



2018 - 19

ANNUAL REPORT

26 YEARS IN THE SPIRIT OF UNITY



ABOUT US:

Founded in 1993 in order to respond to the Human Resource Development needs of the local Aboriginal labour force.

MISSION:

We are a visionary team dedicated to promoting the self-sufficiency of Aboriginal people.

WHAT WE DO:

We foster relationships with 18 local First Nation communities, community organizations, Federal & Provincial Governments, rural & urban service providers, training institutions, employers, and unions in order to support economic opportunities.

LEADERSHIP:

Our direction comes from First Nations and Urban Aboriginal leaders, employment practitioners, industry, and employers so that First Nations people are positioned to fully benefit from economic opportunities.

EXECUTIVE DIRECTOR'S MESSAGE:

In 2018/2019 our overall focus was to share in the growth and development of our citizens to achieve sustainable occupations through training and greater linkages to the labour market. Serving our citizens is the highest calling of life's purpose.

In today's economy Indigenous citizens experience disproportionate unemployment rates and lower than average attachment to the workplace. In some instances this is due to low education levels and fluctuating opportunities. All evidence leads to one main factor, sustainable income for marginalized or impoverished societies make good business sense!

"Low skills perpetuate poverty and inequality. Skills development can reduce unemployment, raise incomes, and improve standards of living. Helping young people develop skills makes economic sense".
WBG

The challenge before us is to assist our citizens to develop the basic skills required to get quality jobs, and to achieve their full productive potential. Reports from industry in BC indicate that youth today lack the most essential literacy skills required by employers. Foundational skills, such as literacy, are a prerequisite for numeracy, problem solving, and socio-emotional skills. Unskilled workers are forced into unemployment or are stuck in unstable low-wage jobs that offer little career mobility or growth. as they age, they become increasingly vulnerable to job losses and labor market shocks.

The World Bank Group states it is necessary to develop skills on three levels:

- 1. Cognitive skills include literacy and numeracy. They refer to the ability to understand complex ideas, adapt effectively to the environment, learn from experience, and reason.*
- 2. Socio-emotional skills refer to the ability to navigate interpersonal and social situations effectively and include leadership, teamwork, self-control, and grit.*
- 3. Technical skills refer to the acquired knowledge, expertise and interactions needed to perform a specific job, including the mastery of the materials, tools, or technologies.*

At PGNAETA our service delivery encompasses five primary categories:

- Skill development to meet industry's needs
- Trades and Technical development
- First Nations Early Learning Childcare
- Reaching Home Homelessness for Rural/ Remote and Urban Indigenous citizens
- Capacity building for Employment practitioners

Services for First Nations and Urban Indigenous citizens are achieved through a broad network of 18 First Nations communities and up to ten Urban Indigenous organizations. Varied approaches bring together industry and government stakeholders, all with a common purpose which is to see our citizens participating more fully in today's economy. Activities include employment preparation, industry certification, trades preparation, indentureship advancement, job search, literacy development and activities designed to heighten labor market attachment.

The fiscal period of 2018/19 saw many changes taking place at national and provincial levels as PGNAETA participated in dialogue sessions to accommodate new approaches toward a new relationship recognizing distinct societies for labor market development. The transition to the new Indigenous Skills Employment Strategy (ISET) from the predecessor Aboriginal Skills Employment Training Strategy (ASET) expanded the types of services available for consideration, advanced flexible reporting and increased the budget minimally. New opportunities bring new challenges and initially we limped along waiting for national and regional operational systems to catch up.

EXECUTIVE DIRECTOR'S MESSAGE:

One common denominator...it remained apparent that partnerhsip and collaboration is necessary to strengthen relationship. This leads to greater access and greater success. I particularly want to acknowledge our Leaders, the Board of Directors and the staff for their support and commitment.

During the past year, PGNAETA made progress on the priorities set by the Board of Directors and Leadership in the region, with the overall purpose being to:

- Prepare our citizens to make a transition to the workforce
- Assist our citizens to acquire skills toward sustainable occupations
- Leave no man behind

In all 638 citizens achieved employment success with another 73 moving on to higher learning!

"To add value to others, one must first value others".
--John Maxwell

Access. Government policies must promote equity in access to education and learning. Across the world, investments in education - from preschool through higher education - have high returns. Graduates of vocational programs earn wages about 10 percent higher than those with general secondary education. WBC

Life is about discovering who we are; leading is about striving to become better than we are, and helping everything and everyone around us to become better too.

