



# Aurora College 2008-2009 Annual Report

*Celebrating 40 years of Success!*



# Letter of Transmittal



*John McKee*

The Honourable Jackson Lafferty  
Minister, Education, Culture and Employment

On behalf of the Aurora College Board of Governors, I am pleased to present to you the Aurora College Annual Report for the 2008-2009 academic year.

This year was the NWT College system's 40<sup>th</sup> anniversary, and we celebrated this milestone throughout the NWT all year long with feasts, dances, public events and a special launch ceremony at the Great Hall of the Assembly. In each case, we celebrated our four decades of service to the people of the North, and we proudly carry that tradition of service into the future.

The past year has had a number of highlights of which we are justifiably proud. Thanks to our partnerships with government and industry, we have acquired new training facilities, new equipment and new programs with which to address the training needs of NWT residents.

This year has not been without its challenges however, as we worked diligently to deal with budget reductions that resulted from the slowdown in the economy. We feel we have addressed these in a manner that will have minimal impact on the services we provide.

As always, we strive to work with as many partners as possible in our ongoing effort to provide Northerners with education and training of the highest quality. Over the years, we have built a network of partnerships that includes public governments, Aboriginal governments, industry, business, and education institutions throughout the country and the world.

We are proud of the work we have accomplished in the past and we look forward to a future full of promise and success in our ongoing service to the people of the NWT.

John McKee  
Chairperson  
Aurora College Board of Governors



*Sarah Wright Cardinal*

## Report from the President

Aurora College has once again undertaken many diverse projects in our ongoing efforts to address the educational goals of the people of the NWT and the needs of the Northern labour market.

The College, like other GNWT-funded agencies, went through a period of funding reductions over this year. College senior management put considerable effort into undertaking these reductions with a minimum of impact on our students. We have streamlined administration and continue our efforts to find funding partners with outside agencies who share our interest in post secondary education and training. The chart below illustrates the significant success we have had in procuring these partnerships over the past two years.

We were successful in accessing GNWT funding to meet our ongoing capital needs in a number of areas. These expenditures are key to ensuring that equipment and infrastructure meet our high training standards. The College budgeted for a loss of \$497,000. Due to staff finding outside support through government contributions and other third party funding sources, the actual loss was only \$461,000.

<b>AURORA COLLEGE Third Party Revenue By Funder</b>			
<b>Funder</b>	<b>No. of Contracts</b>	<b>2008/09</b>	<b>2007/08</b>
<b>Federal Government</b>	28	1,551,006	3,117,250
<b>GNWT-ECE</b>	39	2,548,074	2,467,317
<b>GNWT-H&amp;SS</b>	5	797,307	776,452
<b>GNWT-Other</b>	13	161,605	155,031
<b>Government of Nunavut</b>	0	-	23,713
<b>Gwich'in Tribal Council</b>	6	211,251	553,988
<b>Inuvialuit Regional Council</b>	9	368,171	784,812
<b>Sahtu Dene Council</b>	2	78,016	135,831
<b>Mine Training Society</b>	6	1,724,351	788,684
<b>Other</b>	54	1,225,545	1,213,969
<b>Gas Hydrates</b>	1	1,528,511	13,259,484
<b>Total</b>	<b>163</b>	<b>\$10,193,837</b>	<b>\$23,276,531</b>

### New Program Initiatives

The Masters of Nursing - Nurse Practitioner Primary Health Care Stream will be delivered in partnership with Dalhousie University, Halifax. The Department of Health and Social Services (H&SS), through the Nurse Practitioner Implementation Committee, requested that the College seek a university partnership and offer a Master's level program. The H&SS has invested significant funds into the development of the Nurse Practitioner role in the NWT, including bursaries, a Nurse Practitioner - Prior Learning and Recognition (PLAR) opportunity, and funding support for delivery in fall 2009.

Another major initiative is the Beaufort-Delta Community Educator Preparation Program (CEPP). In October 2008, the Beaufort Delta region was selected as the next location for the community based delivery of Aurora College's diploma in Aboriginal Language and Culture Instructor Program (ALCIP) and the diploma in Teacher Education Program (TEP). The process consists of a preparation year, an access year, and then delivery of the ALCIP (2 year) and TEP (3 year) programs. The purpose of the CEPP is to focus on personal wellness and preparation for the commitment required for this academic journey. Aboriginal language acquisition is included in this process.

The new Surface Diamond Driller Helper Program was delivered in Yellowknife in conjunction with the Mine Training Society. Theoretical elements were combined with practical hands on experience including the core recovery and barrel handling, operating a skidder, operating track vehicles, and use of portable pumps.

**“State of the Art equipment to prepare for work in the Northwest Territories.”**

<b>Aurora College CAPITAL FUNDING 2008/09</b>	
<b>Funder</b>	<b>Amount</b>
<b>*CIBC: Total Mobile Trades Unit</b>	<b>\$50,000</b>
<b>Indian and Northern Affairs Canada: Total Underground Mine Simulator</b>	<b>\$799,200</b>
<b>Department of ECE: Total Apprenticeship Review Technical Upgrades</b>	<b>\$647,000</b>
<b>Indian and Northern Affairs Canada: Total HEO Capital</b>	<b>\$1,037,137</b>
<b>Department of ECE: Minor Capital</b>	<b>\$250,000</b>
<b>Department of ECE: Inuvik CLC Furniture</b>	<b>\$50,000</b>
<b>Department of ECE: Other Infrastructure</b>	<b>\$157,000</b>
<b>TOTAL</b>	<b>\$2,990,337</b>

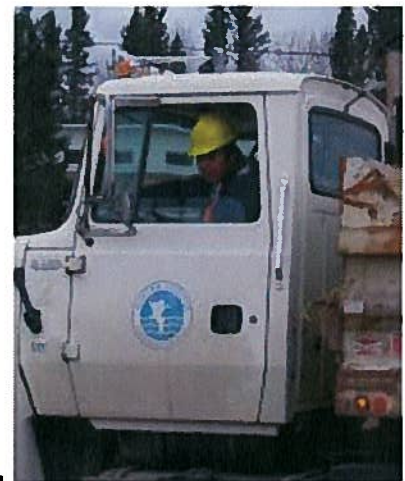
\*CIBC—Future amount \$100,000 bringing total to \$250,000

### Connecting with Northerners

Two major developments have enabled us to extend our services to more residents of small communities. The Underground Mine Equipment Training Simulator in Yellowknife allowed the College to train people on state of the art equipment for new employment in NWT mines, as well as offer Introductory Underground Mining Training in community locations. Students who were successful in the introductory courses could then attend the full program in Yellowknife.

