

Moncton Employment & Training Services, Inc.



2022 Annual Meeting Report

Serving the Greater Moncton Area Since 1953

1250 St. George Blvd Moncton, NB E1E 3S1

www.metsinc.ca

Moncton Employment & Training Services, Inc.

ANNUAL GENERAL MEETING

2022

AGENDA

1. PRESIDENT'S WELCOME
2. APPROVAL OF AGENDA
3. APPROVAL OF 2021 ANNUAL MEETING MINUTES
4. PRESENTATION OF REPORTS
 - President's Report
 - Executive Director's Report
 - Auditor's Report: Sean Greene - ThielGreene Chartered Professional Accountants
 - Nominating Committee Report
5. CONFIRMATION OF PROCEEDINGS
7. ADJOURNMENT





Moncton Employment and Training Services, Inc.
Annual General Meeting 2021
Minutes
June 7, 2021, 7:00pm – via Zoom

Attendance: Gary Rouse, Aaron McLean, David Richard, Kathy Heppell, Michelle Legere, Norma Wartman, Debbie Vaughan, Marc Lebans, Kathy Sather, Joanne Gaudet, Andrea Cowan, Carol Simpson, Diane Johnson, John Eatmon, Leanne Robichaud, Diane Bourgeois, Christien LeBlanc

Chair: Gary Rouse, Board President
Acting Secretary: Aaron McLean

- 1) Meeting started 7:03pm. Opening remarks by Gary Rouse, President
- 2) Approval of Agenda
 - Moved by Kathy Sather
 - Seconded by Aaron McLean
 - Motion Carried
- 3) Approval of 2020 Annual Meeting Minutes
 - Moved by Aaron McLean
 - Seconded by Kathy Heppell
 - Motion Carried
- 4) President's Report – Gary Rouse
- 5) Executive Director's Report – David Richard
- 6) Auditor's Report – Christien LeBlanc of Thiel Greene
 - Moved by Andrea Cowan
 - Seconded by Aaron McLean
 - Motion Carried
- 7) Re-appointment of auditors, Thiel Greene for Fiscal 2022
 - Moved by Kathy Sather
 - Seconded by Michelle Legere
 - Motion Carried
- 8) Nominating Committee Report – Andrea Cowan
 - Moved by Aaron McLean
 - Seconded by Kathy Sather
 - Motion Carried



- 9) Motion to elect 4 standing directors
- Moved by Kathy Sather
 - Seconded by Michelle Legere
 - Motion Carried

10) Guest speaker Carol Simpson, NBASSE Executive Director

11) Confirmation of Proceedings – Resolved that since Jan 25, 2021, all unresolved minutes have been approved, ratified, sanctioned, and confirmed

- 12) Adjournment
- Kathy Heppell



President's Report

To begin, I would like to say what a pleasure it has been to serve as the president of the Board of Directors for this organization over the past year. METS has a very talented and caring group of professionals who volunteer their time monthly to serve on its board. I would like to thank each one of them for their service. I would also like to point out what a tremendous job the staff at METS has done over the past 2 years, as they were forced to pivot and change plans often, with each wave of the pandemic. I am hopeful that the worst has passed and that the daily operations at METS can continue to go back to “normal” with each coming day.

As a resource teacher at one of our local high schools, I was introduced to this organization as a part of a transition plan for one of my graduating students in 2008. I was so pleased to see that the Greater Moncton Area had opportunities for adults with intellectual disabilities once they had reached the end of their educational journeys. I know firsthand what a relief it is for both parents and their children to know that the community will provide further opportunities for growth and development in a safe and encouraging atmosphere. Since then, I have been a volunteer with the former Community Connections Program where I have made a lifelong friendship with a former METS client and his family. I have served on the METS board since 2017 and have also referred several of my graduating students to this amazing organization because I know what a great opportunity it is for them. I am proud to be associated with an organization that mandates “relevant valued services to adults with intellectual disabilities through training, personal development, community placement and employment.”

Being well informed helps us as a board to make sound decisions that have a positive impact on the lives of the clients, their families, and the employees at METS. I would like to thank our Executive Director- Dave Richard and his staff for keeping the board well informed of the goings on at METS. Policies, provincial guidelines, and regulations change regularly, and I am satisfied that this organization is in good hands with a competent and fair leader and support staff.

