

46th Annual General Meeting 2020



Family Enrichment
and Counselling
Service

Contents

- Welcome and Opening speech from the President.
- Quorum and Agenda AGM 2020
- Minutes from the 2019 AGM
- Navigating Mental Health Through a Pandemic
- R.A.S.S - Project
- Financial Year-end Report
- Executive Director's Report
- Recognizing our Funders and Donators
- Board of Directors 2020-2021
- Year end Review- Shannon & Buffet
- Financial Statement and Appointment of Auditors for 2020



Welcome and opening of the AGM - Bruce McClary, President

I want to begin this message on a positive note. I am very proud to have my name attached to Family Enrichment and Counselling Services. This organization raises the bar in the Fredericton community and continues to deliver innovative mental health services regardless of barriers, whether they be financial or social. Clients of FECS receive high quality counselling from dedicated professionals and the impact made in the community deserves recognition. As a citizen of Fredericton, I want to thank FECS for what they do every day.

We cannot discuss 2020 and the year that went by without mentioning Covid-19. This pandemic effected and still effects numerous lives and businesses. FECS was able to quickly adjust and implement new plans to deal with the government implemented lockdown, and later, social distancing and group gathering restrictions. There was a change in delivery from in-person to remote counselling. Throughout this pandemic FECS was here for Fredericton and the surrounding area and their mental health needs. I believe praise is deserved for the ability to adapt and keep focus on clients.

None of this would have been possible without the amazing staff and management in place at FECS. I want to thank you for your dedication to your profession, your clients and this agency. Thank you for adapting to our new way of providing service during this pandemic and coming together as a team to help guide FECS forward. Thank you to our support staff handling reception and finances, which keep FECS afloat on a daily basis. Finally, thank you to Leentje Deleuil, our Executive Director, for the daily management of the agency and the innovation you bring as we all work together to move forward. You all have a role to play together as a team as we plan the future of FECS.

Looking forward, I envision better for FECS. We see growth for our organization based on prudent planning and the strong foundation we have in place. We have a good financial position, but planned growth allows us to expand programs and explore employee benefits. The increasing demand for mental health care forces us to expand our services. It is vital that we keep moving forward with initiatives such as R.A.S.S. to better serve clients. Most of all we need to continue to raise FECS's profile and continue our fundamental mission. We are the leaders in mental health services in Greater Fredericton Area and surroundings.

In closing, I am very privileged to be the one who writes this message. I serve with a great board of directors for a worthy agency whose mandate is noble. The Board of Directors is absolutely behind staff and management. We are one team looking for the same goal and I am pleased to be part of it.

Bruce McClary, President

Quorum and Agenda, Amanda Nason, Secretary

Item	Description	Responsible
1	Welcome and introductions	President - Bruce
2	Quorum	Secretary - Amanda
3	Approval of Agenda	President - Bruce
4	Acceptance of minutes annual general meeting 2018	President - Bruce
5	Navigating Mental Health through a Pandemic	ED - Leentje
6	Presentation R.A.S.S.-Project	Mikala
7	Executive Director's Report	ED-Leentje
8	Year End Review – Shannon & Buffet	Treasurer - Tyler
9	Acceptance of Financial Statements	Treasurer - Tyler
10	Appointment of the Auditor for 2020	Treasurer - Tyler
11	Recognizing our Funders and Donators	Leentje,ED
12	Renewal Board positions /Election of Officers	President – Bruce
13	Acceptance Annual Report	President – Bruce
14	Adjournment	President – Bruce



Minutes of the 2019 AGM – Amanda Nason, Secretary

June 13, 2019; from 5:08 pm to 5:53 pm

Annual General meeting was called to order at 5:08 pm. by Bruce McClary.

Welcome and Introductions made by Bruce McClary

- Bruce introduced board members present.

Introduction of guest Speaker made by Executive Director, Leentje Deleuil

- Laurie Guthrie – Smart City Challenge

Laurie Guthrie spoke about Smart City Challenge; empowerment and inclusion within the community .

Board Annual Report and President’s Report presented by Bruce McClary

- Introduced himself as President of the Board as of September 2017
- Thanked staff members and Leentje on behalf of the board
- Credited Leentje for keeping the agency in good financial standing
- Presented summary of agency’s accomplishments over the last year.