In the Beaufort Delta Region, the Mobile Trades Training Unit, a trades classroom that can be affixed to a semi and moved to various community locations on the road system, allowed the College to expand our trades offerings in that region. The chart below illustrates the success these two developments had in bringing new training opportunities to Northerners.

<b>2008/09 Academic Year</b>		
<b>COMMUNITY</b>	<b>Program Delivery</b>	<b>Students</b>
<b>INTRODUCTION TO UNDERGROUND MINING</b>		
Fort McPherson	1	8
Inuvik	1	7
Yellowknife	1	13
Behchoko	1	10
Lutselk'e	1	7
Hay River	1	9
Dettah	1	10
<b>UNDERGROUND MINER TRAINING</b>		
Yellowknife	3	55
<b>SURFACE DIAMOND DRILLING HELPER</b>		
Yellowknife	1	13
<b>Totals</b>	<b>11</b>	<b>132</b>



2008/2009 Academic Year		
TRADES COURSES AT AURORA CAMPUS	Program Delivery	Full Time Students
Introductory Plumbing Gasfitter—Inuvik	1	9
Introductory Carpentry—Inuvik	1	7
Kitchen Helper—Tuktoyaktuk	1	10
Building Trades Helper—Tuktoyaktuk	1	13
<b>Totals</b>	<b>4</b>	<b>39</b>



### Program Renewal

The Community Health Representative (CHR) Program has been renewed and updated to reflect significant changes in the CHR's job description. The DHSS has engaged the College in providing the CHR Program on a modular basis. Both CHR and DHSS input was incorporated into the curriculum revisions. The modular format allows for program delivery in a variety of community locations.



In June of 2008 the College submitted a proposal to the federal government seeking over one million dollars in funding under the Targeted Investment Program (TIP). This proposal was approved, a contribution agreement was signed, and the equipment has arrived. Over the next three years, Thebacha Campus will be delivering community-based HEO programming in South Slave and Deh Cho communities.

The College has undertaken a major revision of our Management Studies Program, which will be known as Business Administration beginning in the fall of 2009. The Management Studies Curriculum Committee (MSCC) met in October 2008 to begin program revisions which include two new electives and curriculum redevelopment with Northern content.

Trades and Apprenticeship programming is up and running after a full re-accreditation process and revitalization of training facilities at Thebacha Campus as per requirements of the trades review. The Trades Advisory Committee conducted the final site visit at Thebacha Campus for the Plumber/Oil Burner Mechanic Program June 9. The shop was successfully recertified; bringing Thebacha's trades shops back to full capacity.

**“The federal Minister of Indian Affairs and Northern Development, Chuck Strahl, announced eleven million dollars in federal funding for a new Western Arctic Research Centre to be built in Inuvik.”**

### Facility Development

This year, federal Minister of Indian Affairs and Northern Development Chuck Strahl announced eleven million dollars in federal funding for a new Western Arctic Research Centre to be built in Inuvik. The new research centre will replace the current building which serves as the head office of Aurora Research Institute (ARI) and the Inuvik Research Centre. The Western Arctic Research Centre will be built on the site of the existing facility, and will be designed by Pinn-Taylor Architects of Yellowknife. The project is a result of a proposal put together by ARI and strongly supported by our regional partners at the Inuvialuit Regional Corporation and the Gwich'in Tribal Council.

We also moved into new facilities for two of our busiest community learning centres (CLC). In Inuvik, the College took over an existing building after the CLC's current site was condemned by the Department of Public Works. The new downtown location includes state of the art computer labs and classrooms. In Fort Simpson, the CLC was relocated to a new GNWT building which also houses the local Department of Education, Culture and Employment Offices. Aurora College has 25 Community Learning Centres which serve as gateways to our three campuses.

*Kinanaskomitin; Mahsi; Ma'hsj; Masi; Marsi; Merci; Quyanainni; Quyanaq; Quana; Thank you.*

Sarah Wright Cardinal  
President



## Report on the 2008-2009 Academic Year

### Student Enrolment Statistics - Academic year July 1, 2008 to June 30, 2009

Student Enrolment Statistics are calculated on an annual basis to look for trends in program demand. The enrolment numbers are collected by program and location for full time students and by total courses for part time students. The enrolment information also identifies whether the program is base funded or third party funded.

FULL TIME EQUIVALENT STUDENTS BY LOCATION & PROGRAM DIVISION					
Program Division	Aurora	The-bacha	Yellow-knife/North Slave	2009 Totals	2008 Totals
Academic	129.5	89.9	75.1	294.5	319.2
University Partnerships	0.3	1.9	0.0	2.2	3.0
Alberta North Distance Learning	0	1.1	0	1.1	1.5
Credit	58.6	120.3	166.3	345.2	368.3
Trades	50.0	242.5	104.2	396.7	304.4
Career Development	179.5	53.7	130.0	363.2	329.5
Personal Development	16.9	8.7	1.4	27.0	18.2
<b>Total</b>	<b>434.8</b>	<b>518.1</b>	<b>477.0</b>	<b>1,429.9</b>	<b>1,344.1</b>

All enrolment numbers are converted to "Full Time Equivalent Students" (FTE) to allow for the evaluation of enrolments in a consistent manner. One full time student equals one FTE.

