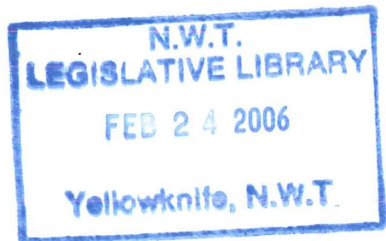


**Aurora College
Annual Report
2004/2005**



Aurora College Annual Report 2004/2005



Letter of Transmittal

The Honourable Charles Dent
Minister, Education, Culture and Employment

Mr. Minister:

I am pleased to present to you the Aurora College Annual Report for the 2004-2005 academic year.

As always, the task of meeting the education and training needs of the people of the Northwest Territories has been a challenging task, but one which we at Aurora College undertake with determination and pride.

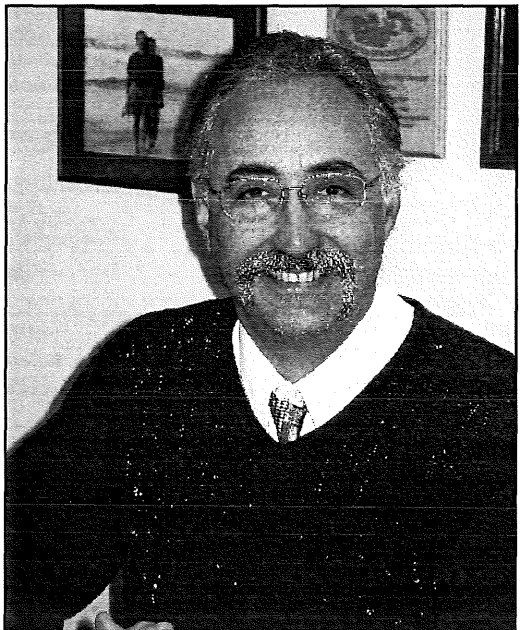
Our dedicated staff have worked hard this year to deliver our programming and to work with our partners to identify new areas of potential need and growth. We will continue to do this through the public consultation process we are undertaking for the development of our new five-year corporate plan, and through the development of Aurora College's first multi-year business plan.

These planning documents will allow us to meet challenges more effectively with prepared strategies and to fund new areas of growth through planned expenditures. By planning well in advance, the college will position itself to be increasingly responsive to the changing education and training needs in the NWT.

I became Chairperson of the Board halfway through this academic year, and I must take a moment to recognize my predecessor, Mr. Earl Jacobson, for the excellent work he and the Board did in meeting the College's mandate. The role of the Board is to provide overall direction for the College in the areas of policy, finance and program and service delivery, and they met this challenge admirably. Our current board is made up of dedicated individuals who work hard to meet these responsibilities and to ensure that the public college system of the NWT is a vital and active part of our society.

It is a pleasure to work with this Board, and with Aurora College Senior Management, and I am confident that, working together, we can address the challenges of the future.

Dennis Bevington
Chairperson
Aurora College Board of Governors



President's Report



Aurora College has had a busy year once again, and we have been working on building a stronger foundation from which to offer future educational services for the people of the NWT.

Much of our planning has focused in two areas: the development of Aurora College's first business plan and the development of our new corporate plan covering the 2006-2010 planning period.

We have also shifted our planning models to several years in advance in order to bring ourselves more in line with GNWT business planning. By aligning our schedule with the GNWT, we are better able to maximize partnership opportunities. Partners will also be given notice as to how the College intends to expend funds, and which areas we have identified as needing additional attention.

All these planning elements give

a sense of purpose and progress at the College, and we are looking forward to moving ahead on many new initiatives.

Enrolment Trends

Overall, the College's full-time enrolments in 2004-2005 have increased by 9.5% and part-time enrolments have gone up. When calculated as full-time equivalencies, College enrolments increased from the end of 2004 to the end of 2005 by 7.5 percent.

While Thebacha and Yellowknife Campuses both saw increases in enrolments – 9.3 and 14.9 percent respectively – those at Aurora Campus remained the same.

There are a number of programs beset by low enrolments. The Social Work Program is having ongoing challenges in recruiting students. In an attempt to alleviate this problem, we are working with the Department of Health and Social Services in a long-term project to promote the profession in community locations.

We are also having ongoing challenges related to apprenticeship training. This is a national issue, and is not unique to the NWT. We are working with industry partners and the NWT apprenticeship board in seeking ways to alleviate this issue, and to encourage industry to hire additional apprentices.

