

***Annual Report of the
Nunavut Implementation Commission
For the Year Ending March 31, 1998***

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Nunavut Hivumukpalianikhaagut Katimayit
Nunavut Implementation Commission
Commission d'établissement du Nunavut

June 30, 1998

The Hon. Jane Stewart
Minister,
Indian and Northern Affairs Canada,
2100-1, Wellington St., 21st Floor,
House of Commons,
Government of Canada,
Ottawa, Ontario,
K1A 0A6

Dear Minister Stewart:

Section 66 of the **Nunavut Act** stipulates that the Nunavut Implementation Commission shall "within three months after the end of each fiscal year, submit to the Minister a report on the activities of the Commission in that year". As the Chairperson and Treasurer of the Nunavut Implementation Commission (NIC), we are pleased to submit to you this annual report of the Commission for the fiscal year ending March 31, 1998.

COMMISSION MEETINGS

The Commission met upon three occasions between April 1, 1997, and March 31, 1998, and had two meetings by teleconference.

Teleconference	April 7, 1997
Ottawa	June 23-24, 1997
Halifax	October 16-17, 1997
Teleconference	December 17, 1997
Iqaluit	March 4-6, 1998

The role and responsibilities of the Commission changed slightly in 1997 with the appointment of the Interim Commissioner and with the Commission's acceptance of your request to take a lead role in the planning of celebration and events surrounding April 1, 1999.

COMMISSION PUBLICATIONS IN 1997

The Future of Work in Nunavut Conference: Final Report
March 3-5, 1997, Iqaluit

June 30, 1997

Integrating Inuit Rights and Public Law in Nunavut:
a Draft Nunavut Wildlife Act

October 17, 1997

We are pleased to be able to submit to you along with this report, copies of two 1997 Commission reports in a single volume, entitled, ***1997 Reports of the Nunavut Implementation Commission***. We would urge you to include both these volumes of materials when you table the Commission's Annual Report for 1997.

The report, entitled, ***Integrating Inuit Rights and Public Law in Nunavut: a Draft Nunavut Wildlife Act*** is aimed at giving contemporary legislative expression to the far-reaching jurisdictional impact of the ***Nunavut Land Claims Agreement*** on the way in which the Nunavut Government should approach wildlife management.

The Commission also produced an "Information Package" designed for media and public consumption, entitled, ***Changing the Map of Canada***, in October of last year.

OTHER ACTIVITIES

In addition to its research program and publications, the Commission was active on a number of other fronts.

The Commissioners and staff met on numerous occasions with federal and territorial government officials, representatives of the Nunavut Tunngavik Incorporated and the Office of the Interim Commissioner, on a host of issues.

A briefing session on the design model of government was held with staff of the Office of the Interim Commissioner just prior to the Interim Commissioner's appointment in April, 1997; and in May, 1997, the Commission met with the Interim Commissioner to discuss matters concerning his role and objectives. The Commission also participated in the first multi party meeting involving the parties to the ***Nunavut Political Accord*** and the Interim Commissioner in June 1997 to discuss the organizational design of the Nunavut Government, infrastructure, implementation priorities, recruitment and employment policies, and communications. The Chief Commissioner later chaired a review of the Interim Commissioner's implementation plan presented at the Nunavut Leaders Summit in Iqaluit in January, 1998.

The Commission took an active role in the promotion and support for a yes vote during the lead up to the May 26, 1997 plebiscite on the issue of dual member ridings and gender parity in the Nunavut Legislative Assembly. The Commission held public meetings in several communities and published a multi-lingual brochure explaining the issue.

Meetings between Commission officials and the Deputy Chief Herald of Canada on symbols for Nunavut took place during the year along with a tour of several Nunavut communities to assist with design of flag and coat of arms, a decision on which is expected in June, 1998. Commission officials met with officials of Canada Post and the Royal Canadian Mint on several occasions regarding the production of commemorative stamp and coin issues to mark the establishment of Nunavut. The Commission undertook to draft the history section on Nunavut for Canadian Heritage's publication, *Symbols of Canada*, and, at the request of Canadian Tulip Festival officials, the Commission undertook research regarding a "proposed official flower" for unveiling at the May, 1998 festival. The Commission also participated in the unveiling of an Inukshuk on the grounds of the residence of the Governor General in commemoration of National Aboriginal Day.

