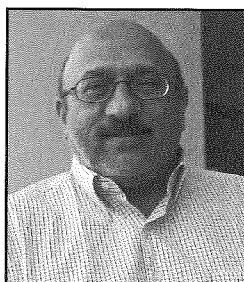




**Aurora College
Annual Report
2005/2006**

Aurora College Annual Report 2005/2006

Letter of Transmittal



The Honourable Charles Dent
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 academic year 2005-2006.

As always, College management and staff have worked hard to meet a broad range of education goals, and to ensure that our programs and services help our graduates achieve success in their chosen fields.

Aurora College is a learning institution, and not only for our students. This year the Board of Governors held a number of workshops that will help Members develop greater skills in various areas of board governance, including advocacy, financial management and legal issues.

In this way, we have tried to build a more effective and knowledgeable Board that will be able to guide the College through our next planning period, which has been extended from five years to ten years. It is our belief that long range planning such as this will enable the College to prepare for challenges to come in a more responsive manner.

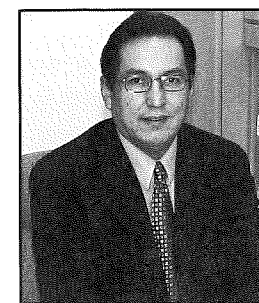
The Board takes great pride in our stewardship of the College, as we understand its importance to the people of the NWT. More than any other post-secondary institution, we are the route by which Northerners pursue and achieve their career and job dreams, and that is a responsibility we take very seriously.

As always, the Board and management of the College would like to thank you and your staff at the Department of Education, Culture and Employment for the excellent working relationship we have enjoyed over the past year. By working together to address the learning needs of the NWT, we can build effective programs and services that meet the needs of all Northerners.

We look forward to working with you in the coming year.

Yacub Adam
Chairperson
Aurora College Board of Governors

Report from the President



At the end of another year, the management, faculty and staff of Aurora College pause to reflect on the successes we have enjoyed

and the challenges we have overcome in 2005-2006.

The successes are numerous: once again, we launched many individuals off on their way to successful careers, and we have made further progress in building stronger programs and preparing the future challenges. We have enhanced our student housing to ensure we have comfortable and appealing living accommodations for our students, and we have worked with a broad range of public and private sector partners to address the diverse needs of the people we serve. This annual report will highlight many of the successes we have enjoyed this year in the areas of program and partnership development and research support.

One accomplishment of particular note in the past year was the successful completion of our new strategic plan, *Strong Foundations – New Horizons: Continuity and Change at Aurora College, which will cover the 2006-2015 planning period.*

This plan is designed to guide the College through its next stage of evolution over the coming ten years. The following broad goals have been identified for the next planning period:

Goal 1
Excellence in programs and services.

Goal 2
Student success.

Goal 3
A responsive Northern learning organization.

Goal 4
Commitment to partnerships.

Goal 5
A prominent research institute.

Goal 6
Commitment to Aboriginal cultures and perspectives.

Goal 7
Degree opportunities.

Goal 8
A broadly marketed college.

Our overall goal is to continue building a strong Northern post-secondary education system that is culture-based and meets the training and education needs of the people of the NWT. While tailoring our programs and services to a Northern audience, we will also ensure that we meet national standards by committing to excellence and student success. We will achieve this by working with our Northern and national education partners to ensure our programs are relevant and comparable to similar programs offered elsewhere.

This strategic plan was developed through extensive community consultations and focus groups conducted in every region of the NWT. As the consultation team

consisting of the Board chairperson, a hired consultant and I travelled throughout the territory speaking to Northerners, it became clear to us how important they consider the College to be, and how passionate they are about its future. I would like to thank the regional leaders, politicians, business leaders and average citizens who gave up many hours of their time to help us put together a plan that is truly reflective of their hopes and dreams for their post-secondary education system.

I would also like to take this opportunity to express my appreciation to the faculty, staff and senior managers of Aurora College who have once again worked hard to provide an effective and professional learning environment in which our students can pursue their dreams. They are a team of dedicated professionals, and I am proud of what we have accomplished together.

I would also like to thank the members of the Aurora College Board of Governors who provide the policy framework and overall direction for the College system. Thanks to their leadership and vision during our recent strategic planning process the College is well positioned to respond to the evolving education needs of the North.

Aurora College is part of a post-secondary education tradition dating back almost four decades. The NWT has gone through major political, social and economic change during those decades, and the College system has evolved along with the territory. As we move into the future, we continue to build on our strong foundation of success, while preparing the people of the NWT for the challenges of the future.