Across the College, enrolments continue to be strong in Nursing, Management Studies, Teacher Education, Home and Community Support Worker, Nurse Practitioner and Bachelor of Science in Nursing.

Given the many employment opportunities available to Northerners during these days of rapid economic expansion, the College is finding it increasingly difficult to recruit as many students as in previous years. We are working to find ways to increase on-the-job training and skill development that will enable Northerners to not only gain entry-level employment, but to move forward in their chosen careers.

Education and Training

The College continues to evolve its program offerings, as the needs of Northerners continue to change with the growth in industrial activity and self-government agencies. We continue to expand our offerings through our work with the Mine Training Society and the Pipeline Operations Training Committee. This growth in industrial programming is one of our most important areas of expansion, and is covered in greater detail later in this report.

We are also seeking to expand our relationships with emerging authorities such as the Tli Cho government in the Monfwi region. Such authorities will have increasing educational and training needs as they continue to evolve as service-delivering bodies. The College is dedicated to meeting the unique needs of these emerging governments by building effective working partnerships.

Partnerships

The development of new partnerships has long been a key to successful program development and delivery. This year, we developed new partnerships and expanded our work with existing partners.

Through our membership in Alberta-North, the College has been able to deliver upgrading courses to students in Hay River through distance education, and we are currently exploring the potential for the delivery of an on-line Office Administration Program in partnership with Grande Prairie Regional College and NAIT.

The College has undertaken negotiations with the Southern Alberta Institute of Technology that will result in a Memorandum of Understanding being signed in October 2005. SAIT is already involved in several projects with Diavik, and they are interested in our assistance as a partner.

Facility Improvements

The new Aurora Campus building in Inuvik has proven to be a great success, and is helping the College meet its ongoing educational commitments to the people of the Beaufort-Delta and Sahtu Regions. The expanded computer labs and classroom spaces, and the addition of a library, have lent a real sense of collegiality to the Aurora Campus staff and students. It is a positive learning atmosphere that we are sure will contribute to the success of our students.

With the move to the new building in Inuvik, we lost all of our single student residences, which has negatively impacted enrolment this year. I am pleased with the progress that has been made so far in working with the GNWT to ensure that a new single student residence is built adjacent to the new campus building. It is our hope that the residence will be similar in style and lifespan to the new campus building.

We are also examining our community-based learning facilities, and while most of them are in good shape, there are a number of areas that need attention. In Norman Wells, one of the busiest community locations, our existing facilities are inadequate to meet training needs. It is our hope that we can develop new facilities that will allow for increased trades and other training in the Sahtu Region.

In all, the College has enjoyed success in the past year, and we are working to ensure that the training and education we provide are relevant to the Northern workforce and representative of the needs and desires of Northerners.

Maurice Evans
President

Educational Services

Certificate and Diploma Programs

Aurora College educational services continue to evolve in recognition of the changing environment in which we operate.

Aurora College is a key player in helping to build the health profession in the Northwest Territories through the delivery of the Licensed Practical Nursing Program, the Nurse Practitioner Program and the Nursing Diploma Program. Each of these programs has a well-deserved reputation for excellence, and attracts large cohorts of students each year.

Fall of 2005 will mark the first year that Aurora College begins delivery of the Bachelor of Science in Nursing Program. In all it is expected that the College will have over 100 students in health programs by the start of academic year 2005-2006, a level of interest that speaks well for the future of health professions in the NWT.

The School of Education was established at Thebacha Campus this academic year, following through on a long-term goal to create lead programs at each campus, and thereby group similar educational resources and expertise.

Key to this development is the delivery of the four-year Bachelor of Education Degree program, which had its first year intake at Thebacha Campus this year. The program has undergone substantial changes following consultation with aboriginal educators from throughout the NWT. In addition to new features of the program such as

a traditional knowledge camp and elders as program resource people, the entire program curriculum has been rewritten to reflect an aboriginal perspective. Graduates from this program will be uniquely suited to enter the teaching profession in the NWT.

Trades and Industrial Programs

The rapid expansion of the mining industry in the NWT and the resurgence of the oil and gas sector have led the College to work closely with industry partners in identifying training needs.

Aurora College is a member of the Pipeline Operations Training Committee, a group which also includes representatives from federal and territorial government agencies, aboriginal governments and industry. The committee's purpose is to develop a training and employment plan that would enable aboriginal and other Northerners to secure post-construction jobs in the pipeline operations area.