In keeping with the tremendous importance placed by the Commission on training and education in preparation for Nunavut, Commission Human Resources staff participated in a workshop sponsored by the Nunavut Implementation Training Committee which included representatives of all the boards established under the Nunavut Land Claims Agreement. Commission Human Resources staff made a presentation on the Nunavut Unified Human Resources Development Strategy to the Kitikmeot Leaders Forum. The Commission Human Resources staff undertook an evaluation with the Sivuliuqtiit-Nunavut Management Development Program.

Commissioners and staff met with the three divisional boards of education, and with the Board of Governors of Nunavut Arctic College. Incremental funding provided by the federal government for training in preparation for Nunavut resulted in an increased enrollment of 550 trainees.

The Commission was instrumental in establishing an Executive Masters Business Administration program at St. Mary's University, Halifax, Nova Scotia. The Commission's, 1997, six minute video, entitled, *Our Mother Tongue*, produced in conjunction with the parties to the *Nunavut Political Accord* was presented at the 5th UNESCO International Conference on Adult Education in Hamburg, Germany, by Commission staff in July, 1997. The video project focused on the importance of culture, language, education in the teaching of basic skills to young people.

Commissioners and staff also met with a variety of organizations, government officials and agencies, Inuit organizations and educational institutions to explain and discuss the work of the Commission and other related Nunavut issues. The Commission made a presentation to the Qiqitani Inuit Association Annual General Meeting on the future work of the Commission. The Chief Commissioner participated in an "Inuit Cultural Evening" and a "Nunavut Partnership in the Making" business/government relationship program at the Banff School of Advanced Management.

Commissioners and staff, while meeting in Halifax last October, took advantage of the meeting's location to meet with the editorial boards of several major Atlantic Province newspapers, participated in radio and television interviews in three provinces, and deliver a lectures on Nunavut at two major Atlantic universities. The Chief Commissioner also delivered a lecture at the Arctic Institute, University of Calgary, Alberta, and later met with the editorial board of Calgary newspaper. Commission staff delivered a lecture to the political science department at Queen's University, Kingston, Ontario.

The Commission participated in a revised officials level multi-party process aimed at fostering a more reliable method of consultation on matters related to the formation of the Nunavut Government. Since its revival, the newly formed Committee of Officials Nunavut Planning Implementation (CONPI) has met regularly, both face-to-face, and by teleconference. Commission staff also participated in the development of a telecommunications and informatics status report to the parties; met with information technologies staff of the federal government on information technology needs for Nunavut; and attended "The Governments' Electronic Infrastructure Congress" a Pine Hills, Quebec.

In March, 1998, the Commission hosted an "Nunavut Languages Policy Conference" with a view to providing Nunavut officials with a solid basis for language policy development, a report from which will be released later in 1998. The Commission also expended considerable time and resources in preparation for the "Abilities Conference", the need for which was identified at the previous years "Future of Work in Nunavut Conference". In preparation for the "Abilities Conference", the Commission conducted Nunavut wide survey on disabilities.

Chief Commissioner, John Amagoalik, was formally recognized for his contribution to Canada and Nunavut through the award of an Honorary Doctorate degree in Civil Law from St. Mary's University in October, 1997, and in February, 1998 he received another award at the Annual National Aboriginal Achievement Awards. The Working Group on Human Resources was also recognized for its work in the form of the Wolf Project Award; given to those who contribute to inter-racial harmony through their work.

At your request, the Commission accepted responsibility for taking a lead role in planning the inaugural celebrations surrounding the establishment of Nunavut, April 1, 1999. To assist in its work, the Commission established a "Nunavut Celebrations Steering Committee" in December, 1997, made up of representatives of the parties to the *Nunavut Political Accord*, the Member of Parliament for Nunavut, the Office of the Interim Commissioner, Inuit Tapirisat of Canada, Pauktuutit Inuit Women's Association, and a Youth representative. This Committee met on three occasions prior to March 31, 1998. In addition, Commission officials have met on several occasions with officials of the federal government, the Town of Iqaluit, Ottawa-based Inuit organizations, and they have been in contact with many of the Nunavut communities in an attempt to move the planning agenda along in between Steering Committee meetings.

STAFFING AND ADMINISTRATIVE MATTERS

Several staff and administrative changes were made in 1997. The auxiliary Commission office in Iqaluit, and in Cambridge Bay were closed in April and August, 1997, respectively, and the Yellowknife office was closed as of March 31, 1998. Pertinent Iqaluit and Cambridge Bay staff were subsequently reassigned to the main Iqaluit office. Telephone inquiries to Yellowknife regarding Nunavut and the work of the Commission will continue to be handled by former Yellowknife staff.