Minutes from 2018 Annual General Meeting Motion to approve was made by Tyler and seconded by Jessica Motion approved

Treasurer’s report presented by Tyler and prepared by Shannon & Buffett, LLP

- Financial statements were reviewed and accepted
- Motion to approve was made by Lucie and seconded by Jessica.
- Motion to approve current auditors was made by Mike and seconded by Tyler.
Motion approved.

Executive Director report presented by new Director, Leentje Deleuil. Motion to approve made by Mike and seconded by Lucie. Motion approved.

Appointment of Board Members Motion to keep Executive the same made by Jessica and seconded by Lucie. Motion approved.

President: Bruce McClary
Vice President: Mike Ryan
Treasurer: Tyler Szo
Secretary: Amanda Nason

Bruce asked audience if they had questions. Compliments given.

Motion to adjourn meeting was made by Tyler. Meeting adjourned 5:53pm

Respectfully submitted by Amanda Nason



Navigating Mental Health through a Pandemic.

The current epidemic has had an unprecedented impact across the globe.

FECS was able to adapt by offering virtual counselling as opposed to Face-to-Face counselling in less than 24 hours! Kudos to all staff for their help.

Our cancellations increased by 40% in March, causing a large financial setback. It took clients a while to transition and accept the idea of virtual counselling. Beginning July, we offered the opportunity to clients to have FTF or virtual counselling. A Pandemic Operational plan was put in place in April and has been adapted every 2 weeks since.

FECS has followed and continues to follow the guidelines from the Department of Public Safety.

We closed our agency to the public in March until June. By the end of June we re-introduced FTF counselling or virtual counselling based upon the client's request. Appointments were staggered in order to avoid that 2 clients were in the reception area at the same time. We started using our backdoor as our exit door to avoid that people would be crossing each other's path in the common areas.

Initially we suspended our psycho-educational groups, staff meetings, therapist meetings and board meetings were held virtually. The decision was made to postpone the AGM.

As of August, all of our workshops and psycho-educational groups happen and will continue to happen at The Ville to accommodate social distancing measures.

We noticed and continue noticing an increase in the following issues:

- Insecurity
- Anxiety
- Panic
- Confusion
- Emotional isolation, depression
- Unhealthy behaviors (alcoholism, substance abuse, violence,..)
- Future shock
- Grief and loss
-



Living through a pandemic can certainly affect mental health and wellness. By being aware of these negative impacts on our wellness, we are better able to cope with them. The pandemic can also be a trigger for symptoms related to trauma including increased distress, irritability, avoidance, and feeling overly emotional again highlighting how important maintaining our agency's operations are.

We are grateful to our sponsors, United Way Central and the Fredericton Community Foundation; with their help we were able to offer free sessions for many clients, frontline workers and first responders.

We are equally grateful towards our Premier, Blaine Higgs and Dr. Jennifer Russell, Chief Medical Officer of Health for introducing the rules to prevent the spread of the virus (i.e.: closing borders, social distancing, mandatory use of mask in common spaces, reduction of large gatherings,...)

As long as no vaccines are available the threat continues. Together we can make a difference simply by respecting the social distancing rules in place, by using the PPE and employing frequent sanitization.

FECS navigated the first wave successfully and we are ready to face the second wave if/when it occurs.

Leentje Deleuil
Executive Director



R.A.S.S –Project: presented by Mikala Watson

The R.A.S.S. Project is an initiative conceptualized in early 2020 and has been consistently researched and developed from that point forward. Through a local survey conducted by CAMHS (Council for Access to Mental health Support) as well as the overwhelming reaction we had with our ½ day Walk-In Clinic our agency recognized the need for a more appropriate system to be put in place. The Walk-In Clinic garnered a lot of interest from members in our community and we quickly realized that the demand far exceeded the current capabilities. Furthermore through the survey that was conducted there were four themes which were identified: **wait times, availability, cost, and awareness**. As a result of both the demand witnessed through the Walk-In Clinic and the barriers which were cited throughout. Our research team recognized that “**the**” solution, is a Single Session Free walk-in Clinic, 6 days/week. Models in other provinces which implemented single session counselling formats were proven to be effective in not only reducing wait lists but furthermore it was shown that those being treated through the single session format reported less issues on a longer term basis.