In September, 2004, the first stream of POTC programs began when six apprentices were hired by four of the participating industry companies in such occupations as electricians, millwrights and heavy-duty mechanics. Apprentices work for four-year periods, with eight weeks per year spent in vocational training at Aurora College or another college in Alberta.

The POTC also has a technical stream that prepares people for jobs as production/field operators or engineering technologists. The first students in this stream began their

studies in September 2004. Another intake is planned for September 2005.

In the spring of 2002, Aurora College and Diavik delivered a Pre-employment Mill Processing Program at Thebacha Campus in Fort Smith. In the fall of 2004, Diavik approached the College to deliver a similar program, this time based on newly-developed Mineral Processing Occupational Standards. In March 2005, a proposal for the delivery of the Mineral Processing Program was submitted to the Mine Training Society and the North Slave Metis Alliance. The proposal was selected, and 27 students started the theory portion of the program at Thebacha Campus. On September 2, 2005, they began their practical component at the Diavik mine site.

Not all industry-related training is in the technical field. In 2004, Aurora College put forth a proposal to an Office Administration Mining Co-op Program to prepare individuals for entry-level office positions with industry. The Mine Training Committee supported the proposal, and the program will be delivered in the fall of 2005 at Yellowknife Campus.

Campus Highlights

Aurora Campus had a busy and productive year, highlighted by an all-time high in successful funding partnerships. The management and staff of Aurora Campus have always worked well with regional authorities and governing agencies and the trusted relationship we have built has been of great benefit to our students.

This academic year, the campus attracted over \$2 million in third-party contracts thanks to the support of the Inuvialuit, the Gwich'in, the Sahtu, and our many partners in government and industry.

One such partnership with NWT Parks and Recreation made possible the hiring of a Campus Life Co-ordinator, who helped students settle into the campus, helped run orientation activities and provided co-ordination for recreation and other services. It is hoped that this partnership will continue in the future.

Aurora Campus was proud to award two honorary certificates at convocation this year. Elder Rosie Sewi from Deline was awarded a Honorary Certificate in Traditional Arts for her tireless work teaching traditional crafts. Tulita elder Maurice Mendo was awarded a Honorary Aboriginal Culture and Language Instructor Certificate for his work teaching aboriginal languages and cultural traditions.

At convocation this year, Aurora Campus had 39 students graduate, one of their largest graduating classes ever.

Thebacha Campus in Fort Smith

launched a major initiative this year to work more closely with schools and youth.

To this end, Career Technology Studies (CTS) modules were offered for high school students in college facilities: Welding in Wrigley and Fort Simpson, and Carpentry in Fort Simpson and Fort Smith. In addition, 28 high school students were brought on campus for a one week Trades Awareness Program. They spent the week living in College residences and participated in four trades workshops: plumbing, carpentry, welding and cooking.

The Teacher Education Program was reorganized into the Aurora College School of Education this year, and a number of new staff members were brought on line to replace staff who have moved on. The new staff joins long-time instructors in delivering the Bachelor of Education Degree program for the first time this academic year.

The Hay River Community Learning Centre continues to be one of the busiest locations for college programming. This year saw the delivery of the Leadership Certificate Program, the Basic Computer and Job Readiness Program and the Management Studies Diploma Program. There was a huge demand for computer-related training for the delivery of such courses as Desktop Publishing, PowerPoint and basic and intermediate Microsoft Word and Excel.

Aurora College was connected to the new NWT-wide library system known as SIRSIS Unicorn. The system connects all the College

libraries to all public libraries and the Legislative Assembly library, allowing for an easier exchange of library materials throughout the territory. The system was launched at the Campus in February.

The academic year at Thebacha Campus was capped by a convocation ceremony that saw one of the largest graduating classes ever: 70 graduates received their certificates, diplomas or degrees.

Yellowknife Campus celebrated the 10th anniversary of the establishment of the Nursing Program this year, and program staff have been busy building on their success by offering more programming options than ever. In addition to the delivery of the Nursing Diploma Program and Nurse Practitioner, instructors are preparing for the fall 2005 delivery of the Bachelor of Science in Nursing Program.

Health Program delivery have been reorganized in keeping with the College's move towards the campus lead model. The lead for all Health Programs is located at Yellowknife Campus, but staff oversaw the delivery of the Licensed Practical Nurse Program in Inuvik, the Home and Community Support Worker Program in Fort Smith and the Community Health Worker Program in Fort Simpson.

