17,783
	(528,900)	554,783

Non-cash transactions

During the year, the Organization received a loan of \$140,000 from B.D.H. Community Foundation which was invested in-trust with B.D.H. Community Foundation.

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, 2022, the most significant liabilities are accounts payable and accrued liabilities and due to clients' fund.

12. Related party transactions

B.D.H. Community Foundation

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 \$650,000 (\$650,000 in 2021) to the Organization, which is presented in the statement of operations as revenue.

Agence Ometz

Notes to the financial statements

March 31, 2022

12. Related party transactions (continued)

B.D.H. Community Foundation (continued)

As at March 31, 2022, the Organization received a loan of \$140,000 from B.D.H. as part of the \$400,000 commitment for the purpose of funding the operations of a clinic that provides evaluation and therapeutic services for children. This loan is non-interest bearing and shall be repaid in ten annual installments due within ninety days following the end of each fiscal year only if the operations of the clinic resulted in a net surplus as calculated by Ometz's management. The amount of each installment is determined as the lower of 50% of the net income of the clinic, or 10% of the total amount borrowed and outstanding as of year end. The loan of \$140,000 is currently held in-trust and invested by B.D.H., the amount is available to the Organization at any time. Following the payment of the tenth installment or a termination by the Organization, B.D.H. shall forgive the remaining balance as a charitable gift.

The Chief Executive Officer of the Organization is the Executive Director of B.D.H. In addition, the Organization provides administrative and accounting services to 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 \$398,000 (approximately \$392,000 for 2021). These costs are not recognized in the financial statements.

13. Pension plan

Defined contribution 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 \$225,910 (\$177,118 in 2021), and recorded with Program salaries and benefits, and Salaries and benefits in the statement of operations.

Defined benefit pension plan

Federation CJA held and administered a multi-employer defined benefit plan for the Organization which was wound up in April 2021. As at March 31, 2022 this resulted in an amount of nil (\$100,860 in 2021) due to Federation CJA and an amount of \$153,548 (\$215,076 in 2021) due to the Organization's employees, in the statement of financial position. In the statement of operations, an amount of nil (\$315,936 in 2021) related to the defined benefit pension plan is recorded with pension expense.

Agence Ometz**Notes to the financial statements**March 31, 2022

14. Commitments

The Organization has commitments under two operating leases that expire in January 2023 and March 2025. The minimum future rent payments total \$236,250 and are as follows:

	\$
2023	116,250
2024	60,000
2025	60,000

15. Comparative figures

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