

NUNAVUNMI
INIRNIRIT
ILIHARVIAT

COLLÈGE
DE L'ARCTIQUE
DU NUNAVUT



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NUNAVUT
ARCTIC
COLLEGE



ANNUAL REPORT

2018-2019

EMPOWERING NUNAVUMMIUT THROUGH POST-SECONDARY EDUCATION.

Nunavut Arctic College is a public agency of the Government of Nunavut that was created through the *Nunavut Arctic College Act* on January 1st, 1995, and services the largest post-secondary service region in Canada.

TABLE OF CONTENTS

06

LETTER OF TRANSMITTAL

07

MESSAGE FROM THE CHAIRPERSON OF THE BOARD OF GOVERNORS

08

MESSAGE FROM THE PRESIDENT

09

CORPORATE OVERVIEW

10. MISSION / VISION / VALUES

11. PRINCIPLES

12. BOARD OF GOVERNORS

13. EMPLOYMENT SUMMARY BY CATEGORY

14. STRATEGIC LINK TO TURAAQTAVUT

15. ENROLMENT

16

2018-2019 NAC HIGHLIGHTS

16. LEARNER SERVICES

17. TRADES AND TECHNOLOGY

20. EDUCATION, INUIT AND UNIVERSITY STUDIES

22. HEALTH AND WELLNESS

24. COMMUNITY AND DISTANCE LEARNING

25. NAC MEDIA

26. PIQQUSILIRIVVIK

27

NUNAVUT RESEARCH INSTITUTE: RESEARCH HIGHLIGHTS

28

AUDITED FINANCIAL STATEMENTS



LETTER OF TRANSMITTAL

September 30th, 2019

Minister Responsible for Nunavut Arctic College
Legislative Assembly of Nunavut
926 Queen Elizabeth II Way
P.O. Box 2410, Iqaluit
Nunavut, X0A 0H0

Dear Minister:

In accordance with Section 18(1) of the *Nunavut Arctic College Act* and Part IX of the *Financial Administration Act* of Nunavut, I hereby submit, on behalf of the Board of Governors of Nunavut Arctic College, the 2018-2019 Annual Report for the fiscal year ending June 30, 2019.

Respectfully submitted,

Sue Ball
Chairperson of the Board
Nunavut Arctic College



MESSAGE FROM THE CHAIRPERSON OF THE BOARD OF GOVERNORS

The Sivummuaqpalliajjutivut priority of the Turaagtavut mandate continues to guide the governance and operations of Nunavut Arctic College. The Minister and the Board share the goal of providing Nunavummiut post-secondary learners with an education and training that prepares them for positive contributions to society and for meaningful employment.

The new Memorandum of Understanding with Memorial University of Newfoundland will enable NAC to progress as a post-secondary, degree-granting institution recognized widely for its foundation and expertise in Inuit language, knowledge and culture. This partnership will contribute to the development of programs and procedures that promote learner support and standards for educational attainment.

It has been a challenging year of changes, but the focus of faculty, staff and administration has been on the well-being and success of our learners. The Board is very pleased with the effort our new President has made in developing a wide range of partnerships across and beyond Nunavut. He has also demonstrated a strong focus on providing support to faculty, staff and learners, including opportunities for faculty and staff to engage in professional development. The work of the NAC administrative leadership led to a satisfactory report from the annual financial audit. It also prepared the College to implement recommendations from the Auditor General's report.

In the fall of 2019, the Board of Governors will be doing public consultations to assist in the writing of the NAC 10-year strategic plan. In particular, the input from communities, NAC alumni, and Community Learning Centres will allow us to develop a plan that is reflective of both community and regional campus needs. The information we obtain from all sources will provide us with direction to plan and prepare for the future of NAC.

As Nunavut Arctic College celebrates its last convocations of this year, it is already working to ensure we provide here in Nunavut the best possible education and growth opportunities for Nunavummiut learners.

SUE BALL
CHAIRPERSON OF THE BOARD OF GOVERNORS



MESSAGE FROM THE PRESIDENT

As the only designated post-secondary institution in Nunavut, Nunavut Arctic College serves a vast region covering 3 time zones and 25 communities. We deliver lifelong learning opportunities to Nunavummiut through post-secondary studies.

Nunavut Arctic College went through an amazing transformational year and celebrated a new 10 year partnership with the Memorial University of Newfoundland.

We celebrated the opening of our new Nunatta Campus expansion in Iqaluit and were witness to the groundbreaking and the development of a new campus in the Kitikmeot in Cambridge Bay. We look ahead to the future now and are planning for an expansion of the campus in the Kivalliq.

The College has also participated at the National level and have begun dialogue with many important post-secondary institutions through the country, in large part thanks to the Colleges and Institutes Canada. We were also pleased to host the visit of their President and CEO, Denise Amyot, which was the first time CiCan had ever come to Nunavut.

Nunavut Arctic College has celebrated many firsts this year. On Friday, May 3, 2019, NAC was privileged to be invited to the Hamlet of Chesterfield Inlet for the first ever Community Learning Centre (CLC) certificate-level graduation ceremony in the community. Four students graduated from the Office Administration Certificate program and more than 20 relatives and friends attended the celebration.

As the College looks to expand its partnerships it will also expand its horizons by exploring new programming as we look to the future.



PAULOOSIE SUVEGA

- NAC President

Our mission, to empower Nunavummiut and to provide high quality post secondary, nationally accredited and educational opportunities to all residents of Nunavut is as important as ever. Nunavut continues to set the national pace for economic growth. The College will refine and build itself better to allow for better support for our learners as they transition from High School to Post-Secondary and from there to the workforce.

To conclude, the College is also embarking beginning in late 2019, on building a 10 year strategic plan that will provide a crucial guide post for the College, its learners, for Government, its partners and for Nunavummiut.

We invite you to come and explore the possibilities with the College.

PAULOOSIE SUVEGA
PRESIDENT

CORPORATE OVERVIEW //

As the only designated post-secondary institution in Nunavut, Nunavut Arctic College serves a vast region covering 3 time zones and 25 communities. We deliver lifelong learning opportunities to Nunavummiut through post-secondary studies.

Nunavut Arctic College, or NAC, is a public agency of the Government of Nunavut that was created through the *Nunavut Arctic College Act* on January 1st, 1995 and services the largest post-secondary service region in Canada. The College responds to the adult and post-secondary educational needs of Nunavummiut through its President, Board of Governors, and the Minister Responsible for Nunavut Arctic College.

The mandate of the College is to deliver adult and post-secondary education, including trades and apprenticeship, as well as bachelor degree programs through brokerage agreements. In these arrangements, the College undertakes program operations while the College's university partners confer degrees on Learners who have successfully completed those programs.

Finally, the College is also active on the national and international stage by promoting the generation, communication and retention of knowledge through applied research at the Nunavut Innovation and Research Institute or NIRI.

The College is comprised of approximately 250 staff spread across all 25 communities of Nunavut. College operations include 3 regional campuses in Iqaluit, Rankin Inlet, and Cambridge Bay, 22 Community Learning Centers in the remaining communities, and a truly unique cultural school located in Clyde River.



Vision & Mission //



MISSION

The mission of Nunavut Arctic College is to strengthen the people and the communities of Nunavut by providing life-long learning opportunities for adult Nunavummiut by delivering high quality adult education programs developed with input from our partners throughout the Arctic and Canada, and by making the benefits of Inuit traditional knowledge and southern science more accessible.

VISION

Nunavut Arctic College will strive to be the College of choice for the people of Nunavut by offering relevant programs of the highest national standards. In the advancement of their language and culture, our graduates will value education and be proud to take their place in Nunavut and beyond.

OUR VALUES

Nunavut Arctic College is a creative community of educators and learners. We are proud of our essential role in providing education that bridges the Nunavut of yesterday, today, and tomorrow.

