

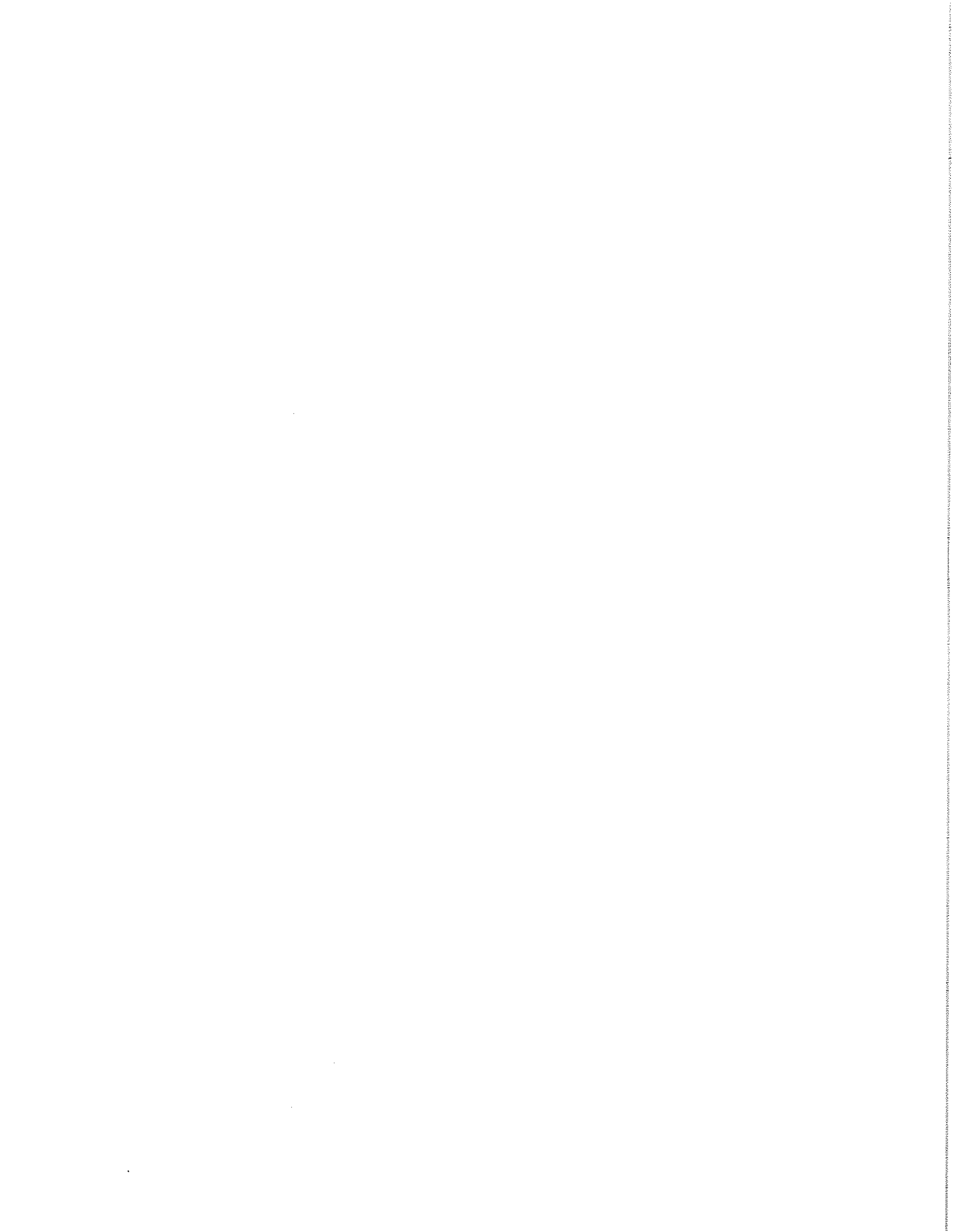


**AURORA  
COLLEGE**

Aurora College

Annual Report 2007-2008





## Letter of Transmittal

*The Honourable Jackson Lafferty  
Minister, Education, Culture and  
Employment*



*John McKee, Chair, Board of Governors*

On behalf of the Aurora College Board of Governors, I am pleased to present to you the Aurora College Annual Report for the academic year 2007-2008.

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 excellent new training facilities in our Mobile Trades Training Lab and our Underground Mine Training Simulator.

We are also very proud of our new Student Residence at Aurora Campus in Inuvik. We appreciate the ongoing support from your Department in helping us to provide our students with the best possible facilities in which to live and learn.

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

We are also committed to improving the way we work as a College Board. Over the past several years, we have conducted a variety of workshops and examined how other College Boards across the country function. This year, we held a Board development workshop that focused on our role as primary communicators for Aurora College, and explored ways in which we can effectively communicate College goals with the public. Efforts such as these help Board members play a more active role in helping the College to achieve its goals.

The Board has also worked hard to ensure that the overall direction we laid out in the College's strategic plan four years ago continues to guide our development. We are focused on serving the people of the North with a culturally appropriate College that leads them to successful careers.

We are proud of the work we have accomplished in the past year, and we look forward to a future full of promise and success.

John McKee  
Chairperson, Aurora College Board of Governors

## Report from the President



With new facilities, new programs, and new partnerships, Aurora College is looking back on the 2007-2008 academic year as a major success. We have advanced our central mission of providing more educational opportunities for Northerners by acquiring new facilities and creating new programs that continue to meet the career aspirations of the people we serve and the labour market needs of the NWT. We had the first Bachelor of Education graduates who completed all four years in the North.

However, like many other agencies and departments in the Government of the NWT, we are facing a tight fiscal environment, and have made significant efforts to ensure that any demands we make on the public purse are substantiated by real needs in the post-secondary education sector. The vehicle by which we accomplish this is the Aurora College Business Plan.