Programs and Service

PGNAETA Service Delivery

Community Capacity

- Career Development Practitioners Trng
- Emotional Intelligence in the Workplace
- Motivational interviewing

Skill Development

- 18 First Nation Service Agreements
- 10 Urban Indigenous service agreements
- 21 Skills Partnership agreements
- 4 Labour Market agreements with Province/SPF

Special Projects

- Youth Skill Links
- First Nation Forestry Council Partnerships
- Dangerous Tree Assessor
- Partnership to Forest fire collaboration

Reaching Homelessness

- 21 Rural and Remote agreements to support Homelessness Initiatives BC Wide
- 8 Urban Indigenous Initiative/services
- Community Dialogue session w/citizens

Partnership: Advancing forward is not possible without our partners and stakeholders. Government Partnerships included Service Canada and other Federal departments, Youth Skills Link, Ministry of Indigenous Relations, Ministry of Job Skills and Tourism, Ministry of Social Development and Poverty Reduction, and Ministry of Advanced Education, the Industry Training Authority of BC, First Nations Forestry Council, Western Diversification and regional colleges. Our Staff continue to build relationship with trade unions and industry to create access to opportunity as it arises. Examples are the relationship with CN Rail, CANFOR, Coastal Gaslink, Piping Industry, Trucking firms, Burns Lake Native Development Corp.

EXECUTIVE DIRECTOR'S MESSAGE:

Operations

Once again our Finance team has risen to the task with a successful audit. They continue to ensure our finances are well managed, following closely the recommendations of our Auditing firm and Service Canada's Program and Policy requirements.

Cudos as well to the Program Delivery teams for the ASETS/ ISETS programs, the many innovative approaches of the Skills Partnership Team, and the Reaching Home Homelessness team serving the Rural/Remote and Urban Indigenous Homeless projects and service. The Aboriginal Employment Gateway team and the Trades Workforce promoter have together funded over 200 citizens! Our training center has coordinated several community capacity initiatives and delivered Essential Skills Initiatives embedded into various projects. Essential Skills continues to be increasingly recognized by industry as a foundational learning tool for ongoing technical development. And cudos to our Admin/data team who do so much for our Association, we would be absolutely lost without you".

Our vision is a world in which our citizens participate fully in today's economy, where poverty is not at the forefront, where quality education and learning is readily available and where our people are engaged in the career of their preference, one that provides the sustainability they seek. That's the vision we have written on the wall and that's the vision that we can only achieve together.

" We must continue to show our citizens we are adaptable to their needs and design programs accordingly".

Mussi to all
Karin Fiddler-Hunt

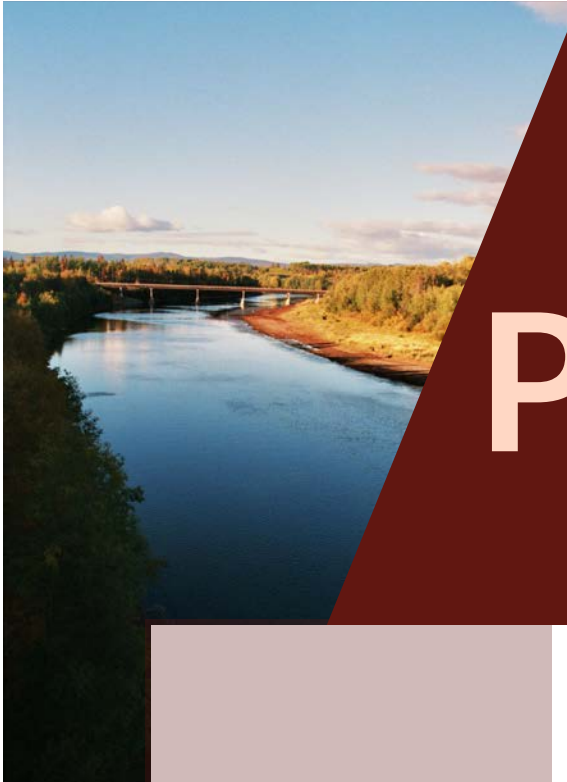
Early Drop Out. For every 100 students entering primary education, just 35 complete upper secondary school. Catching up later without foundational skills becomes nearly impossible. Indeed, evidence shows that second chance adult education programs have limited success and on-the-job training usually favors workers with more education and skills. Second-chance programs provide an important opportunity to get low-skilled youth back on track. **WBG**



Since attending the Trades Access Program, I moved on to college trades training.