The Commission's former part time Finance Officer was made-full time in April, 1997, the Commissions' Research Director was laid off in May, 1997, and the Commission's Ottawa-based Legal Counsel was seconded to the Nunavut Secretariat in September, 1997. The contract of the one remaining Ottawa staff was extended from March 31, 1998 to June 30, 1998.

Preparations regarding the development of a wind down plan begun in early 1998 for submission to the Nunavut Secretariat early in the 1998-99 fiscal year.

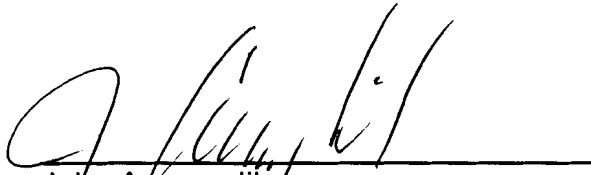
FINANCIAL MATTERS

The audited financial statements of the Commission are appended as Schedule 1. Audited statements indicate a surplus budget for the fiscal year 1997-98. New responsibilities associated with celebration planning will require additional funding if the Commission is to successfully undertake that task. Discussion with federal officials regarding supplementary funding will be required early on in the new fiscal year.

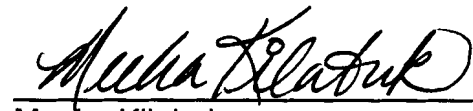
We trust this report is satisfactory to you. The Commission is continuing to meet its statutory duties and is pleased with the measurable progress made towards the creation of Nunavut in the period April 1, 1997 to March 31, 1998

We would be pleased to meet with you at a convenient time to discuss this report.

Yours Sincerely,



John Amagoalik
Chairperson



Meeka Kilabuk
Treasurer

Appended: 1997-98 Audited Statements – Schedule 1
1997 Reports of the Nunavut Implementation Commission

SCHEDULE 1

FINANCIAL STATEMENTS

NUNAVUT IMPLEMENTATION COMMISSION

FINANCIAL STATEMENTS

March 31, 1998



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Nunavut Implementation Commission

I have audited the balance sheet of the Nunavut Implementation Commission as at March 31, 1998 and the statements of operations and equity (deficit) and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 Commission as at March 31, 1998 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'Raymond Dubois', with a long horizontal stroke extending to the right.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 5, 1998

NUNAVUT IMPLEMENTATION COMMISSION

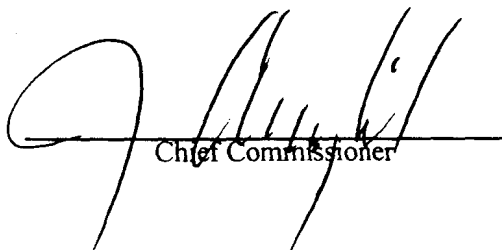
Balance Sheet as at March 31

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Current assets		
Accounts receivable	\$ 67,157	\$ 97,894
Contributions receivable	244,914	400,780
Prepaid expenses	<u>-</u>	<u>11,142</u>
	312,071	509,816
Capital assets (Note 3)	<u>101,248</u>	<u>152,798</u>
	<u>\$ 413,319</u>	<u>\$ 662,614</u>
<u>LIABILITIES</u>		
Current liabilities		
Bank indebtedness	\$ 240,277	\$ 385,286
Accounts payable and accrued liabilities	119,654	201,373
Deferred contributions	<u>-</u>	<u>76,844</u>
	359,931	663,503
Provision for employee termination benefits	<u>47,863</u>	<u>40,500</u>
	407,794	704,003
<u>EQUITY (DEFICIT)</u>		
Equity (Deficit) (Note 7)	<u>5,525</u>	<u>(41,389)</u>
	<u>\$ 413,319</u>	<u>\$ 662,614</u>

Commitments (Note 9)

See accompanying notes to financial statements.

Approved by the Commission:


Chief Commissioner


Commissioner

NUNAVUT IMPLEMENTATION COMMISSION

Statement of Operations and Equity (Deficit) for the year ended March 31

	<u>1998</u>	<u>1997</u>
Expenses		
Commissioner		
Honoraria	\$ 499,249	\$ 570,394
Travel and accomodation	89,249	200,909
Rent	38,731	40,352
Office expenses	<u>7,581</u>	<u>9,600</u>
	634,810	821,255
Administration		
Salaries and employee benefits	540,393	829,491
Travel and accomodation	256,478	261,341
Rent	192,163	287,934
Professional services	135,607	297,944
Telecommunications, postage and freight	71,951	85,255
Amortization	48,822	44,858
Advertising and publishing	23,178	61,295
Interest and bank charges	20,349	22,274
Publics relations	13,384	1,360
Office supplies	9,506	27,663
Loss on disposal of capital assets	5,764	1,721
Bad debts	<u>-</u>	<u>11,090</u>
	1,317,595	1,932,226
Abilities Conference (Note 4)	117,162	-
Language Conference	104,270	-
Future of work in Nunavut Conference (Note 5)	82,877	285,611
Nunavut Celebrations	<u>24,656</u>	<u>-</u>
	<u>328,965</u>	<u>285,611</u>
Total expenses	2,281,370	3,039,092
Miscellaneous revenues	<u>17,440</u>	<u>17,103</u>
Net cost of operations for the year, before contributions	2,263,930	3,021,989
Contributions (Note 6)	<u>2,310,844</u>	<u>3,015,611</u>
Net income (loss) of operations for the year	46,914	(6,378)
Deficit, beginning of the year	<u>(41,389)</u>	<u>(35,011)</u>
Equity (Deficit), end of the year	<u>\$ 5,525</u>	<u>\$ (41,389)</u>

See accompanying notes to financial statements.

NUNAVUT IMPLEMENTATION COMMISSION

Statement of Changes in Financial Position
for the year ended March 31

	<u>1998</u>	<u>1997</u>
Operating activities		
Net income (loss) of operations for the year	\$ 46,914	\$ (6,378)
Items not affecting cash		
Amortization	48,822	44,858
Loss on disposal of capital assets	5,764	1,721
Increase in the provision for employee termination benefits	<u>7,363</u>	<u>40,500</u>
	108,863	80,701
Net change in non-cash working capital items	<u>39,182</u>	<u>(309,001)</u>
	148,045	(228,300)
Investing activities		
Acquisition of capital assets	(6,240)	-
Proceeds from disposal of capital assets	<u>3,204</u>	<u>1,728</u>
	(3,036)	1,728
Increase (decrease) in cash for the year	145,009	(226,572)
Bank indebtedness, beginning of the year	<u>(385,286)</u>	<u>(158,714)</u>
Bank indebtedness, end of the year	<u>\$ (240,277)</u>	<u>\$ (385,286)</u>

See accompanying notes to financial statements.

NUNAVUT IMPLEMENTATION COMMISSION

Notes to Financial Statements
March 31, 1998

1. Authority and activities

The Commission was established on December 10, 1993 by the Nunavut Act. The Commission's mandate is to advise the Government of Canada, the Government of the Northwest Territories and Tungavik Incorporated on the establishment of the territory of Nunavut, which will take up part of the current Northwest Territories. In accordance with the Nunavut Act, the Commission will cease to exist within three months after the establishment of the Nunavut Territory on April 1, 1999.

The Commission will advise, in particular, on the process for the first election of the members of the Assembly, the design and funding of training programs, the process for determining the location of the seat of government, the principles and criteria for the equitable division of assets and liabilities between Nunavut and the Northwest Territories, the new public works, the administrative design of the first Government of Nunavut and on other related matters.

In February 1998, the Commission was given the responsibility to oversee the creation of Nunavut inaugural events.

2. Significant accounting policies

The Commission follows generally accepted accounting principles. The more significant accounting policies are presented below:

(a) Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives. The methods of amortization and the respective rates are as follows:

	<u>Method</u>	<u>Rate</u>
Office furniture	straight-line	10 years
Computer and office equipment	straight-line	5 years
Automobile	declining balance	25%

(b) Contribution from the Department of Indian Affairs and Northern Development

Under a contribution agreement with the Department of Indian Affairs and Northern Development, the operating and capital requirements of the Commission are funded through an annual contribution. Funds advanced but not expensed at the end of the fiscal period are due and repayable to the Department. The contribution is recorded on an accrual basis.

(c) Other contributions

The Commission follows the deferral method of accounting for other contributions. Contributions externally restricted are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Employee termination benefits

On termination of employment, employees are entitled to certain benefits provided for under their conditions of employment. The cost of these benefits is expensed in the year in which they are earned by the employees.