We value our learners and are committed to their success by:

- Engaging and challenging our learners in learner-centered programs.
- Supporting learners through personal interaction, small scale learning environments, and sensitivity to their needs.
- Integrating Inuit culture and knowledge into our programs.

We value positive and productive learning and working environments by:

- Offering innovative programs to meet the requirements of a wide range of learners.
- Providing services that acknowledge learners as multi-faceted individuals and promote learner success in all areas of life, as workers, community members, volunteers, family members, and parents.
- Establishing and achieving College objectives through the application of research and transparent practices, and through the services of Nunavut Innovation and Research Institute establishing the highest research standards.

We value strong connections to the communities we serve by:

- Utilizing community-based delivery models for programs.
- Valuing exchange and interaction with communities and acknowledging the community's role in establishing educational priorities for the College.

We value our partnerships by:

- Collaborating with other institutions and organizations to provide a broad range of programs and services for the people of Nunavut.

OUR PRINCIPLES

Our principles serve as guideposts to create a learning-centered institution that reflects Inuit values, beliefs and knowledge.

Nunavut Arctic College is an inclusive institution that:

- Respects and honours Inuit languages and culture;
- Involves Elders as an integral part of the College life;
- Promotes an understanding of Inuit culture and languages;
- Values learners' connections to family and community;
- Prepares learners for meaningful careers and healthy lives;
- Places the well-being of learners first and provides a strong caring network of support;
- Promotes learning as a positive life-changing experience, involving the whole person - body- mind - spirit;
- Encourages the personal, professional, and academic development of all learners and staff;
- Engages learners as active participants in all aspects of learning and evaluation; and
- Ensures our graduates meet national standards.



Board of Governors //



Nunavut Arctic College is responsible through the Board of Governors to the Minister Responsible for Nunavut Arctic College. The Board of Governors determines policies respective of the administration of the College, including the Nunavut Research Institute.

The Board recommends priorities to the Minister for courses and programs that may be established by the Minister, ensures that for each fiscal year an estimate of the revenues and expenditures of the College is prepared, and presents budgets to the Minister in accordance with Part IX of the *Financial Administration Act of Nunavut*.

Current Members of the Board of Governors:

Member	Representative	Term expires
Vacant	Kitikmeot	-
Agnes Olowokere	Kitikmeot	September, 21, 2020
Elizabeth Karetak	Kivalliq	May, 24, 2022
Sue Ball	Kivalliq	February, 12, 2022
Susan Gardener	Qikiqtani	March, 20, 2022
Paul Murphy	Qikiqtani	March, 20, 2022
Margaret Sullivan	Staff Representative	April, 12, 2020
Vacant	Student Representative	-

EMPLOYMENT SUMMARY BY CATEGORY //

	Positions				Nunavut Inuit	
	Total Positions	Vacancies	Filled	% Capacity	Hired	% IEP
Employment summary, by category						
Executive	2.00	1.00	1.00	50%	1.00	100%
Senior Management	8.00	1.00	7.00	88%	2.00	29%
Middle Management	26.00	4.00	22.00	85%	11.00	50%
Professional	131.10	48.10	83.00	63%	34.00	41%
Paraprofessional	27.50	13.50	14.00	51%	10.00	71%
Administrative Support	56.67	26.67	30.00	53%	26.00	87%
Total	251.27	94.27	157.00	63%	84.00	54%
Employment summary, by community						
Arctic Bay	1.27	0.27	1.00	79%	1.00	100%
Arviat	17.53	7.53	10.00	57%	8.00	80%
Baker Lake	3.27	1.27	2.00	61%	2.00	100%
Cambridge Bay	19.20	8.20	11.00	57%	5.00	45%
Cape Dorset	2.27	1.27	1.00	44%	1.00	100%
Chesterfield Inlet	1.27	0.27	1.00	79%	-	0%
Clyde River	17.27	6.27	11.00	64%	9.00	82%
Coral Harbour	1.27	0.27	1.00	79%	1.00	100%
Gjoa Haven	2.27	0.27	2.00	88%	1.00	50%
Grise Fiord	1.27	0.27	1.00	79%	1.00	100%
Hall Beach	1.27	0.27	1.00	79%	1.00	100%
Igloolik	4.27	2.27	2.00	-	2.00	100%
Iqaluit	109.60	34.60	75.00	68%	31.00	42%
Kimmirut	1.27	0.27	1.00	79%	1.00	100%
Kugaaruk	2.27	0.27	2.00	88%	1.00	50%
Kugluktuk	1.27	1.27	-	0%	-	-
Nauyasat	1.27	0.27	1.00	79%	1.00	100%
Pangnirtung	1.27	0.27	1.00	79%	1.00	100%
Pond Inlet	3.27	2.27	1.00	31%	1.00	100%
Qikiqtarjuaq	1.27	0.27	1.00	-	1.00	100%
Rankin Inlet	51.27	24.27	27.00	53%	15.00	56%
Resolute Bay	1.27	0.27	1.00	79%	-	0%
Sanikiluaq	2.27	1.27	1.00	44%	-	0%
Taloyoak	1.27	0.27	1.00	79%	-	0%
Whale Cove	1.27	0.27	1.00	79%	-	-
Total	251.27	94.27	157.00	63%	84.00	54%
Employment Summary, by Iqaluit and Other Communities						
Iqaluit	109.60	34.60	75.00	69%	31.00	42%
Other Communities	141.67	59.67	82.00	58%	53.00	65%
Total	251.27	94.27	157.00	63%	84.00	54%

Strategic Link to Turaaqtavut //

Our government is committed to focusing on five priorities that will enable us to step forward together and make Nunavut an even better place for our children and grandchildren.

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TURAAQTAVUT



Work towards the well-being and self-reliance of our people and our communities.



Develop our infrastructure and economy in ways that support a positive future for our people, our communities, and our land.



Provide education and training that prepares children, youth, and adult learners for positive contributions to society and for meaningful employment.



Strengthen Nunavut as a distinct territory in Canada and the world.



Work in partnership to advance the goals and aspirations of Nunavummiut.



These priorities are accompanied by practical actions that are expected to yield measurable outcomes over the term of this Fifth Assembly.

Enrolment //

STUDENT INFORMATION SYSTEM



The College has recently implemented a centrally managed territory-wide Student Information System (SIS) that captures enrolment, grades and personal information for all learners in a NAC program. The new system will allow for easier and faster reporting, and will build towards making it easier for learners to register and enrol in programs. All reporting will be completed using the SIS, which will also help to standardize data. The new SIS can also produce attendance reports, enrolment reports and official transcripts.

The current centrally managed, Nunavut-wide SIS, which provides accurate data collection, replaced the previous regionally-administered Student Records System (SRS). Due to the switch-over in data collection systems last year, there is no verified student attendance data for 2018- 2019.

2018-2019

NAC Highlights //

Learner Services

The College is continuously looking for ways to improve learner services, which includes learner accommodations, recreation activities, counseling services, and food services.

At the end of each academic year, a learner survey is undertaken to assess how well the College is delivering on these services. Due to the timing of the end of the academic year and the learner survey, there is a lag of an academic year to include the survey results in the Annual Report. This Annual Report contains results from the 2017-2018 academic year.

In the upcoming fiscal year, the College will strive to create greater linkages to labour market opportunities for learners so that the percentage of College graduates able to find employment as a result of their academic studies rises.

2017-2018 Learner Survey Results

Nunavut Arctic College conducted a survey of 153 learners who graduated from the College in 2018 which constitutes approximately 42% of all NAC graduates in that academic year. This represents increase respondents of approximately 15% from the previous academic year. General information from that survey yielded that:

- **99%** of respondents indicated they would recommend Nunavut Arctic College to others;
- **97%** of respondents indicated that they were satisfied overall;
- **49%** of respondents indicated that at the time of the survey they were employed full-time;
- **16%** of respondents indicated that at the time of the survey they were employed part-time;
 - **49%** of employed respondents indicated that they were employed by the Government of Nunavut;
 - **7%** of employed respondents indicated they were employed with other community organizations;
 - **9%** of employed respondents indicated they were employed with an Inuit owned Business;
 - **8%** of employed respondents indicated they were employed with a Municipal Hamlet;
 - And, **6%** of employed respondents indicated they were employed with an Inuit organization.