Maurice Evans
President

Report from the Vice President, Academics

The Policy and Programs Division of Aurora College plays a vital role in maintaining the integrity of our programming and in expanding our academic relationships with other educational institutions. We are also responsible for the behind the scenes work involved in developing and updating the policy framework that guides Aurora College's operations.

Typically, this makes for a very busy year and 2005-2006 was no different. Two major achievements occurred this year in our ongoing efforts to provide higher education opportunities to the people of the NWT.

The first milestone was the completed migration from the former Teacher Education Diploma Program to the Bachelor of Education Degree program in partnership with the University of Saskatchewan. The 2005/2006 academic year was the second year of the B.Ed. Degree program delivery, and the last year of the diploma program. Students in first and second year were in the B.Ed. Program while those in the third year this year were the last cohort in the diploma program. Previous graduates of the Teacher Education Diploma Program attended the U of S to complete their B.Ed. There were seven full-time students and one part-time student in the first year of the degree program. In second year, there were nine full-time students.

The other major milestone was the graduation of our first cohort in the Baccalaureate in the Science of Nursing (BSN) Program, which we offer through a partnership with the University of Victoria. In total 23 students graduated from Nursing

this year: 17 from the BSN and five from the diploma exit option. This program continues to generate intense interest and enjoys stable enrolment figures.

We are also preparing for the relocation of the Recreation Leaders Program, which will be moved from Aurora Campus in Inuvik to Thebacha Campus in Fort Smith. There is much work to be done before the first delivery in 2007-2008. In addition to a major review and update of program content, we have many logistical issues to deal with, including the move of equipment, program support materials and faculty, as well as promoting the program at its new location. This is well underway, and we have reason to anticipate a full cohort of students in the program when it reopens in Fort Smith. We are working closely with our partners in the Department of Municipal and community Affairs to ensure the long-term viability of this important program.

Each year, this Division also undertakes major program reviews to ensure course content remains current and relevant to national standards and changes in the field. This year, reviews are underway on the following programs: Management Studies, Office Administration, Natural Resources Technology, Aboriginal Language and Culture Instructor and some of our Trade programs.

The Policy and Programs Division is also responsible for developing institutional partnerships that assist in opening new educational opportunities for our students. Over the past year, we are pleased

to report that these partnerships have been extended to include such prestigious institutions as the University of Alberta, the Northern Alberta Institute of Technology (NAIT) and the Southern Alberta Institute of Technology.

Over the past year, the collegial efforts of Policy and Programs staff and regional faculty and staff have greatly enhanced the efforts of the College and ensured the consistent high quality program delivery throughout the NWT. 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

Report on the 2005-2006 Academic Year

Planning Initiatives

It is with great satisfaction that we completed our new strategic plan this year, which will position the College for managed growth over the coming decade. This is Aurora College's third strategic plan, and for this document, we have expanded our planning window from five to ten years, reflecting the maturity of our organization and the increased effectiveness of our planning processes. As part of these processes, we will also put forward detailed business plans that will provide substantiation for new programs services or facilities, and will allow government to make longer-range funding decisions. This, in turn, will enable the College to prepare for new services or programs in a more effective manner.

Reaching out to Northerners

Beyond the completion of our planning processes, we have experienced a successful year in general. Student enrolments numbers remained strong in many areas, and we have placed a renewed focus on marketing and recruitment to bolster those programs which are not at capacity.

Specifically, we will hire a student recruiter to travel throughout the NWT to visit schools, community centres, First Nations offices and so on in an effort to connect with people who do not respond to traditional marketing techniques, such as print and radio advertising. It is our belief that this face-to-face approach to marketing will yield significant results in terms of

increased enrolment in the coming academic year.

Facility Development

Following last year's successful opening of the new academic building for Aurora Campus in Inuvik, the College has had a reduced focus in this area, but we have had one noteworthy accomplishment this year in the completion of our new student residences in Fort Smith, which replace the now-surplused Brown and Green Houses. The 18 new two-bedroom units can be configured for small families or several single students, giving the College a greater degree of flexibility in providing housing to our students.

In addition, we received word late this year that the new single student residence building for Aurora Campus will begin construction. The program had been delayed due to bids coming in over budget, but that issue has now been resolved and we foresee a new facility being ready for occupancy in the 2007-2008 academic year.

Student Enrolments

Individual programs can experience rapid shifts in enrolment numbers from year to year, but the student population at Aurora College remains relatively consistent.