Part time students are converted to FTE using a ratio of 10 courses to one FTE for all programs except apprenticeship programs where the ratio is 4 courses to one FTE. A full time student is one who takes at least 6 courses in a program over the academic year.

Aurora College FTE enrolments increased by 6.38% from 1,344.1 during 2007/2008 to 1,429.9 FTE's during 2008/2009. Aurora College full time enrolments have decreased by 16.81% during 2008/2009 to 559 full time students from 672 in 2007/2008. Part time student enrolment measured as courses, increased 23.2% to a total of 7,678 courses during 2008/2009. In 2007/2008 the part time courses were 6,232.



## Significant Highlights

Student enrolments have increased at all the campuses. Aurora Campus by 15.11% , Thebacha Campus by 4.22%, and Yellowknife/North Slave Campus by 1.6% for the 2008/2009 academic year.

Enrolments have decreased in Credit (6.27%), Academics (7.7%), University Partnerships (26.66%), and in the Alberta Distance Learning (26.66%) programs. All other areas have increased enrolments; Trades (30.32%), Career Development (10.22%) and Personal Development (48.35%).

Over the past eight years, we have been reporting the actual number of students enrolled as part of the annual report. In 2002 the total students enrolled was 3,907; 2003 was 4,019; 2004 was 3,985; 2005 was 4,267; 2006 was 4,177; 2007 was 3,935; 2008 was 3,558; and in 2009 was 3,782.

### Aurora Campus

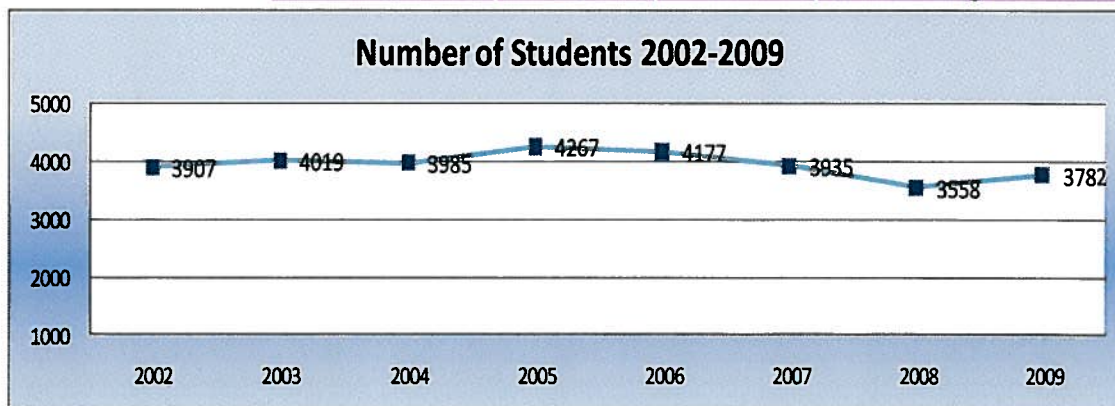
There were increases in Diploma (7.10%), Trades (150%), Career Development (30.07%), and the Personal Development (52.25%) programs. The increases in the Diploma programs were due to the delivery of the second year of the Office Administration program. The Trades enrolments were up with the delivery of the new Introductory Plumbing Gasfitter program.

There was a decrease in enrolment in the Academic (12.85%), and Certificate (6.94%), programs.

Some of the decrease may be attributed to fewer enrolments in the Indigenous Wellness and Addictions Prevention program, as well as, in the Adult Literacy and Basic Education/Developmental Studies programs.

STUDENT ENROLMENT BY LOCATION				
Campus	Full Time Students	Part Time Courses	2009 FTE	2008 FTE
Aurora	151	2,838	434.8	377.7
Thebacha	187	2,280	518.1	497.1
YK/North Slave	221	2,560	477.0	469.3
<b>Total College</b>	<b>559</b>	<b>7,678</b>	<b>1,430</b>	<b>1,344</b>

STUDENT ENROLMENT BY LOCATION (student count)				
Campus	Full Time Students	Part Time Students	2009 Total Students	2008 Total Students
Aurora	151	1,274	1,425	1,207
Thebacha	187	932	1,119	1,133
YK/North Slave	221	1,017	1,238	1,218
<b>Total College</b>	<b>559</b>	<b>3,223</b>	<b>3,782</b>	<b>3,558</b>



### Thebacha Campus

There were increases in enrolments in the Trades (36.38%), and Personal Development (210.7%) programs. There were decreases in the Academic (10.81%), Alberta North Distance Education courses (26.66%), University Partnerships (34.48%), Certificate (14.91%), Diploma (18.47%), and Career Development (18.51%) programs.

Thebacha is now offering some of the Trades programs after the completion of the Trades review thus the increase in enrolment. It is expected that there will be a larger increase in enrolment in the next academic year with all the programs back in operation. The Recreation Leaders program did not have an intake this year and will not be offered in the near future.

## Yellowknife/North Slave

There were increase in enrolments in the Academic (7.59%), Certificate (11.83%) and Career Development (3.5%) programs. There were more enrolments in the Access programs and there were deliveries in the Personal Support Worker and Community Health Representative programs.

There were decreases in Diploma (1.05%), University Partnerships (100%), Trades (2.25%), and in the Personal Development (67.44%) programs. The Diploma programs enrolment numbers have remained the same but have fewer full-time and more part-time enrolments. The Trades programs show an increase in enrolment due to delivery of the new Surface Diamond Driller Helper program. The other Mining program enrolments remain consistent.