Although the R.A.S.S. Project seeks to implement a single session structure which already exists in other areas we also are addressing several other barriers cited in our survey and identified in our research. The creation of an immediate access point for mental health services will alleviate the strain placed on emergency responders, our hospitals, and our existing mental health care facilities. In terms of those who have financial concerns the R.A.S.S. Project will operate as a free single session to members of the general public, thus eliminating a barrier for many seeking services. Lastly, the priority for our agency is maintaining a client-centered approach. This involves many aspects of the provider-client relationship, however our focus with the R.A.S.S. Project is the disconnection that exists between the client and resources and/or services. Through this initiative we seek to address this concern in providing each individual with an action plan which will include referrals, contact information, and resources that will aid the client in what currently is a disjointed and fractured system of social services.

The R.A.S.S. Project will allow our agency to help upwards of 6500 individuals and through helping these individuals’ we are bettering our community in the process.

Financial Report Fiscal year ended Dec.31st 2019 - Tyler Szo- Treasurer

The overall performance of Family Enrichment Counselling Service (FECS) remained strong in fiscal year 2019 following an equally impressive year in 2018. Overall revenues increased 8% from the prior year, specifically in the areas of self-referrals which on its own jumped over 42% from 2018 to 2019. Other areas of increased revenues included special funding for the Paving the Way campaign as well as donations which grew substantially in 2019 to \$14,000 from less than \$4,000 in 2018.

The organization has maintained a strong cash position which has steadily increased since 2017. There have also been additional efforts to manage accounts receivable balances to help generate consistent cash flow. To date, FECS has not required the use of a credit line from its lender and has been able to manage its operating costs without the help of outside funding.

The positive trend in Family Enrichments financial position year over year allows the organization to expand its reach to the community and fulfill its mission which is *“To enrich individuals, families and communities through counselling, education and advocacy.”* While expenses exceeded revenues in 2019 due to rising operating costs, FECS’ growing revenues and expanded reach have allowed it to remain financially stable.

The financial statements for the period were reviewed in accordance with generally accepted accounting standards and showed no material errors. Internal financial statements are prepared by the Treasurer and presented at all board meetings.

While not reflected in the 2019 financial statements, it should be mentioned that the COVID-19 pandemic has had an unfavorable effect on local businesses in Fredericton, including Family Enrichment. Despite these times, FECS has fared better than imagined; while some months have shown significant slowdown, revenues have begun to improve, especially as it relates to self-referrals. Management has done a superb job at trying to navigate the unknown and the new world in which business is to be conducted. Given the critical role of FECS in the community, continued service delivery was especially important.



Executive Director’s Report – Leentje Deleuil ED

Once again it is an honor for me to be here today as the Executive Director for Family Enrichment and Counselling Service.

Allow me to thank all of you present here. Special thanks go to all the Board members, dynamic, dedicated and active volunteers who lead Family Enrichment and Counselling Service.

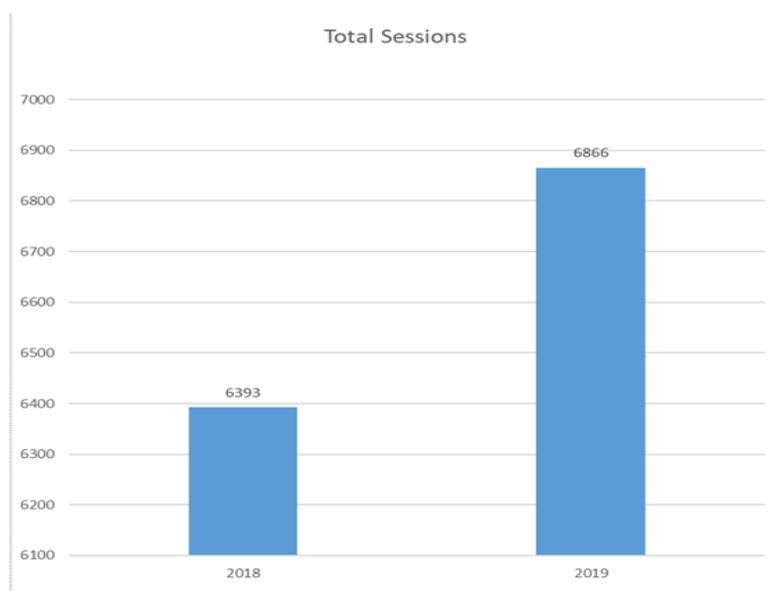
The tremendous work can only be achieved by the relentless hard working counsellors and administrative staff. Every single one of them goes above and beyond their duties to serve our clients to the best. Thank you for your wonderful work.