2018-2019

NAC Highlights //

Trades and Technology

New Industrial Training Division

The demand on our Trades division has increased significantly since 2010 when Sanatuliqsarvik (the School of Construction Trades) opened its doors. The scope of 'Trades' at the College at that time mostly related to the construction sector: Carpentry, electrician, plumbing, pipe-fitting, oil heat systems technician/oil burner mechanics, fuel lines, foundations, housing maintainer, etc.

The role has taken on more and more related to Industrial training. Through community consultations and requests from industry/employers, the College recognized the need for skilled and technical trades outside of the construction sector. Therefore, a new academic division was created which focuses on transportation, mining and culinary trades.

Given the breadth of programming in these sectors (transportation, mining and culinary trades), the College recognized the need for a specific division to work with the private sector and our partners which would address issues of specialized training while also ensuring the division has the capacity to respond to industry training needs.

The new organizational structure will allow the Academic Chair, Construction Trades to focus entirely on Construction Trades. Programs outside that sector will be the responsibility of the Chair, Industry Training and this re-org will allow for regional coordinators under the Chair, Industry Training to foster partnerships and deliver employment-specific training at the community level in our Community Learning Centres (CLC's).



INDUSTRIAL TRAINING DIVISION

Chair, Construction Trades



Industry Partners:

- Construction firms
- Development Arms of Regional Inuit Organizations (Qikiqtaaluk Corp., Sakku, Kitikmeot Corp.)
- Local Housing Corp.
- GN (CGS Building maintainers)
- Heating / boiler / furnace contractors



The main focus of this position will be Sanatuliqsarvik (the College's School of Construction Trades) and maintaining the high academic standards of the school's required materials and facilities. Those materials include technical equipment and a substantial number of tools or training material such as lumber and copper pipe and natural gas and acetylene torches etc. These are required to meet the provincial red seal endorsement and specifically plan for more Nunavummiut to enter the growing construction sector.

Chair, Industry Training



Industry Partners:

- Restaurants
- Mining Camps
- Operational Mines
- Qulliq Energy Corp.
- Municipalities
- Airlines



Some of these programs require accreditation with the Apprenticeship Certification Unit (ACU) and inter-provincial red seal certification; however, a significant scope of their responsibility will be to oversee the partnerships leading to the delivery of local skilled and career-oriented programming. The mining industry continues to grow in Nunavut and this position will ensure the College is prepared for the jobs in this sector.

2018-2019

NAC Highlights //

Trades and Technology



Pre-Apprenticeship program evolves into Building Trades Diploma

A new program has been developed which will replace the Pre-Apprenticeship program. The Pre-Apprenticeship program took learners who had passed the Trades Entrance Exam (TEE) in a September-April program. Learners would take common core training, then split into disciplines and complete a modified Level 1 curriculum in their chosen trade, write that Level 1 exam and at the end of the program they would be awarded with a Pre-Apprenticeship certificate in their chosen trade.

The College consulted with the Apprenticeship Certification Unit (ACU) and industry to determine why our learner apprentices were not employable in Nunavut's labour market. From those discussions the new Building Trades Diploma program was developed. The program will run from January-December each calendar year so that apprentices can take advantage of the construction summer season. The new program will deliver both Level 1 and Level 2 in their chosen trade and through a summer placement with a journey-person, apprentices in this program will graduate with a diploma in Building Trades, both Level 1 and 2 in their trade, as well as at least 960 indentured hours from work placements over the summer.

Nunavut Unindentured Construction Apprentice Program – Rankin Inlet Housing

Nunavut Arctic College received a financial contribution from the ACU to deliver a pilot program which has provided gainful employment for six (6) apprentices in the construction trades (carpentry, electrician, plumbing, oil heat systems, housing maintainer) in Rankin Inlet. The program utilized a 'burned-out' uninhabitable residential unit which was loaned to the College from the local housing association. The program was made up of unindentured apprentices who had graduated from the College's Pre-Apprentice program but were unable to find a journey-person to apprentice with. Throughout the summer of 2019, the apprentices worked with a skilled and knowledgeable journey-person foreman to build up to 960 hours within their Level 1 apprenticeship (1st year).

Once complete, the program supplied the community of Rankin Inlet with a new residential unit at a greatly reduced cost. The program also provided Nunavut apprentices with employment income as well as enough hours to progress to their 2nd year and become much more employable in the territory.

2018-2019 NAC Highlights //

Education, Inuit and University Studies

Nunavut Teacher Education Program (NTEP)

The Nunavut Teacher Education Program is a 150 credit Bachelor of Education Degree which is offered **in partnership with the Memorial University of Newfoundland.**

The program is currently being revised to address the need to graduate bilingual teachers. Prior to the start of the revisions of the program, the Education Programs Division formed an NTEP advisory committee in order to take into consideration the recommendations of its stakeholders. An Inuktitut Language and Culture subcommittee and Distance Education sub-committee was formed in order to address the immediate priorities of the program.

An Inuktitut Language and Culture Certificate is currently being offered in the first year of the program in order to provide a strong foundation for our learners to pursue their university studies in a bilingual setting.

The remainder of the program is currently under review. We expect to embed an Inuktitut Language Specialist diploma in the second year of the program which will focus on acquiring the knowledge and skills to teach Inuktitut as a First or Second Language. The remainder of the program will focus on acquiring the competencies needed to teach in a bilingual setting in the Primary/Elementary stream in Nunavut.

The Education Programs Division is also working towards converting a number of Nunavut Teacher Education Programs courses in a blended online distance education format with the Memorial University of Newfoundland.

The program is currently being offered in 9 communities.



2018-2019

NAC Highlights //

Inuit Studies

The Inuit Studies program emphasizes traditional aspects of Inuit language and culture.

In this program, the participants received courses where they learned traditional Inuit sewing techniques to make their own sealskin parkas/jackets; throat singing and drum dancing; and the making of lino cut prints in the Inuit Art History course.



Early Childhood Education (ECE)

We currently offer two types of Early Childhood Education programming.

The Early Childhood Education Diploma program is a two year program, which focuses on the development of the knowledge and skills needed to work in an Early Childhood Education setting. The program incorporates Inuktitut and traditional knowledge in all course deliveries. We are currently offering the second year of the program in Iqaluit.

The Applied Early Childhood Education Certificate Program is a part-time program offered to Early Childhood Education full-time workers. We anticipate offering Applied Early Childhood Education courses in a select number of communities.

We anticipate starting a review of the Early Childhood Education Diploma and Applied Early Childhood Education Certificate programs in the 2019-2020 academic year. We will be working towards developing a plan to convert some Early Childhood Education courses in an online distance education format.



