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Financial statements of  
**Agence Ometz**

March 31, 2016

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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

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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, 2016, 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, 2016, 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 LLP<sup>1</sup>

June 16, 2016

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A116349

# Agence Ometz

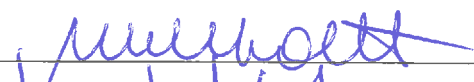
## Balance sheet

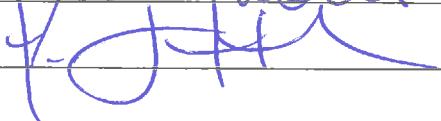
As at March 31, 2016

	Notes	2016	2015
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		711,004	737,542
Cash in Trust – clients' fund	2	225,207	186,724
Accounts receivable		213,359	164,237
Receivable from B.D.H. Community Foundation	11	—	76,261
Prepaid expenses		79,080	73,561
		<u>1,228,650</u>	<u>1,238,325</u>
Capital assets	3	93,103	116,937
Intangible assets	3	85,506	83,765
		<u>1,407,259</u>	<u>1,439,027</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		200,492	420,174
Due to clients' fund	4	225,207	186,724
Due to Federation CJA		2,157	8,579
MYP Scholarship Fund		5,308	5,058
Deferred revenue		153,952	201,763
Deferred revenue special events		63,806	140,500
Deferred contributions	5	500,118	271,923
		<u>1,151,040</u>	<u>1,234,721</u>
Deferred contributions related to capital assets and intangible assets	6	24,352	31,663
		<u>1,175,392</u>	<u>1,266,384</u>
<b>Net assets</b>			
Invested in capital assets and intangible assets		154,257	169,039
Unrestricted		77,610	3,604
		<u>231,867</u>	<u>172,643</u>
		<u>1,407,259</u>	<u>1,439,027</u>

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, 2016

	2016		2015	
	<b>Invested in capital assets and intangible assets</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	\$	\$	\$	\$
Balance, beginning of year	169,039	3,604	172,643	187,450
Excess (deficiency) of revenue over expenditures	(48,826) <sup>(1)</sup>	108,050	59,224	(14,807)
Net investment in capital assets and intangible assets	34,044	(34,044)	—	—
Balance, end of year	154,257	77,610	231,867	172,643

(1) Amortization of capital assets, 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, 2016

	Notes	2016	2015
		\$	\$
<b>Revenue</b>			
Federation CJA		2,402,974	2,286,340
Fee for service		926,237	1,031,815
Government grants	7	761,606	793,818
Operation Montreal		281,000	281,000
Centraide		250,000	313,600
Donations		849,927	761,024
B.D.H. Community Foundation	11	619,041	618,667
		<u>6,090,785</u>	<u>6,086,264</u>
<b>Expenditures</b>			
Operating expenses			
Program salaries and benefits		3,931,864	3,944,693
Program contract professionals		258,362	216,590
Activity costs		280,522	280,152
Professional development and memberships		37,607	29,417
Marketing		208,919	178,298
Information technology		149,582	145,402
Amortization of capital assets		28,541	31,813
Amortization of intangible assets		27,596	30,069
		<u>4,922,993</u>	<u>4,856,434</u>
Administration			
Salaries and benefits		573,460	619,310
Office and general		93,547	94,411
Insurance		42,515	41,711
Professional fees		41,188	43,597
Bank charges		2,745	4,160
		<u>753,455</u>	<u>803,189</u>
Funding and development		<u>355,113</u>	<u>343,228</u>
Total expenditures		<u>6,031,561</u>	<u>6,002,851</u>
Operational surplus before undernoted item		59,224	83,413
Restructuring costs	12	—	98,220
<b>Excess (deficiency) of revenue over expenditures</b>		<u>59,224</u>	<u>(14,807)</u>

