

NUNAVUNMI
INIRNIRIT
ILIHARVIAT

COLLÈGE
DE L'ARCTIQUE
DU NUNAVUT



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NUNAVUT
ARCTIC
COLLEGE

Annual Report **2019-2020**

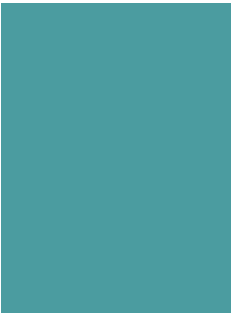




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Letter of **Transmittal**

November 27th, 2020
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:

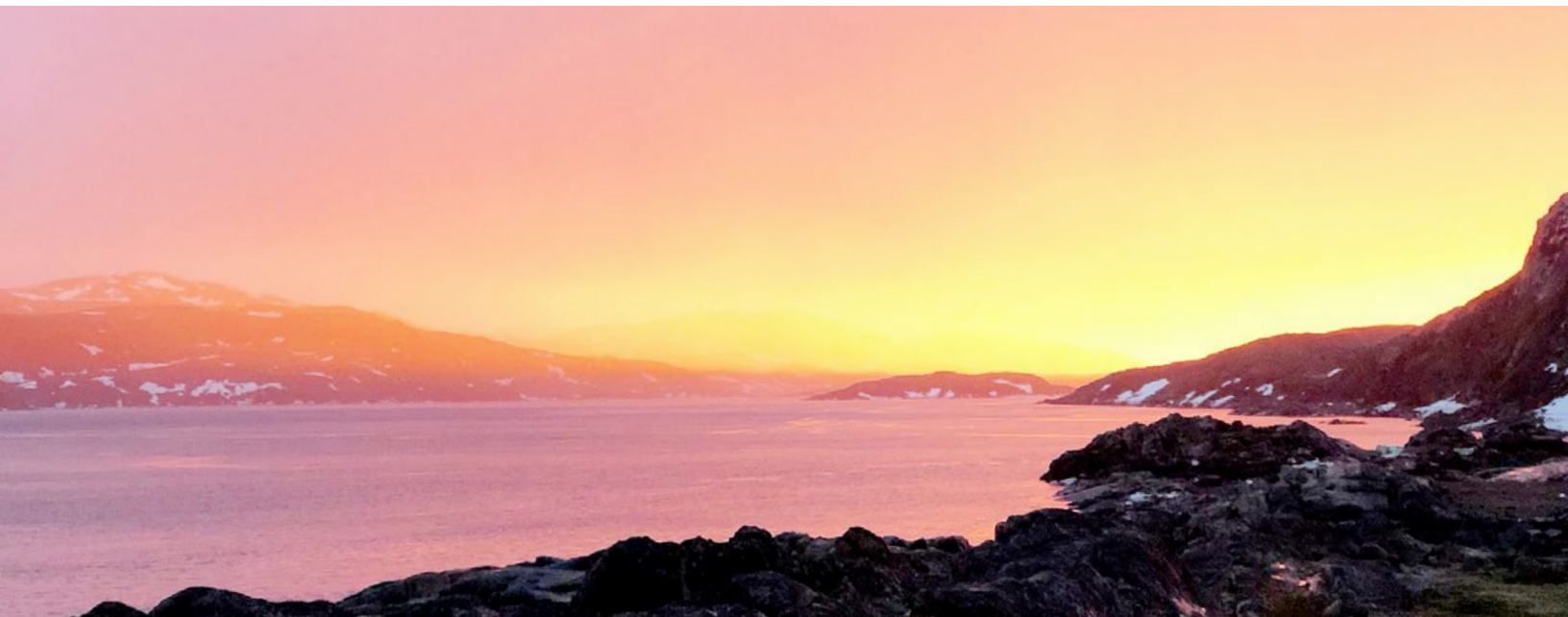
In accordance with Section 18(1) of the *Nunavut Arctic College Act* and Part IX of the *Financial Administration Act of Nunavut*, I hereby submit, on behalf of the Board of Governors of Nunavut Arctic College, the 2019-2020 Annual Report for the fiscal year ending June 30, 2020

Respectfully submitted,



Sue Ball

Chairperson of the Board of Governors
Nunavut Arctic College



Message from the **Chairperson of the Board of Governors**



Our 2019-20 school year began on an auspicious note with the faculty and staff professional development conference last August. Participants left the conference with new contacts, new knowledge and ambitious plans for the academic year ahead.

In October, the Board members worked out their schedule and process for developing the 10-year strategic plan. We decided to conduct the community consultations ourselves, beginning in November at Iglulik and Hall Beach and doing the last consultation in Resolute Bay in March. We had just begun our outreach in Iqaluit when Covid 19 put Nunavut into quarantine. Adult educators continued the work in their own communities and provided us with additional data. We will hire a contractor to do an analysis of the results, but a team will write the plan in-house. We are hoping to have a first draft by late fall.

The College faced two incredible challenges during this academic year. The ransomware attack on government computer systems in November profoundly disrupted communications and teaching at the College headquarters and in the field. Instructors were faced with not just the loss of their teaching materials, but also the means of accessing replacement resources and student records. NAC technical staff, in collaboration with Community and Government Services staff, quickly set up an alternative system and began the job of rebuilding and issuing new computers and protocols.