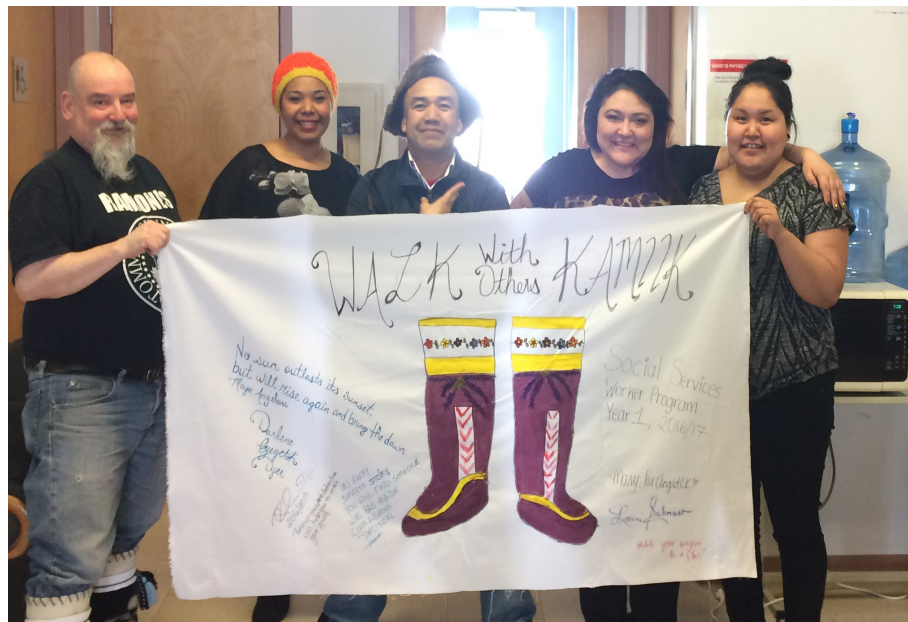
2018-2019 NAC Highlights //

Health and Wellness

Social Service Worker Program

The two year Social Service Worker Program will be delivered in Iqaluit (Year 2) and Cambridge Bay (Year 1) during the 2019-20 academic year. The program will be moved from Iqaluit to Rankin Inlet in September, 2020 for first year intake and will continue in Rankin Inlet until June, 2022.

The Social Service Worker team has begun discussions with Memorial University in Newfoundland in July, 2019 about the delivery of a Bachelor of Social Work (BSW) Degree Program in Nunavut. These discussions will continue in the fall with the hopes of a BSW delivery in Nunavut in the near future.



Home and Continuing Care

Nunavut Arctic College delivered 10 courses across seven different communities in support of Elder-care across the territory. The courses included: dementia care, respectful caring, palliative care and personal care skills. The courses will continue to be delivered across Nunavut during the 2019-20 academic year.



2018-2019

NAC Highlights //

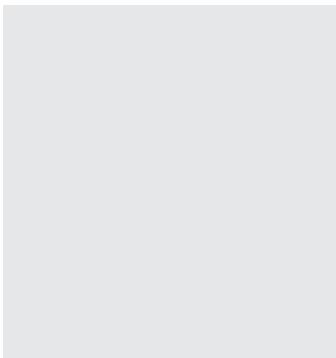
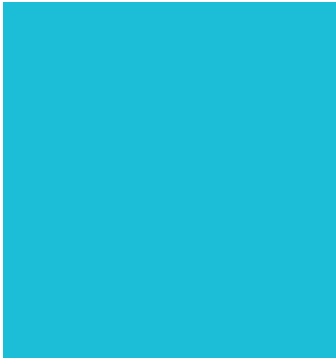
Nursing and Health Sciences

Dalhousie University approved a newly revised curriculum for the Bachelor of Science in Arctic Nursing Program. Revisions for the new curriculum were spearheaded by Dr. Nancy Edgcombe, Program Manager Nursing and Health Sciences. This new curriculum will be rolled out during the 2019-20 academic year.

A new curriculum and program name for the Pre-Nursing program is being developed. This program will be Pre-Health Sciences Pathway and will align better with the needs for all Nunavummiut who are interested in Health Careers.

Pre-Health

Last year, in the final year of delivery of the Pre-Nursing Program, we graduated five learners. This year Nunavut Arctic College will deliver a new Pre-Health Program curriculum. This program focuses on preparing students with the foundational knowledge, skills and abilities for preparation for a variety of health science programs. Students are exposed to basic health sciences and an introduction to post-secondary education.



2018-2019 NAC Highlights //

Community and Distance Learning

The Community & Distance Learning division developed three new media courses (Digital Arts, Podcasting and Video Production) for the Nunavut Adult Basic Education (NABE) program. These new courses embed literacy skills that are relevant to ABE Learners. An additional resource, Qanuiliuliqqat, a contemporary Inuktitut/English magazine, was developed for the NABE program, with accompanying instructor resources. Voices of Elders are given priority throughout the articles, through primary sources and interviews. Distance Learning section adapted the existing Nunavut Political Studies course for online delivery available to all NAC programs through the Moodle Learning Management System (LMS).



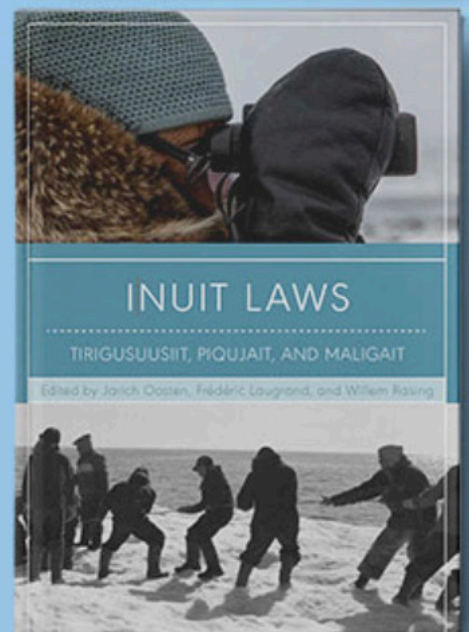
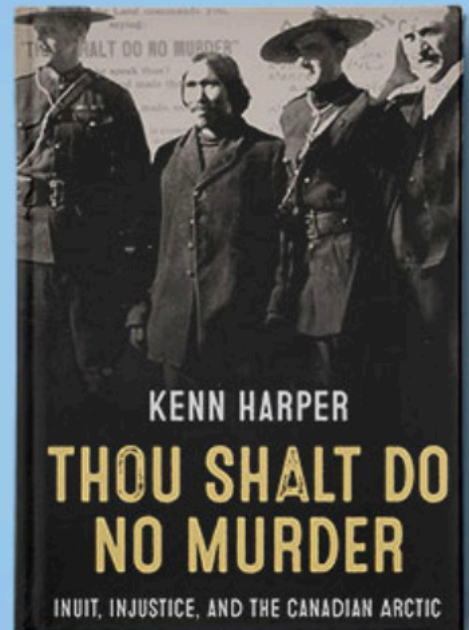
2018-2019

NAC Highlights //

NAC Media



NAC Media expanded its offerings of books, films, oral histories, and digital resources. NAC Media became recognized as a Canadian scholarly press and increased the sale and distribution of its books. NAC Media continued to digitize and acquire archival materials into its digital archive to support research and further resource development, and continued to expand its holdings of oral histories from across the territory. NAC Media continued its work with local authors, editors, and hunters to document knowledge and worked with visiting researchers to facilitate the return of their research to communities. NAC Media is grateful to be a member of the Fulbright Arctic Initiative which will support the increase of its digital archival collection.



2018-2019 NAC Highlights //

Piqqusilirivvik

Piqqusilirivvik continues to deliver innovative and dynamic programs to Inuit from across Nunavut that strengthens and enhances their connection to their cultural identity. On November 2018, 19 learners graduated from Clyde River Piqqusilirivvik.

The second term initiated on August 15, 2018 with 24 learners. Core classroom courses included: Inuit Qaujimagatugangit, Survival, Hunting, Child Rearing, Kamik Making, Mitt Making, Traditional Games, Making Drums, drum dancing and throat singing, cabin building and working on individual projects. Piqqusilirivvik also offered a cooking course with seven learners enrolled. This course ran until May 2019.

Satellite Programming for Piqqusilirivvik Programs were offered in Baker Lake and Igloolik. Courses included: tool making, lake fishing and caribou hunting.

Piqqusilirivvik also provided classroom space, accommodations, and meals for 30 participants for the Certificate in Educational Leadership (Nunavut) during the summer of 2018.

Piqqusilirivvik hosted the Inuit Quajimajatuqangit Katimajiit (IQK) annual meeting in November 2018. The IQK also provided guidance on the Piqqusilirivvik programs and provided feedback on resource development.