Warm regards,
Andrea Cowan
President of METS Board of Directors



Executive Director Report

Welcome to Moncton Employment & Training Services, Inc. 2022 Annual General Meeting. As we continue to work through the pandemic the ability to meet virtually is still a necessity, but I am hopeful that the next AGM will be an opportunity to meet once again in person.

Despite the ongoing restrictions early in the fiscal year, METS continued to provide services in various ways and to as many individuals as possible. METS continues to maintain some of the safety protocols and policies specific to the pandemic and this unfortunately does restrict services to several METS participants. The intention is that in time those restrictions will be lifted when it is deemed safe to do so for all participants and staff within the agency-based services.

As many of you are aware there has been some noticeable changes within METS agency-based services during this past year. Over the last two years METS has been working towards meeting the expectations presented in Social Development's new Employment and Support Services (ESSP) standards introduced in 2019. In 2021 / 22 METS restructured specific departments as a means of providing greater focus on community involvement and preparing individuals for employment opportunities. Historically, METS has provided these opportunities and will now focus efforts to increase successful outcomes.

There have also been significant changes affecting METS Community Employment Agency (CEA). Years of planning have resulted in the development of avenueNB Co-operative that will now be responsible for funding Employment Assistance Services (EAS) agencies in New Brunswick that includes CEA. This is a co-operative funded by WorkingNB that give member agencies a voice in the managing of EAS services and will attempt to create greater collaboration between these services to ensure all client needs are met. It will also initiate the development of new resources that are needed for successful transition to employment and maintaining employment placements within the community.

Significant changes throughout METS have meant additional and challenging work for staff. Especially throughout this period, the management team has invested significant time and energy to create a successful model in both agency-based and community-based services. We have also relied on front line staff to undergo additional training and changes in service delivery and for some, embracing new roles. All of this in addition to maintaining a safe environment during a pandemic. My sincere thanks go to all of them who have continued to work towards achieving our goals and understanding the significance in what we are attempting to do. My thanks also go to the people that we support as they experience and adapt to these changes.

My thanks to METS Board of Directors who have provided the support and guidance to myself and this organization. They are a very dedicated group of people who believe in what we do and want to be part of it.

Last, but not least, thank you to our funders, Social Development and WorkingNB for their ongoing co-operation. Representatives from both departments have demonstrated their understanding in the need for the services METS offers and their desire to work collaboratively.

Sincerely,
David Richard
Executive Director

**MONCTON EMPLOYMENT &
TRAINING SERVICES INC.**

Financial Statements
For the year ended
March 31, 2022

Draft for discussion purposes only

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Index to Financial Statements

For the year ended March 31, 2022

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Draft for discussion purposes only

PO Box 903
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INDEPENDENT AUDITOR'S REPORT

To the Members of Moncton Employment & Training Services Inc.

Qualified Opinion

We have audited the financial statements of Moncton Employment & Training Services Inc., which comprise the statement of financial position as at March 31, 2022, 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Qualified Opinion

The organization has recorded a provision for building maintenance to be performed in a future period, which constitutes a departure from ASNPO. Accordingly, expenses for the year are overstated by \$80,000, and consequently, the excess revenues are understated by \$80,000.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 qualified 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 generally accepted auditing standards 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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT, continued

- ◆ 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.

CHARTERED PROFESSIONAL ACCOUNTANTS

Moncton, NB
June 13, 2022

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Statement of Financial Position

1

As at March 31,	2022	2021	2020
ASSETS			
Current assets			
Cash	\$ 232,414	\$ 152,057	\$ 187,273
Accounts receivable	193,930	140,476	113,537
Inventory	104,580	83,326	53,262
Prepaid expenses	32,900	29,590	21,999
	563,824	405,449	376,071
Capital assets (note 3)	1,001,142	1,037,705	1,030,475
	\$ 1,564,966	\$ 1,443,154	\$ 1,406,546
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities (note 4)	\$ 447,094	\$ 407,270	\$ 374,707
Current portion of long-term debt	-	-	15,590
	447,094	407,270	390,297
NET ASSETS			
Investment in capital assets (note 5)	1,001,142	1,037,705	1,014,885
Internally restricted	80,000	-	-
Unrestricted	36,730	(1,821)	1,364
	1,117,872	1,035,884	1,016,249
	\$ 1,564,966	\$ 1,443,154	\$ 1,406,546

Signed on Behalf of the Board

_____ Member

_____ Member

See accompanying notes

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Statement of Changes in Net Assets