Yellowknife Campus Trades and Technology programs were relocated this year to a renovated facility on Franklin Avenue. The facility hosts the Diamond Cutting and Polishing Program, and will eventually include the Information Technology Program. The building also includes office space for a planned expansion of Aurora Research Institute services into Yellowknife.

Yellowknife Campus hosted a successful delivery of the Aboriginal Culture and Language Certificate program. Thirteen students completed the program, which included a two-day language and culture camp designed to create an authentic cultural context for the teaching philosophy behind the Dene Kede curriculum. The students were extremely positive about their experiences in the program.

Yellowknife Campus wrapped up a successful year with a Convocation ceremony in May 2005 that saw 45 students graduate.

Aurora Research Institute

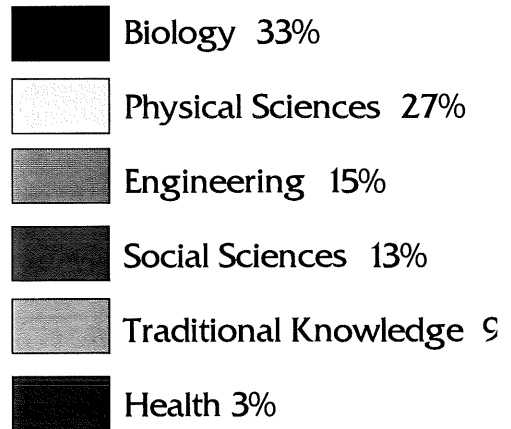
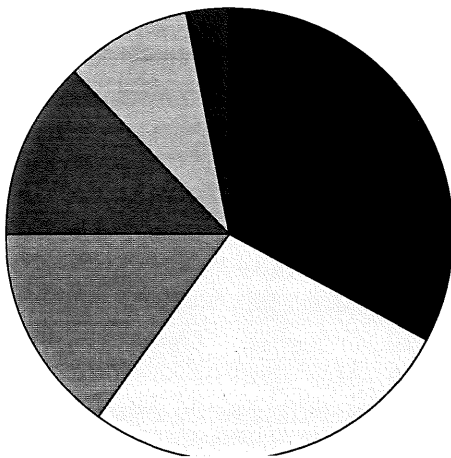
The Aurora Research Institute, as the research division of the Aurora College, serves to develop a comprehensive northern knowledge base, enhance northern research and technology capabilities and determine research needs and priorities through the ongoing development of the Northwest Territories (NWT) Research Agenda. ARI promotes further development of communities within the NWT by advancing northern knowledge, through partnerships and by providing leadership and training to promote scientific research that meets community needs.

The Aurora Research Institute has two main facilities strategically located throughout the NWT. The ARI Head Office is located with the Inuvik Research Centre (IRC) staff in Inuvik. The Inuvik Research Centre is the largest facility and provides logistical support and services to researchers working in the Mackenzie Delta, Beaufort Sea and northern Yukon Territory. Approximately 200 researchers used these facilities in 2004-05. This is also the location of the research library which now has a 14,000 volume scientific reference library focussing on issues of the north. The South Slave Research Centre (SSRC) in Fort Smith is located in the Thebacha Campus complex and conducts and facilitates research programs in the southern regions of the NWT. Staff at this centre have been extensively involved with internet training and web site development. Staff have also developed Geographical Information System (GIS) expertise, and have developed textbooks on that subject.

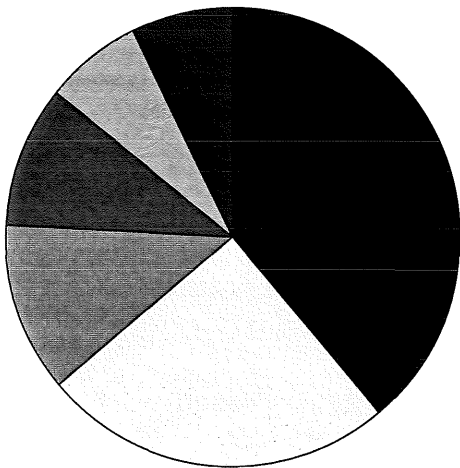
Licensing

ARI is responsible for administering the *NWT Scientist Act* and ensuring that scientific research is licensed. Over 200 license applications were processed in 2004 including amendments and permits not issued. 180 permits were issued with 18 amendments. The bulk of the permit applications received were processed within the 90 day window which ARI recommends to each as necessary lead time when planning research programs in the NWT. Some applications, particularly those dealing with industrial developments in the proposed Mackenzie Gas Project corridor, were objected to by various local organizations and proponents experienced delays in gaining approval.