Aurora College Full Time Equivalent (FTE) enrolments increased by .02% from 1,444.9 during 2004/2005 to 1,445.2 FTE's during 2005/2006. Aurora College full time enrolments have decreased by 49 students during 2005/2006, going from 686 to 637 full time students. Part-time student enrolment measured as courses, increased 4.85% to a total of 7,696 courses during 2005/2006.

STUDENT ENROLMENT BY LOCATION:

Campus	Full Time Students	Part Time Courses	2006 Full Time Equivalent	2005 Full Time Equivalent
Aurora	141	3,503	491.3	457.1
Thebacha	283	2,335	555.1	581.5
Yellowknife	213	1,858	398.8	406.3
Total College	637	7,696	1,445.2	1,444.9

FULL TIME EQUIVALENT STUDENTS BY LOCATION BY PROGRAM DIVISION:

Division	Aurora	Thebacha	Yellowknife	2006 Totals	2005 Totals
Academic	123.7	82.6	96.1	302.4	306.9
University Partnerships	0	.4	0.1	.5	10.3
Alberta North Distance Learning	0	7.1	0	7.1	0
Credit	86.3	104.9	156.0	347.2	405.2
Trades	34.8	237.4	28.9	301.1	257.8
Career Development	234.0	115.2	111.5	460.7	424.4
Personal Development	12.5	7.5	6.2	26.2	40.7
Total	491.3	555.1	398.8	1,445.2	1,444.9

Enrolment Highlights

Student enrolments have increased at Aurora Campus by 7.48% while both Thebacha Campus and Yellowknife Campus have decreased by 4.5% and 1.8% respectively for the 2005/2006 academic year.

Enrolments have increased in Trades (16.79%) and Career Development (8.55%) while a decrease occurred in the Academic (1.46%), University Partnership (95.1%), Credit-Certificate and Diploma (14.31%) and Personal Development (35.6%) programs. We have a new division for courses delivered through our partnership with Alberta North. Courses are being delivered from the Hay River Learning Centre with NAIT and Northern Lake College.

Over the past several years, we have been reporting the actual number of students enrolled as part of the annual report. The figures are as follows: in 2002 the total students enrolled was 3,907, in 2003 there were 4,019, in 2004 we had 3,985 in 2005 we had 4,267 and in 2006 we have 4,177.

FULL TIME EQUIVALENT STUDENT ENROLMENT BY LOCATION (student count):

Campus	Full Time Students	Part Time Students	2006 Total Students	2005 Total Students
Aurora	141	1,326	1,467	1,619
Thebacha	283	1,241	1,524	1,365
Yellowknife	213	973	1,186	1,283
Total College	637	3,540	4,177	4,267

In 2005-2006 the following accounts receivables were written off:

No. of Accounts	Amount	Reason
6	\$6,021	Bankruptcy
4	\$2,092	Death
43	\$165	Each account less than \$20
245	\$155,903	Uncollectable due to age
86	\$3,219	Credit balances

College Highlights throughout the North

Aurora College is a vibrant learning community that spans the Northwest Territories. What follows is a sample of some of the activities that have taken place at various College locations throughout the NWT in the past academic year.

Aurora Campus

Aurora Campus in Inuvik enjoys effective training partnerships with most of the major government bodies, aboriginal groups and industry in the regions they serve. This year, ongoing partnerships included: Gwich'in Training Committee, Inuvialuit Regional Corporation, ECE, RWED, BDEC, NWT Arts Council, Beaufort Delta Self Government, Town of Inuvik, Regional Training Partnership, Sahtu Divisional Board of Education, Sahtu Dene Council, Aboriginal Futures, all regional employment officers, Lands/Financial Corporations, Band Councils and Hamlets and band councils from Colville Lake, Deline, Fort Good Hope, Norman Wells Tulita, Fort McPherson, Tsiigehtchic, Aklavik, Tuktoyaktuk, Paulatuk and Holman.

Traditional knowledge (TK) is a major component of many programs offered through the College, and Aurora Campus has always been particularly successful in integrating TK into their programming. Some successful examples this year include:

- NRTP trip to Sachs Harbour

- The Natural Resources Technology Program used local and Northern examples to reinforce concepts whenever possible in all courses. Wildlife Management used traditional

knowledge in the teaching of long term wildlife management.

- Aurora Campus' Literacy Outreach Program involves Elders exchanging stories and traditional knowledge with Northern Studies and Native Artisan students.

- Adult Educators at community learning centres incorporate traditional knowledge throughout the Adult Literacy and Basic Education Program: issues covered are looked at from the point of view of aboriginal culture and tradition, and the adult educator uses local elders on a regular basis to reinforce the learning of traditional knowledge and culture in the classroom.