### Planning Initiatives

Aurora College's 2008-2012 Business Plan contains our annual Programs and Services Proposal and our Labour Market and Industrial Training Proposal. The Business Plan ties our financial requirements to performance indicators and to long-term objectives identified in our strategic plan. The updated plan differs from last year's in that it also projects our infrastructure needs for the coming four years.

As the business plan is implemented, the College will measure its success by monitoring a number of performance indicators as identified in the business plan. These include:

- Student Completion Rates
- Graduate Employment
- Graduate Satisfaction

Items we have highlighted for new money include:

- Enhancements to trades programming at Thebacha Campus
- Community-based trades programming enhancements
- Student Success Centres
- Aboriginal Language and Cultural Instructor Program deliveries
- Enhancements for Community Adult Educators
- Culture Rooms at each campus

Labour Market and Industrial Training Enhancements in the business plan include:

- Small Business Development program in Inuvik
- Environmental Monitoring coordination across the NWT
- Pre-Technology programming in Fort Smith
- Personal Support Workers program in Yellowknife

New capital project requirements for the coming four years identified in the business plan include:

- Replace Community Learning Centre, Aurora Campus, Inuvik
- Replace Leased Campus Facility, Yellowknife Campus
- Replace Family Housing, Aurora Campus, Inuvik
- Renovate Single Student Residence, Thebacha Campus, Fort Smith
- Replace the Inuvik Research Centre, Aurora Research Institute
- Replace Detached Family Housing Units, Thebacha Campus, Fort Smith

While the College recognizes the increasingly tight fiscal environment for publicly funded agencies in the NWT, College administration believed that our needs should be accurately identified and addressed through the business planning process.

This year, the College completed our first update of the Aurora College strategic plan *Strong Foundations – New Horizons: Continuity and Change at Aurora College*. This document describes the steps and actions we have taken so far to achieve the goals identified as priorities in the first few years of the planning period. Overall, the Board is pleased with the progress made toward our goals so far.

### **Facility Development**

Aurora College was very pleased to open our new single student residence for Aurora Campus in Inuvik. The project was opened for occupancy in January of 2008, and has met with great approval from the students who reside there. The new building is located adjacent to the Aurora Campus building, and features living spaces for 30 single students, as well as four kitchens, lounges, a recreation room and laundry facilities. The group kitchens accommodate six to eight students. The completion of the new facility will enable the campus to reconfigure College houses back to family accommodations. Ten three-bedroom townhouse units had previously been converted to single student accommodations to fill the gap until the new facility had been completed.

The College has also had great success with our new underground Mine Simulator, which is located at our Trades and Technology Centre in Yellowknife. There have been two successful deliveries of the Underground Miner Training Program in the facility, and graduates are quickly finding employment with NWT mining companies. The three mine companies and Indian and Northern Affairs Canada (INAC) generously contributed funds to the College for the purchase of the Underground Mine Simulator.

In April 2008, the College unveiled our new Mobile Trades Training Lab, which is housed at Aurora Campus in Inuvik. This new facility will allow Aurora Campus to deliver introductory trades training not only in Inuvik, but in locations accessible by road throughout the Mackenzie Delta region. The lab was acquired through a funding partnership which included the Inuvialuit and Gwich'in, the territorial government and corporate sponsorship. Our partners in the project all attended the grand opening, as did Her Excellency Michaëlle Jean, the Governor General of Canada. The event was extremely positive, and we look forward to being able to

offer expanded training services to the people of the Beaufort Delta and Sahtu through this facility.

### **Major Initiatives 2007-2008**

A major project that the College is undertaking through our research division, the Aurora Research Institute (ARI), is the Mallik Gas Hydrates project. The project is a joint effort between Natural Resources Canada (NRCAN), the Japan Oil, Gas and Metals National Corporation (JOGMEC) and Aurora Research Institute. The project is intended to identify ways to extract natural gas from hydrates frozen within the Arctic permafrost and to evaluate the potential of the hydrates as a viable source of energy.

In the 2007 operating year, it became apparent the project was over budget, and that current funding would only meet the environmental remediation required for shutdown. As an expanded production test was initially scheduled for this winter, the partners explored ways to keep the project alive. As part of this process, the Board approved a \$500,000 contribution from the income we received from the project management revenue. The Board approved putting the funds towards a production test. This contribution led our partners in Natural Resources Canada and our Japan Oil, Gas and Metals Corporation partners to reinvest in the project as well. Thanks to these new commitments, the project concluded with an extremely successful production test in February 2008. It is no exaggeration to say that the College's reinvestment in this project played a major role in its success, and I want to congratulate the team the Aurora Research Institute put together to oversee this project. It was their largest undertaking ever and they made major contributions to its eventual success. I believe with this project we have put ARI on the map with the international scientific community.

I must mention that Aurora College has been honoured with two Premier's Awards this year. Our Northern Nursing Program won the Premier's Award for Excellence and the Mallik Gas Hydrates Project won the Premier's Award for Collaboration. Staff from ARI and the College's School of Health Programs was honoured at an event in Yellowknife June 11, and I was pleased to attend. I believe awards such as this speak to the quality of the programs and services we provide and the ability of our staff to work with diverse partners throughout the NWT and beyond. I congratulate the faculty and Staff in the School of Health at Yellowknife/North slave Campus, and our staff at ARI. Their commitment to excellence reflects well on the College, and on the NWT as a whole.

Maurice Evans  
President

## **Report from the Vice President, Academic**

The Vice President, Academic is responsible for the Policy and Programs division of Aurora College. Policy and Programs plays a vital role in maintaining the integrity of the College's programming, developing new programs, and in expanding our academic relationships and partnerships with other educational institutions. The division is also responsible for the behind-the-scenes work involved in developing and updating the policy framework that guides Aurora College operations.