For 46 years, FECS has built a unique, positive and indispensable place in the community. As mentioned in the previous presentation, mental health is a global issue, 7/10 people will encounter a mental health issue during their lifetime. Our client centered work is making this community a healthier place to live.

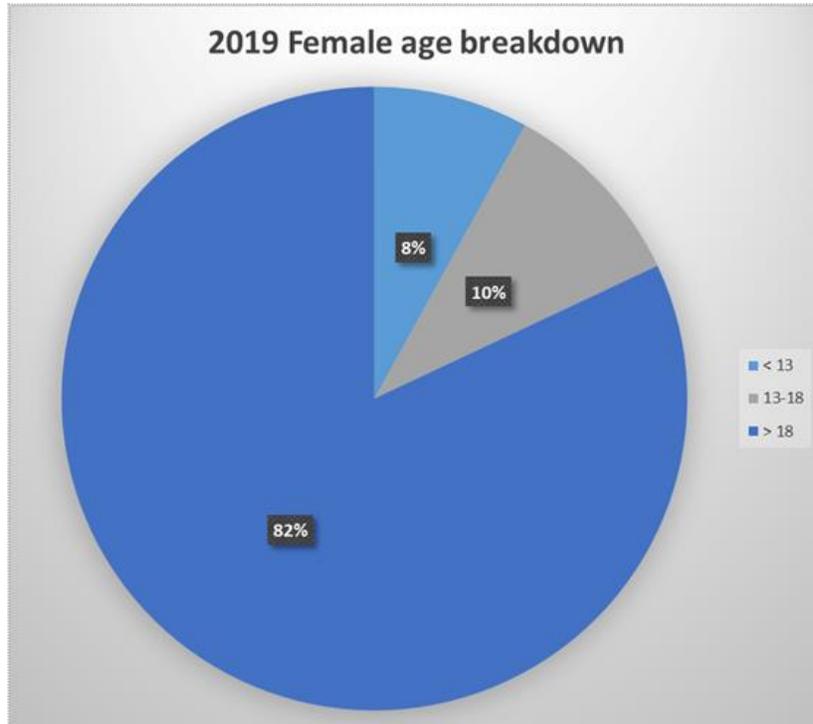
All this work would not have been possible without the support from our funders: United Way Central – NB and the Department of Social Development, The Fredericton Community Foundation and numerous private donors. Thank you for your ongoing support.

STATISTICS:

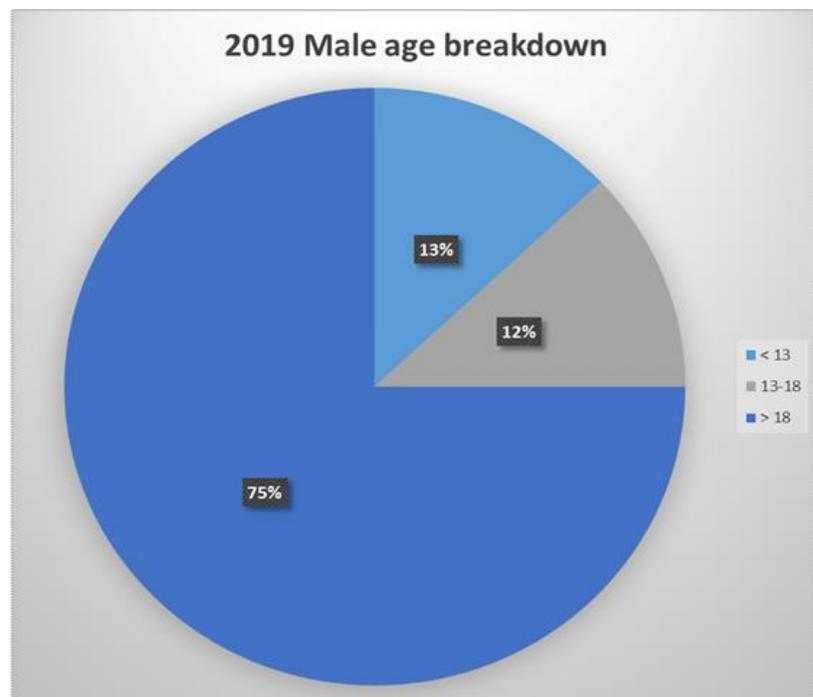
In 2019 we saw a 9.3 % increase in the total amount of individual sessions; from 6393 sessions in 2018 to 6866 sessions in 2019.



