
Financial statements of
Agence Ometz

March 31, 2017

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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, 2017, 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, 2017 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.



June 16, 2017



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

Agence Ometz
Balance sheet
As at March 31, 2017

	Notes	2017	2016
		\$	\$
Assets			
Current assets			
Cash		908,852	711,004
Cash in Trust – clients’ fund	4	258,320	225,207
Accounts receivable		215,709	213,359
Prepaid expenses		48,697	79,080
		1,431,578	1,228,650
Capital assets			
Intangible assets	3	78,448	93,103
	3	108,744	85,506
		1,618,770	1,407,259
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		181,969	200,492
Due to clients’ fund	4	258,320	225,207
Due to Federation CJA		2,862	2,157
MYP Scholarship Fund		5,308	5,308
Deferred revenue		193,947	153,952
Deferred revenue special events		—	63,806
Deferred contributions	5	518,674	500,118
		1,161,080	1,151,040
Deferred contributions related to capital assets and intangible assets	6	18,843	24,352
		1,179,923	1,175,392
Net assets			
Invested in capital assets and intangible assets		168,349	154,257
Unrestricted		270,498	77,610
		438,847	231,867
		1,618,770	1,407,259

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, 2017

	2017		2016
	Invested in capital assets and intangible assets	Unrestricted	Total
	\$	\$	\$
Balance, beginning of year	154,257	77,610	231,867
Excess (deficiency) of revenue over expenditures	(51,112) ⁽¹⁾	258,092	206,980
Net investment in capital assets and intangible assets	65,204	(65,204)	—
Balance, end of year	168,349	270,498	438,847

(1) Amortization of capital assets and intangible assets, write off of capital 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, 2017

	Notes	2017	2016
		\$	\$
Revenue			
Federation CJA	9	2,693,216	2,402,974
Fee for service		1,000,950	926,237
Government grants	7	775,500	761,606
Operation Montréal		281,000	281,000
Centraide		250,000	250,000
Donations		945,153	849,927
B.D.H. Community Foundation	11	653,623	619,041
		6,599,442	6,090,785
Expenditures			
Operating expenses			
Program salaries and benefits		4,051,641	3,931,864
Program contract professionals		365,871	294,119
Activity costs		270,348	244,765
Professional development and memberships		48,600	37,607
Marketing		236,557	208,919
Information technology		159,053	149,582
Amortization of capital assets		22,739	28,541
Amortization of intangible assets		27,640	27,596
		5,182,449	4,922,993
Administration			
Salaries and benefits		678,278	573,460
Office and general		95,886	93,547
Insurance		39,224	42,515
Professional fees		57,104	41,188
Bank charges		2,338	2,745
		872,830	753,455
Funding and development		337,183	355,113
Total expenditures		6,392,462	6,031,561
Excess of revenue over expenditures		206,980	59,224

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

Agence Ometz

Statement of cash flows

Year ended March 31, 2017

	Notes	2017	2016
		\$	\$
Operating activities			
Excess of revenue over expenditures		206,980	59,224
Adjustments for:			
Amortization of capital assets		22,739	28,541
Amortization of intangible assets		27,640	27,596
Amortization of deferred contributions related to capital assets and intangible assets		(5,509)	(7,311)
Write off of capital and intangible assets		6,242	—
		258,092	108,050
Net change in non-cash working capital items	8	4,960	(100,544)
		263,052	7,506
Investing activities			
Acquisition of capital assets		(9,346)	(4,707)
Acquisition of intangible assets		(55,858)	(29,337)
		(65,204)	(34,044)
Net increase (decrease) in cash		197,848	(26,538)
Cash, beginning of year		711,004	737,542
Cash, end of year		908,852	711,004

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

Agence Ometz

Notes to the financial statements

March 31, 2017

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	5 years
Website	straight-line	3 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, 2017

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 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. Contributed materials are recorded when it is feasible to establish the fair value.

3. Capital assets and intangible assets

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	187,959	150,173	37,786	45,352
Computers	238,945	206,510	32,435	41,234
Leasehold improvements	68,594	60,367	8,227	6,517
Website	16,052	478	15,574	8,441
Database	261,250	174,117	87,133	69,387
Software	42,942	36,905	6,037	7,678
	815,742	628,550	187,192	178,609

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

4. Due to clients' fund

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance, beginning of year	225,207	186,724
Receipts	<u>1,547,584</u>	<u>1,263,001</u>
	1,772,791	1,449,725
Disbursements	<u>(1,514,471)</u>	<u>(1,224,518)</u>
Balance, end of year	<u>258,320</u>	<u>225,207</u>

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:

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance, beginning of year	500,118	271,923
Received in the year	<u>4,822,992</u>	<u>4,378,942</u>
	5,323,110	4,650,865
Recognized as revenue in the year	<u>(4,804,436)</u>	<u>(4,150,747)</u>
Balance, end of year	<u>518,674</u>	<u>500,118</u>

6. Deferred contributions related to capital assets and intangible assets

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance, beginning of year	24,352	31,663
Recognized as revenue in the year	<u>(5,509)</u>	<u>(7,311)</u>
Balance, end of year	<u>18,843</u>	<u>24,352</u>

Agence Ometz

Notes to the financial statements

March 31, 2017

7. Government grants

	2017	2016
	\$	\$
Emploi-Québec	480,023	479,485
Immigration, Diversité et Inclusion	62,721	76,245
Programme de Soutien aux Organismes Communautaires	152,890	151,077
Human Resources and Skill Development of Canada	58,828	35,830
Other grants	21,038	18,969
	775,500	761,606

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

	2017	2016
	\$	\$
(Increase) decrease in accounts receivable	(2,350)	27,139
Decrease (increase) in prepaid expenses	30,383	(5,519)
Decrease in accounts payable and accrued liabilities	(18,523)	(219,682)
Increase (decrease) in due to Federation CJA	705	(6,422)
Increase in MYP Scholarship fund	—	250
Increase (decrease) in deferred revenue	39,995	(47,811)
Decrease in deferred revenue special events	(63,806)	(76,694)
Increase in deferred contributions	18,556	228,195
	4,960	(100,544)

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 \$1,398,336 (\$1,485,991 in 2016). During the year, program expenditures amounted to \$1,398,336 (\$1,485,991 in 2016), of which \$339,399 (\$315,012 in 2016) were in support of the Organization's programs and were therefore included in revenues from Federation CJA in the statement of operations.

Agence Ometz

Notes to the financial statements

March 31, 2017

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, 2017, 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 \$653,623 (\$619,041 in 2016) to the Organization, which is presented in the statement of operations as revenue. This amount includes \$56,491 (\$55,980 in 2016) 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 \$587,000 (approximately \$582,000 for 2016). 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 \$198,342 (\$193,769 in 2016). The plan is held and administered by Federation CJA.

13. Comparative figures

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