### **Program Development and Renewal**

The 2007/08 year was an active one with respect to the development and renewal of several of the College's core programs.

The Office Administration program underwent significant changes. Year one of the program (Certificate) was modified to better meet the needs of our students, and an entirely new second year (Diploma option) was developed. The diploma program will be piloted at Aurora Campus in the 2008/09 academic year.

The College developed a Program Head position for the Management Studies program. This position will provide overall academic leadership and coordination at a college-wide level for the program, and will also play a key role as the College transitions the Management Studies Program into the Aurora College Business Administration Program. The majority of redevelopment work will take place in 2008/09.

The Natural Resources Technology Program (NRTP) moved into the implementation stage with respect to the recommendations arising from the NRTP Program Review. An interim Program Head has been put in place to implement the recommendations in the course content and structure of the program. The changes arising from the review reflect the changing needs of students and employers.

Another major redevelopment initiative involves the Apprentice Housing Maintainer program. The College is working closely with the Department of Education, Culture and Employment and a contractor on the redevelopment of the program and associated resource material. All resources should be ready and approved for a winter 2009 delivery at Thebacha Campus

### **New Deliveries**

On the trades and industrial training front, the Mobile Trades Training Unit in Inuvik delivered its first program. It commenced in April of 2008 and will end in August. A newly developed 17-week Introduction to Carpentry program was piloted for this delivery. The next delivery for the unit is Introductory Plumbing/Gasfitting, schedule for the fall of 2008/09.

2007/08 also saw the first delivery of underground mine training. Aurora College delivered several community-based deliveries of the Introduction to Underground Mining Program. From

this “feeder” program, successful students moved on to the more comprehensive Underground Miner Training Program.

Furthermore, 2007/08 saw the first delivery of the Indigenous Wellness and Addictions Preventions (IWAP) program. Year one of this two-year program began in September 2007 at Aurora Campus in Inuvik under a brokerage arrangement with Canadore College.

As well, the Social Work Diploma Program, relocated to its new location at Yellowknife/North Slave Campus.

### **Transfer Agreements**

In 2007/08 new partnership agreements with southern universities were also developed. Working with the University of Saskatchewan, we finalized two transfer agreements between our two institutions regarding the block transfer of our diplomas in Management Studies and Natural Resources Technology. The Management Studies program now has block transfer into a Bachelor of Arts degree in Northern Studies (Aboriginal Stream), and the Natural Resources Technology program has block transfer into a Bachelor of Arts degree in Northern Studies (Environmental Impact Assessment Stream). Furthermore, we established an agreement with the Dalhousie University for the delivery of the Nurse Practitioner Program.

Delivery of responsive, relevant and high quality programming is crucial to the success of our students and the reputation of the College. Without the ongoing collegial efforts of our staff and faculty this would not be possible. As we continue to build on our past successes, we look forward with confidence to the challenges of the future.

Margaret Imrie,  
Vice President, Academic



## Student Enrolments

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.

All enrolment numbers are converted to "Full Time Equivalent Students" (FTE) to allow for the evaluation of enrolments in a consistent manner. FTE calculations are done in a manner where 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 apprentice 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.

### **STUDENT ENROLMENT BY LOCATION (full time equivalents):**

Campus	Full Time Students	Part Time Courses	2008 Full Time Equivalents	2007 Full Time Equivalents
Aurora	174	2,037	377.7	481.1
Thebacha	254	1,942	497.1	516.2
Yellowknife	244	2,253	469.3	412.4
Total College	672	6,232	1,344.1	1,409.7

### **STUDENT ENROLMENT BY LOCATION (student count):**

Campus	Full Time Students	Part Time Students	2008 Total Students	2007 Total Students
Aurora	174	1,033	1,207	1,682
Thebacha	254	879	1,133	1,039
Yellowknife	244	974	1,218	1,214
Total College	672	2,886	3,558	3,935

### Aurora Campus

There is an increase in the Academic (1.4%), Certificate (20.3%), and Trades (51.5%) programs. The increases are due to higher enrolments in these programs even though there were no deliveries of the NRTP Access and the Health and Human Services Access, and down slightly in the Management Studies Program.

There was a decrease in enrolment in the Diploma (17.2%), Career Development (43.3%), and the Personal Development (45.9%) programs. Some of the decrease may be attributed to the reduction in funding from the Aboriginal Skills Employment Partnership for these programs. The Small Business Development only had one delivery as opposed to two the previous year and the Environmental Monitoring program had one delivery as opposed to three the year before.

### Thebacha Campus

There were increases in enrolments in the Alberta North Distance Education courses (114.3%), Certificate (55.9%), Diploma (46.2%), Career Development (22.0%), and Personal Development (27.2%). There were decreases in University Partnerships (12.1%) and in the Trades (31.0%). Academic programs stayed the same as the previous year.

Thebacha is now offering the 4<sup>th</sup> year of the Bachelor of Education program and had 15 students participate in the convocation ceremonies in April. The Recreation Leaders program was transferred from Inuvik to Fort Smith. The Trades programs are down by 31.0% due to cancellation of programs while renovations continue to take place. The renovations were initiated as a result of the Trades review.

