
Financial statements of Agence Ometz

March 31, 2021

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	7-12



Deloitte LLP
La Tour Deloitte
1190 Avenue des
Canadiens-de-Montréal
Suite 500
Montréal QC H3B 0M7
Canada

Tel: 514-393-7115
Fax: 514-390-4116
www.deloitte.ca

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, 2021, 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, 2021, 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 16, 2021



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

Agence Ometz
Statement of financial position
As at March 31, 2021

	Notes	2021	2020
		\$	\$
Assets			
Current assets			
Cash		1,870,434	800,259
Short-term investments	3	1,000,000	1,000,000
Cash in trust – clients’ fund	5	399,367	318,203
Accounts receivable		484,532	203,703
Prepaid expenses		—	9,864
		3,754,333	2,332,029
Capital assets	4	522,087	727,831
Intangible assets	4	113,378	124,225
		4,389,798	3,184,085
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		225,728	210,315
Due to clients’ fund	5	399,367	318,203
Due to Federation CJA	13	728,771	1,345
Due to Community Assistance Program		—	45,000
Deferred revenue		113,462	137,256
Deferred contributions	6	1,466,112	1,492,268
		2,933,440	2,204,387
Due to Federation CJA	13	160,076	—
Deferred contributions related to capital assets and intangible assets	7	19,668	1,885
		3,113,184	2,206,272
Net assets			
Invested in capital assets and intangible assets		615,797	850,171
Unrestricted		660,817	127,642
		1,276,614	977,813
		4,389,798	3,184,085

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

Approved by the Board

DocuSigned by:

_____, Director
7952B927169D4F6... DocuSigned by:

_____, Director
ADF42A6BE4034E3...

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

Year ended March 31, 2021

	2021			2020
	Invested in capital assets and intangible assets	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	850,171	127,642	977,813	726,460
Excess (deficiency) of revenue over expenses	(305,319)	604,120	298,801	251,353
Net investment in capital assets and intangible assets	70,945	(70,945)	—	—
Balance, end of year	615,797	660,817	1,276,614	977,813

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

Agence Ometz
Statement of operations
Year ended March 31, 2021

	Notes	2021	2020
		\$	\$
Revenue			
Federation CJA	8	1,038,943	3,064,098
Fee for service		606,984	742,733
Government grants	9	3,016,697	1,010,872
Operation Montréal		281,000	281,000
Centraide		250,000	250,000
Donations		646,843	974,452
B.D.H. Community Foundation	12	650,000	650,000
Interest income		4,762	30,263
		6,495,229	7,003,418
Expenses			
Operating expenses			
Program salaries and benefits	13	3,753,817	4,120,667
Program contract professionals		204,955	283,665
Activity costs		318,795	426,168
Professional development and memberships		20,228	31,463
Marketing		140,517	310,088
Information technology		272,330	227,157
Amortization of capital assets		230,298	75,278
Amortization of intangible assets		57,238	54,437
		4,998,178	5,528,923
Administration			
Salaries and benefits	13	523,951	755,833
Office and general		63,668	90,174
Office renovations		—	44,442
Insurance		42,364	41,274
Professional fees		80,119	51,433
Bank charges		3,448	3,238
		713,550	986,394
Funding and development		168,764	236,748
Total expenses		5,880,492	6,752,065
Excess of revenue over expenses before undernoted		614,737	251,353
Pension expense	13	315,936	—
Excess of revenue over expenses		298,801	251,353

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

Agence Ometz
Statement of cash flows
Year ended March 31, 2021

	Notes	2021	2020
		\$	\$
Operating activities			
Excess of revenue over expenses		298,801	251,353
Adjustments for:			
Amortization of capital assets		230,298	75,278
Amortization of intangible assets		57,238	54,437
Amortization of deferred contribution related to capital assets		17,783	—
		604,120	381,068
Net change in non-cash working capital items	10	537,000	702,632
		1,141,120	1,083,700
Investing activities			
Acquisition of capital assets		(24,554)	(672,176)
Acquisition of intangible assets		(46,391)	(63,104)
		(70,945)	(735,280)
Net increase in cash and cash equivalents		1,070,175	348,240
Cash and cash equivalents, beginning of year		800,259	451,839
Cash and cash equivalents, end of year		1,870,434	800,259

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

Agence Ometz**Notes to the financial statements**March 31, 2021

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:

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

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

Agence Ometz**Notes to the financial statements**March 31, 2021

2. Accounting policies (continued)*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

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 statement 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 (\$500,000 each in 2020), at rates of 0.58% and 0.50% (2.18% and 2.05% in 2020), maturing in June and December 2021 (April 2020 in 2020).