The second challenge, Covid 19, will have an ongoing impact on the College. It has caused us to adapt in many different ways, especially in how we deliver our courses and do our work, both at the campus and the community level. The College lacks the infrastructure to deliver a variety of on-line courses such as other post-secondary institutions are doing. While some programs are being delivered by a combination of distance learning and classroom instruction, others, such as the trades, require attendance in physical work spaces for practical training. Covid 19 has forced us to innovate and develop new ways of doing things, some of which will lead to permanent, positive change.

Throughout these challenging times, our partner, Memorial University, has been at our side. Work has continued on refining our NTEP program and developing a degree program in social services and science. We have also been given access to their research resources and technology networks.

The President and his administration have worked with staff and faculty to ensure the College is able to provide the best education and training possible for our students under these new circumstances. Everyone has demonstrated not only flexibility in these difficult times, but also enormous effort to ensure the success of our students.

CONTINUES...

Despite the setbacks, during the coming month of November, we look forward to celebrating the success of many graduates from the 2019-20 Arctic College programs.

The Board would like to thank the Minister, David Joanase, for his ongoing support for the College and future development indicated by the goals of the 10-year strategic plan.



Sue Ball

Chairperson of the Board of Governors

Nunavut Arctic College



Message from **The President**



2019-2020 has been a year of challenges and change. I have recently entered the role of Acting President of Nunavut Arctic College I am honoured to take on this opportunity and humbled by the support I have received from those around me. Although we have a great deal of work ahead of us, I am confident that the college faculty, staff, and students are prepared to take it on.

During the 2019/2020 academic year the Nunavut Arctic College was met two major events that challenged the ongoing delivery and development of programs. In November 2019, the Government of Nunavut experienced a ransomware attack that impacted the college network as well. This was followed by the COVID-19 global pandemic that shut down offices and classrooms across Nunavut in March 2020.

Despite the major impacts brought on by these events, the college community has worked tirelessly to continue the delivery of programs to students. I am thankful to our faculty, staff, and especially our students for their patience and resilience in face of the challenges of this academic year.

While we recognize that these events have delayed some of the work the college has been doing, we must also celebrate the achievements despite the hardships. The Nunavut Arctic College and Memorial University of Newfoundland officially signed a 10-year Memorandum of Understanding, the foundation of a formal partnership between the two institutions. This included the renewal of the Nunavut Teacher Education Program which introduces an Inuktitut Language Certificate to be embedded within the B.Ed.

As important as it is to look back on our challenges and achievements, I also look to the future and the potential for growth in ongoing improvements to all that we do. The NAC Board of Governors has been working throughout the year to hear from communities and partners about the vision for the college over the next decade. It is exciting to think of the opportunities that lay ahead of us, as we work to strengthen the foundation that has been created for the college.

Rebecca Mearns

Acting President - Nunavut Arctic College

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 and Values



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.



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.

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 students' connections to family and community;
- Prepares students 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 students and staff;
- Engages students as active participants in all aspects of learning and evaluation; and
- Ensures our graduates meet national standards.



Board of Governors

Current Members of the Board of Governors:

Member	Representative	Term expires
Agnes Olowokere	Kitikmeot	September 21, 2020
Elisapee Karetak	Kivalliq	May 24, 2022
Sue Ball	Kivalliq	February 12, 2022
Susan Gardener	Qikiqtaaluk	March 20, 2022
Vacant	Qikiqtaaluk	-
Vacant	Staff Representative	-
Vacant	Student Representative	-
Vacant	Kitikmeot	-

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*.



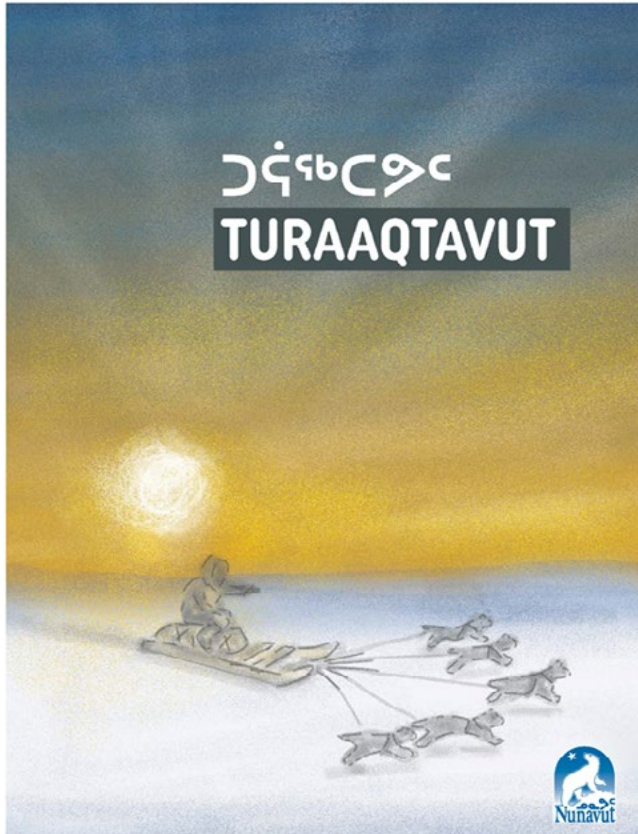
Employment Summary By Category

	Positions				Nunavut Inuit	
	Total Positions	Vacancies	Filled	%Capacity	Hired	% IEP
Employment summary, by category						
Executive	2.00	-	2.00	100%	2.00	100%
Senior Management	8.00	2.00	6.00	75%	2.00	33%
Middle Management	26.00	7.00	19.00	73%	10.00	53%
Professional	131.67	52.67	79.00	60%	33.00	42%
Paraprofessional	27.50	12.50	15.00	55%	10.00	67%
Administrative Support	55.67	20.40	35.27	63%	31.27	89%
Total	250.84	94.57	156.27	62%	88.27	56%