Research Licenses issued by Field of Study



Research Licenses Issued by Region



ARI ACTIVITIES

Northern Research Forum (NRF) – The Northern Research Forum provides a platform for effective, policy-relevant discussion and the sharing of research on northern issues. Meetings are held biennially with the participation of a wide variety of scientists, policy makers and representatives of other stakeholders. The 3rd NRF open meeting took place in Yellowknife, from September 15-18, 2004. The event was organized by the NRF, (a division of the University of the Arctic), in cooperation with Aurora College, the Canadian Polar Commission, and the City of Yellowknife. The GNWT played an important role in the hosting of this meeting by permitting the use of the Legislative Assembly for the meeting's plenary sessions.

Thematic plenary sessions on September 15, 16 and 18 included: Perspectives of Appointed and Elected Officials; Governance, Resources, and Co-management; Cultural Resilience and the Tourist Economy; and Security. Highlights of this very successful meeting included: participation by Canada's Governor General, Adrienne Clarkson; attendance by representatives from around the circumpolar north including the Prime Minister of Iceland; and a very successful northern film festival hosted by the Prince of Wales Northern Heritage Centre.

Community Based Monitoring of Sea Ice – The ARI is collaborating with the Department of Fisheries and Oceans, the University of Manitoba, and the Inuvialuit Hunters and Trappers Committees of Tuktoyaktuk, Sachs Harbour, Paulatuk, and Holman on a project to do long-term monitoring of sea ice changes near the four

communities. The project builds the capacity within the community to participate in scientific investigations while adding to our understanding of climate change impacts.

Renewable Energy/Wind assessment – The ARI is conducting feasibility studies on the potential of displacing diesel power in isolated communities with wind generated electricity. Wind assessments have been completed from existing data for Tuktoyaktuk, Paulatuk, Sachs Harbour, and Holman. The Institute has two 30 meter wind test towers, one of which has been shipped to Sachs Harbour. The second tower is to be shipped to Holman, and two new towers will be purchased and shipped to the remaining two communities. All four towers will be erected and will begin logging wind data as soon as the spring weather allows for safe installation. Once the Institute has a full year's data from each community it will recommend installation of wind turbines where there is an economic case to be made for going ahead.

Renewable Energy/Fuel Cells – The ARI has developed a hydrogen fuel cell system on site in the Inuvik Research Centre as a public demonstration unit. The one Kilowatt unit is integrated into the existing solar energy array and tied into the NTPC local grid as a demonstration of distributed energy production. An additional fuel cell is available to develop into a travelling display as funding becomes available.

Community Based Capacity Development in Information Technology – The staff at the South Slave Research Centre (SSRC) has been active in the development and delivery of programs intended to bring Geographic Information Systems (GIS) skills to community agencies in the NWT in 2004.

Workshops have been delivered in Deline (2), Fort Simpson, Yellowknife and Enterprise. With the support of federal funding a youth employment project was delivered in Fort Smith delivering training in GIS and website design during the summer of 2004. Additional activity at SSRC included facilitation of the Community Access Program, which provides approximately \$120,000 for re-disbursement to 20 communities for establishing and maintaining sites where the public can access the Internet.

Inuvialuit Ethnobotany Project – In cooperation with the Inuvialuit Cultural Resource Centre and Parks Canada, a project is continuing to document in order to complete a Inuvialuit knowledge and use of plants. This work is part of a \$35,000 grant received from the Inuit ACADRE Centre located at the University of Laval. ARI Staff completed a literature review using resources at the Inuvik Research Centre Library and Canadian Circumpolar Institute's (and the University of Alberta's) comprehensive hard copy and electronic library holdings. A final product will be developed for publication in 2005.

Aurora College

STUDENT ENROLMENTS

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.