2

For the year ended March 31,

	Investment in capital assets (note 5)	Internally restricted	Unrestricted	Total 2022	Total 2021
BALANCE, BEGINNING OF YEAR	\$ 1,037,705	\$ -	\$ (1,821)	\$ 1,035,884	\$ 1,016,249
Excess revenues (expenditures)	(61,479)	-	63,467	1,988	19,635
Purchase of capital assets	24,916	-	(24,916)	-	-
Appropriation from operations	-	80,000	-	80,000	-
BALANCE, END OF YEAR	\$ 1,001,142	\$ 80,000	\$ 86,730	\$ 1,117,872	\$ 1,035,884

See accompanying notes

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Statement of Operations

3

For the year ended March 31,	2022	2021	2020
REVENUES			
ADAPT			
Grants, Prov of NB	\$ 1,420,455	\$ 1,351,268	\$ 1,265,384
Fees for service	435,407	566,610	601,411
Community Employment Agency	464,987	408,057	423,199
BC Innovations	5,838	13,317	23,157
Moncton Pallet	551,982	233,308	357,375
The Right Choice Catering	41,217	23,261	87,403
Donations	3,764	459	1,981
Transportation	59,947	56,709	73,590
Summer student grants	35,131	22,067	14,375
Miscellaneous	955	26,899	2,655
	3,019,683	2,701,955	2,850,530
EXPENDITURES			
Amortization	61,479	63,404	57,528
Interest and bank charges	4,543	4,823	9,823
Interest on long-term debt	-	-	386
Other expenses, Schedule 1	2,951,673	2,614,093	2,749,068
	3,017,695	2,682,320	2,816,805
EXCESS REVENUES FOR THE YEAR	\$ 1,988	\$ 19,635	\$ 33,725

See accompanying notes

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Statement of Cash Flows

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For the year ended March 31,	2022	2021	2020
OPERATING ACTIVITIES			
Excess revenues for the year	\$ 1,988	\$ 19,635	\$ 33,725
Adjustments for Amortization	61,479	63,404	57,528
Transfer to internally restricted funds	80,000	-	-
	143,467	83,039	91,253
Change in non-cash working capital items			
Accounts receivable	(53,454)	(26,939)	54,912
Inventory	(21,254)	(30,064)	10,295
Prepaid expenses	(3,310)	(7,591)	(1,127)
Accounts payable and accrued liabilities	39,824	32,563	(5,599)
	105,273	51,008	149,734
FINANCING ACTIVITY			
Repayment of long-term debt	-	(15,590)	(41,486)
INVESTING ACTIVITY			
Purchase of capital assets	(24,916)	(70,634)	(20,114)
INCREASE (DECREASE) IN CASH	80,357	(35,216)	88,134
CASH, BEGINNING OF YEAR	152,057	187,273	99,139
CASH, END OF YEAR	\$ 232,414	\$ 152,057	\$ 187,273

See accompanying notes

MONCTON EMPLOYMENT & TRAINING SERVICES INC.

Notes to the Financial Statements

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For the year ended March 31, 2022

1. STATUS AND NATURE OF ACTIVITIES

Moncton Employment & Training Services Inc. is incorporated, without share capital, under the New Brunswick Companies Act and its principal activities include the provision of training and other services for intellectually disabled adults in Moncton, New Brunswick. The Corporation operates without profit, gain or equity for its members.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Cash and cash equivalents

Cash and cash equivalents consist of petty cash, balances in bank accounts, term deposits and a line of credit.

Inventory

Inventories consist primarily of workshop materials and catering supplies. Raw materials are valued at the lower of average cost and replacement cost. Finished goods are valued at the lower of average raw material cost and net realizable value.

Capital assets

Land, buildings and equipment are stated at cost. Amortization is provided using the straight-line method at the following annual rates:

Buildings	2.5%
Equipment	10%, 12.5% and 25%
Motor vehicles	10% and 20%

Revenue recognition

The Corporation follows the deferral method of accounting for contributions, which include government grants.

Contributions are recorded as revenue in the period to which they relate. Contributions approved but not received at the end of an accounting period are accrued. Where a portion of a contributions relates to a future period, it is deferred and recognized in the subsequent period.

Revenue from fees, contracts and other services is recognized when the services are provided.