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	21.27	7.27	14.00	66%	6.00	43%
Cape Dorset	1.27	0.27	1.00	79%	1.00	100%
Chesterfield Inlet	1.27	0.27	1.00	79%	-	0%
Clyde River	16.27	5.27	11.00	68%	9.00	82%
Coral Harbour	3.27	2.27	1.00	31%	1.00	100%
Gjoa Haven	2.27	1.27	1.00	44%	1.00	100%
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	3.27	1.00	-	1.00	100%
Iqaluit	105.60	36.60	69.00	65%	29.00	42%
Kimmitut	1.27	0.27	1.00	79%	1.00	100%
Kugaaruk	2.27	1.00	1.27	56%	1.27	100%
Kugluktuk	1.27	0.27	1.00	79%	1.00	-
Nauyasat	1.27	0.27	1.00	79%	1.00	100%
Pangnirtung	4.27	3.27	1.00	23%	1.00	100%
Pond Inlet	1.27	0.27	1.00	79%	1.00	100%
Qikiqtarjuaq	1.27	0.27	1.00	-	1.00	100%
Rankin Inlet	52.77	21.77	31.00	59%	20.00	65%
Resolute Bay	1.27	0.27	1.00	79%	-	0%
Sanikiluaq	1.27	0.27	1.00	79%	-	0%
Taloyoak	1.27	0.27	1.00	79%	-	0%
Whale Cove	1.27	0.27	1.00	79%	-	-
Total	250.84	94.57	156.27	62%	88.27	56%


Employment Summary, by Iqaluit and Other Communities						
Iqaluit	105.60	36.60	69.00	65%	29.00	42%
Other Communities	145.24	57.97	87.27	60%	59.27	68%
Total	250.84	94.57	156.27	62%	88.27	56%


Strategic Link to **Turaaqtavut**





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


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.

-  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.

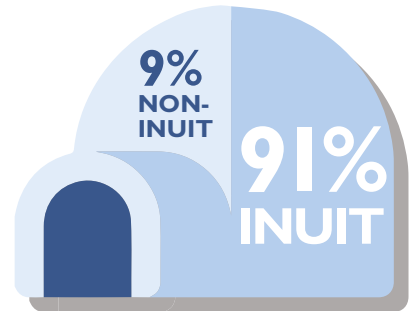
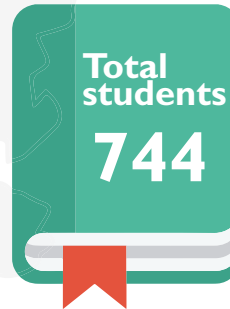
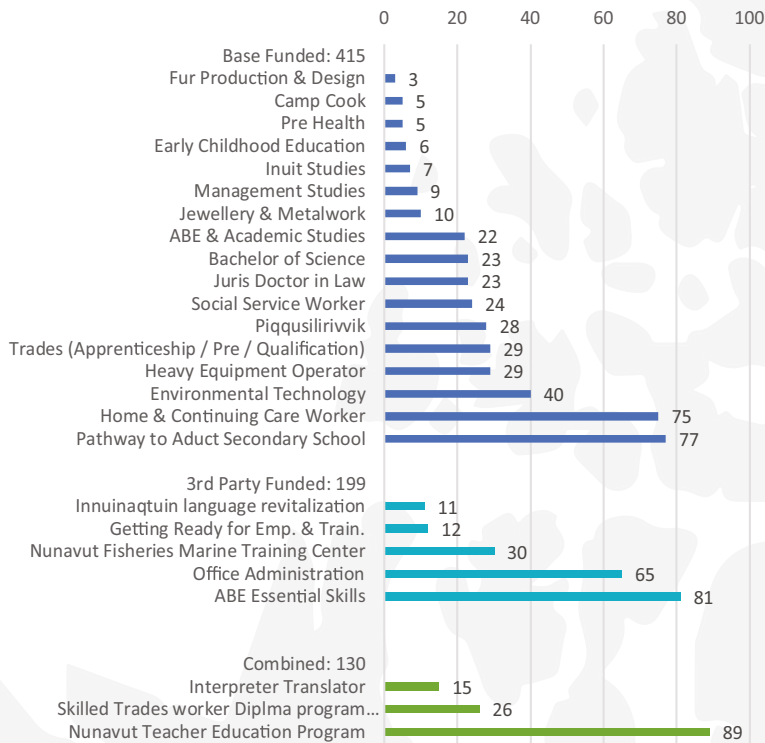
-  Provide education and training that prepares children, youth, and adult learners for positive contributions to society and for meaningful employment.