Agence Ometz**Notes to the financial statements**

March 31, 2021

4. Capital assets and intangible assets*Capital assets*

	2021			2020
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	309,988	222,192	87,796	105,336
Computers	291,959	265,078	26,881	22,088
Leasehold improvements	728,708	321,298	407,410	600,407
	1,330,655	808,568	522,087	727,831

Intangible assets

	2021			2020
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Website	59,103	47,746	11,357	20,041
Database	429,211	333,830	95,381	95,338
Software	56,990	50,350	6,640	8,846
	545,304	431,926	113,378	124,225

5. Due to clients' fund

	2021	2020
	\$	\$
Balance, beginning of year	318,203	300,373
Receipts	1,477,968	1,358,152
Disbursements	(1,396,804)	(1,340,322)
Balance, end of year	399,367	318,203

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:

	2021	2020
	\$	\$
Balance, beginning of year	1,492,268	719,248
Received in the year	3,080,312	5,219,550
Recognized as revenue in the year	(3,106,468)	(4,446,530)
Balance, end of year	1,466,112	1,492,268

Agence Ometz**Notes to the financial statements**

March 31, 2021

7. Deferred contributions related to capital assets and intangible assets

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

	2021	2020
	\$	\$
Balance, beginning of year	1,885	1,885
Received in the year	17,783	—
Balance, end of year	19,668	1,885

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 \$991,760 (\$1,289,002 in 2020). During the year, the CAP expenses amounted to \$991,760 (\$1,289,002 in 2020), of which \$386,320 (\$538,713 in 2020) were in support of the Organization's programs and were therefore included in total revenues from Federation CJA of \$1,038,943 (\$3,064,098 in 2020) in the statement of operations.

9. Government grants

	2021	2020
	\$	\$
Federal Grants ⁽¹⁾	2,080,314	—
Emploi-Québec	519,516	549,603
Immigration, francisation and integration	146,222	153,495
Programme de soutien aux organismes communautaires	227,775	240,202
Human Resources and Skills Development Canada	34,700	39,029
Other grants	8,170	28,543
	3,016,697	1,010,872

⁽¹⁾ 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 \$2,065,341 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 \$14,973 related to the CERS is recorded with Government grants.

Agence Ometz**Notes to the financial statements**

March 31, 2021

10. Additional information related to the statement of cash flows*Net change in non-cash working capital items*

	2021	2020
	\$	\$
Accounts receivable	(280,829)	(42,317)
Prepaid expenses	9,864	(6,664)
Accounts payable and accrued liabilities	15,413	23,871
Due to Federation CJA	887,502	(14,831)
Due to Community Assistance Program	(45,000)	20,000
Deferred revenue	(23,794)	(50,447)
Deferred contributions	(26,156)	773,020
	537,000	702,632

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, 2021, 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 2020) to the Organization, which is presented in the statement of operations as revenue.

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 \$392,000 (approximately \$475,000 for 2020). These costs are not recognized in the financial statements.

Agence Ometz**Notes to the financial statements**March 31, 2021

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 \$177,118 (\$204,574 in 2020), and recorded with Program salaries and benefits, and Salaries and benefits in the statement of operations.

Defined benefit pension plan

Federation CJA holds and administers a multi-employer defined benefit plan and has informed the Organization that this plan will be wound up in April 2021. This resulted in a liability to Federation CJA. As at March 31, 2021, an amount of \$315,936 has been accrued and recorded with liabilities Due to Federation CJA in the statement of financial position (nil in 2020, as no reasonable estimate could be made). In the statement of operations, an amount of \$315,936 related to the defined benefit pension plan is also recorded with Pension expense.

14. Commitments

The Organization has commitments under two operating leases that expire in January 2023 and March 2025. The minimum future rent payments total \$371,250 and are as follows:

	\$
2022	135,000
2023	116,250
2024	60,000
2025	60,000

15. Comparative figures

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