### Yellowknife/North Slave Campus

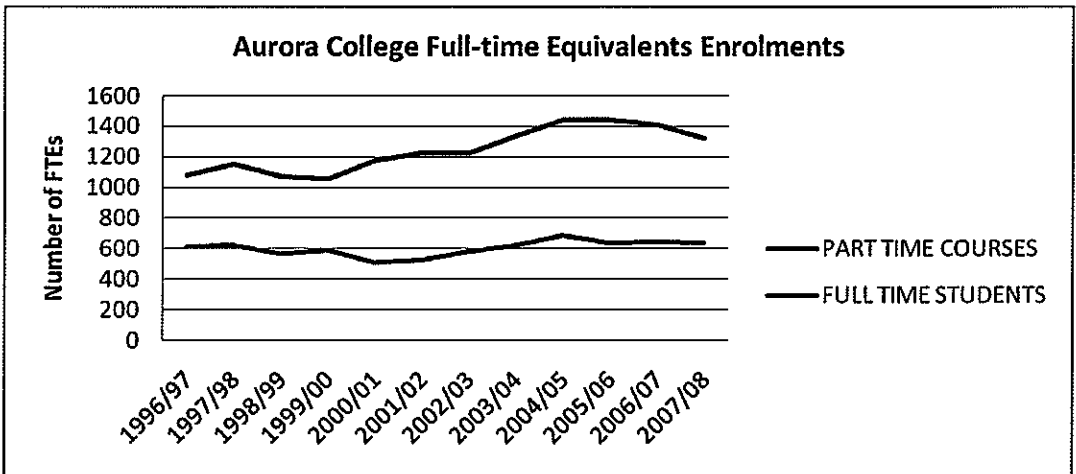
There were increases in enrolments in the Diploma (9.0%), Trades (126.4%), and Career Development (14.5%). There were decreases in Academic (27.8%), University Partnerships (75.0%), Certificate (15.5%) and in the Personal Development (39.4%) programs.

The Diploma programs enrolments have an increase with the delivery of the Social Work program which is new to this campus. The Teacher Education program is also being offered in the community of Behchoko. The Trades programs show an increase in enrolment because of the delivery of the Building Trades Helper, Introduction to Mining Industry and Underground Mine Training programs. The Certificate programs are showing a decline in enrolments.

**FULL TIME EQUIVALENT STUDENTS BY LOCATION BY PROGRAM DIVISION:**

Division	Aurora	Thebacha	Yellow-knife	2008 Totals	2007 Totals
Academic	148.6	100.8	69.8	319.2	344.1
University Partnerships	0	2.9	0.1	3.0	3.7
Alberta North Distance Learning	0	1.5	0	1.5	.7
Credit	60.0	145.4	162.9	368.3	314.6
Trades	20.0	177.8	106.6	304.4	309.3
Career Development	138.0	65.9	125.6	329.5	407.5
Personal Development	11.1	2.8	4.3	18.2	29.8
Total	377.7	497.1	469.3	1,344.1	1,409.7

The trend of increased enrolments in the credit programs continued in 2007-2008. The reduction in the trade enrolments was due to renovations and upgrading of the equipment which limited the number of intakes in 2007-2008. Career Development enrolments declined because more students are taking certificate or diploma programs.



## College Highlights 2007-2008

### Finance

Aurora College budgeted for \$1,017,000 more expenditures than revenues. This was necessary to deliver all the programs and services initiatives. These programs and services included the Environmental Monitoring Program, Traditional Arts Program, Indigenous Wellness Addictions Prevention Program, Labour Market Initiatives, a College Recruiter, a Research Analyst, Emergency Response Plan and Student Success Centers. The financial statements demonstrate that the actual loss was substantially less than the budgeted loss. The third party contracts assisted with paying for some of the overhead costs, the Department of Education Culture and Employment partially funded increases in lease and utility costs and the College used vacancy management wherever possible.

### Third party Funding

<b>Aurora College</b>		
<b>Third Party Revenue by Funder</b>		
	<u>2007/2008</u>	<u>2006/2007</u>
Federal Government	\$ 3,117,250	\$ 1,956,253
GNWT- ECE	\$ 2,467,317	\$ 2,239,016
GNWT - H &SS	\$ 776,452	\$ 535,606
GNWT- Other	\$ 155,031	\$ 97,883
Gov't Nunavut	\$ 23,713	\$ -
Gwich'in Tribal Council	\$ 553,988	\$ 279,765
Inuvialuit Regional Council	\$ 784,812	\$ 477,504
Sahtu Dene Council	\$ 135,831	\$ 765,038
Mine Training Society	\$ 788,684	\$ 205,467
Aboriginal Futures	\$ 51,137	\$ 55,365
Other	\$ 1,162,832	\$ 1,132,546
Gas Hydrates	\$ 13,259,484	\$ 32,449,695
<b>Total</b>	<b>\$ 23,276,531</b>	<b>\$ 40,194,138</b>

Although Aurora College receives most of revenues from the Government of the NWT base funding, we also receive funding from partners to carry out specific projects or programs. A summary of the third party funding received over the past two academic years is on the

previous page. The Gas Hydrates project will have significantly less revenues in 2008-2009 since that is the last year of the project.

### ***Mobile Trades Training Lab - Aurora Campus***



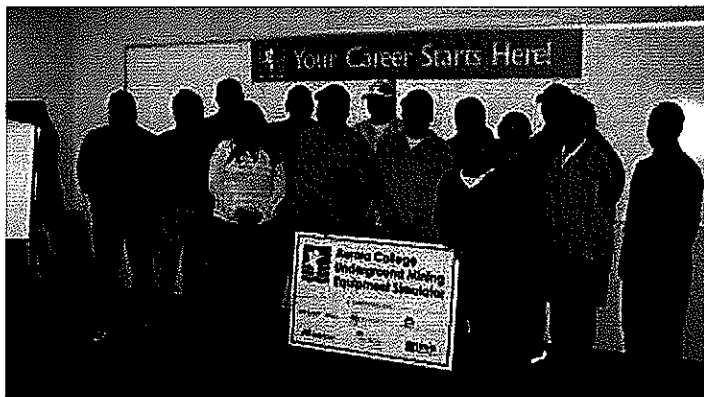
*Premier Floyd Roland, left, and Her Excellency Michaëlle Jean, Governor General of Canada join President Maurice Evans at the opening of the Mobile Trades Training Lab.*

A Mobile Trades Training Lab (MTTL) was acquired through a funding partnership. The rig was funded through a cost-sharing arrangement with the Gwich'in Tribal Council, the Inuvialuit Regional Corporation, the Canadian Imperial Bank of Commerce, the Mackenzie Group, Mackenzie Aboriginal Corporation, Indian and Northern Affairs Canada and training unit is a tractor-trailer that is essentially a mobile classroom equipped with a variety of trades-related equipment. The Campus looks forward to being able to extend trades training into new community locations accessible by

roads starting in early 2008.