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

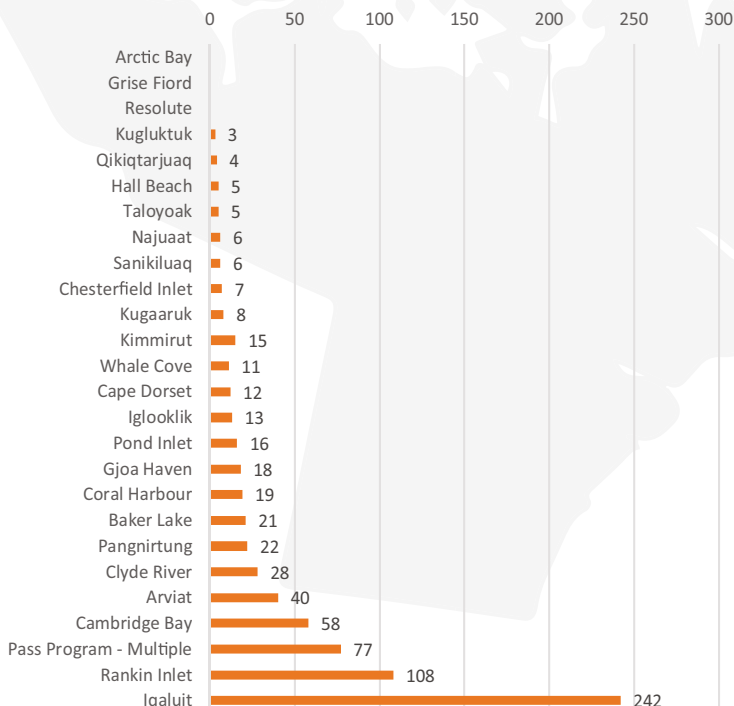
-  Work in partnership to advance the goals and aspirations of Nunavummiut.

Enrolment 2019-2020

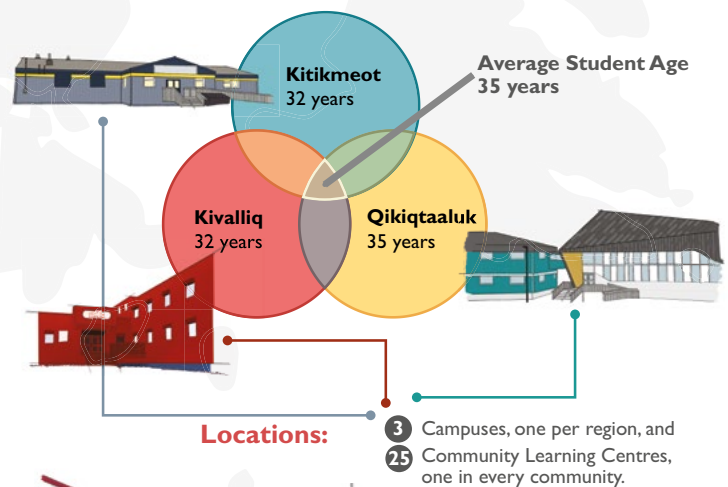
Student Enrollment per Program 2019-2020



Student Enrollment per Community 2019-2020



Average Student Age per Region:



One **Trades School** in Rankin Inlet

One **Cultural School** in Clyde River

One **Research Institute** in Iqaluit

NAC Highlights



NAC Highlights:

STUDENT SERVICES



The Student Services Department is continuously trying to improve and adapt to fit the needs of its student population.

This includes providing culturally relevant programming for the students and their families, counseling services provided by both student counsellors and Elders on campus, career planning services and with the recent hiring of the Learner Success Facilitator, an academic support team.

The Student Services team also oversees the learner accommodations and foods services, which includes cafeteria services and the student food banks, which provide food security for the students and their families.

It is the hope that with these resources in place and the continuous implementation of best practices, that our student population is equipped with the supports needed for a successful educational experience.



NAC Highlights:

HEALTH, WELLNESS AND BUSINESS

NURSING AND HEALTH SCIENCES

A modified updated curriculum was implemented in first year of the program as planned. Program delivery for had to be adapted due to COVID-19. Winter courses were finished in an on-line format. Spring clinical courses had to be deferred to fall and several fall courses were started in the spring and will be completed in the fall of 2020. Fourth year clinical was postponed in the spring and completed during the summer.

PRE-HEALTH

This year Pre-Nursing was replaced by a Pre-Health Program. This program focuses on preparing students with the foundational knowledge, skills and abilities for preparation for a variety of health science programs. Students can upgrade their math and science to post-secondary level and take course in communication and social sciences.



BUSINESS PROGRAMMING

Multiple program offerings were made in Rankin in 2019-2020. Management Studies Diploma Program and Certificate as well as Office Administration.

Office Administration had an intake of 5 students in the fall. One transferred to Management Studies Certificate and 4 were unsuccessful. The program was cancelled in January 2020.

In the **Management Studies Certificate Program** 12 students were accepted. Two withdrew, 2 did not complete the program and 8 are waiting for one course (Inuit Languages) to complete their Certificate this fall. The **Management Studies Diploma Program** had an intake of 6 students and 1 withdrew in the fall. **Four students were successful in completing their Diploma** and 1 student is working on completing their final course.

Courses were offered remotely in March due to Covid-19. Students completed their course requirements through course packs for distance learning/delivery, and were each provided a fully function computer laptop, Internet access (wingle), IT Support, Instructor support via email, texting, phone calls and fax.

NAC Highlights:

TRADES AND TECHNOLOGY

ENVIRONMENTAL TECHNOLOGY PROGRAM (ETP)

The Environmental Technology Program has been graduating 'made-in-Nunavut' environmental practitioners since 1987.

Over that time, the program's esteemed alumni have followed various career paths for organizations across Nunavut. Research has always played an important part in the program's development and delivery. In fact, the earliest years of the program included archaeological digs at Perterhead Inlet. However, the program's partnerships with researchers and research organizations greatly expanded with the increase in Arctic research during the International Polar Year (IPY) of 2007/2008.