Central to this focus on traditional knowledge is the Traditional Arts Certificate Program, whose primary goal it is to help students to learn the skills to design and produce unique, innovative Aboriginal arts and craft products. The use of traditional knowledge and culture is employed extensively in all areas of the program – from invitations to cultural experts, elders to share their knowledge and experience, sharing of ideas and talents between the students themselves.

- Traditional Arts students have been making contacts within the community to gain commissions and sell their artwork. Many of the courses have dealt with refining and broadening the basic skills learned in the first portion of the program. The students have also been involved at the community volunteer level – designing craft projects for elders as well as participating in College activities such as the Dog Fashion

Show. Four students were invited to submit work to the BMO 1st Art Competition – a national competition that selects one national student and one student from each province and territory. Winners receive a substantial cash prize and their work will be shown in a gallery in Toronto. Notification has been received that Mary Okheena of the Traditional Arts Program won the NWT prize. The final announcement will be made in July 2006. The Great Northern Arts Festival has extended spots for all students to participate in the festival as invited artists at this year's festival in July.

- Some key course highlights in the spring term have included Tool Making I and II – where both scraping and fleshing tools were created. In the second portion of this course – traditional ulus and muskrat scoops were created. The Traditional Arts students are currently preparing for the two week on the land portion of their program to complete the moose hide tanning portion of the program.

Yellowknife Campus

Health Programs at Yellowknife Campus continue to be a source of great success for our students. In 2005-2006, the College saw the first graduating class from the Baccalaureate in the Science of Nursing Program.

In other Health Program areas, three students graduated from the Nurse Practitioner program, and five students successfully completed the Community Health Worker program that has been running at the Fort Simpson Learning Centre. The Introduction to Advanced Practice which runs for six weeks three times a year continues to be oversubscribed.

Six students successfully completed the Computing and Information Systems Program and all are employed full-time, except one who has returned to his home community. This program did experience some attrition this year, however two students who did not meet all the requirements for graduation intend to return next year to complete their course work. Students have learned about the possibility for this program to become a two-year diploma, and are excited about this prospect. Graduates from this program consistently find work very soon after graduating.

The Mowhi Community Learning Centre in Behchoko had a full, busy year. Eight students were enrolled in part time ALBE on an ongoing basis throughout the year. The centre is sharing space with the newly developed Tl'ichô Community Educators Preparation Program. This program has been developed to prepare students who wish to enter the TEP Access Program (to be delivered in Behchoko in September of 2006) both mentally and academically for the program. The program combines wellness workshops with academic upgrading. Students in this program along with ALBE students and other community members have participated in Driver Education and First Aid training delivered at the centre. Additional classes in these courses are scheduled for delivery in June. The Canadian Firearm Safety Course will be delivered then as well. Based on community request (especially health care personnel) Dogrib Language courses will be offered on a part time basis in evening classes.

In March 2006, the Dettah/N'dilo Community Learning Centre co-delivered Curriculum Planning for Northern Teachers, a course from

the Aboriginal Language and Culture Instructors Program, along with YK School District #1. The course was run over 10 sessions beginning March 20 and ending March 31. It was held in the newly renovated classroom in the Aurora College North Slave Trades & Technology Centre on Franklin Avenue. Ten of the 11 students successfully completed the required assignments. The class composition included students from Dettah, Ndilo, Yellowknife, Aklavik, Fort McPherson and Holman. The course was delivered primarily in English; however the Dogrib co-instructor, the Guest Speakers, and the students translated many practical exercises and examples into their respective languages.

Thebacha Campus

A Fire Ceremony was held this spring to celebrate the raising of the Thebacha Campus Tipi. Led by Instructors Priscilla Lepine, George Inkster, and Steve Lafferty, along with alumnus J.C. Catholique and local Aboriginal leader Francois Paulette, this project saw a permanent tipi erected on the campus grounds for a wide variety of uses, including classroom instruction, traditional knowledge demonstrations and personal use by students. This project, plus the identification of the Culture Room to be constructed on campus this fall, are strong foundations for incorporating and embedding traditional knowledge and culture into Thebacha Campus programs and services.

An innovative program started by the campus this year will allow college and local high school students to gain important carpentry skills in their home community. There are presently three house building projects underway with partnership and financial backing from the

NWT Housing Corporation and the Salt River First Nation. The Deninoo School students and Aurora College students, along with the supervision of Aurora College's carpentry instructor Randy Villeneuve, are in the final stages of part of this project in Fort Resolution. PWK high school students and Pre-employment Carpentry students are involved in the construction of a Salt River First Nation unit in Fort Smith. Successful students from our Trades Access Program have begun a third house in Fort Providence. Some of the houses will become public housing units in the communities when completed.