## College-wide Receivables

In 2008-2009, the following accounts receivable were written off:

No. of Accounts	Amount	Reason
23	\$29	Each amount less than \$20
1	\$7,366	Bankruptcy
1	\$4,125	Non-profit no longer operating
1	\$420	Death

## Aurora Research Institute

### Western Arctic Research Centre

The Aurora Research Institute has been successful in obtaining eleven million dollars to replace the aging Inuvik Research Centre through the Arctic Research Infrastructure Fund administered through Indian and Northern Affairs Canada. Staff have been very busy working with planners from ECE and PWS to develop plans for the new facility. This is a very exciting time for the staff and researchers who use this facility and we are working together to define the spaces that will improve program delivery from the new Western Arctic Research Centre. These funds will be used to replace the Inuvik Research Centre with an anticipated completion date of March 2011. The new facility will be located immediately behind the existing Inuvik Research Centre.

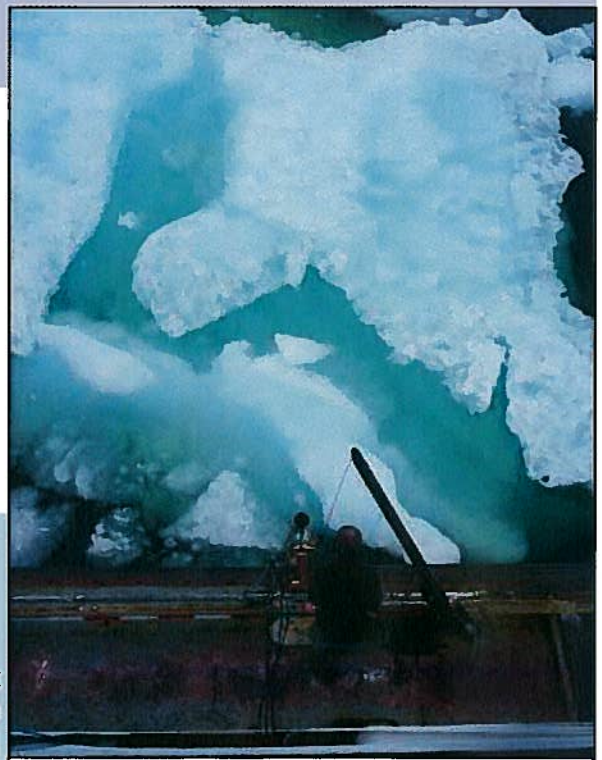
### International Polar Year

International Polar Year (IPY) 2007-2008 has lead to many opportunities for Northerners. Canada has played a major role in the fourth IPY in history with research focused on climate change impacts and adaptability, as well as the health and well being of Northern people. Canada committed \$150 million to support research in the country's Northern region with the majority of research conducted in Nunavut and the NWT. The fourth IPY is being hosted by the Aurora Research Institute.

## College-wide Scholarships, Research Assistantships and Fellowships

The following table summarizes the College scholarships, research assistantships and fellowships awarded in 2008-2009:

Number	Amount	Type
37	\$22,375	Scholarships awarded to students
4	\$9,000	ARI Award to researchers to hire Research Assistants
3	\$6,000	ARI fellowships awarded to researchers
3	\$10,000	Northern Science Award



*A researcher tests the thickness of Arctic ice as part of a study being carried out for the International Polar Year.*



While the majority of the field work was conducted in 2007 – 2008, IPY will continue until March 31, 2011 to provide researchers time to analyze and share their results. IPY was intended not only to provide funds for research, but to also support the next generation of Northern researchers. To support this goal IPY required that researchers include Northern residents in their projects. This led to Northerners engaged as research assistants, wildlife monitors, technicians, northern coordinators, community educators, interpreters and in some instances as researchers themselves. In addition, communities have been involved in consultation, infrastructure support and logistical services.

Aurora Research Institute recognized the unique opportunity that IPY presented, and submitted a proposal to hire Northern post-secondary science students to work alongside IPY researchers. Funding was granted for the summers of 2008 and 2009 to allow four students to be hired each year. Tamara Hansen, Andrew Fehr, Kyle Kuptana and Chad Larocque participated in 2008. In 2009 Tamara and Andrew returned and were joined by Kate Snow and Daniel Fehr.

After receiving training in safety, first aid, firearms and camp skills the students participated in a total of 17 research projects ranging from permafrost to hydrology to tree line dynamics to ecology to animal studies to health projects. Research sites included Herschel Island, Ivvavik and Illisarvik National Parks, the Mackenzie Delta, surrounding lakes and tundra, Dempster Highway and Inuvik.

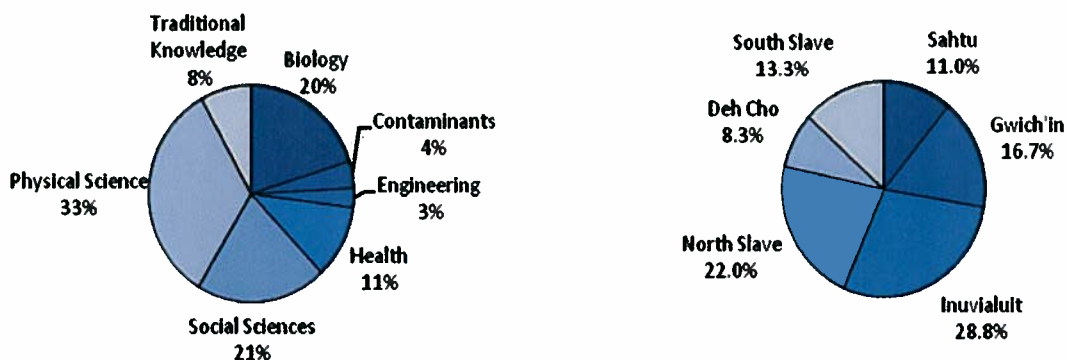
Leading experts across a variety of research topics were able to teach the students firsthand about changes occurring in the North and to impart to them a sense of wonder and responsibility for the world around them. The funding provided by IPY allowed the students to engage in unique learning opportunities in environments accessed by few. The opportunity made available by the partnership between ARI and IPY will serve the students well as they return to their studies and upon graduation when they begin their professional careers.