Following IPY, and with legacy funds associated with it, the new Nunavut Research Institute campus was



built. The campus included much improved space for the ETP. The added capacity brought about by the new campus further allowed the program to expand its research partnerships. The results of these two developments are clear. ETP alumni are increasingly research partners, and in some cases, research leads, on various projects across our Territory.

The Program has regularly sent students and staff representatives to ArcticNet's Annual Science Meeting (ASM). At the ASM2019 meeting in Halifax, NS, various ETP alumni, and one current instructor, presented their research work. The hallways, and lectures rooms of the conference were filled with many other ETP alumni, representing various Nunavut organizations. Today, the ETP is a leader in developing Nunavut's very own research capacity.

The development of a post ETP diploma BSc program is an exciting, and natural, next step in the program's evolution. This next step should greatly enhance Nunavut's capacity to develop and lead its own research.



NAC Highlights:

TRADES AND TECHNOLOGY

INDUSTRIAL TRAINING:

Heavy Equipment Operator (HEO) Instructor Development Program

The Industrial Training division has noted a need for trained HEO instructors to conduct first level training at the community level. The College is currently working with skilled Nunavut Heavy Equipment Operators to develop their instructional skills and become accredited instructors with the territory's Apprenticeship Certification Unit (ACU). Once instructors have completed the various train-the-trainer courses (including instructional technique, safety, simulator training, admin and logistics), they will be contracted by the College to deliver community-level programs.

This program will reduce the College's dependence on hiring southern contractors and provide opportunity for Nunavut's skilled and experienced HEOs.



NAC Highlights:

EDUCATION INUIT AND UNIVERSITY STUDIES

NUNAVUT TEACHER EDUCATION PROGRAM (NTEP)

A refocused Bachelor of Education in partnership with Memorial University (MUN), commonly referred to as the Nunavut Teacher Education Program (NTEP), is being offered by NAC, built on a foundation of Inuktitut language and culture.

The Education Programs Division has worked closely with the NTEP advisory committee in order to take into account their recommendations as we initiated the revision of the 150 credit Bachelor of Education Degree program to address the need to graduate bilingual teachers.

Eighty-Nine learners enrolled in NTEP for the 2019-2020 academic year. The program was delivered in 9 communities. In addition to Iqaluit, the program was offered in Arviat, Baker Lake, Iqaluit, Gjoa Haven, Rankin Inlet, Kugaaruk, Coral Harbour, Pangnirtung and Cambridge Bay.

NAC introduced an **Inuit Language and Culture Certificate Program** and an **Inuinnaqtun Language and Culture Revitalization Certificate Program**. Inuktitut as a first Language was delivered in Iqaluit, Pangnirtung and Coral Harbour; and Inuinnaqtun as a second language was delivered in Cambridge Bay.

First year learners applying to NTEP are required to take one of these certificate programs. After the first semester, learners will apply to MUN to complete their NTEP studies.

Revisions to the remainder of the program took place to incorporate Inuktitut and traditional knowledge. We have started to work towards offering an Inuktitut Language Specialist Diploma year in the program which will focus on acquiring the knowledge and skills to teach Inuktitut as a First or Second Language.

The Education Programs Division has also worked towards converting a number of Nunavut Teacher Education Program courses in a blended online distance education format with MUN.



NAC Highlights:

EDUCATION INUIT AND UNIVERSITY STUDIES

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)

The Education Programs Division offered the second year of the Early Childhood Education Diploma program in the 2019-2020 academic year.

The Early Childhood Education 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 Inuktut and traditional knowledge in all course deliveries.

The Education Programs Division has initiated a comprehensive review of the two Early Childhood Education programs; the Early Childhood Education Diploma Program and the Applied Early Childhood Education Certificate Program. We anticipate offering the revised programs in the 2021-2022 academic year.

NAC Highlights:

EDUCATION INUIT AND UNIVERSITY STUDIES

FUR DESIGN AND PRODUCTION

The Fur Design & Production Program offers students the opportunity to develop the knowledge, skills and confidence to be successful in the sealskin fur garment industry.

New partnerships within Nunavut communities, across Canada, and with Ryerson University are being developed. Students will be traveling to Ryerson University for training related to the fur industry in Canada.

Plans are being developed to expand the infrastructure of the studio to allow for more students.



INTERPRETER TRANSLATOR

The Interpreter/Translator program is designed for students interested in the more technical aspects of the Inuktitut language and who wish to pursue a career in this field.

The first year places special emphasis on language development, communication skills and technical skills necessary in translation.

The second year is designed to assist students to develop the knowledge, skills and attitudes required as an interpreter.

Emphasis is placed on helping the student acquire specialized vocabulary in technical areas, and on consecutive and simultaneous interpreting skills.

JEWELLERY AND METALWORK

The Jewelry & Metalwork diploma program allows students to develop their knowledge and skills of jewelry and metalwork production in a professional studio atmosphere.

The program stresses high standards of craftsmanship and creativity, all the time encouraging and exposing students to a wide range of materials, techniques and concepts.

NAC Highlights:

COMMUNITY AND DISTANCE LEARNING PROGRAMS

The Community & Distance Learning division delivered 25 ABE programs; 4 Office Administration Certificate programs; 2 Office Administration Diploma programs; 3 College Foundation programs, 1 ETP program; 1 Camp Cook program, and 5 G.R.E.A.T. programs in 20 communities.

All third-party programs are funded through CanNor, Department of Family Services, Kivalliq Inuit Association, and Kitikmeot Inuit Association. Office Administration Certificate program and College Foundation program in Iqaluit are base funded.