Introductory Mobile Welding is offered as Career Technology Studies courses for high school students and to youth-at-risk throughout the South Slave and Deh Cho Regions. The adult population is served through Introductory Mobile Welding in two separate one-month deliveries. The mobile welding unit has been one of the chief methods by which Thebacha Campus extends trades programming to community locations.

Aurora College, in partnership with Education, Culture and Employment and the South Slave Divisional Education Council, share a position that provides a part-time teacher for the Lutsel K'e School, and a part-time instructor for the Aurora College community learning centre. The instructor also has the responsibility for workplace education and career development initiatives.

The Fort Simpson Community Learning Centre continues to be one of the busiest in the College system. This year, programs delivered in Fort Simpson include:

- Computers in the Workplace
- Office Administration

- Traditional Sewing
- BEST (Bridging Employment Skills Training)
- Woodworking
- Introduction to Prospecting
- Traditional Parenting
- Camp Cook
- Survey Assistant Training (regional): WHMIS/TDG, First Aid/CPR B, H2S Alive,
- Chainsaw Safety
- Aboriginal Language Instructors course (regional)
- Early Childhood Education courses (regional)
- Community Health Worker courses (regional)
- Distance Education CAP Site – evenings
- Pre-employment – Work Readiness: Personal Development Workshop, Food Safety, WHMIS, First Aid/CPR

Aurora Research Institute

Native Plant Reclamation Project

This Native Plant Seed Development project was initiated this spring with the major source of funding coming from the Agriculture Canada ACAAF program. This project is a collective outcome which includes funding from a number of jurisdictions including the Northwest Territories, Nunavut, Alberta and British Columbia. This project is in the very early initiation stages at the moment.

The major activity planned for this year is seed collection which will be conducted this summer and fall across the Inuvialuit Settlement Region, Gwich'in Settlement Area and Sahtu Settlement Area. We also hope to identify field locations near communities to establish field trial plots for next spring. We are looking to form partnerships with community groups in the DehCho region in either Fort Simpson or Fort Liard for field seed collections and trial planting sites. We have approached individuals from ENR and Transportation for involvement in the program through participation on the project steering committee. The Alberta Research Council will work under contract to ARI on the agricultural aspects of seed production. This includes considerations such as ease of harvest, machinery required to clean and process seeds and planting methods.

Community Based Ice Monitoring Program

The Sea Ice Monitoring Project for the 2005-2006 year concluded with climate change data successfully captured for another season in four communities along the Beaufort Sea

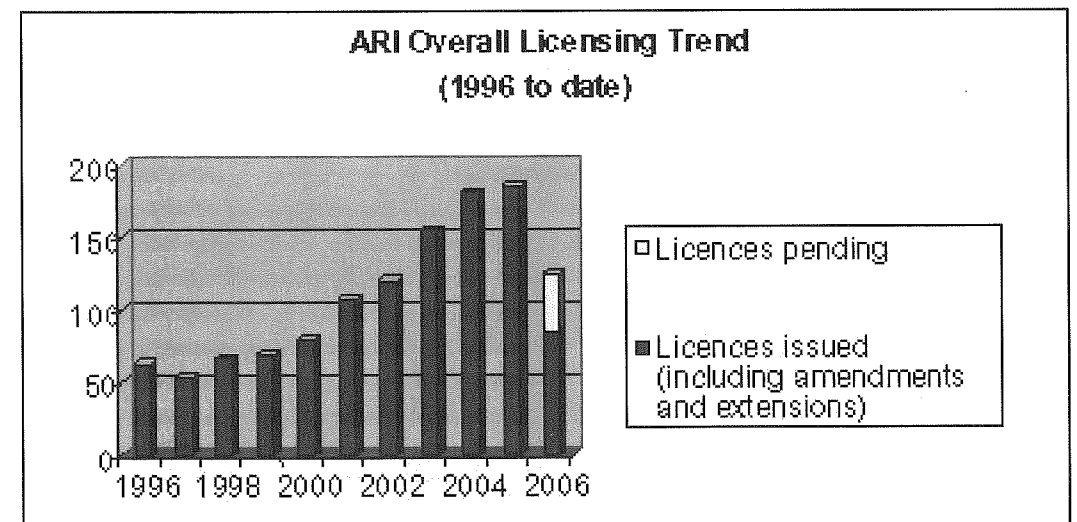
coast. All equipment was removed by the end of May without incident. Funding was supplied by the Federal Department of Fisheries and Oceans to cover all costs related to training and hiring two monitors in each Beaufort community. Data will be processed by research partners at the University of Manitoba. There were some problems with cold weather effects on power supplies and wiring, which are being worked on for next year.

