
Financial statements of Agence Ometz

March 31, 2023

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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, 2023, 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, 2023, 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 14, 2023

¹ CPA auditor, public accountancy permit No. A133206

Agence Ometz**Statement of financial position**

As at March 31, 2023

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash		597,563	817,314
Short-term investments	3	2,320,000	2,140,000
Cash in trust – clients' fund	6	435,072	351,591
Due from Federation CJA	13	155,291	117,469
Other receivables	4	77,585	57,242
		3,585,511	3,483,616
Capital assets	5	153,994	327,730
Intangible assets	5	40,383	82,930
		3,779,888	3,894,276
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		219,720	288,315
Due to clients' fund	6	435,072	351,591
Due to Federation CJA		—	6,101
Due to Community Assistance Program	9	—	11,242
Deferred revenue		62,830	72,622
Deferred contributions	7	1,010,172	1,323,600
		1,727,794	2,053,471
Pension liability	14	115,001	153,548
Loan payable to B.D.H. Community Foundation	13	306,000	140,000
Deferred contributions related to capital assets and intangible assets	8	9,182	14,425
		2,157,977	2,361,444
Net assets			
Invested in capital assets and intangible assets		185,195	396,235
Unrestricted		1,436,716	1,136,597
		1,621,911	1,532,832
		3,779,888	3,894,276

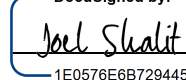
The accompanying notes are an integral part of the financial statements.

Approved by the Board

DocuSigned by:


 _____, Director

DocuSigned by:


 _____, Director

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

Year ended March 31, 2023

	2023			2022
	Invested in capital assets and intangible assets	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	396,235	1,136,597	1,532,832	1,276,614
Excess (deficiency) of revenue over expenses	(230,044)	319,123	89,079	256,218
Net investment in capital assets and intangible assets	19,004	(19,004)	—	—
Balance, end of year	185,195	1,436,716	1,621,911	1,532,832

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

Agence Ometz
Statement of operations
Year ended March 31, 2023

	Notes	2023	2022
		\$	\$
Revenue			
Federation CJA	9	2,814,738	1,898,149
Fee for service		500,025	625,953
Government grants	10	900,337	2,013,951
Operation Montréal		206,000	281,000
Centraide		250,000	250,000
Donations		1,170,678	1,058,006
B.D.H. Community Foundation	13	835,560	650,000
Interest income		54,341	12,627
		6,731,679	6,789,686
Expenses			
Operating expenses			
Program salaries and benefits	14	3,840,629	3,948,699
Program contract professionals		224,266	211,021
Activity costs		386,849	349,138
Professional development and memberships		28,904	29,597
Marketing		290,854	236,423
Information technology		458,836	325,471
Amortization of capital assets		192,740	235,813
Amortization of intangible assets		42,547	53,989
		5,465,625	5,390,151
Administration			
Salaries and benefits	14	734,315	737,560
Office and general		89,932	83,980
Insurance		57,369	54,649
Professional fees		61,219	40,335
Bank charges		3,173	3,509
		946,008	920,033
Funding and development		230,967	223,284
Total expenses		6,642,600	6,533,468
Excess of revenue over expenses		89,079	256,218

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

Agence Ometz
Statement of cash flows
Year ended March 31, 2023

	Notes	2023	2022
		\$	\$
Operating activities			
Excess of revenue over expenses		89,079	256,218
Adjustments for:			
Amortization of capital assets		192,740	235,813
Amortization of intangible assets		42,547	53,989
Amortization of deferred contributions related to capital assets and intangible assets		(5,243)	(5,243)
		319,123	540,777
Net change in non-cash working capital items	11	(339,870)	(528,900)
		(20,747)	11,877
Investing activities			
Acquisition of short-term investments		(180,000)	(1,000,000)
Acquisition of capital assets		(19,004)	(41,456)
Acquisition of intangible assets		—	(23,541)
		(199,004)	(1,064,997)
Net decrease in cash		(219,751)	(1,053,120)
Cash, beginning of year		817,314	1,870,434
Cash, end of year		597,563	817,314

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

Agence Ometz**Notes to the financial statements**March 31, 2023

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, 2023

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**Initial measurement*

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Organization in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for the following:

- (a) Investments in unlisted shares, which are measured at cost less any reduction for impairment.
- (b) Investments in listed shares and derivative financial instruments that are not designated in a qualifying hedging relationship, which are measured at fair value at the balance sheet date. The fair value of listed shares is based on the latest closing price, and the fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments.