Current resource development includes a book on child rearing practice. This book is being developed with the support of learners, Piqqusilirivvik staff, and the teachings from Elder instructors.



Nunavut Innovation and Research Institute: Research Highlights //

The Nunavut Innovation and Research Institute (NIRI) is responsible for issuing scientific research in the Nunavut Settlement area in accordance with *Nunavut's Scientists Act*.

Anyone wishing to conduct research in Nunavut in the social, physical/natural and health research disciplines must first be licensed by NIRI. Wildlife, archaeological and paleontological research are licensed by other departments under separate legislation.

Projects licensed by NIRI account for approximately 60% of the research carried out each year in Nunavut. The Nunavut Innovation and Research Institute publishes an annual compendium of licensed research projects. Previous editions can be downloaded from www.nri.nu.ca. The 2018 compendium will be posted in the Fall of 2019.

FACTS AND FIGURES 2018

199 Research Projects Licensed by
25 Health Research Projects
75 Social Sciences Research Projects
99 Physical/Natural Sciences Research Projects

Regional Distribution of Licensed Research

32 Multiple Regions
26 Kivalliq
37 Kitikmeot
104 Qikiqtaaluk

865 Total number of licensed researchers (Investigators and team members)

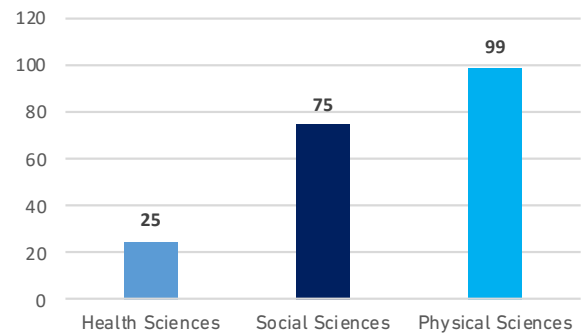
139 Health Sciences Researches
182 Social Sciences Researchers
544 Physical/Natural Science Researchers

16 License Holders from Nunavut (leading 20 projects total)

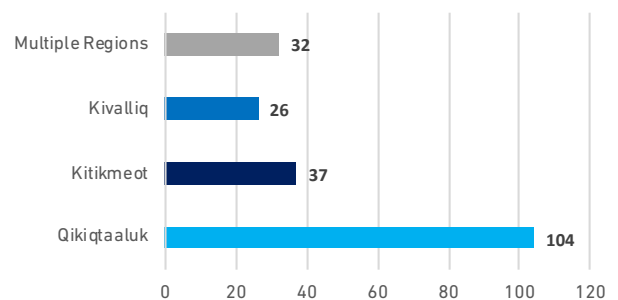
Affiliation of Research License Holders in 2018

113 Canadian Universities
34 Canadian Government Agencies
9 American Universities
11 Non Govt. Orgs.
14 Private Consultants (Cdn.)
8 Asian/European Universities
10 Inuit Organizations

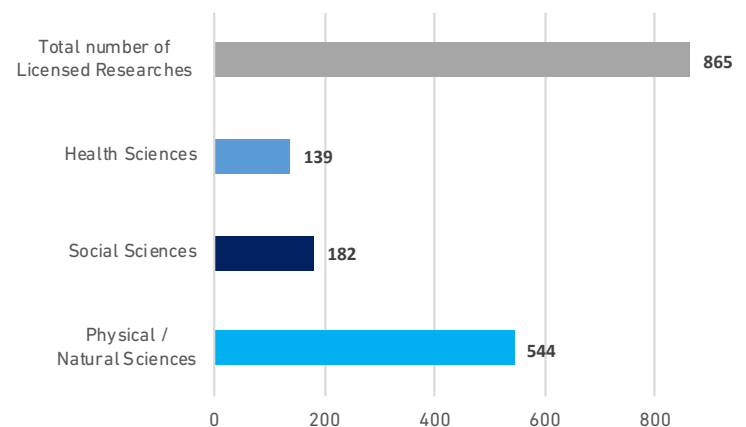
199 Research Projects Licensed by NIRI 2018



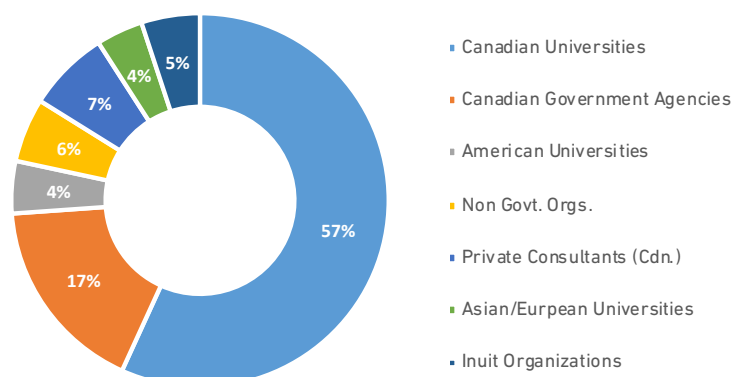
Regional Distribution of Licensed Research



Number of Licensed Researchers



Affiliation of Research License Holders in 2018



Nunavut Arctic College

Audited Financial Statements

June 30th, 2019

NUNAVUT ARCTIC COLLEGE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of the Nunavut Arctic College ("the College") and all information in this annual report are the responsibility of the College's management and have been reviewed and approved by the Board of Governors. The financial statements include some amounts, such as the allowance for doubtful accounts receivable and the provision for employee future benefits, which are necessarily based on management's best estimates and judgment.

The financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). 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 is responsible for maintaining financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and controlled and proper records are maintained. These controls and practices are intended to ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information and adherence to the College's policies and statutory requirements.

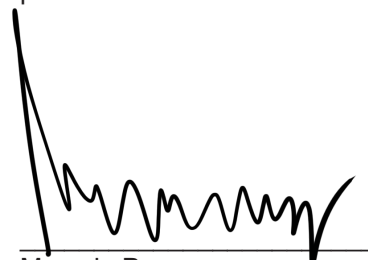
The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Governors, the majority who are not employees of the College, meets periodically with management and the external auditors. The external auditors have full and free access to the Board of Governors.

The College's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and financial statements of the College and for issuing his report thereon.



Pauloosie Suvega
President

27 September, 2019



Marcelo Parungao
CFO

27 September, 2019



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Nunavut Arctic College

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Nunavut Arctic College (the College), which comprise the statement of financial position as at 30 June 2019, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at 30 June 2019, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

- 2 -

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 3 -

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Nunavut Arctic College coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Nunavut Arctic College Act* and regulations and the by-laws of the Nunavut Arctic College.

In our opinion, the transactions of the Nunavut Arctic College that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act* of Nunavut, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Nunavut Arctic College and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Nunavut Arctic College's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Nunavut Arctic College to comply with the specified authorities.

- 4 -

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in black ink, appearing to read 'Michael Robichaud', with a stylized, flowing script.

Michael B. Robichaud, CPA, CA
Principal
for the Interim Auditor General of Canada

Ottawa, Canada
27 September 2019

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as at June 30
(in thousands of dollars)

	2019	2018
Financial assets		
Cash	47,741	46,671
Accounts receivable (Note 4)	6,009	2,978
Total financial assets	53,750	49,649
Liabilities		
Accounts payable and accrued liabilities (Note 5)	3,392	4,140
Due to the Government of Nunavut (Note 10)	9,975	7,407
Deferred contract income	1,042	598
Capital lease obligations (Note 6)	522	182
Professional development fund (Note 7)	2,106	1,854
Employee future benefits (Note 8)	1,496	1,468
Total liabilities	18,533	15,649
Net financial assets	35,217	34,000
Non-financial assets		
Tangible capital assets (Schedule A)	1,464	1,206
Prepaid expenses	26	12
Total non-financial assets	1,490	1,218
Accumulated surplus	36,707	35,218

Contractual obligations (Note 11)

Contractual rights (Note 12)

The accompanying notes and schedule are an integral part of these financial statements.