Alternate Energy Programs

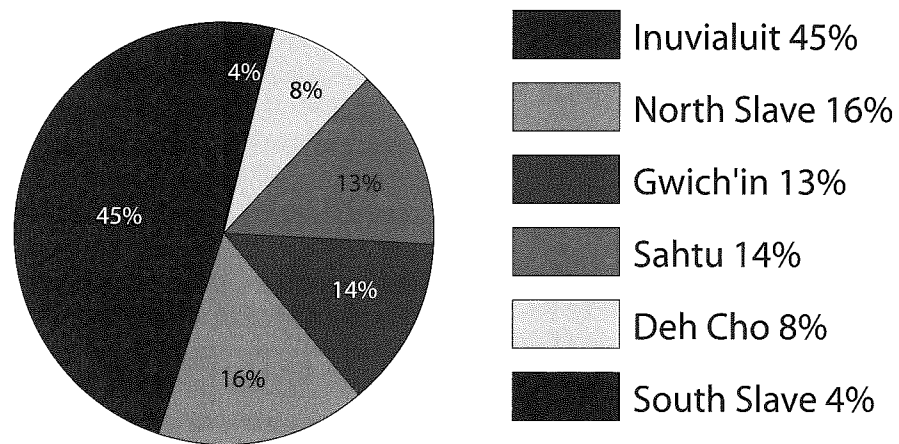
Alternate energy programs took a big step forward recently moving outside the Inuvik region. ARI is installing a wind monitoring turbine in Yellowknife on an existing tower at the NTPC Jackfish Lake Power Plant. Northwest Territories Power Corporation (NTPC) staff in Yellowknife will be collaborating on the assessment. The GNWT's Department of Environment, and Natural Resources is funding the project. This project should indicate if there are wind conditions at specific locations around Yellowknife which would make the construction of a wind generator cost effective. The equipment involved is identical to that on test towers placed in the Beaufort region communities this winter. The wind assessment project now includes five community wind test sites with the addition in April of wind test towers in Ulukhaktok (formerly Holman) and Tuktoyaktuk. The Ulukhaktok site is on a high ridge to the east of the community necessitating the use of a satellite/internet data collection system. So far the Ulukhaktok site is logging encouraging average wind speeds of 7.5 metres per second.

Research Licensing

Research license applications for the 2006 calendar year have been flowing in steadily since October of 2005. The vast majority of applications are now submitted using on the online licensing system. Over 125 applications have been received and to date 86 licenses have been issued with 40 currently pending. Overall review of current regional distribution of applications indicates that the majority of research activity is proposed for the Inuvialuit Settlement Region, followed by the North Slave region. Licenses for these two regions make up 61% of overall licenses issued for research projects in the NWT. The majority of licenses issued were for research projects in the physical and biological sciences, accounting for 59% of the total volume.



ARI Licenses Issued by Region
(January 1 - June 12, 2006)

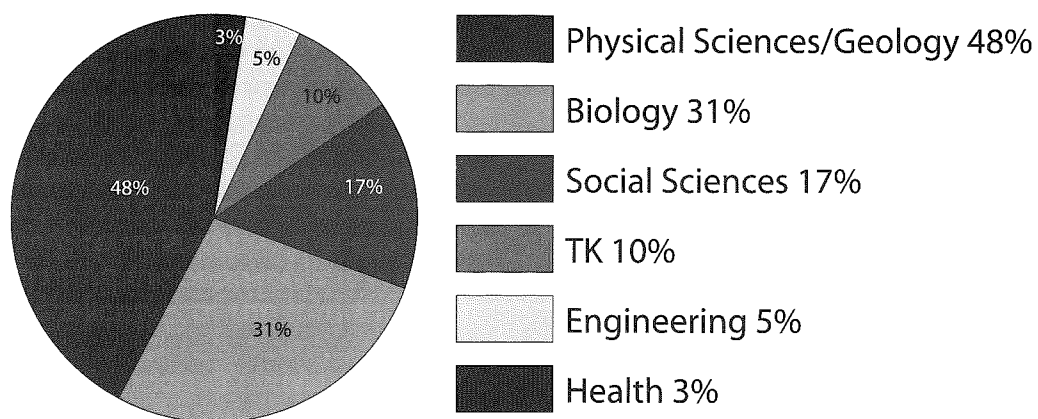


Report to the
Minister of Education, Culture and Employment
on the accounts and financial statements of

Aurora College

for the year ended June 30, 2006

Figure 3.
Proportions of ARI Licensed Research
by Category
(July 1, 2005 - June 30, 2006)



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 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.