The grand opening of the MTTL took place in Inuvik in April 2008. In addition to all funding partners being represented at the event, the College was pleased to host Her Excellency Michaëlle Jean, the Governor General of Canada, to the event.

### ***Introduction to Underground Mining/Underground Miner Training Program - Yellowknife/North Slave Campus***



*Students and instructors from the first graduating class of the Underground Miner Training Program help the College celebrate the grand opening of the new underground mining equipment simulator.*

The Underground Mine Simulator is unique equipment that was funded from donations from the 3 diamond mines in the NWT and INAC. With the acquisition of our new Underground Mine Training Simulator, Aurora College is uniquely positioned to train Northerners for work in the diamond mines that are moving from surface exploration to underground mining. The College has developed two programs to prepare Northerners for work in this field.

One is a preparatory program called Introduction to Underground Mining, which was delivered in community locations throughout the NWT (see chart below). Students successful in this program, move on to the Underground Miner Training program, which is offered in Yellowknife and makes use of the Underground Mine Simulator. Aurora College is the only public college in

Canada to have such a facility, giving Northerners unique access to state-of-the-art training equipment.

**Underground Miner  
Training Enrolments  
2007-2008 ACADEMIC YEAR  
INTRODUCTION TO UNDERGROUND MINING**

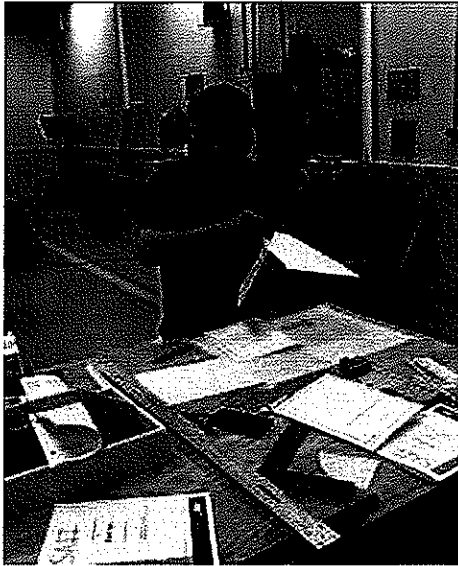
COMMUNITY	# of program intakes	Student count	Part Time Courses
Fort Providence	1	11	66
Fort Simpson	1	10	60
Yellowknife	1	8	48
Behchoko	1	12	71
Whati	1	10	60
Gameti	1	5	25
Wekweeti	1	7	36
<b>TOTAL</b>	<b>7</b>	<b>63</b>	<b>366</b>

**UNDERGROUND MINER TRAINING**

COMMUNITY	# of program intakes	Student count	Full Time courses
Yellowknife	2	35	149

<b>Aurora College Capital Funding 2007-2008</b>		
<b>Funder</b>		<b>Amount</b>
Gwich'in Development		\$200,000.00
Inuvialuit Land Corporation		\$400,000.00
Mackenzie Group		\$125,000.00
*CIBC		\$100,000.00
Indian and Northern Affairs Canada		\$400,084.93
Department of ECE		\$400,000.00
Mackenzie Aboriginal Corp		\$25,000.00
<b>Total Mobile Trades Unit</b>		<b>\$1,650,084.93</b>
DeBeers Canada		\$122,000.00
BHP Billiton Diamonds		\$122,000.00
Diavik Diamond		\$122,000.00
<b>Total Underground Mine Simulator</b>		<b>\$366,000.00</b>
<b>Department of ECE</b>		<b>\$431,000.00</b>
<b>Total Apprenticeship Review Technical Upgrades</b>		<b>\$431,000.00</b>
<b>Total</b>		<b>\$2,447,084.93</b>
*CIBC- future amount \$150,000 bringing total to \$250,000		

### **Trades Shops Enhancements - Thebacha Campus**



*First year Carpentry Apprentice Gerald Ohokaks works in the newly refurbished Carpentry workshop at Thebacha Campus.*

An extensive review of trades programming at Thebacha Campus took place in 2007-2008. The review revealed areas of our shops that required enhancements and areas of our operations that could be improved by adopting new technologies and training methodologies that reflect the latest advancements in trades. The College embraced these recommendations and quickly moved to implement them. The resulting action allowed the College to introduce significant changes to our facilities and equipment and to our operational practices such as new safety systems and procedures. The College has hired a Maintenance Control Technician to oversee the maintenance and storage of tools and equipment and to monitor safety practices. We are currently hiring a Director of Trades, Apprenticeship and Industrial Training to direct overall trades training throughout the College system. This approach is more conducive to maintaining college-wide quality and accreditation standards. The

results of our efforts are enhanced facilities and equipment, improved training and better service to our students.