Interest earned on short-term investments and bonds, dividends received on unlisted shares, unrealized gains and losses on listed shares, and realized gains and losses on sales of short-term investments and bonds are included in *Other income* in the statement of operations.

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.

Agence Ometz**Notes to the financial statements**

March 31, 2023

2. Accounting policies (continued)*Contributed services and materials*

Certain 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 amount of \$2,320,000 (\$2,140,000 in 2022) consists of four Guaranteed Investments Certificates ("GIC"). Two GICs for a total of \$1,750,000 maturing in October 2023 at a 3.20% rate each and two GICs for a total \$570,000 maturing in April 2023 at a 4.79% rate each (three GICs for a total of \$2,000,000 at a 0.95% rate in 2022). The Organization has an investment of nil (\$140,000 in 2022) held in trust by the B.D.H. Community Foundation as described in Note 13.

4. Other Receivables

	2023	2022
	\$	\$
Interest on GICs	26,502	4,737
Sales taxes	20,936	16,511
Client fees	17,174	29,881
Sundry	12,973	6,113
	77,585	57,242

5. Capital assets and intangible assets*Capital assets*

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office equipment	312,767	271,497	41,270	65,804
Computers	349,641	301,107	48,534	48,902
Leasehold improvements	728,708	664,518	64,190	213,024
	1,391,116	1,237,122	153,994	327,730

Intangible assets

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Website	59,103	57,547	1,556	4,672
Database	450,171	414,493	35,678	72,621
Software	59,570	56,421	3,149	5,637
	568,844	528,461	40,383	82,930

Agence Ometz**Notes to the financial statements**

March 31, 2023

6. Due to clients' fund

	2023	2022
	\$	\$
Balance, beginning of year	351,591	399,367
Receipts	1,429,219	1,319,093
Disbursements	(1,345,738)	(1,366,869)
Balance, end of year	435,072	351,591

Due to clients' fund is offset by a matching cash in trust asset in the statement of financial position.

7. Deferred contributions

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

Changes in deferred contributions balance are as follows:

	2023	2022
	\$	\$
Balance, beginning of year	1,323,600	1,466,112
Received in the year	5,276,976	4,137,156
Recognized as revenue in the year	(5,590,404)	(4,279,668)
Balance, end of year	1,010,172	1,323,600

8. Deferred contributions related to capital assets and intangible assets

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

	2023	2022
	\$	\$
Balance, beginning of year	14,425	19,668
Recognized as revenue in the year	(5,243)	(5,243)
Balance, end of year	9,182	14,425

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 \$1,111,564 (\$932,933 in 2022). During the year, the CAP expenses amounted to \$1,111,564 (\$932,933 in 2022), of which \$414,824 (\$399,207 in 2022) were in support of the Organization's programs and were therefore included in total revenues from Federation CJA of \$2,814,738 (\$1,898,149 in 2022) in the statement of operations. As of March 31, 2023, the Organization has an amount due to CAP of nil (\$11,242 in 2022).

Agence Ometz**Notes to the financial statements**

March 31, 2023

10. Government grants

	2023	2022
	\$	\$
Federal grants (CEWS and CERS) ⁽¹⁾	—	1,179,609
MESS- Services d'aide à l'emploi (SAE)	584,349	545,084
MSSS- CCSMTL Programme de soutien aux organismes communautaires (PSOC) ⁽²⁾	284,954	259,829
Government of Canada -Canada Summer Jobs (CSJ)	30,001	24,429
Other grants	1,033	5,000
	900,337	2,013,951

(1) Federal grant related to the COVID-19

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 nil (\$1,116,000 in 2022) related to the CEWS is recorded in *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 nil (\$63,609 in 2022) related to the CERS is recorded in *Government grants*.