A Strong women looks a challenge in the eye and gives it a wink because of this program my life has changed.

Program Participant - CNC Automotive Service Technician



OUR PURPOSE:

CONSTITUTION RATIFIED BY THE
BOARD OF DIRECTORS IN 2018

BOARD OF DIRECTORS:

President:
Barb Ward Burkitt

Vice President:
Mark Prince

Treasurer & Elder:
Duncan Gouchie

Secretary:
Jodie Ware

Directors:

Barbara Tom

Vivian Tom

Barbara Skaling

Susan Stearns

Renata Monk

Jackie Thomas

To advance the Aboriginal workforce.

To facilitate mutually beneficial partnerships that generate cultural awareness, and stimulate opportunities for Aboriginal people and communities.

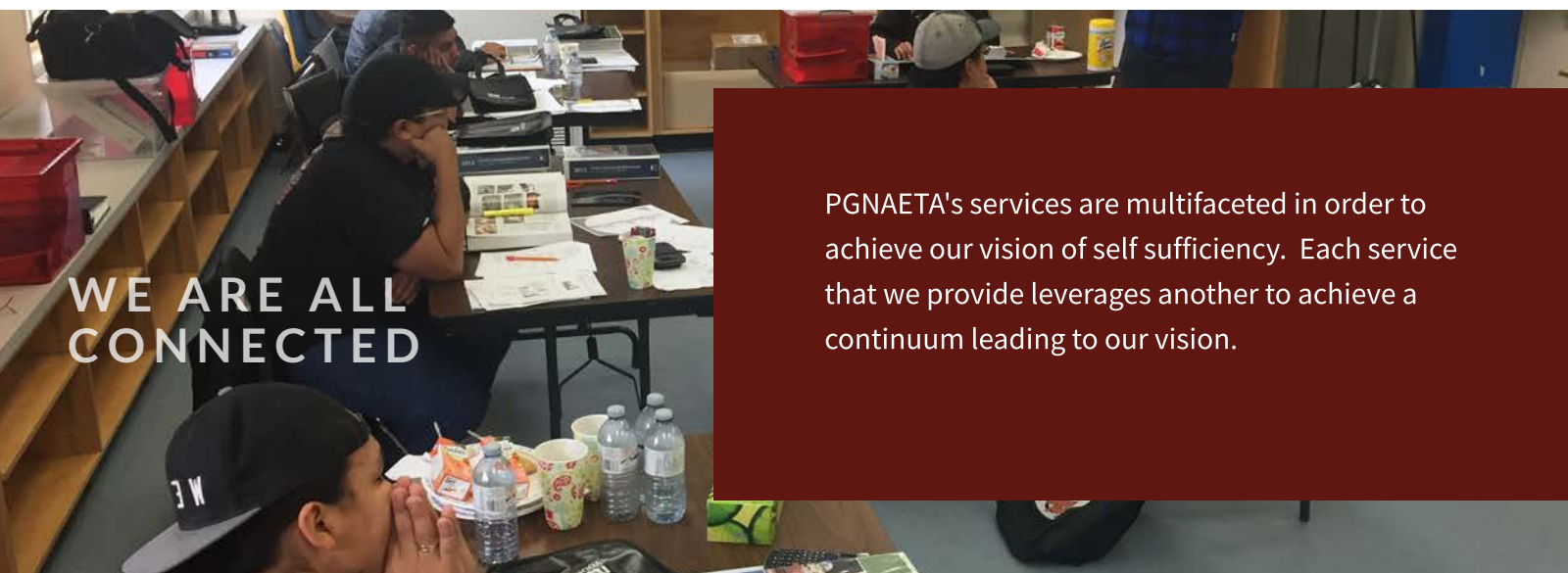
To affirm Aboriginal cultural identity, and assist Aboriginal people and communities to attain self-sufficiency.

To advance education of Aboriginal people by providing training programs, professional development, and sponsorship to Aboriginal people and communities.

To foster equity and financial security for low income and unemployed Aboriginal people by developing employment and training programs that lead to sustainable & fulfilling careers.

To prevent homelessness by securing resources & facilitating partnerships to enhance direct support to Aboriginal people facing homelessness.

To secure and manage financial, human, and capital assets necessary for carrying out the purposes of the Society.



WE ARE ALL
CONNECTED

PGNAETA's services are multifaceted in order to achieve our vision of self sufficiency. Each service that we provide leverages another to achieve a continuum leading to our vision.