### **Mallik Project – Aurora Research Institute**



*Heat and exhaust steam in the -45 degree cold on a January day at the Mallik project drill site.*

The Mallik Project is a three year project 2006- 2009. The project experienced many operational challenges throughout the winter of 2007, but research into gas hydrate production at the Mallik Bay site on Richards Island in the Beaufort Sea met with success on April 2, 2007 when solid natural gas from roughly 850 meters below ground was successfully separated into pure liquid water and natural gas. For the following three days gas was periodically flared and overall production exceeded the predicted volumes by a wide margin. Testing

ended before the planned 15-day test period was completed due to technical difficulties in the well and also due to the fact that the weather was rapidly warming. Testing was halted on April 5, 2007 so that well completion activities, rig move and clean up could be accomplished without



putting crews or the environment at risk. The winter activities at Mallik Bay came to a halt April 17 when the Harry Channel Ice road became impassable due to overflow.

Phase II of the testing was performed during the winter of 2007-2008. In 2008 the project achieved a sustained gas hydrate projection test of 6.5 days. The Richards Island drilling site had been successfully cleaned up. Despite the climactic challenges and the reduced test-flaring period, the Mallik Project is considered a major success by all partners, and represents the largest scientific endeavour ever undertaken by a Northern agency.

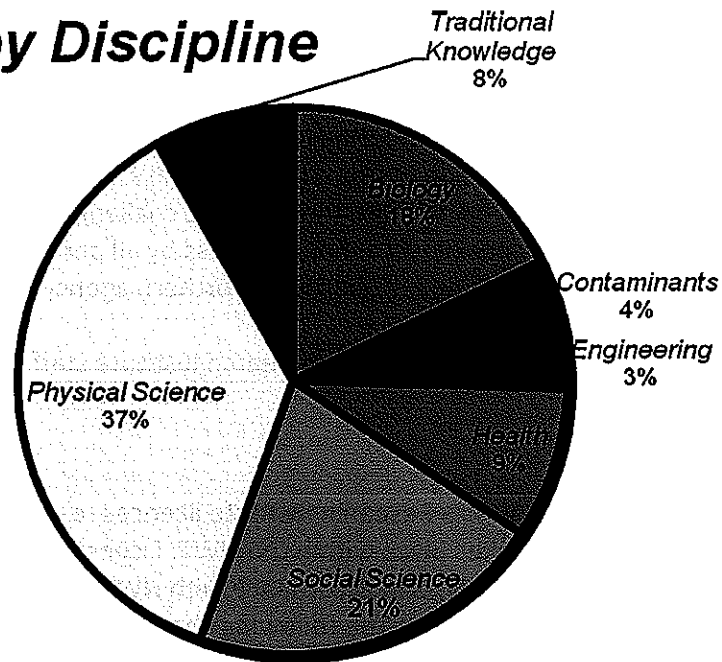
During the third year of the project, Aurora Research Institute staff will be monitoring the site.

### **Research Licensing**

Each year, Aurora College's Aurora Research institute licences researchers in a variety of disciplines for research that takes place within the NWT. Licensing takes place to ensure that research is carried out responsibly, is in accordance with NWT laws and is acceptable according to regional and community standards. The following charts document research licences granted for 2007-2008.

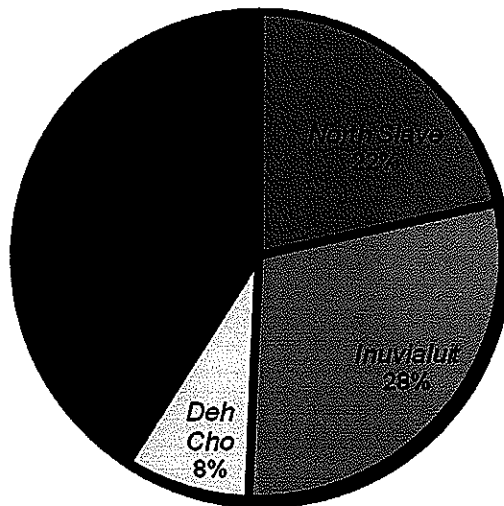
## Research by Discipline

2007-2008



## Research by Region

2007-2008



**AURORA COLLEGE**  
**Audited Financial Statements**  
**June 30, 2008**

## AURORA COLLEGE

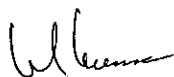
### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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.

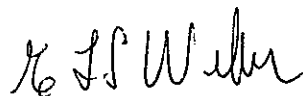
The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance Committee of the Board, which is composed of a majority of Members who are not employees of the College. The 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.



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Maurice Evans  
President



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Edith Weber  
Bursar/Chief Financial Officer

Fort Smith, Canada  
March 11, 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, 2008 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, 2008 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, with the exception that the College did not meet its statutory deadline for submitting its annual report to its Minister as described in the following paragraph.

Section 100 of the *Financial Administration Act* of the Northwest Territories requires the College to submit its annual report to its Minister not later than 90 days after the end of its financial year, or an additional period, not exceeding 60 days, that the Minister of Finance may allow. The College did not meet its statutory deadline for submitting its annual report to its Minister for the year ended June 30, 2008.

