
Financial statements of
Agence Ometz

March 31, 2014

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

We have audited the accompanying financial statements of Agence Ometz, which comprise the balance sheet as at March 31, 2014, 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, 2014, 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 19, 2014

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

Agence Ometz

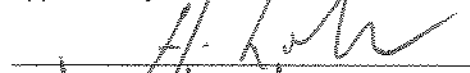
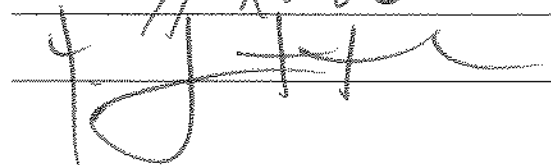
Balance sheet

Year ended March 31, 2014

	Notes	2014	2013
		\$	\$
Assets			
Current assets			
Cash		713,214	747,483
Cash in Trust – clients' fund	2	190,031	166,530
Accounts receivable		117,223	96,818
Receivable from B.D.H. Community Foundation	12	55,000	—
Prepaid expenses		76,751	56,900
		1,152,219	1,067,731
Property, plant and equipment	3	113,819	103,808
Intangible assets	3	92,578	108,506
		1,358,616	1,280,045
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		210,061	250,031
Due to clients' fund	4	190,031	166,530
Due to Federation CJA		6,971	2,601
Due to Ometz Pre-Migration Program	12	—	766
MYP Scholarship Fund		9,808	—
Deferred revenue		202,227	214,419
Deferred revenue special events		278,766	141,308
Deferred contributions	5	231,936	278,470
		1,129,800	1,054,125
Deferred contributions related to capital assets	6	41,366	54,247
		1,171,166	1,108,372
Net assets			
Invested in capital assets		165,031	158,067
Unrestricted		22,419	13,606
		187,450	171,673
		1,358,616	1,280,045

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, 2014

	2014			2013
Notes	Invested in capital assets	Unrestricted	Total	Total
	\$	\$	\$	
Balance, at beginning of year	158,067	13,606	171,673	124,100
Excess (deficiency) of revenue over expenditures	(48,656) ⁽¹⁾	61,189	12,533	47,573
Ometz Pre-migration program	—	3,244	3,244	—
Investment in capital assets in excess of deferred contributions related to capital assets	55,620	(55,620)	—	—
Balance, as at March 31, 2014	165,031	22,419	187,450	171,673

(1) Amortization of capital assets and deferred contributions related to capital assets.

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

Agence Ometz
Statement of operations
As at March 31, 2014

	Notes	2014	2013
		\$	\$
Revenue			
Federation CJA		2,256,473	2,298,304
Fee for service		1,012,098	1,046,461
Government grants	7	931,766	969,715
Operation Montreal		281,000	271,000
Centraide		320,000	320,000
Donations		619,240	652,226
B.D.H. Community Foundation	12	532,126	562,390
		5,952,703	6,120,096
Expenditures			
Operating expenses			
Program salaries and benefits		4,025,607	3,921,347
Program contract professionals		243,560	346,396
Activity costs		225,090	288,274
Professional development and memberships		26,663	24,627
Marketing		182,070	161,842
Information technology		145,124	143,632
Amortization of capital assets		61,537	61,994
		4,909,651	4,948,112
Administration			
Salaries and benefits		554,711	646,192
Office and general		96,766	97,481
Insurance		41,730	42,012
Professional fees		28,934	30,454
Bank charges		4,228	4,808
		726,369	820,947
Funding and development		304,150	303,464
Total expenditures		5,940,170	6,072,523
Excess of revenue over expenditures		12,533	47,573

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

Agence Ometz
Statement of cash flows
Year ended March 31, 2014

	Notes	2014	2013
		\$	\$
Operating activities			
Excess of revenue over expenditures		12,533	47,573
Adjustments for			
Amortization of capital assets		61,537	61,994
Amortization of deferred contributions related to capital assets		(12,881)	(17,105)
Deferred revenue		(12,192)	(25,635)
Deferred revenue special events		137,458	(15,439)
Deferred contributions		(46,534)	68,387
		139,921	119,775
Net change in non-cash working capital items	9	(117,804)	111,916
		22,117	231,691
Financing activities			
(Decrease) increase in funds due to Ometz Pre-Migration Program	12	(766)	766
Investing activities			
Acquisition of capital assets		(55,620)	(69,827)
(Decrease) increase in cash		(34,269)	162,630
Cash, beginning of year		747,483	584,853
Cash, end of year		713,214	747,483

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

Agence Ometz

Notes to the financial statements

March 31, 2014

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. 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 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

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.