The most innovative contribution to ABE program success has been the investment in collaborating with Elders in the teaching and learning process. Elder instructors bring critically important traditional Inuit values and knowledge to the ABE curriculum. Both instructors and students say having Elders in the classroom is one of the top motivators for engaging Inuit students in their learning leading to better retention and graduation rates.

This year we supported 27 Elder Inclusion projects in ABE programs across 14 communities, with 42 local Elders contracted to share their experience and skills with the students.

We created 15 new ABE curriculum materials with funding from CanNor, from Creative Writing courses to Traditional Short Story/Film courses. We've also developed issue #2 & #3 in the multi-literacy, Inuktut Magazine with accompanying Facilitator's Resource for Qanuiliuliggat magazine, and an online guide on how to teach the Portfolio course online.



NAC Highlights:

NAC MEDIA



NAC Media continued to expand its offerings of books, films, oral histories, and digital resources. With the assistance of the Fulbright Arctic Initiative NAC Media worked to establish relationships with archives and museums in Canada, the US, and Western Europe to acquire Eastern Arctic digital holdings to increase NAC's digital repository of cultural and linguistic resources.

Through a partnership with the Government of Nunavut Department of Education, NAC Media expanded its oral history program to include more communities and knowledge areas. 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 Highlights:

NUNAVUT LAW PROGRAM

In August 2019, the Federal Minister of Justice announced \$340,000 in federal funding to go towards supporting program initiatives, including experiential learning, in the third and fourth years of the program.

In October 2019, the Program sponsored two Inuit students to attend the Indigenous Bar Association's national conference in Ottawa. The participants enjoyed lectures on Indigenous governance and legal issues and met other learners and Indigenous lawyers from across Canada.

In January 2020, former Supreme Court of Canada Justice Thomas Cromwell travelled to Iqaluit and met with Nunavut Law Program (NLP) learners. He delivered a lecture on Indigenous legal issues and participated in a question and answer session with the learners.



On February 6, 2020, the NLP was selected as a winner for an Arctic Inspiration Prize. The Dean, Program Director, and two learners attended the award ceremony and were presented with a cheque for \$140,000.

On February 14, 2020, the NLP sent a team of four learners to compete in the Gale Cup Moot, a criminal law based moot competition, in Toronto. The NLP team held their own against their southern law school cohorts and enjoyed the challenging experience.

On March 7, 2020, a group of four learners attended the Kawaskimhon Aboriginal moot in Winnipeg. The moot is a non-competitive, consensus-based moot that focuses on negotiation rather than adversarial principles. At the close of the moot, it was announced that the 2021 Kawaskimhon moot would be held in Nunavut.

Learners engaged in some enriching cultural activities throughout the 2019-2020 academic year with Polar Outfitting. In February, 2020 learners were guided on kakivak making, and each made an 8-foot kakivak. In March 2020, learners were taught how to build an igloo, and constructed a large igloo in Rotary Park.



Nunavut Research Institute:

RESEARCH HIGHLIGHTS

The Nunavut Research Institute (NRI) 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 NRI. Wildlife, archaeological and paleontological research are licensed by other departments under separate legislation.



Despite the Ransomware Attack in 2019, and the COVID-19 pandemic, NRI has been busy.

Continued operation of trichinella diagnostic laboratory program in partnership with NTI and the Government of Nunavut Department of Health, including maintaining CFIA proficiency requirements for analysts, training of new analysts in house, and development of customized laboratory training workshops for Environmental Technology Program students.

Management of Arctic Applied Research Program in partnership with Irving Shipbuilding, resulting in diverse new research outcomes and training opportunities to support community water quality assessment, wildlife health monitoring, sea ice travel safety, oil spill detection and response, and the management of marine shipping.

Research collaboration with Carleton University (funded by SSHRC) to describe and analyse trends in research in Nunavut from 2006-2019 utilizing NRI's research licensing database. The project also involves developing a new web-based portal for NRI licensed research projects with greatly improved search capabilities to help Nunavummiut identify research projects and datasets of interest

The 2019 field season was one of the busiest ever with 101 researchers using research accommodation and support in either Iqaluit, Arviat or Igloolik.

The Summer Science Camp in July 2019 had 30 participants.

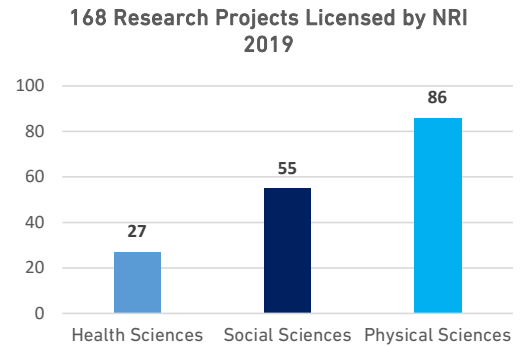
168 Research licenses issued.