### GNWT Science Agenda

ARI has taken the lead role in facilitating the development of a GNWT Science Agenda. Under the direction of the DM Science Subcommittee, a Science Agenda working group has been established from the GNWT departments involved in science, including representatives from ECE, ENR, ITI, DAAIR, HSS, PWS and DOT. The GNWT Scientific Research Agenda will set the priorities for future research and science integration for the GNWT as well as a strategy in which to do that. This agenda and strategy will ultimately help all science practitioners in the NWT direct their investigations towards topics which are relevant and valuable to NWT residents.

### Research Licensing

The level of research activity in the NWT remains very high. The scope of activity is broadening somewhat and health and social sciences are represented by a larger proportion of the research programs licensed compared to previous years (Figure 1). Research activity is highest in the Inuvialuit Settlement Region and North Slave region (Figure 1).



**AURORA COLLEGE**  
**Audited Financial Statements**  
**June 30, 2009**

## AURORA COLLEGE

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

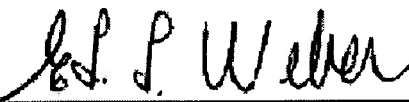
The financial statements of the Aurora College ("the College") and all information in this annual report are the responsibility of the College's management and have been reviewed and approved by the Board of Governors. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. When alternative accounting policies exist, management has chosen those it deems most appropriate in the circumstances. Management's best estimates and judgements have been used in the preparation of these statements, where appropriate. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls and practices ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information and the adherence to the College's policies and statutory requirements.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance Committee of the Board, which is composed of a majority of Members who are not employees of the College. The Finance Committee meets regularly with management and the external auditors have full and free access to the Finance Committee.

The College's external auditor, the Auditor General of Canada, audits the financial statements and issues her report thereon to the Minister of Education, Culture and Employment.

  
\_\_\_\_\_  
Sarah Wright Cardinal  
President

  
\_\_\_\_\_  
Edith Weber  
Bursar/Chief Financial Officer

Fort Smith, Canada  
October 1, 2009



## AUDITOR'S REPORT

To the Minister of Education, Culture and Employment

I have audited the balance sheet of the Aurora College as at June 30, 2009 and the statements of operations, comprehensive loss and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act* of the Northwest Territories, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the College and the financial statements are in agreement therewith. In addition, the transactions of the College that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of the Northwest Territories and regulations, the *Aurora College Act* and regulations and the by-laws of the College.

Andrew Lennox  
Assistant Auditor General  
for the Auditor General of Canada

Vancouver, Canada  
October 1, 2009

**AURORA COLLEGE**

**BALANCE SHEET  
as at June 30, 2009  
(in thousands)**

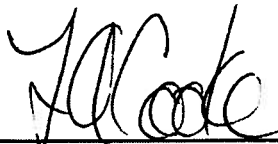
	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>		
Current assets		
Cash (Note 4)	\$ 5,752	\$ 5,865
Accounts receivable (Note 5)	2,478	6,566
Prepaid expenses and deposits	<u>183</u>	<u>755</u>
	8,413	13,186
 Property and equipment (Note 6)	 <u>7,268</u>	 <u>6,506</u>
	<b><u>\$15,681</u></b>	<b><u>\$19,692</u></b>
<b><u>LIABILITIES</u></b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,533	\$ 5,855
Employee leave pay	1,269	1,393
Deferred project income	395	718
Due to the Government of the Northwest Territories	<u>420</u>	<u>2,183</u>
	4,617	10,149
 Employee future benefits (Note 7)	 1,772	 1,370
Professional development fund	1,243	1,111
Deferred capital contributions (Note 8)	<u>5,342</u>	<u>3,894</u>
	12,974	16,524
 <b><u>EQUITY</u></b>		
Retained earnings (Note 9)	<u>2,707</u>	<u>3,168</u>
	<b><u>\$15,681</u></b>	<b><u>\$19,692</u></b>
Contingent liabilities and commitments (Notes 15 and 16)		

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

Approved by the Board:



John McKee  
Chairperson of the Board



Lani Cooke  
Chairperson of the Finance Committee

## AURORA COLLEGE

### STATEMENT OF OPERATIONS, COMPREHENSIVE LOSS AND RETAINED EARNINGS for the year ended June 30, 2009 (in thousands)

	<u>2009</u>	<u>2008</u>
<b><u>REVENUES</u></b>		
Project income		
Other parties	\$ 3,790	\$ 3,505
Territorial government	3,507	3,399
Federal government	1,551	3,117
Methane hydrate research project (Note 10)	1,529	13,260
Tuition fees	1,818	1,860
Other	1,051	920
Room and board	724	811
Amortization of non-government capital contributions	313	-
Interest income	<u>134</u>	<u>365</u>
	<b><u>14,417</u></b>	<b><u>27,237</u></b>
<b><u>EXPENSES</u></b>		
Compensation and benefits	24,862	24,987
Building leases	5,600	5,567
Contract services (Note 10)	3,918	16,352
Materials and supplies	2,208	2,313
Utilities	2,136	2,314
Repairs and maintenance	1,929	1,819
Amortization of property and equipment	1,566	824
Professional services	1,540	1,818
Fees and payments	1,522	1,150
Travel and accommodation	1,354	1,445
Communication, postage and freight	<u>985</u>	<u>981</u>
	<b><u>47,620</u></b>	<b><u>59,570</u></b>
<b>Net loss and comprehensive loss before government contributions</b>	<b><u>(33,203)</u></b>	<b><u>(32,333)</u></b>
Government contributions (Note 11)	<u>32,742</u>	<u>32,252</u>
<b>Net loss and comprehensive loss after government contributions</b>	<b><u>(461)</u></b>	<b><u>(81)</u></b>
Retained earnings at beginning of year	<u>3,168</u>	<u>3,249</u>
<b>Retained earnings at end of year</b>	<b><u>\$ 2,707</u></b>	<b><u>\$ 3,168</u></b>