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

## Agence Ometz

### Statement of cash flows

Year ended March 31, 2016

	Notes	2016	2015
		\$	\$
<b>Operating activities</b>			
Excess (deficiency) of revenue over expenditures		59,224	(14,807)
Adjustments for			
Amortization of capital assets		28,541	31,813
Amortization of intangible assets		27,596	30,069
Amortization of deferred contributions related to capital assets and intangible assets		(7,311)	(9,703)
		<u>108,050</u>	<u>37,372</u>
Net change in non-cash working capital items	8	<u>(100,544)</u>	<u>43,143</u>
		<u>7,506</u>	<u>80,515</u>
<b>Investing activities</b>			
Acquisition of capital assets		(4,707)	(34,931)
Acquisition of intangible assets		(29,337)	(21,256)
		<u>(34,044)</u>	<u>(56,187)</u>
(Decrease) increase in cash		(26,538)	24,328
Cash, beginning of year		<u>737,542</u>	<u>713,214</u>
<b>Cash, end of year</b>		<u>711,004</u>	<u>737,542</u>

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



# Agence Ometz

## Notes to the financial statements

March 31, 2016

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### 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, 2016

## 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

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	225,757	180,405	45,352	53,951
Computers	279,594	238,360	41,234	54,979
Leasehold improvements	63,857	57,340	6,517	8,007
Website	74,483	66,042	8,441	8,828
Database	221,845	152,458	69,387	64,699
Software	55,756	48,078	7,678	10,238
	<b>921,292</b>	<b>742,683</b>	<b>178,609</b>	<b>200,702</b>

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

## Agence Ometz

### Notes to the financial statements

March 31, 2016

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#### 4. Due to clients' fund

	2016	2015
	\$	\$
Balance, beginning of year	186,724	190,031
Receipts	1,263,001	1,263,557
	1,449,725	1,453,588
Disbursements	(1,224,518)	(1,266,864)
Balance, end of year	225,207	186,724

#### 5. Deferred contributions

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

Changes in deferred contributions balance are as follows:

	2016	2015
	\$	\$
Balance, beginning of year	271,923	231,936
Received in the year	4,378,942	4,229,131
	4,650,865	4,461,067
Recognized as revenue in the year	(4,150,747)	(4,189,144)
Balance, end of year	500,118	271,923

#### 6. Deferred contributions related to capital assets and intangible assets

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

	2016	2015
	\$	\$
Balance, beginning of year	31,663	41,366
Recognized as revenue in the year	(7,311)	(9,703)
Balance, end of year	24,352	31,663

## Agence Ometz

### Notes to the financial statements

March 31, 2016

#### 7. Government grants

	2016	2015
	\$	\$
Emploi-Québec	479,485	454,525
Immigration, Diversité et Inclusion	76,245	110,970
Programme de Soutien aux Organismes Communautaires	151,077	149,581
Human Resources and Skill Development of Canada	35,830	22,829
Other grants	18,969	55,913
	<b>761,606</b>	<b>793,818</b>

#### 8. Cash flows

*Net change in non-cash working capital items*

	2016	2015
	\$	\$
Decrease (increase) in accounts receivable and receivable from B.D.H. Community Foundation	27,139	(68,275)
(Increase) decrease in prepaid expenses	(5,519)	3,190
(Decrease) increase in accounts payable and accrued liabilities	(219,682)	210,113
(Decrease) increase in due to Federation CJA	(6,422)	1,608
Increase (decrease) in MYP Scholarship fund	250	(4,750)
Decrease in deferred revenue	(47,811)	(464)
Decrease in deferred revenue special events	(76,694)	(138,266)
Increase in deferred contributions	228,195	39,987
	<b>(100,544)</b>	<b>43,143</b>

#### 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 \$1,485,991 (\$1,532,266 in 2015). During the year, program expenditures amounted to \$1,485,991 (\$1,532,266 in 2015).

**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, 2016, 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 \$619,041 (\$618,667 in 2015) to the Organization, which is presented in the statement of operations as revenue. This amount includes \$55,980 (\$49,939 in 2015) of income earned from endowment funds held by B.D.H. As at March 31, 2016, an amount of nil (\$76,261 as at March 31, 2015), 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.

*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 \$582,000 (approximately \$611,000 for 2015). These costs are not recognized in the financial statements.

**12. Restructuring costs**

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

## **Agence Ometz**

### **Notes to the financial statements**

March 31, 2016

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#### **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 \$193,769 (\$193,409 in 2015). 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.