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 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

	2014			2013
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	214,776	157,203	57,573	48,502
Computers	253,806	208,880	44,926	47,740
Leasehold improvements	60,989	49,669	11,320	7,566
Web site	63,738	52,426	11,312	16,623
Database	185,491	113,822	71,669	82,370
Software	52,263	42,666	9,597	9,513
	831,063	624,666	206,397	212,314

Agence Ometz

Notes to the financial statements

March 31, 2014

4. Due to clients' fund

	2014	2013
	\$	\$
Balance, beginning of year	166,530	163,235
Receipts	1,215,204	1,173,290
	<u>1,381,734</u>	<u>1,336,525</u>
Disbursements	(1,191,703)	(1,169,995)
Balance, end of year	<u>190,031</u>	<u>166,530</u>

5. Deferred contributions

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

Changes in deferred contributions balance are as follows:

	2014	2013
	\$	\$
Balance, at beginning of year	278,470	210,083
Received in the year	4,218,839	4,309,015
	<u>4,497,309</u>	<u>4,519,098</u>
Recognized as revenue in the year	(4,265,373)	(4,240,628)
Balance, at end of year	<u>231,936</u>	<u>278,470</u>

6. Deferred contributions related to capital assets

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

	2014	2013
	\$	\$
Balance, beginning of year	54,247	71,352
Recognized as revenue in the year	(12,881)	(17,105)
Balance, end of year	<u>41,366</u>	<u>54,247</u>

Agence Ometz

Notes to the financial statements

March 31, 2014

7. Revenue: Government grants

	2014	2013
	\$	\$
Emploi-Québec	460,701	419,393
Health Canada	64,919	207,233
Immigration, Diversité et Inclusion	105,149	99,272
PSOC	75,030	73,848
HRSDS	22,369	21,481
Conseil du Trésor, Québec	46,646	49,721
Autorité des marchés financiers	37,500	—
Other grants	119,452	98,767
	<u>931,766</u>	<u>969,715</u>

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 \$716,000 (approximately \$750,000 for 2013).

9. Cash flows

Net change in non-cash working capital items

	2014	2013
	\$	\$
(Increase) decrease in accounts receivable and receivable from B.D.H. Community Foundation ⁽¹⁾	(70,630)	98,558
Increase in prepaid expenses	(19,851)	(24,939)
Increase in MYP Scholarship fund	9,808	—
(Decrease) increase in accounts payable and accrued liabilities ⁽¹⁾	(41,501)	44,910
Increase (decrease) in funds due to Federation CJA	4,370	(6,613)
	<u>(117,804)</u>	<u>111,916</u>

⁽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 above. Refer to Note 12 for more information.

Agence Ometz

Notes to the financial statements

March 31, 2014

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 \$1,472,585 (\$1,613,379 in 2013). During the year, program expenditures amounted to \$1,472,585 (\$1,613,379 in 2013).

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, 2014, the most significant liabilities are accounts payable and accrued liabilities and due to clients' fund.

12. Related party transactions

OMETZ-PMP

During the year 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 transferred to the Organization on December 31, 2013. 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.

In 2013 the Organization had recorded a \$15,000 contribution to OMETZ-PMP and an amount due to OMETZ-PMP of \$766 as at March 31, 2013. Both such amounts are nil as at and for the period ended March 31, 2014.

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>

12. Related party transactions (continued)

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 \$532,126 (\$562,390 in 2013) to the Organization, which is presented in the statement of operations as revenue. This amount includes \$44,848 (\$52,629 in 2013) of income earned from endowment Funds held by B.D.H. As at March 31, 2014, an amount of \$55,000 (nil as at March 31, 2013), is receivable from B.D.H.

One of the two co-executive directors of 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.

13. 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 \$191,863 (\$196,178 in 2013). The plan is held and administered by Federation CJA.

14. Comparative figures

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