Female clients represent 60 % of our clientele:



40% of our clients are male:



The increase of 9.3% should have induced an increase in net revenue which is unfortunately not the case. The loss of 25% of our United Way Funding as well as a status-quo on our fee paid by DSD result in a small negative balance.

We will renegotiate our contracts, which have not been reviewed since 2013, with the Department of Social Development on September 25th, 2020. We received a slight increase for all the DSD referrals but we are still receiving \$15.00 per session less than our sister agency in Saint John. Our staff has not had a wage increase for the last 2 years because all the monies are spent on our clients who can't afford counselling and are in desperate need of help. Indeed more and more people seek help for mental health issues but have less and less means to pay for it. We are able to subsidize most of the counselling sessions of people in need with the help of our funders; United Way Central NB and the Department of Social Development. Nevertheless the amounts received don't fully cover the needs; with the increasing demand and the decreasing capability of clients to pay for mental health- a gap is created financially.

Further we have noticed a decrease in EAP's which is compensated by an increase of community counselling. EAP-provider's reimburse between \$65.00 and \$85.00 per session while our total cost per session is \$120.00. Our intention is to renegotiate with all EAP-providers to bring their fees up to par or to allow us to apply a co-pay.

PROGRAMS AND ACTIVITIES:

Besides our individual counselling, we offered several group programs:

Changing Ways was offered three times. 24 men followed the 10-week program successfully

Changing Ways frames the problem of male aggression within an antisexist, power and control perspective. It understands men's aggressive behavior as tolerated within a culture in which men have disproportionate access to the power and resources of society.

Changing Ways dismisses explanations of aggression as a disease or genetic predisposition or as a result of some provocative factor such as alcohol or drugs.

A commitment of those who participate in the program is to acknowledge and take responsibility for their aggression by learning and practicing appropriate non-sexist, non-violent behaviors.

Changing Tides was organized three times in 2019. 24 women attended the course successfully. Changing Tides is an 8 week program for women in difficult adult relationships. During the eight week sessions, participants learn to recognize healthy, unhealthy, and abusive relationships, as well as learn strategies for effective communication, with a focus on self-care. The program is funded by a grant from the Department of Social Development which makes it possible for us to offer it free-of-charge to our participants.

We offered a variety of group counselling in-house and in the community:

- * Grief Counselling
- * Prenatal workshops

HUMAN RESOURCES:

The increasing demand for counselling forced us to hire more counsellors. The concern is that we lose experienced counsellors to government agencies and private agencies who are able to offer higher wages and benefits. We will strive to be able to offer an appropriate health plan in the upcoming months. Nicoli Stiller, MSW, RSW joined our team in September as our new child therapist. In January we welcomed Mikala Watson as our new receptionist and communications coordinator. We extend a warm welcome to our latest staff members: Jocelyn Anderson, MSW, RSW; Marilia Paulon, MSW, RSW and Anne Godbout, MSW, RSW. We are very confident that with these additions we will be able to resorb our waitlist.

PROJECT:

For months we have been working on our R.A.S.S.-project. We need to move our politicians to understand that more money must be spent on mental health care. 1\$ spent in mental health will induce a profit of 2 \$ in physical health.

Our walk-in clinic will be accessible 6 days /week. Clients will meet with a licensed counsellor with the final target of receiving coping tools/mechanisms or referral to more adequate service.

We are very hopeful that our meeting with the All Party Mental Health Caucus in Ontario will help us get the funding needed to launch this project as soon as possible. With a total budget of \$ 400,000 we will be able to help upwards of 6500 vulnerable people in a timely appropriate and client centered way.