CORE SERVICES



1 COMMUNITY FUNDING

18 First Nation Service Agreements
Rural / Remote Homelessness Entity
Urban Aboriginal Working Group
Special Projects



2 TRAINING SERVICES

Individualized Training & Employment
Services
Host / Organize Group-based Training



3 EMPLOYER SERVICES

Recruitment & Retention Support
Innovative Employer-driven Training Projects
Talent Development



FIRST NATIONS SERVICE AGREEMENTS (18 Agreements)

1

REVISED FUNDING GUIDELINES

Aboriginal Skills Employment & Training Strategy (ASETS) changed to Indigenous Skills Employment & Training Strategy (ISETS). This new strategy provided greater flexibility to meet the needs of our citizens and communities.

2

NUMBER OF FIRST NATION BAND INCREASE

In 2019 the number of First Nation Bands increased from 17 to 18 First Nation Bands. In addition, they signed a ten (10) year agreement from 2019 to 2029.

3

FIRST NATION INUIT CHILD CARE

Delivery of Service Canada's Capital Expenditure Plans for each of the 6 First Nation Inuit Child Care Initiatives sites.

PGNAETA's Program Officers work with each of the 18 First Nations to impact the labour market and develop a skilled workforce. This work entails supporting First Nations Inuit Childcare sites, Early Learning children activities, Youth Bladerunner projects in 3 of the largest nations, and capacity building for the network of Employment Practitioners.

URBAN ABORIGINAL WORKING GROUP



The Urban Aboriginal Working Group (UAWG) is a standing committee of PGNAETA with the constitution of PGNAETA tasking decision making authority to the UAWG. The UAWG consists of representatives nominated by urban Aboriginal organizations who have successfully provided services in the areas of human resources development and labour market development. The UAWG exercises strategic planning and decision making authority over three urban/rural community funds with PGNAETA as the host administrator.

4

ABORIGINAL EMPLOYMENT & ENTREPRENEURSHIP COUNSELLING CENTRES

UAWG funded an Aboriginal Employment Counselling Centre's in Prince George and Burns Lake , as well as a Small Business Adviser in Prince George.

5

TRAINING PROJECTS

UAWG funded a Youth Culinary Arts Program, Entry-level Life Skills, TradeTek Trades Services to aspiring apprentices, on-the-job training for 4 Summer Youth Interns, and an Urban Bladerunner project.

6

SPIRIT OF UNITY FORUM

UAWG co-hosted the Annual Spirit of Unity forum.

WORKING GROUP MEMBERS: Karen Erickson Patrick Coon
Gwen Budskin Kyla Turner
Vince Prince Cristos Vardacosta

BC RURAL REMOTE HOMELESSNESS PARTNERING STRATEGY

7

PACIFIC COMMUNITY RESOURCES SOCIETY- Chilliwack Housing HUB Project

The first participant in the Housing Hub program that was housed had multiple barriers to housing and had been chronically homeless, despite their young age. Through one of our partnerships with a building manager of an apartment complex, the participant was able to move into a Unit in May. To maintain housing stability and provide adequate supports, home-visits have been occurring twice weekly. The tenant is eating healthy, taking care of their personal hygiene, pursuing help with mental health and substance use challenges, and is working towards employment.

8

KITIMAT HOUSING RESOURCE PROJECT

In 2016, we helped a client, living on a very low fixed income. We put a call into CPP to inquire about their benefits. They told the client that if they waited until they turned 65 to collect, their monthly CPP benefits would be \$10.00 over for the following three years, we supported the client to have their file reviewed, with the help of the Poverty Law Advocate, and after many requests for supporting documents, we were able to increase their monthly benefit to \$433.00 in time for their 65th birthday.

9

CANADIAN MENTAL HEALTH ASSOCIATION - Community Bridge Project

Since April 1, 2018 we have placed 15 formerly homeless individuals to stable housing. However, we are seeing an increase in need /demand from individuals who have lost custody of their children to MCFD, and who are applying to our program to find assistance and support in stabilizing their lives and regaining their parental rights. In addition, we continue to experience a high level of program demand from women who are living in a shelter after leaving an abusive relationship.

10

CITY OF ABBOTSFORD- Housing Abbotsford's Rental Connect (HARC)

The HARC program was able to secure space for the purpose of transitional housing. Securing this space allowed the HARC Program to house four clients that had been guests at a shelter. Since being housed in this space client MM has begun actively participating in the methadone program and has abstained from using substances. The improvement in the client's life has led to her to re-connect with her family.