Guy LeGras, CA  
Principal  
for the Auditor General of Canada

Edmonton, Canada  
March 11, 2009

**AURORA COLLEGE**

**BALANCE SHEET  
as at June 30, 2008  
(in thousands)**

	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
Current assets		
Cash (Note 3)	\$ 5,865	\$ 5,208
Net accounts receivable (Note 4)	6,566	23,605
Prepaid expenses and deposits	<u>755</u>	<u>1,518</u>
	13,186	30,331
 Property and equipment (Note 5)	 <u>6,506</u>	 <u>3,665</u>
	<b><u>\$19,692</u></b>	<b><u>\$33,996</u></b>
<b><u>LIABILITIES</u></b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,855	\$23,040
Employee leave pay	1,393	1,309
Deferred project income	718	1,817
Current portion of employee future benefits (Note 6)	343	295
Due to the Government of the Northwest Territories	<u>2,183</u>	<u>385</u>
	10,492	26,846
 Employee future benefits (Note 6)	 1,027	 884
Professional development fund (Note 7)	1,111	1,051
Deferred capital contributions	<u>3,894</u>	<u>1,966</u>
	16,524	30,747
 <b><u>EQUITY</u></b>		
Retained earnings (see Note 8)	<u>3,168</u>	<u>3,249</u>
	<b><u>\$19,692</u></b>	<b><u>\$33,996</u></b>
Contingent liabilities and commitments (Notes 12 and 13)		

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

Approved by the Board:



\_\_\_\_\_  
John McKee  
Chairperson of the Board

**AURORA COLLEGE**

**STATEMENT OF OPERATIONS, COMPREHENSIVE LOSS AND RETAINED EARNINGS**

for the year ended June 30, 2008  
(in thousands)

	<u>2008</u>	<u>2007</u>
<b><u>REVENUES</u></b>		
Project income		
Methane hydrate research project (Note 9)	\$13,260	\$ 32,450
Territorial government	3,399	2,818
Federal government	3,117	1,956
Other	3,505	2,970
Tuition fees	1,860	1,985
Room and board	811	807
Interest income	365	628
Other	<u>920</u>	<u>848</u>
	<b><u>27,237</u></b>	<b><u>44,462</u></b>
<b><u>EXPENSES</u></b>		
Compensation and benefits	24,987	23,208
Contract services (Note 9)	16,352	34,875
Building leases	5,567	5,801
Utilities	2,314	2,063
Materials and supplies	2,313	2,479
Repairs and maintenance	1,819	1,442
Professional services	1,818	1,876
Travel and accommodation	1,445	1,303
Fees and payments	1,150	1,041
Communication, postage and freight	981	958
Amortization of property and equipment	<u>824</u>	<u>723</u>
	<b><u>59,570</u></b>	<b><u>75,769</u></b>
<b>Net loss and comprehensive loss before government contributions</b>	<b><u>(32,333)</u></b>	<b><u>(31,307)</u></b>
Government contributions (Note 10)	<u>32,252</u>	<u>30,921</u>
<b>Net loss and comprehensive loss after government contributions</b>	<b><u>(81)</u></b>	<b><u>(386)</u></b>
Retained earnings at beginning of year	<u>3,249</u>	<u>3,635</u>
<b>Retained earnings at end of year</b>	<b><u>\$ 3,168</u></b>	<b><u>\$ 3,249</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, 2008 (in thousands)

	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>		
Cash receipts from students and projects	\$43,022	\$ 23,133
Cash receipts from government contributions	29,391	28,005
Cash paid to suppliers and employees	(71,427)	(52,467)
Interest received	<u>365</u>	<u>628</u>
<b>Net cash provided by (used in) operating activities</b>	<u>1,351</u>	<u>(701)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	<u>(2,975)</u>	<u>(1,053)</u>
<b>Cash flows from financing activities</b>		
Capital contributions	<u>2,281</u>	<u>971</u>
<b>Net increase (decrease) in cash</b>	<b>657</b>	<b>(783)</b>
Cash at beginning of year	<u>5,208</u>	<u>5,991</u>
<b>Cash at end of year</b>	<b><u>\$ 5,865</u></b>	<b><u>\$ 5,208</u></b>

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



**AURORA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008**

**1. AUTHORITY AND MANDATE**

The 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. 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) 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 and employee future benefits.

**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

### **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.

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

The Government provides certain services without charge to the College. The estimated value of these services is recorded as government contributions – services received without charge, and included in the expenses.

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

The College provides education and research services to outside parties 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 until completion.

#### **g) Contract services**

Contract services are acquired by the College through contractual arrangements. They include printing services, software development, food service contracts, instruction contracts, leases and rental agreements. 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) Financial instruments**

On July 1, 2007, the College adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530 "Comprehensive Income", Section 3251 "Equity", Section 3855 "Financial Instruments - Recognition and Measurement", Section 3861 "Financial Instruments - Disclosure and Presentation", and Section 3865 "Hedges". As required by these new standards, prior periods have not been restated. As of July 1, 2007, no transitional adjustments were required to the opening balance of the College's retained earnings arising from the adoption of these new standards. The adoption of these standards has had no material impact on the College's net earnings or cash flows. The principal changes in the accounting resulting from the adoption of these new standards are described below.

##### *Comprehensive income*

The new standard introduces comprehensive income, which consists of net income and other comprehensive income ("OCI"). Upon adoption of Section 1530, the College revised its "Statement of Operations and Equity" to include the newly required statement of comprehensive income by creating a combined statement. The adoption of this section had no impact on the College, as there have been no transactions resulting in other comprehensive income.

### *Financial instruments*

The financial instruments standard establishes the criteria for the recognition, measurement and classification of financial assets, financial liabilities and derivatives. All financial assets, financial liabilities and derivatives are required to be measured at their fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as “held-for-trading”, “available-for-sale”, “held-to-maturity”, “loans and receivables” or “other financial liabilities”, as defined by the standard.

Financial assets and financial liabilities classified as “held-for-trading” are subsequently measured at fair value with changes in those fair values recognized in net income in the period in which they arise. Financial instruments classified as “available-for-sale” are subsequently measured at fair value, with changes in those fair values recognized in OCI until the instrument is derecognized or impaired at which time the amounts would be recognized in net income. Financial assets classified as either “held-to-maturity”, “loans and receivables” and “other financial liabilities” are subsequently measured at amortized cost using the effective interest method of amortization. The methods used by the College in determining fair value of financial instruments are unchanged as a result of implementing the new standard. Accounts receivable are designated as “loans and receivables”. Accounts payable and accrued liabilities are designated as “other liabilities”.

