
Financial statements of Agence Ometz

March 31, 2020

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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, 2020, 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, 2020, 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 17, 2020

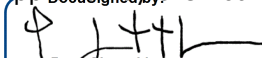
¹ CPA auditor, CA, public accountancy permit No. A133206

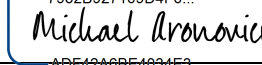
Agence Ometz
Statement of financial position
As at March 31, 2020

	Notes	2020	2019
		\$	\$
Assets			
Current assets			
Cash		800,259	451,839
Short-term investments	3	1,000,000	1,000,000
Cash in trust – clients’ fund	5	318,203	300,373
Accounts receivable		203,703	161,386
Prepaid expenses		9,864	3,200
		2,332,029	1,916,798
Capital assets	4	727,831	130,933
Intangible assets	4	124,225	115,558
		3,184,085	2,163,289
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		210,315	186,444
Due to clients’ fund	5	318,203	300,373
Due to Federation CJA		1,345	16,176
Due to Community Assistance Program		45,000	25,000
Deferred revenue		137,256	187,703
Deferred contributions	6	1,492,268	719,248
		2,204,387	1,434,944
Deferred contributions related to capital assets and intangible assets	7	1,885	1,885
		2,206,272	1,436,829
Net assets			
Invested in capital assets and intangible assets		850,171	244,606
Unrestricted		127,642	481,854
		977,813	726,460
		3,184,085	2,163,289

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

Approved by the Board


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Michael Aronovici, Director


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Michael Aronovici, Director

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

Year ended March 31, 2020

	2020			2019
	Invested in capital assets and intangible assets	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	244,606	481,854	726,460	580,798
Excess (deficiency) of revenue over expenses	(129,715)	381,068	251,353	145,662
Net investment in capital assets and intangible assets	735,280	(735,280)	—	—
Balance, end of year	850,171	127,642	977,813	726,460

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

Agence Ometz
Statement of operations
Year ended March 31, 2020

	Notes	2020	2019
		\$	\$
Revenue			
Federation CJA	10	3,064,098	3,025,951
Fee for service		742,733	842,143
Government grants	8	1,010,872	834,245
Operation Montréal		281,000	281,000
Centraide		250,000	250,000
Donations		974,452	868,183
B.D.H. Community Foundation	12	650,000	672,958
Interest income		30,263	21,142
		7,003,418	6,795,622
Expenses			
Operating expenses			
Program salaries and benefits	13	4,120,667	4,107,972
Program contract professionals		283,665	322,145
Activity costs		426,168	325,530
Professional development and memberships		31,463	51,441
Marketing		310,088	324,561
Information technology		227,157	205,436
Amortization of capital assets		75,278	22,261
Amortization of intangible assets		54,437	43,115
		5,528,923	5,402,461
Administration			
Salaries and benefits	13	755,833	690,166
Office and general		90,174	107,248
Office renovations		44,442	74,127
Insurance		41,274	40,903
Professional fees		51,433	46,615
Bank charges		3,238	2,652
		986,394	961,711
Funding and development		236,748	285,788
Total expenses		6,752,065	6,649,960
Excess of revenue over expenses		251,353	145,662

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

Agence Ometz
Statement of cash flows
Year ended March 31, 2020

	Notes	2020	2019
		\$	\$
Operating activities			
Excess of revenue over expenses		251,353	145,662
Adjustments for:			
Amortization of capital assets		75,278	22,261
Amortization of intangible assets		54,437	43,115
		381,068	211,038
Net change in non-cash working capital items	9	702,632	130,733
		1,083,700	341,771
Investing activities			
Acquisition of capital assets		(672,176)	(108,352)
Acquisition of intangible assets		(63,104)	(74,263)
		(735,280)	(182,615)
Net increase in cash and cash equivalents		348,240	159,156
Cash and cash equivalents, beginning of year	9	1,451,839	1,292,683
Cash and cash equivalents, end of year	9	1,800,259	1,451,839

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

Agence Ometz**Notes to the financial statements**March 31, 2020

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. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations 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 life using the straight-line method as follows:

Office equipment	Straight-line	5 years
Computers	Straight-line	4 years
Leasehold improvements	Straight-line	3-10 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 statement of financial position.

Agence Ometz**Notes to the financial statements**

March 31, 2020

2. 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 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

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 Organization holds investments in two Guaranteed Investment Certificates ("GICs") for \$500,000 each, at rates of 2.18% and 2.05%, both maturing in April 2020.