Approved by the Board :



Sue Ball

Chairperson of the Board

NUNAVUT ARCTIC COLLEGE**Statement of Operations and Accumulated Surplus****for the year ended June 30***(in thousands of dollars)*

	2019 Budget	2019 Actual	2018 Actual
Revenues			
Contract income (Note 10)	10,700	10,465	9,709
Tuition fees	1,428	1,159	1,144
Room and board	913	817	944
Investment income	321	672	392
Miscellaneous revenue and recoveries	5,020	488	515
Total revenues	18,382	13,601	12,704
Expenses (Note 9)			
Trades, Community and Distance Learning Programs	18,092	14,995	14,212
Services Provided without Charge (Note 10)	-	13,372	11,729
Student Services	6,232	8,801	8,004
General Administration	8,282	8,298	7,684
Education and Early Childhood Education Programs	7,089	4,561	4,598
Health and Wellness and Business Programs	5,672	4,345	3,831
Piqusilirivvik Centre	3,657	3,882	3,429
Inuit Language and Cultural Programs	3,740	2,906	3,656
Research and Technology Office	2,045	2,385	2,553
Law Program	1,707	634	708
Total expenses	56,516	64,179	60,404
Deficit for the year before Government Funding	(38,134)	(50,578)	(47,700)
Government Funding (Note 10)	38,134	52,067	49,863
Surplus for the year	-	1,489	2,163
Accumulated surplus - beginning of the year	35,218	35,218	33,055
Accumulated surplus - end of the year	35,218	36,707	35,218

The accompanying notes and schedule are an integral part of these financial statements.

NUNAVUT ARCTIC COLLEGE**Statement of Change in Net Financial Assets****for the year ended June 30***(in thousands of dollars)*

	2019 Budget	2019 Actual	2018 Actual
Surplus for the year	-	1,489	2,163
Tangible capital assets (Schedule A)			
Additions	(265)	(812)	(618)
Disposals		154	-
Amortization	150	400	323
	(115)	(258)	(295)
Net (additions) use of prepaid expenses	-	(14)	51
Change in net financial assets	(115)	1,217	1,919
Net financial assets - beginning of the year	34,000	34,000	32,081
Net financial assets - end of the year	33,885	35,217	34,000

The accompanying notes and schedule are an integral part of these financial statements.

NUNAVUT ARCTIC COLLEGE**Statement of Cash Flow****for the year ended June 30***(in thousands of dollars)*

	2019	2018
Cash provided by operations		
Government contributions	38,695	38,134
Contracts	8,048	9,333
Other contributions	2,181	2,464
Interest	658	371
Paid to employees	(27,781)	(27,181)
Paid to suppliers	(20,416)	(17,771)
Cash provided by operations	1,385	5,350
Cash used for capital activities		
Tangible capital asset acquisitions	(203)	(526)
Cash used for capital activities	(203)	(526)
Cash used by financing activities		
Principal payments on capital leases	(112)	(100)
Cash used by financing activities	(112)	(100)
Increase in cash	1,070	4,724
Cash, beginning of the year	46,671	41,947
Cash, end of the year	47,741	46,671

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

1. The College

a) Authority and purpose

The Nunavut Arctic College ("the College") is a Schedule B Public Agency as listed in the *Financial Administration Act* ("FAA") of Nunavut and accordingly operates in accordance with Part IX of the FAA of Nunavut and the *Nunavut Arctic College Act*. The College is exempt from income taxes.

The purpose of the College is to provide a wide variety of educational services to adult learners. 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 across Nunavut. Through the work of the Nunavut Research Institute, the College is also responsible for the facilitation and preparation of scientific research activity in Nunavut.

b) Government Funding

The College receives an annual appropriation from the Government of Nunavut ("the Government") as set out in the Government's Main Estimates (adjusted by supplementary appropriations) and contributions in kind in the form of services provided without charge. The funding is to be utilized for the administration and delivery of the College's adult and post-secondary education programs in Nunavut. The College is allowed to retain all surpluses and is responsible for all deficits.

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

c) Budget

Canadian public sector accounting standards require a territorial corporation to present in its financial statements a comparison of the results of operations and changes in net financial assets for the period with those originally planned. March 31, 2019 budgeted figures which approximate one operating year have been provided for comparison purposes and have been derived from the Main Estimates and Business Plan.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian Public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board (PSAB). The following is a summary of the significant accounting policies.

a) Use of estimates and measurement uncertainty

The preparation of financial statements requires management 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 more significant areas requiring the use of management estimates are the allowance for doubtful accounts, estimated useful lives used in determining the amortization expense for tangible capital assets and the provision for employee future benefits (including sick leave, severance and removal). Actual results may differ from those estimated. 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 financial statements, management believes the estimates and assumptions to be reasonable.

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

2. Significant accounting policies (continued)

b) Cash

Cash is comprised of bank account balances net of outstanding cheques.

c) Accounts Receivable

Accounts receivable are valued at cost. Valuation allowances, if necessary, are recorded based on all circumstances known at the date the financial statements are prepared including past events and current conditions.

A provision for impairment of accounts receivable is established when there is objective evidence that the College will not be able to collect all amounts due, according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss is recognized in the Statement of Operations and Accumulated Surplus as bad debt expense. When an account receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against bad debt expense in the Statement of Operations and Accumulated Surplus. Write-offs of accounts receivable are approved by the College's Board of Governors, and, if the individual account exceeds \$20, by the Financial Management Board of the Government of Nunavut.

d) Government Funding

Annual appropriation

Government transfers are recognized as government funding when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability.

The College receives its annual appropriation (base contribution) based on the Government's fiscal year which is different than the College's fiscal year. The College's annual appropriation is recognized as government funding in the period in which the funding relates once all eligibility criteria have been met and it has been authorized by the Legislative Assembly of the Government. The College also receives supplementary appropriation funding when it is determined that additional funding is required. Supplementary funding is recognized as government funding on the same basis as its annual appropriation.

Services provided without charge

The Government provides certain services without charge to the College. These services are recorded at the Government's carrying amount in the College's financial statements as government funding, and an equivalent amount is included in the expenses.

If the Government reallocates an appropriation from the College to a Government department to provide services to the College, only the actual costs incurred in excess of the reallocated appropriation is recorded in the College's financial statements as government funding, and an equivalent amount is included in the expenses. The amount of the appropriation reallocated to the department to provide these services is disclosed in the notes to the financial statements.

e) Contract income, tuition fees, room and board revenue and deferred contract income

The College enters into contracts with private companies, Inuit organizations, federal and territorial government departments, agencies and territorial corporations to develop and deliver courses across

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

2. Significant accounting policies (continued)

Nunavut. Payments received under these contracts for which the development and delivery of courses is not completed are recorded as deferred contract income.

The College collects tuition fees and other student fees in order to support the delivery of programs, courses and other student related activities. Room and board fees are also collected to support the student residence operations.

Revenues are recognized in the period in which (i) the transactions or events occurred that gave rise to the revenues and (ii) the College expects to obtain future economic benefits as a result of the underlying transaction or event. To the extent cash proceeds are received in advance of meeting the above revenue recognition criteria, the amount is recorded as deferred revenue within the Statement of Financial Position.

Other indemnification agreements

In the normal course of operations, the College signs agreements whereby funds are provided to the College for execution of projects which are subject to restrictions as to the use of funds. The sponsors of these projects can execute an audit of the financial records of the College to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

f) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

g) Tangible capital assets and leased assets

When conditions indicate that a tangible capital asset no longer contributes to the College's ability to provide services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible asset is reduced to reflect that a permanent decline in the value of the asset has occurred. The related expense is recorded in the Statement of Operations and Accumulated Surplus and is not reversed if conditions subsequently change.