In April 2014 PGNAETA entered into a five (5) year agreement (2014-2019) with Employment & Social Development Canada (ESDC) to serve as the Community Entity to administer the BC Rural and Remote Homelessness Partnering Strategy (HPS) Initiative within the Province of British Columbia.

Over the course of the past 5 years a total of \$4,690,856.00 was invested into more than 94 community based projects delivering services in 30 communities to address the needs of homeless citizens in the Province of BC.

ABORIGINAL GATEWAY TRAINING CENTRE

11

TRADES ACCESS PROGRAM



The "Women in Trades Program" that was held at the main PGNAETA headquarters in Prince George.

12

YOUTH CONNEX

Medical Office Assistance Program
Junior Customer Care Program



13

ESSENTIAL SKILLS TRAINING SERVICES

Essential Skills, Workplace-based Competency Training, Computer Skills, Test of Work Place Essential Skills, Life Skills, Work Readiness training and Employability Skills delivered to Saik'uz, Nak'azdli Whut'en, Tl'azt'en, Yekooche, Takla Lake, Burns Lake, Cheslatta, and Lake Babine Nations as well as to the Prince George Native Friendship Centre, and College of New Caledonia.

I am working at CSFS and my wage has increased comfortably. A special thanks to MOIS for training me in the Medical Office Assistant Program!

Program Participant



STRATEGIC INITIATIVES

14

COMMUNITY-BASED TRADES TRAINING

Piping Foundations - Prince George open to all 18 First Nations
Residential Building Maintenance Worker - Fort St. James, Saik'uz First Nation & Burns Lake
Women in Trades Technology & Trades Explorer - Prince George, All 18 First Nations
Carpentry Foundations & Carpentry Level 3 - McLeod Lake, Saikuz, Stellaquo and Nadleh
Heavy Equipment Operating Class 7L, 7N, 5 and Class 1

15

TECHNOLOGY TRAINING

Office Technology- Fort St. James and Nadleh Whut'en
NVIT Environmental Resource Technology- Prince George
Digital Skills Training - Fort St. James, McLeod Lake

16

RESEARCH & CAPACITY DEVELOPMENT

Career Development Practitioner - Professional Development
Advance Career Development Practitioner - Professional Development
Trauma Informed Practice - Professional Development
Financial Literacy Facilitator Training - Professional Development
Driver Instructor Training
Weaving Our Way - Employment Readiness
Project Management - Professional Development

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EMPLOYER SERVICES - INDUSTRY CONNECTOR

CSWU/Chinook - Scaffolding
IUOE/Sterling Crane - Crane Rigging
CN / BCIT - Railway to Success

PGNAETA's Strategic Initiatives department leverages funding from the Provincial and Federal Government in order to advance career and educational progression of Indigenous citizens into trades and technology careers. Training initiatives are informed by research conducted in collaboration with First Nations people and their communities as well as with employers. We foster mutually beneficial partnerships with employers, training providers, and First Nation communities so that First Nations can fully benefit from the abundant opportunities in Northern BC.

This year, PGNAETA's Strategic Initiatives supported 31 training initiatives resulting in 223 program training graduates.



OUR PRIORITIES

1 SERVICE TO FIRST NATIONS

Service to First Nation citizens is the heart of everything we do.