Use of estimates

The preparation of financial statements in conformity with 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 disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Notes to the Financial Statements

For the year ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets, with actively traded markets, are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

3. CAPITAL ASSETS

			2022			2021			2020
	Cost	Accumulated amortization	Net		Net		Net		Net
Land and land improvements	\$ 244,524	\$ -	\$ 244,524		\$ 244,524		\$ 244,524		\$ 244,524
Buildings	1,358,579	680,995	677,584		701,837		726,320		726,320
Equipment	241,333	220,301	21,032		15,978		18,669		18,669
Motor vehicles	178,070	120,068	58,002		75,366		40,962		40,962
	<u>\$ 2,022,506</u>	<u>\$ 1,021,364</u>	<u>\$ 1,001,142</u>		<u>\$ 1,037,705</u>		<u>\$ 1,030,475</u>		<u>\$ 1,030,475</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Government remittances are included in accounts payable and accrued liabilities. The following government remittances were payable at year end:

	2022	2021	2020
HST	\$ 24,019	\$ 30,260	\$ 40,606
Employee deductions	47,123	43,280	39,500
	<u>\$ 71,142</u>	<u>\$ 73,540</u>	<u>\$ 80,106</u>

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Notes to the Financial Statements

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For the year ended March 31, 2022

5. INVESTMENT IN CAPITAL ASSETS

	2022	2021	2020
Capital assets	\$ 1,001,142	\$ 1,037,705	\$ 1,030,475
Less amount funded by long-term debt	-	-	(15,590)
	<u>\$ 1,001,142</u>	<u>\$ 1,037,705</u>	<u>\$ 1,014,885</u>

6. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of customers which minimizes concentration of credit risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipts of funds from its customers and other related sources, and accounts payable and accrued liabilities.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

7. INCOME TAX STATUS

The Corporation is registered with Canada Revenue Agency as a charitable organization under the Income Tax Act and as such, is not subject to income tax.

For the year ended March 31, 2022

8. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Corporation's environment and in the global markets, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Corporation's operations.

The extent of the impact of this outbreak and related containment measures on the Corporation's operations cannot be reliably estimated at this time.

Draft for discussion purposes only

MONCTON EMPLOYMENT & TRAINING SERVICES INC.
Schedule to the Financial Statements

For the year ended March 31,

SCHEDULE OF OTHER EXPENSES	Schedule 1		
	2022	2021	2020
Bad debts	\$ (6)	\$ 213	\$ 598
Conferences and staff training	10,323	4,665	10,057
Employees' stipends and incentives	48,278	74,878	103,827
Heat, light and water	51,414	46,950	58,076
Insurance	21,182	19,136	17,614
Maintenance on building and equipment	44,202	33,707	54,148
Professional fees	8,250	7,900	7,700
Staff salaries and benefits	2,083,475	2,068,992	2,037,869
Telephone	20,828	20,186	20,156
Vehicle	31,777	14,935	49,513
Travel	5,003	4,754	7,644
Rental	25,043	24,000	24,000
Provision for building maintenance	80,800	-	-
Supplies and materials			
Moncton Pallet	378,435	142,991	179,312
BC Innovations	1,483	594	1,926
The Right Choice Catering	39,982	30,315	71,038
Office	102,004	120,777	105,590
	\$ 2,951,673	\$ 2,614,093	\$ 2,749,068

Draft for discussion purposes only



NOMINATING COMMITTEE REPORT

In accordance with the Constitution and By-Laws, all directors are elected for a 3-year term and are eligible to be re-elected for 2 additional terms. It is the recommendation of the Nominating Committee that for the 2022 – 2023 fiscal year, the Board consist of the following Directors:

7 Board Members will be returning, as their terms have not yet expired:

Sheila Bennett
Andrea Cowan
Michelle Legere
Ozzie Babineau
Aaron McLean
Gary Rouse
Kathy Sather

The following individuals have been approved by the Board of Directors to occupy current vacancies on the Board in 2021. These two members have agreed to be nominated for election to the Board by the membership:

Jason Dempsey

Jason and his wife Lee practice law at the offices of Phillips Dempsey. Jason has served as a board member and volunteer with several charitable organizations in the Greater Moncton Area and remain committed to community service.

Debbie MacDonald

Debbie has worked with the Royal Bank of Canada since 2002. She has been actively involved with various charities, as well as a volunteer with METS Community Connections program.

Ozzie Babineau will remain as the Parent's Group Representative for the 2022 – 2023 fiscal year.

The Executive Committee for the fiscal year 2022 / 2023 is as follows:

Andrea Cowan – President
Sheila Bennett – Vice-President
Aaron McLean – Treasurer
Kathy Sather – Secretary
Gary Rouse – Past President

Respectfully Submitted,
Nominating Committee