Equipment, furniture, buildings and building improvements are recorded at cost and amortized on a straight-line basis over their estimated useful lives as follows:

Computers and printers	4 years
Furniture and equipment	10 years
Building improvements	20 years
Buildings	25 years
Mobile equipment	10 years
Capital leases	shorter of lease term or useful life

The College classifies leases for equipment as either capital or operating leases, as appropriate.

Capital leases

Those leases which transfer substantially all the benefits and risks of ownership of property to the College are accounted for as tangible capital assets along with the related capital lease obligation. Both are initially recorded at the lesser of the present value of minimum lease payments using the interest rate implicit in the lease and fair value of the leased asset, effective at the beginning of the lease.

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

2. Significant accounting policies (continued)

Operating leases

Operating leases are those leases where substantially all the benefits and risks of ownership are not transferred to the College. Lease payments under operating leases are expensed on a straight line basis over the term of the lease and are not amortized.

h) Annual leave

The College's employees are entitled to annual leave under the terms of employment. Annual leave is calculated by applying an hourly entitlement rate to each regularly scheduled hour worked. The hourly entitlement rate is set out in the applicable collective agreements and is based on the number of completed years of continuous service. Annual leave credits are paid out at the employee's current rate of pay, when an employee ceases to be an employee or when an employee's annual leave balance exceeds the annual carry-over amount. The liability for employee leave benefits is recorded in the Accounts payable and accrued liabilities of the Statement of Financial Position as benefits accrue to employees.

i) Employee future benefits

Pension benefits

Eligible employees of the College are covered by the Public Service Pension Plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the College to cover current service cost. Pursuant to legislation currently in place, the College has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, the employer contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the College.

Non-pension benefits

Under the conditions of employment, eligible employees may earn non-pension benefits for severance and removal costs based on years of service. The severance benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. The College provides severance benefits to eligible employees based on years of service and final salary, and removal benefits based on years of service and their community of residence. These benefits represent the employee future benefit obligation of the College that entails settlement by future payment.

Included in the non-pension benefits is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in the financial statements.

j) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications.

The following is a list of the College's financial instruments and their related measurement basis as at June 30, 2019.

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

2. Significant accounting policies (continued)

Financial Assets:	Measurement Basis
Cash	Cost
Accounts receivable	Cost
Financial Liabilities:	Measurement Basis
Accounts payable and accrued liabilities	Cost
Due to the Government of Nunavut	Cost

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Accumulated Surplus. The allowance for doubtful accounts is based on management's best estimate of probable losses.

k) Contingencies

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense is 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 and no liability is accrued.

l) Related party transactions

Inter-entity transactions

The College is related in terms of common ownership, to all Government of Nunavut created departments and Territorial corporations. The College enters into transactions with these entities in the normal course of business, at normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Other related party transactions

Other related parties are key management personnel (President, CFO, Deans, Senior Management, Board of Governors, etc.), close family members of key management personnel, and entities that are controlled by key management personnel or their close family members.

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

m) Prepaid expenses

Prepaid expenses are charged to expense over the periods expected to benefit from it.

3. Adoption of new accounting standards

Section PS 3430 – Public Sector Restructuring Transactions has been issued by the PSAB and is effective for fiscal years beginning on or after April 1, 2018. The new standard provides guidance on how to account for and report assets and liabilities transferred in restructuring transactions. The College will apply the new standard for any restructuring transactions occurring subsequent to the date of adoption. As the College had no restructuring transactions in the current year, the adoption had no impact on the financial statements.

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

3. Adoption of new accounting standards (continued)

Section PS 3280 – Asset Retirement Obligations has been issued by the PSAB and is effective for fiscal years beginning on or after April 1, 2021. This section establishes standards as to how to account for asset retirement obligations.

Section PS 3400 – Revenue has been issued by the PSAB and is effective for fiscal years beginning on or after April 1, 2022. This section establishes standards on how to account for and report revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The College will adopt these new standards on their effective date and does not anticipate any significant impact on the financial statements.

4. Accounts receivable

	<u>2019</u>	<u>2018</u>
Student receivable		
Government of Nunavut	\$ 427	\$ 430
Student accounts	<u>708</u>	<u>592</u>
	1,135	1,022
Contracts receivable		
Government of Nunavut	639	813
Others	<u>5,112</u>	<u>2,026</u>
	5,751	2,839
Other receivable		
Government of Nunavut	7	8
Other	<u>374</u>	<u>254</u>
	<u>381</u>	<u>262</u>
Total receivable	7,267	4,123
Less: Allowance for doubtful accounts:		
Student receivable	(946)	(870)
Contract receivable	(274)	(273)
Other receivable	<u>(38)</u>	<u>(2)</u>
	<u>\$ 6,009</u>	<u>\$ 2,978</u>

There is no concentration of accounts receivable with any customer, except the Government – \$1,073 (2018 – 1,251) which has an allowance of \$432 (2018 – \$430).

In accordance with Section 82 of the *FAA*, there were no write-offs requiring approval by the Board of Governors during the year 2019 (2018 - \$666).

5. Accounts payable and accrued liabilities

	<u>2019</u>	<u>2018</u>
Employee benefits payable	\$ 1,663	\$ 1,600
Trade payables and accrued liabilities	1,481	2,298
Deposits payable	<u>248</u>	<u>242</u>
	<u>\$ 3,392</u>	<u>\$ 4,140</u>

The above balances are all non-interest bearing.

6. Capital lease obligations

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of June 30.

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

6. Capital lease obligations (continued)

	<u>2019</u>	<u>2018</u>
Total minimum lease payments	\$ 533	\$ 217
Less: Imputed interest (total interest expense to be incurred)	<u>(11)</u>	<u>(35)</u>
Present value of minimum lease payments	<u>\$ 522</u>	<u>\$ 182</u>

The future minimum lease payments for each of the next four (4) fiscal years are:

2020	\$	156
2021		156
2022		156
2023		<u>65</u>
		\$ 533

Lease payments are allocated between repayments of the liability and interest expense. The total minimum lease payments less the initial liability represent the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$14 (2018 - \$21) at an implied average interest rate of 1.36% (2018 - 27.47%). The capital lease obligations expire in fiscal year 2023.

7. Professional development fund

The College is required under the Nunavut Employees Union Collective Agreement to contribute an amount equivalent to 4% (2018 - 4%) of instructors' salaries for professional development activities. Contributions to the professional development fund during the year were \$331 (2018 - \$326) and this amount is recorded as an expense in the Statement of Operations and Accumulated Surplus.

The professional development fund represents accumulated annual provisions for professional development activities, less accumulated eligible professional development expenses. The College expects to settle the obligation based on future eligible expense claims.

	<u>2019</u>	<u>2018</u>
Opening fund balance	\$ 1,854	\$ 1,656
Add: Contributions	331	326
Add: Interest earned	30	16
Less: Professional development expenditures	<u>(109)</u>	<u>(144)</u>
Closing fund balance	<u>\$ 2,106</u>	<u>\$ 1,854</u>

8. Employee future benefits

a) Pension benefits

Eligible employees of the College are covered by the Plan. Contributions are required by both the employees and the College. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was 1.01 times for members enrolled before January 1, 2013 and 1.00 times for members enrolled beginning January 1, 2013 (1.01 and 1.00 times respectively for prior year).

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

8. Employee future benefits (continued)

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan benefits and they are indexed to inflation.

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

	<u>2019</u>	<u>2018</u>
College's contributions	\$ 1,703	\$ 1,811
Employees' contributions	1,693	1,781

b) Non-pension benefits

Actuarial valuations, of the accrued employee severance, removal and sick leave benefit obligations for accounting purposes, are performed triennially using the projected unit credit method. The most recent actuarial report was prepared as at March 31, 2019.