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

**AURORA COLLEGE**

**STATEMENT OF CASH FLOWS**  
**for the year ended June 30, 2009**  
**(in thousands)**

	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities</b>		
Cash receipts from students and projects	\$17,831	\$43,022
Cash receipts from government contributions	29,882	29,391
Cash paid to suppliers and employees	(48,458)	(71,427)
Interest received	<u>134</u>	<u>365</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(611)</u>	<u>1,351</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	<u>(2,328)</u>	<u>(2,975)</u>
<b>Cash flows from financing activities</b>		
Capital contributions	<u>2,826</u>	<u>2,281</u>
<b>Net increase (decrease) in cash</b>	<b>(113)</b>	<b>657</b>
Cash at beginning of year	<u>5,865</u>	<u>5,208</u>
<b>Cash at end of year</b>	<b><u>\$ 5,752</u></b>	<b><u>\$ 5,865</u></b>

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

**AURORA COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2009**

**1. AUTHORITY AND MANDATE**

Aurora College (the "College") is established under the *Aurora College Act*. The College is a territorial corporation under the *Financial Administration Act* of the Northwest Territories and is exempt from income taxes.

Aurora College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities throughout the NWT. Through the work of the Aurora Research Institute, the College is also responsible for the facilitation and preparation of research activity in the NWT.

**2. ADOPTION OF ACCOUNTING STANDARDS**

**a) Financial instruments – Disclosure and presentation**

Effective July 1, 2008, the College adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments – Disclosures" and 3863 "Financial Instruments – Presentation". The standards require the disclosure of the significance of financial instruments in relation to the College's financial position and operations, the nature and extent of risks arising from financial instruments to which the College is exposed to during the period and at the balance sheet date, and how the Company manages those risks. These standards replace CICA Handbook section 3861 "Financial Instruments – Disclosure and Presentation". The additional disclosures required as a result of adopting these standards are included in Note 13.

**b) Capital disclosures**

Effective July 1, 2008 the College adopted the new CICA Handbook section 1535, "Capital Disclosures". The standards requires the College to disclose information about the College's objectives, policies and processes for managing its capital, quantitative data about what the College regards as capital and whether the College has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The additional disclosures are presented in Note 14.

**c) Future Accounting Changes**

Public Sector Accounting Board (PSAB) approved an amendment to the Introduction to the Public Sector Accounting (PSA) Handbook that eliminates the "government business-type organizations" category resulting in the need to reclassify these entities as either government not-for-profit organizations (GNPO) or other government organizations (OGOs). The College is currently classified as a government business-type organization.

The College will reassess its classification as either OGO or GNPO to ensure it is appropriate and will develop and implement a plan to converge to the new basis of accounting. If the College is classified as an OGO, the College will also need to assess whether International Financial Reporting Standards or the PSA Handbook is the most appropriate basis of accounting.



### **3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). A summary of significant accounting policies follows:

#### **a) Financial Instruments**

The College has made the following classifications of its financial instruments:

Cash is designated as "held for trading" since it could be reliably measured at fair value, and is measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise.

Accounts receivable are classified as "loans and receivables" financial asset and are measured at amortized cost.

Accounts payable and accrued liabilities and due to the Government of the Northwest Territories, are classified as "other financial liabilities", are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method. Due to the short term nature of accounts receivable, accounts payable and accrued liabilities, and due to the Government of the Northwest Territories, their carrying value approximates fair value.

#### **b) Property and equipment**

Property and equipment transferred to the College when it was established were recorded at their estimated fair market value. Subsequent acquisitions are recorded at cost. Property and equipment are amortized over their estimated remaining useful lives on a straight-line basis at the following annual rates:

Mobile equipment	5 - 33.33%
Building additions and renovations	5%
Furniture and equipment	10 - 50%
Leasehold improvements	over the term of the lease or useful life

#### **c) Employee future benefits**

##### **i) Pension benefits**

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The College's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The College's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the College. The College is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

##### **ii) Employee severance and removal benefits**

Employees are entitled to severance benefits and reimbursement of removal costs, as provided under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using the expected compensation level and employee leave credits.

**d) Government contributions and deferred capital contributions**

Under a contribution agreement with the Government of the Northwest Territories (the "Government") dated January 25, 1995, the College receives contributions for its operations and capital requirements for the administration and delivery of its adult and post-secondary education programs. Under the terms of this agreement, the College is allowed to retain all surpluses and is responsible for all deficits.

Contributions from the Government are the amounts set out in the Government's Main Estimates, as adjusted by supplementary appropriations, and represent the majority of the funding for the College to cover its expenses. Contributions for operating expenses are recognized on the statement of operations, comprehensive loss and retained earnings in the College academic year for which it is approved. Contributions for depreciable capital assets are deferred and amortized on the same basis and in the same periods as the underlying capital assets.

The College is economically dependent upon the contributions received from the Government for its ongoing operations.

**e) Government contributions – services received without charge**

The NWT Government provides certain services without charge to the College. The estimated value of these services are disclosed in Note 12 as government contributions – services received without charge, and are included in the expenses.

**f) Project income and deferred project income**

The College provides education and research services to outside parties including the Government of the NWT and the Government of Canada through contractual arrangements. Payments received under these contracts for which the development and delivery of projects is not completed are recorded as deferred project income. Project revenue is recognized when contracts or agreements are fulfilled and collection is reasonably assured.

**g) Contract services**

Contract services are acquired by the College through contractual arrangements. They include printing services, software development, food service contracts and instruction contracts. These amounts are charged as expenses in the year the services are rendered.

**h) Contingent liabilities**

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

**i) Professional development fund**

Under collective agreements, the College is required annually to make available a specific amount of funding, against which approved instructor professional development expenses are charged. The balance represents the accumulated unspent amount of the College's obligation to instructors.

**j) Measurement uncertainty**

The preparation of financial statements in accordance with GAAP requires the College to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the College believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the allowance for doubtful accounts, employee future benefits and the useful life of property and equipment.