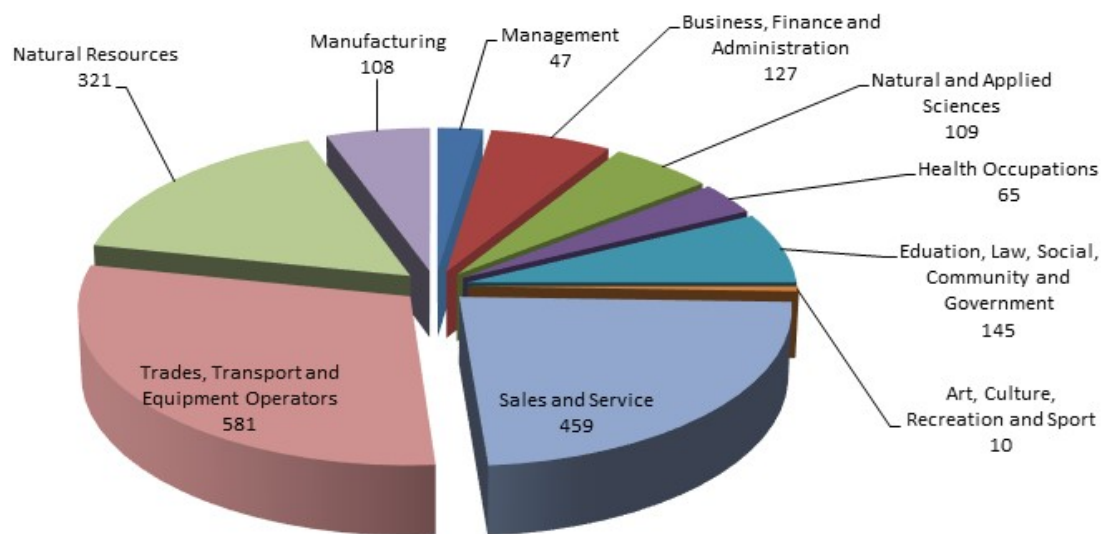
2 REALIZE POTENTIAL

Developing the workforce of the future.

3 ADVANCE LITERACY

Promote cultural literacy, technical skills, English, Math, and Science.

Employment by National Occupational Code





Our work would not be possible without the collaboration and support of our partners. We are grateful to our funders, employers, industry representatives, unions, training providers, and the First Nation communities with whom we work.

“ Many hands are needed to lift up, guide and support those seeking to achieve sustainability for themselves and their families. ”

Karin Hunt, Executive Director

THANK
YOU!



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Prince George Nechako Aboriginal Employment and Training Association

Opinion

We have audited the financial statements of Prince George Nechako Aboriginal Employment and Training Association (the Association), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of revenues and expenditures for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Association as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Association 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 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' 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 auditors' 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 the 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:

- 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

July 29, 2019

PRINCE GEORGE NECHAKO ABORIGINAL
EMPLOYMENT AND TRAINING ASSOCIATION

Statement of Revenues and Expenditures

For the Year ended March 31, 2019 with comparative information for the year ended March 31, 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Administration	\$ 1,061,397	\$ 1,013,795
Special projects	4,684,283	5,276,118
Skills Partnership Fund	2,073,185	1,322,506
Indigenous Services Canada	23,418	-
ASETS funds	4,549,261	4,793,830
	<u>12,391,544</u>	<u>12,406,249</u>
Less internal revenue	977,639	4,024,238
	<u>\$ 11,413,905</u>	<u>\$ 8,382,011</u>
EXPENDITURES		
Administration	\$ 1,061,397	\$ 930,586
Special Projects	4,684,283	5,275,339
Skills Partnership Fund	2,073,185	1,322,506
Indigenous Services Canada	23,418	-
ASETS funds	4,549,261	4,793,830
	<u>12,391,544</u>	<u>12,322,261</u>
Less internal expenditures	977,639	4,024,238
	<u>\$ 11,413,905</u>	<u>\$ 8,298,023</u>
Excess of revenue over expenditures	<u>-</u>	<u>\$ 83,988</u>

See accompanying notes to financial statements

PRINCE GEORGE NECHAKO ABORIGINAL
EMPLOYMENT AND TRAINING ASSOCIATION
Statement of Changes in Net Assets

For the Year ended March 31, 2019 with comparative information for the year ended March 31, 2018

					<u>2019</u>	<u>2018</u>
	<u>ASETS</u>	<u>Administration</u>	<u>Tangible Capital Assets</u>	<u>Special Projects</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ (7,828)	\$ -	\$ 47,948	\$ (5,146)	\$ 34,974	\$ (49,014)
Excess (deficiency) of revenues over (under) expenditures					-	83,988
Capital assets purchased from Administration funds		(11,798)	11,798		-	-
Amortization expense		31,350	(31,350)		-	-
Amortization of deferred capital contributions		(13,789)	13,789		-	-
Transfer		(5,763)		5,763	-	-
Balance, end of year	<u>\$ (7,828)</u>	<u>\$ -</u>	<u>\$ 42,185</u>	<u>\$ 617</u>	<u>\$ 34,974</u>	<u>\$ 34,974</u>

See accompanying notes to financial statements

PRINCE GEORGE NECHAKO ABORIGINAL
EMPLOYMENT AND TRAINING ASSOCIATION
Statement of Financial Position
March 31, 2019