These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Future benefits will be paid out of future appropriations.

The accrued obligations at year end are as follows:

	<u>2019</u>	<u>2018</u>
Severance	\$ 570	\$ 598
Sick leave	568	535
Removal	358	335
Total employee future benefits	<u>\$ 1,496</u>	<u>\$ 1,468</u>

Significant assumptions used towards the calculation of these benefits are based on management's best estimate and are as follows:

	<u>2019</u>	<u>2018</u>
Benefit obligation as of March 31:		
Discount rate	2.7%	3.0%
Rate of compensation increase	3.0%	3.0%
Benefit costs for years ended on March 31		
Discount rate	3.0%	2.6%
Rate of compensation increase	3.0%	3.0%

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

9. Expenses by object

	Related Party	Other	<u>2019</u>	<u>2018</u>
Salaries and employee benefits	\$ 1,506	\$ 30,835	\$ 32,341	\$ 31,383
Buildings and utilities	10,195	810	11,005	9,271
Fees and professional services	1,671	9,225	10,896	9,653
Housing	-	3,120	3,120	2,859
Travel	-	2,360	2,360	2,337
Materials and supplies	-	1,601	1,601	1,720
Telecommunications	-	734	734	727
Furniture and equipment	-	551	551	699
Advertising and promotion	-	424	424	390
Amortization (Schedule A)	-	400	400	324
Professional development fund (Note 7)	-	331	331	326
Freight and postage	-	303	303	473
Bad debt expense	-	113	113	242
	<u>\$ 13,372</u>	<u>\$ 50,807</u>	<u>\$ 64,179</u>	<u>\$ 60,404</u>

10. Related party transactions

The College is related in terms of common ownership to all Government of Nunavut created departments and territorial corporations. The College enters into transactions with these entities in the normal course of business, at normal trade terms (except for services provided without charge which are based on the Government's carrying amount). In addition to those related party transactions disclosed elsewhere in these financial statements, the College had the following transactions:

Government funding

	<u>2019</u>	<u>2018</u>
Appropriations received from the Government	\$ 38,695	\$ 38,134
Services provided without charge	13,372	11,729
Total government funding	<u>\$ 52,067</u>	<u>\$ 49,863</u>

The Government provides funding to the College for the period April 1 to March 31 annually. The College recognizes government funding as revenue on April 1. Seventy five percent (75%) of the amount recognized includes government funding designated for the first nine (9) months of the College's 2019/20 fiscal year.

Contract Income

Of the \$10,465 (2018 - \$9,709) of contract income earned in the year, \$4,430 (2018 - \$4,977) is for courses delivered on behalf of the Government.

Due to the Government of Nunavut

	<u>2019</u>	<u>2018</u>
Due to the Government of Nunavut	\$ 9,975	\$ 7,407

This amount represents expenditures originally paid by the Government, primarily payroll, and invoiced to the College for payment within the current year.

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

10. Related party transactions (continued)

Services provided without charge

The College receives payroll processing, insurance and risk management services, human resources, employee benefits and information technology services without charge from the Government. The College also receives, without any rental charges, the use of facilities for its campuses, head office, student housing units and community learning centers. The Government's amortization expense for these assets has been used as the basis for measuring the expense relating to the use of these facilities.

	<u>2019</u>	<u>2018</u>
Use of facilities	\$ 10,195	\$ 8,623
Payroll processing and other services	1,671	1,550
Employee benefits	1,440	1,443
Intern salary	66	113
	<u>\$ 13,372</u>	<u>\$ 11,729</u>

There are \$2,354 (2018 - \$2,354) of appropriations that were reallocated from the College to a Government department for the use of facilities that have not been recognized in the College's financial statements as services provided without charge.

11. Contractual obligations

The college entered into agreement for, or is contractually obligated for, the following basic payments subsequent to June 30, 2019:

Description	Total
Leases on student accommodation	\$ 5,014
Leases on instructor accommodation	20
University partnership agreements	2,421
Applied research service contracts	380
Lease on office and classroom space	117
Catering services contract	3,062
Strategic Planning	312
Administrative Support	26
	<u>\$ 11,352</u>

All of the contractual obligations are with third party entities which are unrelated to the College.

Contractual obligations by fiscal year are as follows:

2020	\$ 5,182
2021	4,547
2022	1,384
2023 and thereafter	239
	<u>\$11,352</u>

The contractual obligations expire during the fiscal year 2024/25.

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

12. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. NAC's contractual rights arise because of contracts entered into for educational services (contract income) and government funding. The following table summarizes the contractual rights of NAC for future assets:

Contractual rights	2020	2021	2022	2023	Thereafter	Total
Government funding	\$ 29,021	-	-	-	-	\$ 29,021
Future contract income	<u>5,514</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,614</u>
	<u>\$ 34,535</u>	<u>\$ 100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 34,635</u>

13. Financial risk management

The College has exposure to the following risks from its use of financial instruments: credit risk and liquidity risk. There have been no changes to the level of risks compared to prior year and no changes to the risk management practices used to manage risks.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet their obligations. Such risks arise principally from certain financial assets held by the College consisting of cash and accounts receivable.

The maximum exposure to credit risk of the College at June 30, 2019 is the carrying value of these assets.

(i) Cash

The College manages its credit risk relating to cash by dealing with senior Canadian chartered banks. The College may invest surplus funds to earn interest income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements.

(ii) Accounts receivable

The College's exposure to credit risk associated with accounts receivable is influenced mainly by the type of debtor. The types of debtor as at June 30, 2019 are the Government, students and others.

To mitigate credit risk related to accounts receivable, the College does regular follow-up on their accounts receivable. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as government agencies. The College also enforces approved collection policies for student accounts.

As of June 30, 2019, the total accounts receivable past due but not impaired are aged as follows:

<u>0-120 days</u>	<u>121-240 days</u>	<u>Over 241 days</u>
\$2,155	\$165	\$671

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as of June 30, 2019
(in thousands of dollars)

13. Financial risk management (continued)

The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific amounts and is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business condition and historical experience.

The allowance is calculated based on a percentage of aged receivables that are 120 days and over. The percentages applied are determined primarily by the aging of accounts receivable and historical experience. The allowance for doubtful accounts is shown as a reduction to accounts receivable. Management recommends write-offs of student accounts that are 500+ days overdue. Student and other receivables related write-offs are submitted to the Board of Governors for their approval. Any write-offs greater than \$20 must be submitted to the Financial Management Board (FMB) for approval.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities.

The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the College's reputation.

The College's financial liabilities are expected to mature in less than one year. The College does not currently believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The College believes that it has access to sufficient capital through internally generated cash flows, government support and external sources to meet current spending forecasts.

14. Comparative Figures

Certain comparative figures have been reclassified to conform to current year's presentation.

NUNAVUT ARCTIC COLLEGE**SCHEDULE A****Schedule of Tangible Capital Assets****for the year ended June 30***(in thousands of dollars)*

							2019	2018
	Buildings	Furniture and Equipment	Building Improvements	Computers and Printers	Mobile Equipment	Capital Leases	Total	Total
Cost								
Opening balance	84	775	941	103	751	485	3,139	2,720
Additions	-	-	99	93	11	609	812	618
Disposals	-	-	-	-	-	(485)	(485)	(199)
Closing balance	84	775	1,040	196	762	609	3,466	3,139
Accumulated amortization								
Opening balance	(30)	(437)	(541)	(103)	(491)	(331)	(1,933)	(1,809)
Amortization	(3)	(46)	(205)	(22)	(35)	(89)	(400)	(323)
Disposals	-	-	-	-	-	331	331	199
Closing balance	(33)	(483)	(746)	(125)	(526)	(89)	(2,002)	(1,933)
Net book value	51	292	294	71	236	520	1,464	1,206

Estimated useful life	25 years	10 years	20 years	4 years	10 years	shorter of lease term or useful life
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