Nunavut Research Institute: LICENSING STATISTICS

168 Research Projects Licensed by NRI

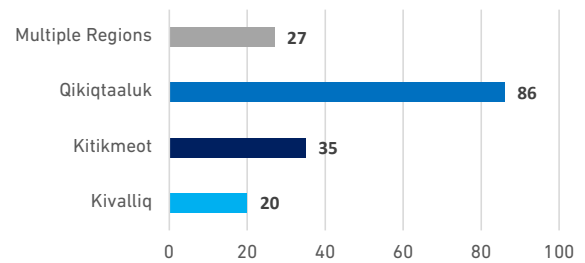
- 27 Health Research Projects
- 55 Social Sciences Research Projects
- 86 Physical/Natural Sciences Research Projects



Regional Distribution of Licensed Research

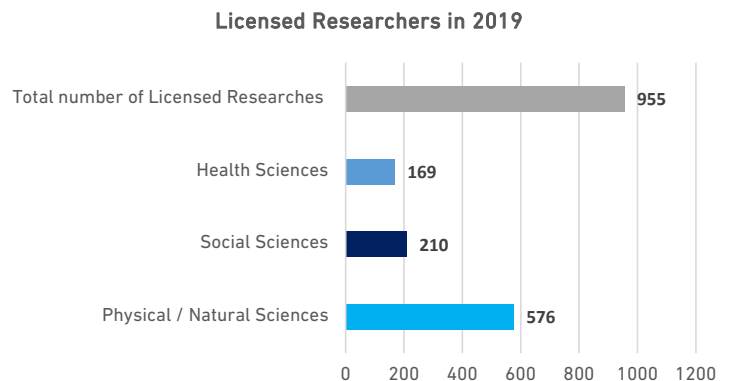
- 27 Multiple Regions
- 20 Kivalliq
- 35 Kitikmeot
- 86 Qikiqtaaluk

Regional Distribution of Licensed Research in 2019



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

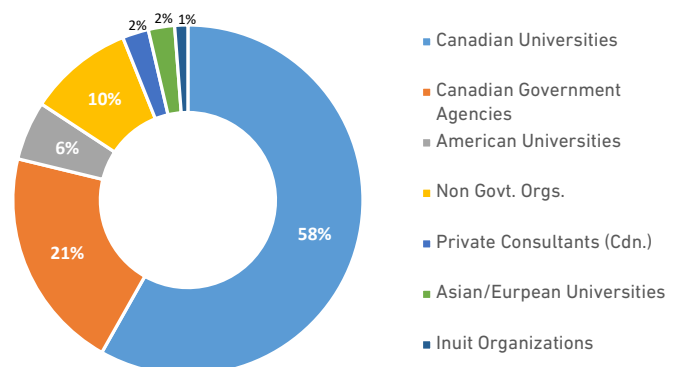
- 169 Health Sciences Researches
- 210 Social Sciences Researchers
- 576 Physical/Natural Science Researchers



Affiliation of Research License Holders in 2019

- 96 Canadian Universities
- 34 Canadian Government Agencies
- 9 American Universities
- 16 Non Govt. Orgs.
- 4 Private Consultants (Cdn.)
- 4 Asian/European Universities
- 2 Inuit Organizations

Affiliation of Research License Holders in 2019



Nunavut Arctic College Audited Financial Statements

JUNE 30TH, 2020

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, that 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.

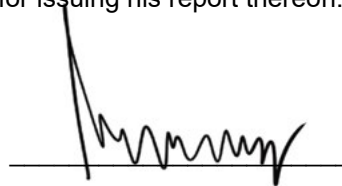
In discharging its responsibility for financial reporting, management is responsible for developing and maintaining financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and controlled and proper 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 fulfils its responsibilities for financial reporting and internal control. The Board of Governors, the majority who are not employees of the College, meet 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.



Rebecca Mearns, Acting President
November 18,2020



Marcelo Parungao, Chief Financial Officer
November 18,2020



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 Nunavut Arctic College (the College), which comprise the statement of financial position as at 30 June 2020, 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 2020, 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.

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.

- 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 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 Nunavut Arctic College.

In our opinion, the transactions of 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 Nunavut Arctic College and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

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

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". The signature is fluid and cursive, with a large initial "M" and "R".

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

18 November 2020
Ottawa, Canada

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as at June 30

(in thousands of dollars)

	2020	2019
Financial assets		
Cash	49,304	47,741
Accounts receivable (Note 4)	3,486	6,009
Total financial assets	52,790	53,750
Liabilities		
Accounts payable and accrued liabilities (Note 5)	4,327	3,392
Due to the Government of Nunavut (Note 10)	7,273	9,975
Deferred contract income	758	1,042
Capital lease obligations (Note 6)	372	522
Professional development fund (Note 7)	2,000	2,106
Employee future benefits (Note 8)	1,907	1,496
Total liabilities	16,637	18,533
Net financial assets	36,153	35,217
Non-financial assets		
Tangible capital assets (Schedule A)	1,425	1,464
Prepaid expenses	114	26
Total non-financial assets	1,539	1,490
Accumulated surplus	37,692	36,707

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)

	2020 Budget	2020 Actual	2019 Actual
Revenues			
Contract income (Note 10)	11,525	8,592	10,465
Tuition fees	1,428	1,308	1,159
Room and board	980	813	817
Miscellaneous revenue and recoveries	4,918	672	488
Interest income	392	662	672
Total revenues	19,243	12,047	13,601
Expenses (Note 9)			
Services provided without charge (Note 10)	-	14,267	13,372
Trades, Community and Distance Learning Programs	19,567	13,337	14,995
General administration	8,202	10,523	8,298
Student services	6,244	8,504	8,801
Health and Wellness and Business Programs	5,395	4,496	4,345
Education and Early Childhood Education Programs	7,019	4,240	4,561
Piqqusilirivvik Centre	3,661	3,417	3,882
Inuit Language and Cultural Programs	4,047	2,889	2,906
Research and Technology Office	1,895	2,289	2,385
Law Program	1,908	386	634
Total expenses	57,938	64,348	64,179
Deficit for the year before Government contributions	(38,695)	(52,301)	(50,578)
Government contributions (Note 10)	38,695	53,286	52,067
Surplus for the year	-	985	1,489
Accumulated surplus - beginning of the year	36,707	36,707	35,218
Accumulated surplus - end of the year	36,707	37,692	36,707