Anticipated Outcomes:

→ A significant reduction in wait times for mental health services in the GFA Area; through providing these services to those who otherwise could not afford or access them we are working to promote a better functioning society.

→ Increase accessibility for vulnerable populations such as homeless, newcomers, and youth.

→ Reduction in mental health and substance abuse 911 calls.

→ Timely, appropriate, and client centered mental health support for upwards of 6000 individuals.

- Increased collaboration with mental health related agencies and social services in the area.
- Serving as the appropriate immediate access point for mental health concerns.
- Alleviate congestion in ER and for first responders by providing timely, appropriate, client centered mental health support.
- Through the use of these funds, our organization will create a healthier community.

Respectfully,

Leentje Deleuil



Recognizing our Funders and Donators – Leentje Deleuil, ED

Our funders:



Special Grant:



Special thanks to our private donors:

Andrée McLean- Fredericton

Karen Taylor – Woodstock

UPS- Fredericton

Doctor Bharghavi- Fredericton

Gordon Burrton – Fredericton

Jacqueline Buckley – Fredericton

Tom Mc Lean –Fredericton

David Anez – Fredericton

Greg Everett – Fredericton

Jenica Atwin – Fredericton

Springhill Constructions – Fredericton.



Board of Directors 2019- 2020 - Bruce McClary, President

President:

Bruce McClary
Instructor at NBCC-Fredericton Campus
Appointed on January 21,2016

Vice-President:

Mike Ryan
Fredericton Outreach
Appointed July 14,2016

Treasurer:

Tyler Szo
CPA, CMA (Certified Management Accountant). Financial Manager for the Department of Public Safety, as well as the Department of Justice and Office of the Attorney General.

Secretary:

Amanda Nason
Appointed October 18th,2018

Directors:

Jessica Lebrun
Appointed December 12,2012

Gabrielle Lee
Appointed September 2019

Candidates:

Laurie Guthrie
Silke Brabander



FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

TABLE OF CONTENTS

YEAR ENDED DECEMBER 31, 2019

(UNAUDITED)

	<u>PAGE</u>
<u>FINANCIAL STATEMENTS:</u>	
INDEPENDENT PRACTITIONERS REVIEW ENGAGEMENT REPORT.....	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENTS OF OPERATIONS AND NET ASSETS.....	3
STATEMENT OF CASH FLOWS.....	4
NOTES TO FINANCIAL STATEMENTS.....	5 - 10



INDEPENDENT PRACTITIONERS REVIEW ENGAGEMENT REPORT

To the Board of Directors of Family Enrichment and Counselling Service Fredericton Inc.:

We have reviewed the accompanying financial statements of Family Enrichment and Counselling Service Fredericton Inc. that comprise the statement of financial position as at December 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention, that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Family Enrichment and Counselling Service Fredericton Inc. as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profits organizations.

Chartered Professional Accountants
April 27, 2020

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE FIGURES FOR 2018

(UNAUDITED)

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current:		
Cash	\$ 58,435	\$ 48,121
Accounts receivable (note 3)	37,164	48,173
HST receivable	<u>5,307</u>	<u>4,023</u>
	100,906	100,317
Capital assets (note 4)	<u>15,409</u>	<u>6,235</u>
	<u>\$ 116,315</u>	<u>\$ 106,552</u>
<u>LIABILITIES</u>		
Current:		
Accounts payable and accrued liabilities (note 5)	\$ 21,292	\$ 16,487
Deferred revenues	6,091	8,011
Current portion of obligations under capital lease (note 6)	<u>4,500</u>	<u>-</u>
	<u>31,883</u>	<u>24,498</u>
Obligations under capital lease (note 6)	<u>10,459</u>	<u>-</u>
	<u>42,342</u>	<u>24,498</u>
<u>NET ASSETS</u>		
Unrestricted net assets	<u>73,973</u>	<u>82,054</u>
	<u>73,973</u>	<u>82,054</u>
	<u>\$ 116,315</u>	<u>\$ 106,552</u>

See accompanying notes to financial statements.