FULL TIME EQUIVALENT STUDENTS BY LOCATION:

Campus	Full Time Students	Part Time Courses	2005 Full Time Equivalent	2004 Full Time Equivalent
Aurora	151	3,061	457.1	457.9
Thebacha	325	2,326	581.5	532.0
Yellowknife	211	1,953	406.3	353.6
Total College	687	7,340	1,444.9	1,343.5

FULL TIME EQUIVALENT STUDENTS BY LOCATION BY PROGRAM DIVISION:

Division	Aurora	Thebacha	Yellow-knife	2005 Totals	2004 Totals
Academic	139.1	98.6	68.8	306.5	338.2
University Partnerships	1.6	8.5	0.2	10.3	35.7
Credit	87.2	160.9	157.1	405.2	368.1
Trades	0.0	206.3	51.5	257.8	236.8
Career Development	216.7	94.2	113.5	424.4	335.3
Personal Development	12.5	13.0	15.2	40.7	29.4
Total	457.1	581.5	406.3	1,444.9	1,343.5

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

Campus	Full Time Students	Part Time Students	2005 Total Students	2004 Total Students
Aurora	151	1,468	1,619	1,742
Thebacha	325	1,040	1,365	1,218
Yellowknife	211	1,072	1,283	1,025
Total College	687	3,580	4,267	3,985

In 2004-2005 the following accounts receivables were written off:

No. of Accounts	Amount	Reason
2	\$2,030	Bankruptcy
59	\$500	Each account less than \$20
24	(\$60)	Credit Balances
2	\$517	Death

One account of \$5,250 was forgiven.

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

Aurora College

for the year ended June 30, 2005

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 23, 2005



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, 2005 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, 2005 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 23, 2005


Aurora College

BALANCE SHEET as at June 30, 2005 (in thousands)

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents (Note 3)	\$ 5,768	\$ 3,217
Net accounts receivable (Note 4)	1406	985
Prepaid expenses	<u>157</u>	<u>470</u>
	7,331	4,672
Property and equipment (Note 5)	<u>3,464</u>	<u>3,147</u>
	<u>\$ 10,795</u>	<u>\$ 7,819</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,349	\$ 1,743
Employee leave pay	1,170	1,072
Deferred project income	114	268
Current portion of employee future benefits	274	222
Due to the Government of the Northwest Territories	<u>674</u>	<u>14</u>
	4,581	3,319
Employee future benefits (Note 6)	820	887
Professional development fund (Note 7)	833	844
Deferred capital contributions	<u>1,000</u>	<u>786</u>
	7,234	5,836
<u>EQUITY</u> (Note 8)	<u>3,561</u>	<u>1,983</u>
	<u>\$ 10,795</u>	<u>\$ 7,819</u>
Commitments (Note 11)		

Approved by the Board:


Dennis Bevington
Chairperson of the Board


Angus Lennie
Chairperson of the Finance Committee

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

Aurora College

STATEMENT OF OPERATIONS AND EQUITY

for the year ended June 30, 2005

(in thousands)

	<u>2005</u>	<u>2004</u>
<u>REVENUES</u>		
Project income		
Territorial government	\$3,198	\$3,428
Federal government	403	422
Other	1,699	1,238
Tuition fees	2,089	1,854
Room and board	807	726
Investment income	142	95
Other	<u>751</u>	<u>687</u>
	<u>9,089</u>	<u>8,450</u>
<u>EXPENSES</u>		
Compensation and benefits	19,776	19,492
Contract services	4,772	4,516
Building leases	3,094	3,063
Amortization of property and equipment	2,390	2,224
Materials and supplies	2,323	1,841
Utilities	1,565	1,451
Travel and accommodation	951	669
Fees and payments	926	1,182
Communication, postage and freight	<u>470</u>	<u>462</u>
	<u>36,267</u>	<u>34,900</u>
Net loss before government contributions	(27,178)	(26,450)
Government contributions (Note 9)	<u>28,756</u>	<u>27,310</u>
Net income after government contributions	1,578	860
Equity at beginning of year	<u>1,983</u>	<u>1,123</u>
Equity at end of year	<u>\$3,561</u>	<u>\$1,983</u>

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

Aurora College

STATEMENT OF CASH FLOWS

for the year ended June 30, 2005

(in thousands)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Cash receipts from students and contracts	\$8,396	\$8,266
Cash receipts from government contributions	26,530	25,270
Cash paid to suppliers and employees	(32,056)	(32,711)
Interest received	<u>142</u>	<u>95</u>
Net cash provided by operating activities	<u>3,012</u>	<u>920</u>
Cash flows from investing activities		
Proceeds from sale of equipment	-	38
Acquisition of property and equipment	<u>(835)</u>	<u>(10)</u>
Net cash provided by (used in) investing activities	<u>(835)</u>	<u>28</u>
Cash flows from financing activities		
Capital contributions	<u>374</u>	<u>305</u>
Net increase in cash	2,551	1,253
Cash and cash equivalents at beginning of year	<u>3,217</u>	<u>1,964</u>
Cash and cash equivalents at end of year	<u>\$5,768</u>	<u>\$3,217</u>