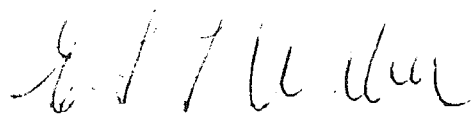
In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls 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.



Maurice Evans
President



Edith Weber
Bursar/Chief Financial Officer

Fort Smith, Canada
September 15, 2006



Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister Responsible for the Aurora College

I have audited the balance sheet of the Aurora College as at June 30, 2006 and the statements of operations and equity 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, 2006 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*, 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 and 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* and regulations, the *Public Colleges Act* and regulations and by-laws of the College.



Roger Simpson, FCA
Principal
for the Auditor General of Canada

Edmonton, Canada
September 15, 2006


Aurora College

BALANCE SHEET as at June 30, 2006 (in thousands)


	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents (Note 3)	\$ 5,991	\$ 5,768
Net accounts receivable (Note 4)	1,206	1,406
Prepaid expenses	<u>288</u>	<u>157</u>
	7,485	7,331
Property and equipment (Note 5)	<u>3,335</u>	<u>3,464</u>
	<u>\$ 10,820</u>	<u>\$ 10,795</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,674	\$ 2,349
Employee leave pay	1,329	1,170
Deferred project income	205	114
Current portion of employee future benefits (Note 6)	277	274
Due to the Government of the Northwest Territories	<u>486</u>	<u>674</u>
	3,971	4,581
Employee future benefits (Note 6)	833	820
Professional development fund (Note 7)	896	833
Deferred capital contributions	<u>1,485</u>	<u>1,000</u>
	7,185	7,234
<u>EQUITY</u> (Note 8)	<u>3,635</u>	<u>3,561</u>
	<u>\$ 10,820</u>	<u>\$ 10,795</u>
Commitments (Note 12)		

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

Approved by the Board:



Yacub Adam
Chairperson of the Board



John McKee
Chairperson of the Finance Committee

Aurora College

STATEMENT OF OPERATIONS AND EQUITY for the year ended June 30, 2006 (in thousands)

	<u>2006</u>	<u>2005</u>
<u>REVENUES</u>		
Project income		
Territorial government	\$2,431	\$3,198
Federal government	311	403
Other	3,161	1,699
Tuition fees	2,019	2,089
Room and board	812	807
Investment income	260	142
Other	<u>714</u>	<u>751</u>
	<u>9,708</u>	<u>9,089</u>
<u>EXPENSES</u>		
Compensation and benefits	20,581	19,776
Contract services	5,289	4,772
Building leases	3,575	3,094
Amortization of property and equipment	2,369	2,390
Materials and supplies	2,637	2,323
Utilities	1,665	1,565
Travel and accommodation	1,269	951
Fees and payments	843	926
Communication, postage and freight	<u>513</u>	<u>470</u>
	<u>38,741</u>	<u>36,267</u>
Net loss before government contributions	(29,033)	(27,178)
Government contributions (Note 9)	<u>29,107</u>	<u>28,756</u>
Net income after government contributions	74	1,578
Equity at beginning of year	<u>3,561</u>	<u>1,983</u>
Equity at end of year	<u>\$3,635</u>	<u>\$3,561</u>

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

Aurora College

STATEMENT OF CASH FLOWS for the year ended June 30, 2006 (in thousands)

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities		
Cash receipts from students and contracts	\$9,617	\$8,396
Cash receipts from government contributions	26,921	26,530
Cash paid to suppliers and employees	(36,833)	(32,056)
Interest received	<u>260</u>	<u>142</u>
Net cash (used in) provided by operating activities	<u>(35)</u>	<u>3,012</u>
Cash flows from investing activities		
Acquisition of property and equipment	<u>(452)</u>	<u>(835)</u>
Cash flows from financing activities		
Capital contributions	<u>710</u>	<u>374</u>
Net increase in cash	223	2,551
Cash and cash equivalents at beginning of year	<u>5,768</u>	<u>3,217</u>
Cash and cash equivalents at end of year	<u>\$5,991</u>	<u>\$5,768</u>

Aurora College

NOTES TO THE FINANCIAL STATEMENTS June 30, 2006

1. AUTHORITY AND MANDATE

The Aurora College is established under the Public Colleges Act. The College is a territorial corporation under the Financial Administration Act 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. A summary of significant accounting policies follows:

a) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 lives on a straight-line basis at the following annual rates:

Mobile equipment	5 - 33.33%
Building additions and renovation	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 contributes at a rate of approximately 2.19 times (2005 – 2.21) the employee's contribution. The College's contributions are charged as an expense on a current year basis and represent the total pension obligations. The College is not currently required to make contributions with respect to 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 expected cost of providing these benefits is recognized as employees render service. 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.