**4. CASH**

The College's cash balances are pooled with the Government's surplus cash and are invested in a diversified portfolio of high-grade short term income producing securities. The cash can be withdrawn from the bank accounts at any time and is not restricted by maturity dates on investments made by the Government. The Department of Finance approves the eligible classes of securities, categories of issuers, limits and terms. All instruments, depending on their investment class, are rated R-2 High or better by the Dominion Bond Rating Service Ltd. The College's average investment yield was 1.7244% during the year (2008 – 3.932%).

**5. ACCOUNTS RECEIVABLE**

	<u>2009</u>			<u>2008</u>
	(in thousands)			
	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Project income				
Government	\$ 324	\$ -	\$ 324	\$ 628
Methane hydrate research project	-	-	-	3,790
Other projects	2,093	1	2,092	2,093
Students	197	137	60	52
Advances	<u>2</u>	<u>-</u>	<u>2</u>	<u>3</u>
	<u>\$ 2,616</u>	<u>\$ 138</u>	<u>\$ 2,478</u>	<u>\$ 6,566</u>

All receivables are currently due and the carrying value of these receivables approximates their fair value.

**Aging of Accounts Receivable**

	<u>2009</u>	<u>2008</u>
	(in thousands)	
Current	\$ 1,319	\$ 4,931
30 – 60 days past billing date	39	62
61 – 90 days past billing date	92	81
Over 90 days past billing date	<u>1,166</u>	<u>1,754</u>
Total	\$ 2,616	\$ 6,828
Less: Allowance for doubtful accounts	<u>138</u>	<u>262</u>
	<u>\$ 2,478</u>	<u>\$ 6,566</u>

## 6. PROPERTY AND EQUIPMENT

	<u>2009</u>		<u>2008</u>
	(in thousands)		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Mobile equipment	\$ 4,718	\$ 1,827	\$ 2,891
Building additions and renovations	1,991	1,145	846
Furniture and equipment	5,479	2,376	3,103
Leasehold improvements	2,200	1,772	428
	<u>\$ 14,388</u>	<u>\$ 7,120</u>	<u>\$ 7,268</u>

## 7. EMPLOYEE FUTURE BENEFITS

### i) Pension benefits

The College and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index.

The College's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	<u>2009</u>	<u>2008</u>
	(in thousands)	
College's contributions	\$ 2,430	\$ 2,567
Employees' contributions	1,050	1,026

### ii) Severance and removal benefits

The College provides severance benefits to its employees based on years of service and final salary. The College also provides removal assistance to eligible employees, as provided under collective agreements. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Future benefits will be paid out of future appropriations.

Information about the plan, measured as at the balance sheet date, is as follows:

	<u>2009</u>	<u>2008</u>
	(in thousands)	
Accrued benefit obligation, beginning of year	\$ 1,370	\$ 1,179
Cost for the year	541	201
Benefits paid during the year	(139)	(10)
Accrued benefit obligation, end of year	<u>\$ 1,772</u>	<u>\$ 1,370</u>

## 8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions are related to funding received from the NWT government and external entities pertaining to capital expenditures. They include deferred and unamortized capital contributions. Funding is deferred until the related capital expenditure is incurred.

The changes for the year are as follows:

	<u>Deferred</u>	<u>Unamortized</u>	<u>2009</u>	<u>2008</u>
	(in thousands)			
Opening balances	\$ 159	\$3,735	\$3,894	\$1,966
Restricted contributions received	2,990	-	2,990	2,281
Contributions spent	(2,985)	2,985	-	-
Unspent contributions Returned	(164)	-	(164)	-
Amounts amortized to Revenue	-	(1,378)	(1,378)	(353)
	<u>\$ -</u>	<u>\$5,342</u>	<u>\$5,342</u>	<u>\$3,894</u>

Deferred capital contribution amortization is presented on the statement of operations in two components – Amortization of non-government capital contributions of \$313,000 (2008 – nil) and Government contributions of \$1,065,000 (2008 – \$353,000).

### 9. RETAINED EARNINGS

The retained earnings balance includes the net book value of capital assets transferred to the College when it was established and the results of operations since that date. The following appropriations have been made from retained earnings:

	(in thousands)				
<u>Appropriated retained earnings</u>	<u>Balance, opening July 1, 2008</u>	<u>Net Results</u>	<u>Appropriated</u>	<u>Used in Operations</u>	<u>Balance, ending June 30, 2009</u>
a) Mallik research reserve	\$ 400	\$ -	\$100	\$(400)	\$ 100
b) Northern strategic research reserve	-		409		409
c) Program delivery	117	-	300	(117)	300
d) Research & development	33	-	49	(15)	67
e) HEO replacement & maintenance	295	-	107	(223)	179
f) Restricted donations	34	-	-	-	34
Appropriated retained earnings	879	-	965	(755)	1,089
<b>Unappropriated retained earnings</b>	2,289	(461)	(965)	755	1,618
<b>Total retained earnings</b>	<b>\$3,168</b>	<b>\$(461)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$2,707</b>

**a) Mallik research reserve**

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside to complete the scientific publishing.

**b) Northern strategic research reserve**

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside for strategic research conducted in the north which will benefit northerners.

**c) Program delivery**

This appropriation is established to cover program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which Government funding has not been approved. Allocations to and from this appropriation must be approved by the Board of Governors.

**d) Research & development**

This appropriation is established to help fund research and development of the Research Associate and Fellowship programs at the Aurora Research Institute (ARI). Annually all unencumbered ARI administration revenue after fulfillment of third party contracts is transferred to this appropriation. Use of the appropriation must be approved by the Research Advisory Council.

**e) HEO (Heavy Equipment Operator) replacement & maintenance**

This appropriation is established to help fund replacement and maintenance of the HEO program heavy equipment. Annually net equipment rental fees charged to the third party contractors for HEO courses are transferred to this appropriation. Use of the appropriation must be approved by the Board of Governors.

**f) Restricted donations**

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are transferred to restricted donations until the conditions are met.