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

Aurora College

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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 renovations	5%
Furniture and equipment	10 - 50%
Leasehold improvements	over the term of the lease

c) Employee future benefits

Pension benefits

Employees participate in the Public Service Pension Plan administered by the Government of Canada. The College's contribution to the plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employee's required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the College and are charged to operations on a current basis. The College is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Employee severance benefits

Employees are entitled to severance benefits, as provided for under labour contracts and conditions of employment. The cost of these benefits is accrued as the employees render the services necessary to earn them. Management determined the accrued benefit obligation using a method based upon assumptions and its best estimates of the accrued obligations at the year-end. These benefits represent the only obligation of the College that entails settlement by future payment.

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-1 Low or better by the Dominion Bond Rating Service Ltd. The College's average annual investment yield for the year ended June 30, 2005 was 2.035% (2004 - 2.19%).

4. NET ACCOUNTS RECEIVABLE

	2005			2004
	(in thousands)			
	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Government contributions	\$ 24	\$ -	\$ 24	\$ -
Project income				
Government	288	-	288	480
Other	1,062	48	1,014	434
Students	351	273	78	68
Advances	2	-	2	3
	<u>\$1,727</u>	<u>\$ 321</u>	<u>\$1,406</u>	<u>\$ 985</u>

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

5. PROPERTY AND EQUIPMENT

	2005			2004
	(in thousands)			
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Mobile equipment	\$2,698	\$1,240	\$1,458	\$1,141
Building additions and renovations	1,991	747	1,244	1,344
Furniture and equipment	1,206	783	423	367
Leasehold improvements	1,103	764	339	295
	<u>\$6,997</u>	<u>\$3,534</u>	<u>\$3,464</u>	<u>\$3,147</u>

6. EMPLOYEE FUTURE BENEFITS

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>2005</u>	<u>2004</u>
	(in thousands)	
College's contributions	\$1,645	\$1,583
Employees' contributions	744	740

Employee Severance Benefits

The College provides severance benefits to its employees based on years of service and final salary. 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>2005</u>	<u>2004</u>
	(in thousands)	
Accrued benefit obligation, beginning of year	\$ 1,109	\$1,186
Cost for the year	87	-
Benefits paid during the year	<u>(102)</u>	<u>(77)</u>
Accrued benefit obligation, end of year	<u>\$1,094</u>	<u>\$1,109</u>
Short-term portion	\$ 274	\$ 222
Long-term portion	<u>820</u>	<u>887</u>
Total accrued benefit obligations	<u>\$1,094</u>	<u>\$1,109</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, 2004	Net Results	Appropriated	Used in Operations	Balance, ending June 30 2005
a) Program delivery	\$ 117	\$ -	\$ -	\$ -	\$ 117
b) Research & development	52	-	31	(18)	65
c) HEO replacement & maintenance	176	-	52	-	228
d) Restricted donations	24	-	20	(22)	22
Unappropriated equity	<u>1,614</u>	<u>1,578</u>	<u>(103)</u>	<u>40</u>	<u>3,129</u>
Total equity	<u>\$1,983</u>	<u>\$1,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,561</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>2005</u>	<u>2004</u>
	(in thousands)	
Operating contributions	\$26,441	\$25,150
Amortization of deferred capital contributions	160	102
Services provided without charge	<u>2,155</u>	<u>2,058</u>
	<u>\$28,756</u>	<u>\$27,310</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 \$1,032,390 (2004 - \$1,262,000) 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 \$ 285,000 (2004 - \$316,000).

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 \$1,870,500 (2004 - \$1,742,300), 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>2005</u>	<u>2004</u>
	(in thousands)	
Contract services	\$ 285	\$ 316
Amortization of property and equipment	<u>1,870</u>	<u>1,742</u>
	<u>\$2,155</u>	<u>\$2,058</u>

11. 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)

2006	\$ 3,463
2007	3,381
2008	1,337
2009	852
2010	857
Thereafter	<u>8,315</u>
	<u>\$18,205</u>

12. COMPARATIVE FIGURES

Some 2004 comparative figures have been reclassified to conform to financial statement presentation adopted in the current year.



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