On Behalf of the Board:

Director _____

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.**STATEMENT OF OPERATIONS AND NET ASSETS****YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE FIGURES FOR 2018**

	(UNAUDITED)	
	<u>2019</u>	<u>2018</u>
Revenues:		
Third party billings	\$ 225,545	\$ 255,848
Grants	100,848	103,190
United Way grant	39,886	43,140
Self referrals	224,590	157,660
Paving the Way	20,026	-
Donations	14,004	3,584
Other revenues	<u>11,115</u>	<u>25,346</u>
	<u>636,014</u>	<u>588,768</u>
Expenses:		
Wages and employee benefits	491,991	454,012
Rent	46,214	39,312
Professional services	16,046	16,271
Insurance	10,042	7,968
Utilities	9,004	9,440
Office	9,902	8,170
Paving the Way	20,026	7,789
Travel	7,394	4,969
Advertising and promotion	6,387	4,274
Amortization	4,896	2,381
Bad debts	1,006	3,122
Interest and bank charges	2,292	1,482
Memberships	1,571	1,436
Miscellaneous	3,405	3,301
Repairs and maintenance	6,381	7,044
Telephone and communications	3,197	2,718
Training	<u>4,341</u>	<u>7,336</u>
	<u>644,095</u>	<u>581,025</u>
Excess (deficiency) of revenue over expenses	(8,081)	7,743
Net assets, beginning of year	<u>82,054</u>	<u>74,311</u>
Net assets, end of year	<u>\$ 73,973</u>	<u>\$ 82,054</u>

See accompanying notes to financial statements.

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE FIGURES FOR 2018

(UNAUDITED)

	<u>2019</u>	<u>2018</u>
CASH GENERATED FROM (USED IN):		
OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ (8,081)	\$ 7,743
Items not requiring a cash outlay:		
Amortization	4,896	2,381
Loss on disposal of capital assets	889	-
Net change in current assets and liabilities other than cash:		
Accounts receivable	11,009	20,564
Deferred revenue	(1,920)	3,011
HST receivable	(1,284)	616
Accounts payable and accrued liabilities	<u>4,805</u>	<u>2,894</u>
	<u>10,314</u>	<u>37,209</u>
FINANCING ACTIVITIES:		
Obligations under capital lease	<u>14,959</u>	<u>-</u>
INVESTING ACTIVITIES:		
Additions to capital assets	<u>(14,959)</u>	<u>-</u>
INCREASE IN CASH, in the year	10,314	37,209
CASH, beginning of year	<u>48,121</u>	<u>10,912</u>
CASH, end of year	<u>\$ 58,435</u>	<u>\$ 48,121</u>

Cash position is defined as cash less bank indebtedness.

See accompanying notes to financial statements.

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

(UNAUDITED)

1. The Organization:

Family Enrichment and Counselling Service Fredericton Inc. (the "Agency") is incorporated under the New Brunswick Business Corporations Act and its principal business activities include providing counselling services, educational programs, and mediation in Fredericton and surrounding area. The Agency has been operating since 1974.

2. Summary of significant accounting policies:

These financial statements were prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) Cash -

Cash is defined as cash on hand and cash on deposit with financial institutions.

(b) Revenue recognition -

Revenue on services provided is recognized when the service is complete.

(c) 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 statement of financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(d) Capital assets -

Capital assets are stated at cost. Amortization is provided using the following methods and annual rates:

Furniture & fixtures	Declining balance	20%
Equipment	Declining balance	30%
Computer equipment under capital lease	Declining balance	50%

-5-

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

(UNAUDITED)

2. Summary of significant accounting policies (continued):

(e) Financial instruments -

(i) Measurement of financial instruments

The Agency initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs.

The Agency subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations in the period incurred.

(ii) Impairment

At the end of each reporting period the Agency assesses whether there are any indications that the financial asset measured at amortized cost may be impaired.

When there is an indication of impairment, the Agency determines whether a significant adverse change has occurred during the period in the expected timing or amount of future in cash flows from the financial asset. Where there is a significant adverse change, the carrying amount of the asset is reduced and the impairment loss is recognized in the statement of operations.

(iii) Transaction costs

Transaction costs are recognized in the statement of operations in the period incurred, except for the financial instruments that will be subsequently measured at amortized costs.