(2) PSOC grant consists of \$243,794 for Mission globale (\$219,829 in 2022) and \$41,160 for Soutien communautaire en logement social (\$40,000 in 2022)**11. Additional information related to the statement of cash flows***Net change in non-cash working capital items*

	2023	2022
	\$	\$
Other receivables	(20,343)	309,821
Due from Federation CJA	(37,822)	—
Accounts payable and accrued liabilities	(68,595)	62,587
Due to Federation CJA	(6,101)	(667,670)
Pension liability	(38,547)	(61,528)
Loan payable to BDH	166,000	—
Due to Community Assistance Program	(11,242)	11,242
Deferred revenue	(9,792)	(40,840)
Deferred contributions	(313,428)	(142,512)
	(339,870)	(528,900)

Non-cash transactions

In 2022, the Organization received a loan of \$140,000 from B.D.H. Community Foundation which was invested in-trust with B.D.H. Community Foundation as described in Note 13.

Agence Ometz**Notes to the financial statements**March 31, 2023

12. 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, 2023, the most significant liabilities are accounts payable and accrued liabilities and due to clients' fund.

13. 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 \$835,560 (\$650,000 in 2022) to the Organization, which is presented in the statement of operations as revenue and consists of the following:

	2023	2022
	\$	\$
Annual contribution	675,000	650,000
Income earned from endowment funds held by B.D.H.	142,360	—
Loan forgiveness	14,000	—
Additional contribution	4,200	—
	835,560	650,000

As at March 31, 2023, the Organization received a loan of \$180,000 from B.D.H. (\$140,000 in 2022) for a total of \$320,000 as part of the \$400,000 commitment for the purpose of funding the operations of Clinique Entourfamille, a clinic which provides evaluation and therapeutic services for children. During the year, B.D.H. forgave \$14,000 (nil in 2022) of the loan, resulting in a loan balance of \$306,000 as at March 31, 2023 (\$140,000 as at March 31, 2022). This loan is non-interest bearing and shall be repaid in ten annual instalments due within ninety days following the end of each fiscal year only if the operations of the clinic resulted in a net surplus as calculated by Ometz's management. The amount of each instalment is determined as the lower of 50% of the net surplus of the clinic, or 10% of the total amount borrowed and outstanding as of year end. As at March 31, 2023, an amount of nil (\$140,000 in 2022) was held in-trust and invested by B.D.H. Following the payment of the tenth instalment or a termination by the Organization, B.D.H. shall forgive the remaining balance as a charitable gift.

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.

Agence Ometz**Notes to the financial statements**March 31, 2023

13. Related party transactions (continued)*Federation CJA*

As at March 31, 2023 a total of \$155,291 (\$117,469 in 2022) relates to programmatic funding due to the Organization from Federation CJA and is presented in the statement of operations as revenue.

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 \$376,000 (approximately \$398,000 for 2022). These costs are not recognized in the financial statements.

14. 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 \$215,969 (\$225,910 in 2022), and recorded in *Program salaries and benefits*, and *Salaries and benefits* in the statement of operations.

Defined benefit pension plan

Federation CJA held and administered a multi-employer defined benefit plan for the Organization which was wound up in April 2021. As at March 31, 2023, this resulted in an amount of \$115,001 (\$153,548 in 2022) due to the Organization's employees included in the statement of financial position. The amount is being drawn down as the employees retire.

15. Commitments

The Organization has commitments under two separate leases that expire in December 2024 and an occupancy agreement with Federation CJA that expires in March 2027.

	Leases	Occupancy Costs
	\$	\$
2024	136,500	22,133
2025	117,375	105,264
2026	—	206,928
2027	—	308,592
	<u>253,875</u>	<u>642,917</u>

16. Comparative figures

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