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets		
Cash	\$ 3,828,014	\$ 3,719,459
Accounts receivable	1,748,478	674,726
Sales tax receivable	23,340	41,323
Prepaid expenses	97,098	189,168
	<u>5,696,930</u>	<u>4,624,676</u>
TANGIBLE CAPITAL ASSETS (Note 3)	<u>52,040</u>	<u>73,006</u>
	<u><u>\$ 5,748,970</u></u>	<u><u>\$ 4,697,682</u></u>


LIABILITIES AND NET ASSETS


Current liabilities		
Accounts payable and accrued liabilities	2,154,496	1,667,903
Wages payable	148,113	125,587
Amounts collected on behalf of government	35,174	31,896
Deferred revenue (Note 5)	3,374,809	2,820,714
	<u>5,712,592</u>	<u>4,646,100</u>
 Deferred contributions related to tangible capital assets (Note 7)	 1,404	 16,608
 NET ASSETS		
ASSETS	(7,828)	(7,828)
Tangible capital assets	42,185	47,948
Special projects	617	(5,146)
	<u>34,974</u>	<u>34,974</u>
	<u><u>\$ 5,748,970</u></u>	<u><u>\$ 4,697,682</u></u>

Commitments (Note 6)

See accompanying notes to financial statements

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

PRINCE GEORGE NECHAKO ABORIGINAL
EMPLOYMENT AND TRAINING ASSOCIATION

Statement of Cash Flow

For the Year ended March 31, 2019 with comparative information for the year ended March 31, 2018

	<u>2019</u>	<u>2018</u>
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over (under) expenditures	\$ -	\$ 83,988
Non-operating items		
Revenue related to amortization of deferred capital contributions	(13,789)	(14,536)
Amortization of tangible capital assets	31,350	26,532
	<u>17,561</u>	<u>95,984</u>
Change in non-cash operating working capital		
Accounts receivable	(1,073,752)	(266,532)
Sales tax receivable	17,983	(20,819)
Prepaid expenses	92,070	(87,480)
Accounts payable and accrued liabilities	486,592	(380,032)
Payroll accounts payable	22,526	26,792
Amounts collected on behalf of government	3,278	(10,757)
Deferred revenue	554,095	1,086,441
	<u>102,792</u>	<u>347,613</u>
Investing and financing activities:		
Purchase of tangible capital assets	(11,798)	(34,173)
Increase in cash position	108,555	409,424
Cash and cash equivalents, beginning of year	<u>3,719,459</u>	<u>3,310,035</u>
Cash and cash equivalents, end of year	<u>\$ 3,828,014</u>	<u>\$ 3,719,459</u>

Cash and cash equivalents consist of cash less cheques issued in excess of funds on deposits.

See accompanying notes to financial statements

**PRINCE GEORGE NECHAKO ABORIGINAL
EMPLOYMENT AND TRAINING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

1. DESCRIPTION OF OPERATIONS

The Prince George Nechako Aboriginal Employment and Training Association (the "Association"), a non-profit organization incorporated under the Society Act of the Province of British Columbia, operates educational and employment training for the aboriginal population in the Prince George-Nechako area of British Columbia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations in Part III of the CPA Canada Handbook.

Tangible capital assets

Tangible capital assets acquisitions are recorded at cost. Amortization is provided for at the following rates using the straight-line method.

Office furniture and equipment	20%
Automotive	20%
Computer equipment	33-1/3%
Computer software	100%

Impairment of long-lived assets

Assets that no longer provide long-term service potential for the Association are written down to net estimated value.

Deferred revenue

Funding received under the terms of contribution agreements is recorded as revenue when related expenditures are made. Funding received but not expended is included in the statement of financial position as deferred revenue.

Revenue recognition

The Association follows the deferral method of accounting for contributions. The Association is funded primarily through agreements with various ministries of the provincial and federal governments. Contributions pursuant to these agreements are recognized as revenue evenly over the course of the relevant agreements. Where a portion of a contribution relates to a future period, it is deferred and recorded on the statement of financial position as deferred revenue.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reliably estimated and collection is reasonably assured.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate from the related tangible capital asset.