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 and equity 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 provided without charge

The Government provides certain services without charge to the College. The estimated value of these services is recorded as government contributions – services provided 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, advertising, building and equipment repairs, software development, curriculum development, food service contracts, janitorial contracts, instruction contracts, leases and

rental agreements. These amounts are charged as expenses in the year the services are rendered.

3. CASH AND CASH EQUIVALENTS

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, 2006 was 2.994% (2005 - 2.035%).

4. NET ACCOUNTS RECEIVABLE

	2006		2005	
	(in thousands)			
	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Government contributions	\$ -	\$ -	\$ -	\$ 24
Project income				
Government	189	-	189	288
Other	989	15	974	1,014
Students	189	150	39	78
Advances	4	-	4	2
	<u>\$1,371</u>	<u>\$ 165</u>	<u>\$1,206</u>	<u>\$ 1,406</u>

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

5. PROPERTY AND EQUIPMENT

	2006		2005	
	(in thousands)			
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Mobile equipment	\$2,774	\$1,381	\$1,393	\$1,458
Building additions and renovations	1,991	846	1,145	1,244
Furniture and equipment	1,257	946	311	423
Leasehold improvements	1,428	942	486	339
	<u>\$7,450</u>	<u>\$4,115</u>	<u>\$3,335</u>	<u>\$3,464</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 in the Public Service Pension Plan for the year were as follows:

	<u>2006</u> (in thousands)	<u>2005</u> (in thousands)
College's contributions	\$1,680	\$1,645
Employees' contributions	767	744

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>2006</u> (in thousands)	<u>2005</u> (in thousands)
Accrued benefit obligation, beginning of year	\$ 1,094	\$1,109
Cost for the year	187	87
Benefits paid during the year	(171)	(102)
Accrued benefit obligation, end of year	<u>\$1,110</u>	<u>\$1,094</u>
Short-term portion	\$ 277	\$ 274
Long-term portion	<u>833</u>	<u>820</u>
Total accrued benefit obligations	<u>\$1,110</u>	<u>\$1,094</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. EQUITY

The equity 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 equity:

	(in thousands)				
Appropriated equity:	Balance, opening July 1, 2005	Net Results	Appropriated	Used in Operations	Balance, ending June 30 2006
a) Program delivery	\$ 117	\$ -	\$ -	\$ -	\$ 117
b) Research & development	65	-	20	(37)	48
c) HEO replacement & maintenance	228	-	-	-	228
d) Restricted donations	22	-	14	(13)	23
Unappropriated equity	<u>3,129</u>	74	(34)	50	<u>3,129</u>
Total equity	<u>\$3,561</u>	<u>\$74</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,635</u>

a) Appropriated for 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.

b) Appropriated for 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.

c) Appropriated for 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.

d) 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. GOVERNMENT CONTRIBUTIONS

	<u>2006</u>	<u>2005</u>
	(in thousands)	
Operating contributions	\$26,799	\$26,441
Amortization of deferred capital contributions	225	160
Services provided without charge	<u>2,083</u>	<u>2,155</u>
	<u>\$29,107</u>	<u>\$28,756</u>

10. 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 terms of administrative agreements, the Government provides and charges for certain support services to the College. The College reimbursed the Government \$1,450,916 (2005 - \$1,032,390) for facility operating and utility costs, employee benefits and other expenses recorded in these statements.

Services Provided Without Charge

Additional services provided by the Government without charge to the College include 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 \$ 295,000 (2005 - \$285,000).

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 \$1,788,000 (2005 - \$1,870,500), the Government's amortization expense for these assets has been used as the basis for this estimate.

These services provided without charge are included in:

	<u>2006</u>	<u>2005</u>
	(in thousands)	
Contract services	\$ 295	\$ 285
Amortization of property and equipment	<u>1,788</u>	<u>1,870</u>
	<u>\$2,083</u>	<u>\$2,155</u>

11. CONTINGENT LIABILITIES

There is one outstanding claim against Aurora College which is an allegation of discrimination from a former student. The likelihood is not determinable and an amount cannot be reasonably estimated. 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.

12. 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)
2007	4,291
2008	1,417
2009	900
2010	905
2011	863
Thereafter	<u>7,963</u>
	<u>\$16,339</u>