3. Accounts receivable:

Accounts receivable are comprised of the following as at December 31:

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 38,224	\$ 49,233
Allowance for bad debts	<u>(1,060)</u>	<u>(1,060)</u>
	<u>\$ 37,164</u>	<u>\$ 48,173</u>

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

(UNAUDITED)

4. Capital assets:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net Book Value</u>	<u>2018 Net Book Value</u>
Furniture & fixtures	\$ 11,899	\$ 8,318	\$ 3,581	\$ 4,475
Equipment	4,428	3,819	609	870
Computer equipment/capital lease	<u>14,959</u>	<u>3,740</u>	<u>11,219</u>	<u>890</u>
	<u>\$ 31,286</u>	<u>\$ 15,877</u>	<u>\$ 15,409</u>	<u>\$ 6,235</u>

5. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are comprised trade payables, accrued accounting, and accrued payroll as follows:

	<u>2019</u>	<u>2018</u>
Trade accounts payable	\$ 3,892	\$ 2,887
Accrued accounting	3,500	3,500
Accrued payroll	<u>13,900</u>	<u>10,100</u>
	<u>\$ 21,292</u>	<u>\$ 16,487</u>

6. Obligations under capital lease:

	<u>2019</u>	<u>2018</u>
Dell Financial Service, capital lease of computer equipment capitalized using an estimated 10.25% discount rate, repayable in 36 monthly payments of \$482.34 including interest, maturing December 2022.	\$ <u>17,452</u>	\$ -
Less amount represented by interest	<u>2,493</u>	<u>-</u>
	<u>\$ 14,959</u>	<u>\$ -</u>

Principal payments over the next 3 years are as approximately follows:

2020	\$ 4,500
2021	4,900
2022	5,560

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

(UNAUDITED)

7. Commitments

The Agency leases office space and a copier machine under operating leases expiring between 2023 and 2024. Minimum lease payments for the next five years is approximately as follows:

2020	\$	45,300
2021		45,300
2022		45,300
2023		45,300
2024		1,600

8. Financial instruments:

The Agency is exposed to various risks through its financial instruments. The following analysis provides a measure of the Agency's risk exposure and concentrations at December 31, 2019.

Credit risk

Credit risk is the risk that a party may default on their financial obligations to the Agency, or if there is a concentration of transactions carried out with the same party or a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Agency could incur a financial loss.

The maximum exposure that the Agency has to credit risk as at December 31 is as follows:

	<u>2019</u>	<u>2018</u>
Cash	\$ 58,435	\$ 48,121
Accounts receivable	<u>37,164</u>	<u>48,173</u>
	<u>\$ 95,599</u>	<u>\$ 96,294</u>

Credit risk in cash is minimized by investing in major Canadian financial institutions. The Agency has a higher credit risk on its accounts receivable. As at December 31, 2019, 22% (\$8,530) of the accounts receivable are 91 days or over. Management minimizes credit risk in accounts receivable by close monitoring of accounts receivable balances. Management believes that credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Agency will not be able to meet a demand for cash or fund its obligations as they come due.

The Agency meets its cash flow requirements soliciting grants and donations and by careful monitoring of its accounts receivable, managing payment on accounts payable and has a \$30,000

-8-

FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

operating line of credit available to it.



FAMILY ENRICHMENT AND COUNSELLING SERVICE FREDERICTON INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

(UNAUDITED)

8. Financial instruments (continued):

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Agency is not exposed to any significant foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with instruments will fluctuate due to changes in market interest rates.

The exposure of the Agency to interest rate risk arises from its interest bearing assets and liabilities. From time to time the Agency has cash deposit with financial institutions that earn interest at market rates. Fluctuations in market rates of interest on cash do not have a significant impact on the Agency's results of operations.

Other price risk

The Agency is not exposed to any other significant price risks.

Changes in risk

There have been no significant changes in the Agency's risk exposures from the prior year.

Appointment of Auditors for 2020 – Tyler Szo.

Shannon and Buffet have done for 3 years now the financial audit for Family Enrichment.

We were able to create a very positive relationship. Therefore I suggest we appoint Shannon and Buffet for our next financial Audit .

Adjournment AGM 2019 – Bruce McClary.

Thank you all for your continuous support, we look forward meeting again next year.