3. Capital assets

	1998		1997	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Office furniture	\$ 92,410	\$ 38,719	\$ 53,691	\$ 69,811
Computer and office equipment	152,279	112,976	39,303	71,982
Automobile	<u>27,220</u>	<u>18,966</u>	<u>8,254</u>	<u>11,005</u>
	<u>\$ 271,909</u>	<u>\$ 170,661</u>	<u>\$ 101,248</u>	<u>\$ 152,798</u>

4. Abilities Conference

The Commission is responsible for the preparation, coordination and delivery of the Abilities Conference held in May of 1998. The expenses up to March 31, 1998 are presented below:

Preconference expenses	
Honoraria	\$ 23,400
Professional services	30,580
Travel and accomodation	7,041
Miscellaneous	<u>285</u>
	61,306
Survey expenses	<u>55,856</u>
	<u>\$ 117,162</u>

The Department of Human Resources Development Canada contributed \$60,000 to the expenses of the Conference (Note 6).

5. Future of Work in Nunavut Conference

The Commission was responsible for the preparation, coordination and delivery of the Future of Work in Nunavut Conference in March 1997. This conference was financed by many partners. The Commission assumes the excess of expenses over contributions. In order to fulfil the reporting requirement of some contribution agreements, the final statement of contributions and expenses is included below:

Contributions	
Government of Canada	\$ 203,555
Government of the Northwest Territories	100,000
Inuit organizations	38,000
Private sector organizations	<u>20,900</u>
	<u>362,455</u>
Expenses	
Conference programs and design	66,732
Conference logistics and coordination	66,912
Accessibility design	54,732
Telecommunications	50,923
Travel, accomodations, meeting space	50,965
Interpretation, translation coordinator	33,368
Publicity and promotion	25,066
Printing	10,350
Materials and supplies	2,542
Other	<u>6,898</u>
	<u>368,488</u>
Excess of expenses over contributions	<u>\$ (6,033)</u>

The activities of the conference were recorded in two fiscal years, as follows:

	<u>1998</u>	<u>1997</u>
Contributions	\$ 76,844	\$ 285,611
Expenses	<u>82,877</u>	<u>285,611</u>
Excess of expenses over contributions	<u>\$ (6,033)</u>	<u>\$ -</u>

6. Contributions

	<u>1998</u>	<u>1997</u>
Indian Affairs and Northern Development	\$ 2,174,000	\$ 2,730,000
Human Resources Development Canada - Abilities Conference	60,000	-
Contributions for Future of Work in Nunavut Conference (Note 5)	<u>76,844</u>	<u>285,611</u>
	<u>\$ 2,310,844</u>	<u>\$ 3,015,611</u>

The Contribution from the Department of Indian Affairs and Northern Development of \$2,174,000 was used during the year to finance the following activities:

Net cost of operations for the year, before contributions	\$ 2,263,930
Items not financed by the current year department's contributions	
Future of Work in Nunavut Conference	76,844
Abilities Conference	60,000
Net change in capital assets	51,550
Provision for employee termination benefits	<u>7,363</u>
	<u>\$ 2,068,173</u>

The Commission will request permission from the Department to apply the excess of contributions over expenditures of \$105,827 to the deficit. The Commission is confident of obtaining this approval.

7. Equity (Deficit)

The equity (deficit) is composed of the following items:

	<u>1998</u>	<u>1997</u>
Cumulative excess of expenses over contributions		
Provision for employee termination benefits	\$ (47,863)	\$ (40,500)
Other unfunded expenses	<u>(47,860)</u>	<u>(153,687)</u>
	(95,723)	(194,187)
Net book value of capital assets	<u>101,248</u>	<u>152,798</u>
	<u>\$ 5,525</u>	<u>\$ (41,389)</u>

8. Fair value of financial instruments

The transactions related to accounts receivable, contributions receivable, bank indebtedness, and accounts payable and accrued liabilities are incurred in the normal course of business. The short-term borrowings from the bank are at the prime rate plus 5%. The carrying amounts of each of these accounts approximate their fair value because of their short-term maturity. There is no concentration of accounts receivable with any customer and, consequently, the credit risk is low.

9. Commitments

The Commission is committed to make future minimum payments under its operating leases for office and staff accomodations. The future commitments are payable as follows:

1999	\$ 164,358
2000	<u>10,000</u>
	<u>\$ 174,358</u>

10. Closing of the Commission

The Commission is mandated to cease its activities within three months after the establishment of the Nunavut Territory on April 1, 1999. As of March 31, 1998, an agreement has not yet been signed between the Commission and the Department of Indian Affairs and Northern Development regarding the disposal of the Commission's assets and the discharge of its liabilities upon the closure of the Commission. However, a Wind Down Plan has been prepared and submitted to the Department of Indian Affairs and Northern Development.

11. Comparative figures

Some of the 1997 comparative figures have been reclassified to conform with the presentation adopted in 1998.