Contributed services

On occasion organizations contribute personnel and facilities to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**PRINCE GEORGE NECHAKO ABORIGINAL
EMPLOYMENT AND TRAINING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items subject to such estimates and assumptions include deferred revenue, the carrying amounts of tangible capital assets, deferred contributions related to tangible capital assets, and valuation of accounts receivable. Actual results could differ from those estimates.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount of timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

**PRINCE GEORGE NECHAKO ABORIGINAL
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

3. TANGIBLE CAPITAL ASSETS

	March 31, 2019		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 143,189	\$ 128,442	\$ 14,747
Computer equipment	173,499	159,788	13,711
Computer software	33,118	26,059	7,059
Automotive equipment	57,162	40,639	16,523
	<u>\$ 406,968</u>	<u>\$ 354,928</u>	<u>\$ 52,040</u>

	March 31, 2018		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 139,717	\$ 121,913	\$ 17,804
Computer equipment	168,964	146,197	22,767
Computer software	29,328	24,848	4,480
Automotive equipment	57,162	29,207	27,955
	<u>\$ 395,171</u>	<u>\$ 322,165</u>	<u>\$ 73,006</u>

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

4. BANK INDEBTEDNESS

The Association has a bank operating loan with the Royal Bank, authorized to \$200,000. Interest is charged on outstanding balances at prime plus 2%. It is secured by a general security agreement covering all assets of the Association. At March 31, 2019, \$0 was drawn on the facility.

5. DEFERRED REVENUE

	2019	2018
ASETS carry forward - PGNAETA	\$ 494,700	\$ 595,874
Northern Health Authority	6,104	6,104
Special Projects Administration	12,518	-
ESDC- Aboriginal Homelessness Partnering Strategy	2,790	18,096
ESDC-Skills Partnership Fund	1,090,571	1,018,597
ESDC-Rural Homelessness Partnering Strategy	-	123,618
Prov of BC-Ministry of Aboriginal Relations	1,660,126	985,825
Coastal Gas Link	108,000	-
Lheidli T'enneh	-	13,230
Province of BC-Bladerunners	-	-
ESDC-Youth Connex	-	59,370
	<u>\$ 3,374,809</u>	<u>\$ 2,820,714</u>

6. COMMITMENTS & CONTINGENCIES

Building lease

The Association has entered into a building lease which expires June 30, 2019. The lease is payable in monthly instalments of \$7,326. A new lease has been signed starting July 1, 2019 with monthly instalments of \$9,301, which expires June 30, 2020.

Office equipment lease

The Association has entered into a photocopier lease which expires May 31, 2022. The lease is payable in monthly instalments of \$201.90.

Recoveries of Government funding

Under the terms of the agreements with ESDC and other government agencies, certain surpluses may be recoverable and repayable to the government. The amount of the liability, if any, of the Association is not determinable at this time.

**PRINCE GEORGE NECHAKO ABORIGINAL
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

7. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represents the unamortized portion of special projects funds used for the purchase of tangible capital assets. The amortization of deferred contributions is recorded as revenue in the statement of revenues and expenditures on the same basis as the related assets are amortized.

	<u>2019</u>	<u>2018</u>
Beginning balance	\$16,608	\$31,144
Add contributed to purchase tangible capital assets	-	-
Less Disposal	(1,415)	-
Less amounts amortized to revenue	<u>(13,789)</u>	<u>(14,536)</u>
Ending balance	<u>\$1,404</u>	<u>\$16,608</u>

8. ECONOMIC DEPENDENCE

The Association receives a major portion of its revenue pursuant to funding arrangements with Employment and Social Development Canada ("ESDC") and the Canada Employment Insurance Commission (the "Commission"). The Association's ability to operate certain programs is dependent on continued funding from ESDC and the Commission. The agreements with ESDC and the Commission each expired on March 31, 2019. On April 1, 2019, a 10 year agreement with ESDC came into effect.

9. INCOME TAX STATUS

The Association has been granted tax-exempt status as a non-profit organization under Section 149(1)(l) of the Income Tax Act.

10. FINANCIAL RISK

The Association's financial instruments consist of cash, accounts receivable, bank indebtedness and accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest rate, currency or credit risks.

Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2018.

**PRINCE GEORGE NECHAKO ABORIGINAL
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11. DIRECTOR REMUNERATION

For the fiscal year ending March 31, 2019, the Association paid total remuneration to 2 directors as follows.

<i>Title</i>	<i>Directors- Governance and Committees</i>	<i>Other Payments- Management Consulting Fee</i>
President		12,000
Board member	2,000	
	<u>\$ 2,000</u>	<u>\$ 12,000</u>

12. EMPLOYEE REMUNERATION

For the fiscal year ending March 31, 2019, the Association paid total remuneration including taxable benefits of \$247,395 to 3 employees, who received total annual remuneration of \$75,000 or greater.



PGNAETA

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