### **j) Future accounting changes**

#### *Financial instruments*

In December 2006, the CICA issued two new accounting standards: Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation, which will become effective for the College beginning fiscal year 2008/09. Section 3862 and Section 3863 will replace Section 3861, Financial Instruments – Disclosure and Presentation. The presentation requirements prescribed by Section 3863 are consistent with the requirements of Section 3861. The adoption of Section 3862 will result in enhanced disclosures with respect to risk management policies as well as the nature and extent of risk arising from financial instruments. These risks typically include credit risk, liquidity risk, and market risk.

#### *Capital disclosures*

In December 2006, the CICA also issued accounting standard Section 1535, Capital Disclosures, which will become effective for the College beginning fiscal year 2008/09. Section 1535 will result in both quantitative and qualitative disclosure, and will enable users to evaluate an entity’s objectives, policies and processes for managing its capital.

#### *International financial reporting standards*

In 2006 the Accounting Standards Board (AcSB) of Canada announced its intention to adopt International Financial Reporting Standards (IFRS) as Canadian GAAP for publicly accountable entities. In early 2008, the AcSB announced that the changeover

date for full adoption of IFRS will be fiscal years beginning on or after January 1, 2011. The College is currently assessing the impact of adopting IFRS.

### 3. 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 assets. 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 annual investment yield for the year ended June 30, 2008 was 3.932% (2007 – 4.083%).

### 4. NET ACCOUNTS RECEIVABLE

	<u>2008</u>			<u>2007</u>
	(in thousands)			
	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Project income				
Government	\$ 651	\$ 23	\$ 628	\$ 238
Methane hydrate research project	3,790	-	3,957	20,477
Other	2,180	87	2,093	2,779
Students	204	152	52	103
Advances	<u>3</u>	<u>-</u>	<u>3</u>	<u>8</u>
	<u>\$ 6,828</u>	<u>\$ 262</u>	<u>\$ 6,566</u>	<u>\$23,605</u>

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

**5. PROPERTY AND EQUIPMENT**

	<u>2008</u>		<u>2007</u>	
	(in thousands)			
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Mobile equipment	\$ 3,350	\$ 1,638	\$1,712	\$ 1,878
Building additions and renovations	1,991	1,045	946	1,045
Furniture and equipment	4,799	1,357	3,442	269
Leasehold improvements	<u>1,953</u>	<u>1,547</u>	<u>406</u>	<u>473</u>
	<u>\$12,093</u>	<u>\$ 5,587</u>	<u>\$6,506</u>	<u>\$ 3,665</u>

**6. 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>2008</u>	<u>2007</u>
	(in thousands)	
College's contributions	\$ 2,567	\$ 2,025
Employees' contributions	1,026	935

## 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 labour contracts. 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>2008</u>	<u>2007</u>
	(in thousands)	
Accrued benefit obligation, beginning of year	\$ 1,179	\$ 1,110
Cost for the year	201	98
Benefits paid during the year	<u>(10)</u>	<u>(29)</u>
Accrued benefit obligation, end of year	<u>\$ 1,370</u>	<u>\$ 1,179</u>
Short-term portion	\$ 343	\$ 295
Long-term portion	<u>1,027</u>	<u>884</u>
Total accrued benefit obligations	<u>\$ 1,370</u>	<u>\$ 1,179</u>

## 7. 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.

## 8. 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:

Appropriated retained earnings	(in thousands)				
	Balance, opening July 1, 2007	Net Results	Appropriated	Used in Operations	Balance, ending June 30, 2008
a) Mallik research reserve	\$ -	\$ -	\$400	\$ -	\$ 400
b) Program delivery	117	-	-	-	117
c) Research & development	11	-	55	(33)	33
d) HEO replacement & maintenance	274	-	21	-	295
e) Restricted donations	34	-	-	-	34
Appropriated retained earnings	436	-	476	(33)	879
Unappropriated retained earnings	2,813	(81)	(476)	33	2,289
<b>Total retained earnings</b>	<b>\$3,249</b>	<b>\$(81)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$3,168</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) 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.



**c) 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.

**d) 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.

**e) 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.

**9. 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 \$12,864,000 (2007 – \$32,744,000) in contract services expenses and other expenses and accounted for \$13,341,000 (2007 – \$32,744,000) in revenues.

## 10. GOVERNMENT CONTRIBUTIONS

	<u>2008</u>	<u>2007</u>
	(in thousands)	
Operating contributions	\$29,768	\$ 28,041
Amortization of deferred capital contributions	353	490
Services received without charge (Note 11)	<u>2,131</u>	<u>2,390</u>
	<u>\$32,252</u>	<u>\$ 30,921</u>

## 11. RELATED PARTIES

The College is related in terms of common ownership to all Government created departments, agencies and Crown corporations. The College enters into transactions with these entities in the normal course of business at normal trade terms.

### Expenses

Under the terms of administrative agreements, the Government charges for certain support services provided to the College. The College reimbursed the Government \$1,589,565 (2007 - \$1,881,067) 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 \$300,000 (2007 - \$146,000). The estimated charge is based on 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 \$1,831,000 (2007 - \$2,244,000). 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>2008</u>	<u>2007</u>
	(in thousands)	
Contract services	\$ 300	\$ 146
Building leases	<u>1,831</u>	<u>2,244</u>
	<u>\$2,131</u>	<u>\$2,390</u>

## **12. 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.

## **13. 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)
2009	4,425
2010	2,971
2011	2,899
2012	2,903
2013	1,395
thereafter	<u>6,231</u>
	<u>\$20,824</u>