**10. PROJECT INCOME – METHANE HYDRATE RESEARCH PROJECT**

In October 2006, the College entered into a three year agreement with Imperial Oil Resources Ltd and Japan Oil, Gas and National Metals Corporation (JOGMEC) to identify ways to extract natural gas from hydrates frozen within the Arctic permafrost and to evaluate possible methods of exploration and extraction.

JOGMEC is the lead proponent of the research project and is responsible for all costs associated with the project. The College also entered into a contract operating agreement with JOGMEC to act as the operator of the project on behalf of JOGMEC. Under the terms of the contract operating agreement, the College is responsible for the awarding of all contracts and the approval of all payment to contractors hired under the research project. The College is paid a fixed fee for its services as the project operator.

During the current year, the College incurred \$1,507,000 (2008 – \$12,864,000) in contract services expenses and other expenses and accounted for \$1,539,000 (2008 – \$13,341,000) in revenues.

## 11. GOVERNMENT CONTRIBUTIONS

	<u>2009</u>	<u>2008</u>
	(in thousands)	
Operating contributions	\$ 29,578	\$ 29,768
Amortization of deferred capital contributions	1,065	353
Services received without charge (Note 12)	<u>2,099</u>	<u>2,131</u>
	<u>\$ 32,742</u>	<u>\$ 32,252</u>

## 12. RELATED PARTY TRANSACTIONS

The College is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and Crown corporations. The College enters into transactions with these entities in the normal course of business at normal trade terms. In addition to those related party transactions disclosed elsewhere in these financial statements, the College had the following transactions:

### **Accounts Receivable and Accounts Payable**

The College has Government receivables from tuition revenue, contract revenue and the contribution. The College also owes funds to the Government from administrative agreements for facility operating and utility costs, employee benefits and other expenses.

	<u>2009</u>	<u>2008</u>
	(in thousands)	
Accounts receivable	\$ 324	\$ 628
Amount due to the Government	\$ 420	\$ 2,183

### **Expenses**

Under the terms of administrative agreements, the Government charges for certain support services provided to the College. The College reimbursed the Government \$2,379,461 (2008 - \$1,589,565) for facility operating and utility costs, employee benefits and other expenses recorded in these statements.

### **Services received without charge**

During the year the College received without charge from the Government, services including payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services. These services would have cost the College an estimated \$154,000 (2008 - \$300,000). The estimated charge is based on the carrying amount confirmed by the related parties.

The College also receives from the Government, without any rental charges, the use of facilities for two of its campuses, certain student housing units and community learning centres. The use of these facilities would have cost the College an estimated \$1,945,000 (2008 - \$1,831,000). The Government's amortization expense for these assets has been used as the basis for this estimate.

These services without charge have been recognized in the College's Statement of Operations, Comprehensive Loss and Retained Earnings as follows:

	<u>2009</u>	<u>2008</u>
	(in thousands)	
Contract services	\$ 154	\$ 300
Building leases	<u>1,945</u>	<u>1,831</u>
	<u>\$2,099</u>	<u>\$2,131</u>

### 13. FINANCIAL INSTRUMENTS

#### *Financial risk management and exposure*

The College is exposed to various risks associated with its financial instruments, which include credit risk, liquidity risk and market risk.

#### *Credit Risk*

Credit Risk is the risk of financial loss to the College if a customer or funding agency to a financial instrument fails to meet its obligations. Credit risk arises primarily from accounts receivable and cash.

The College's exposure to credit risk is influenced by the economic well being of agencies contracting training. As at June 30, 2009, there were no contract receivables past due which were considered uncollectible.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is:

	<u>2009</u>	<u>2008</u>
	(in thousands)	
Cash	\$5,752	\$5,865
Accounts Receivables	<u>2,478</u>	<u>6,566</u>
<b>Total</b>	<u>\$8,230</u>	<u>\$12,431</u>

To mitigate credit risk related to accounts receivable, the College follows up regularly on their accounts receivable. The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific accounts and it is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business condition and historical experience.

As at June 30, 2009, approximately 76% of the accounts receivable balance is due to government-related or government-funded organizations.

#### *Liquidity Risk*

Liquidity risk is the risk that the College will not be able to meet its obligations as they fall due. The College continually monitors its financial position to ensure that it has sufficient liquidity to discharge its obligations when due.

The financial liabilities of the College include accounts payable and accrued liabilities, and due to the Government of the NWT, which have a contractual maturity of less than one year.

#### *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 the market place. The College is exposed indirectly to market risk resulting from fluctuations in foreign exchange rates and interest rates in the normal course of its business operations. The College moni-



tors its exposure to market fluctuations. The market risk resulting from foreign exchange and interest rates is not a significant risk of the College.

**14. CAPITAL MANAGEMENT**

The College’s capital is its Retained Earnings.

The College’s objective of capital management is to fund its operations and capital asset additions. The College manages its equity as a by-product of managing revenues, expenses, assets and liabilities as required. These objectives are consistent with prior year’s.

The College is subject to financial management and accountability provisions of the *Financial Administration Act* which imposes restrictions in relation to borrowing and acquisition of investments. During the period ended June 30, 2009, the College has complied with these restrictions.

**15. CONTINGENT LIABILITIES**

The College is subject to claims and lawsuits arising in the ordinary course of operations. While the outcome of these matters is subject to future resolution, management’s evaluation and analysis of such matters indicates that, individually and in the aggregate, the probable ultimate resolution of such matters will not have a material financial impact on the College’s financial position, results of operations or liquidity.

**16. COMMITMENTS**

In addition to facilities provided by the Government, the College has operating leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments as follows:

	(in thousands)
2010	\$ 3,842
2011	3,185
2012	3,147
2013	1,414
2014	987
thereafter	<u>5,145</u>
	<u>\$ 17,720</u>

**17. COMPARATIVE INFORMATION**

Certain figures have been re-classified to conform to the current year’s presentation.