4 Capital assets and intangible assets*Capital assets*

	2020			2019
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	302,551	197,215	105,336	19,196
Computers	276,115	254,027	22,088	23,686
Leasehold improvements	727,436	127,029	600,407	88,051
	1,306,102	578,271	727,831	130,933

Agence Ometz**Notes to the financial statements**

March 31, 2020

4. Capital assets and intangible assets (continued)*Intangible assets*

	2020			2019
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Website	54,954	34,913	20,041	33,779
Database	388,097	292,759	95,338	75,577
Software	55,862	47,016	8,846	6,202
	498,913	374,688	124,225	115,558

5. Due to clients' fund

	2020	2019
	\$	\$
Balance, beginning of year	300,373	280,487
Receipts	1,358,152	1,292,532
Disbursements	(1,340,322)	(1,272,646)
Balance, end of year	318,203	300,373

Due to clients' fund is offset by a matching cash in trust asset on 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:

	2020	2019
	\$	\$
Balance, beginning of year	719,248	710,977
Received in the year	5,219,550	5,098,092
Recognized as revenue in the year	(4,446,530)	(5,089,821)
Balance, end of year	1,492,268	719,248

Agence Ometz**Notes to the financial statements**

March 31, 2020

7. Deferred contributions related to capital assets and intangible assets

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

	2020	2019
	\$	\$
Balance, beginning of year	1,885	1,885
Recognized as revenue in the year	—	—
Balance, end of year	1,885	1,885

8. Government grants

	2020	2019
	\$	\$
Emploi-Québec	549,603	526,651
Immigration, francization and integration	153,495	52,553
Programme de soutien aux organismes communautaires	240,202	196,423
Human Resources and Skills Development Canada	39,029	47,646
Other grants	28,543	10,972
	1,010,872	834,245

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

	2020	2019
	\$	\$
Cash	800,259	451,839
Short-term investments	1,000,000	1,000,000
	1,800,259	1,451,839

Net change in non-cash working capital items

	2020	2019
	\$	\$
(Increase) decrease in accounts receivable	(42,317)	37,250
(Increase) decrease in prepaid expenses	(6,664)	11,183
Increase in accounts payable and accrued liabilities	23,871	5,105
(Decrease) increase in due to Federation CJA	(14,831)	13,142
Increase in due to Community Assistance Program	20,000	25,000
(Decrease) increase in deferred revenue	(50,447)	30,782
Decrease in deferred contributions – special events	(3,200)	(34,950)
Increase in deferred contributions	776,220	43,221
	702,632	130,733

Agence Ometz**Notes to the financial statements**March 31, 2020

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 \$1,289,002 (\$1,313,896 in 2019). During the year, the CAP expenses amounted to \$1,289,002 (\$1,313,896 in 2019), of which \$538,713 (\$475,530 in 2019) were in support of the Organization's programs and were therefore included in total revenues from Federation CJA of \$3,064,098 (\$3,025,951 in 2019) in the statement of operations.

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, 2020, 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 (\$672,958 in 2019) to the Organization, which is presented in the statement of operations as revenue. This amount includes \$nil (\$60,958 in 2019) 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 \$475,000 (approximately \$630,000 for 2019). These costs are not recognized in the financial statements.

Agence Ometz**Notes to the financial statements**March 31, 2020

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 \$204,574 (\$199,380 in 2019).

In addition to the foregoing, Federation CJA holds and administers a multi-employer defined benefit plan and has informed the Organization that this plan will be wound up in the near future. This will result in a liability to Federation CJA that will be secured by future contributions from Federation CJA. No amount has been accrued at year-end as no reasonable estimate can be made.

14. Commitments

The Organization has a commitment under an operating lease for a youth center that expires in January 2023. The minimum future rent payments total \$206,250 and are as follows:

	\$
2021	75,000
2022	75,000
2023	56,250

15. Comparative figures

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

16. Subsequent events

Subsequent to year-end, the Organization signed a five-year lease agreement with an additional five-year option to rent space for the Entourfamille project beginning on April 1, 2020. Leasing costs are approximately \$5,000 per month.

In relation to COVID-19, the Organization is eligible for the Canadian Emergency Wage Subsidy ("CEWS"). Subsequent to March 31, 2020, the Organization received approximately \$400,000 under this program.