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)

	2020 Budget	2020 Actual	2019 Actual
Surplus for the year	-	985	1,489
Tangible capital assets (Schedule A)			
Additions	(265)	(344)	(812)
Disposals	-	-	154
Amortization	150	383	400
	(115)	39	(258)
Net additions of prepaid expenses	-	(88)	(14)
Change in net financial assets	(115)	936	1,217
Net financial assets - beginning of the year	35,217	35,217	34,000
Net financial assets - end of the year	35,102	36,153	35,217

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)

	2020	2019
Cash provided by operations		
Government contributions	39,019	38,695
Contracts	11,403	8,048
Other contributions	2,067	2,181
Interest	657	658
Paid to employees	(34,672)	(27,781)
Paid to suppliers	(16,559)	(20,416)
Cash provided by operations	1,915	1,385
Cash used for capital activities		
Tangible capital asset acquisitions	(202)	(203)
Cash used for capital activities	(202)	(203)
Cash used for financing activities		
Principal payments on capital leases	(150)	(112)
Cash used for financing activities	(150)	(112)
Increase in cash and cash equivalents	1,563	1,070
Cash, beginning of the year	47,741	46,671
Cash, end of the year	49,304	47,741

NUNAVUT ARCTIC COLLEGE
Statement of Tangible Capital Assets
for the year ended June 30

SCHEDULE A

(in thousands of dollars)

							2020	2019
	Buildings	Furniture and Equipment	Building Improvements	Computers and Printers	Mobile Equipment	Capital Leases	Totals	Totals
Cost of tangible capital assets								
Opening balance	84	775	1,041	194	763	609	3,466	3,139
Additions	-	-	7	337	-	-	344	812
Disposals	-	-	-	-	-	-	-	(485)
Closing balance	84	775	1,048	531	763	609	3,810	3,466
Accumulated amortization								
Opening balance	(33)	(485)	(746)	(125)	(524)	(89)	(2,002)	(1,933)
Amortization	(3)	(44)	(99)	(53)	(32)	(152)	(383)	(400)
Disposals	-	-	-	-	-	-	-	331
Closing balance	(36)	(529)	(845)	(178)	(556)	(241)	(2,385)	(2,002)
Net book value	48	246	203	353	207	368	1,425	1,464
Estimated useful life	25 years	10 years	20 years	4 years	10 years	Shorter of lease term or useful life		

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(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 Contributions

The College receives contributions 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 contributions are 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 contributions 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, 2020 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,

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(in thousands of dollars)

2. Significant accounting policies (continued)

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.

b) Cash

Cash comprises cash on hand and demand deposits.

c) Accounts Receivable

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

An allowance for doubtful accounts 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 accounts 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 Contributions

Annual appropriation

Government transfers are recognized as government contributions 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 contributions in the period in which the contributions relate 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 contributions when it is determined that additional contributions are required. Supplementary contributions are recognized as government contributions 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 contributions, 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 contributions, and

2. Significant accounting policies (continued)

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. 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

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

2. Significant accounting policies (continued)

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 and fair value of the leased asset, effective at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of the College's incremental borrowing or the interest rate implicit in the lease. Note 6 provides a schedule of repayment and amount of interest on the leases.

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 payables 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 and removal costs are paid upon resignation, retirement or death of an employee. The expected cost of providing these non-pension 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.

2. Significant accounting policies (continued)

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, 2020.

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

As all financial instruments are measured at cost, there have been no remeasurement gains or losses. Therefore, the Statement of Remeasurement Gains and Losses has been excluded.

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.

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(in thousands of dollars)

2. Significant accounting policies (continued)

Other related party transactions

Other related parties are key management personnel (President, CFO, Deans, Senior Management, Board of Directors, 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. Future accounting changes

Section PS 3280 – Asset Retirement Obligations has been issued by the PSAB and is effective for fiscal years beginning on or after April 1, 2022. 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, 2023. 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 is currently in the process of assessing the accounting changes and any impact on the financial statements.

4. Accounts receivable

	<u>2020</u>	<u>2019</u>
Student receivable		
Government of Nunavut	\$425	\$ 427
Student accounts	<u>967</u>	<u>708</u>
	1,392	1,135
Contracts receivable		
Government of Nunavut	1,598	639
Others	<u>1,502</u>	<u>5,112</u>
	3,100	5,751
Other receivable		
Government of Nunavut	106	7
Other	<u>299</u>	<u>374</u>
	<u>405</u>	<u>381</u>
Total receivable	4,897	7,267
Less: Allowance for doubtful accounts		
Student receivable	(1,123)	(946)
Contract receivable	(278)	(274)
Other receivable	<u>(10)</u>	<u>(38)</u>
	<u>\$3,486</u>	<u>\$ 6,009</u>

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(in thousands of dollars)

4. Accounts receivable (continued)

There is no concentration of accounts receivable with any customer, except the Government of Nunavut – \$2,129 (2019 – 1,073) which has an allowance of \$433 (2019 – \$432).

In accordance with Section 82 of the *FAA*, there were no write-offs requiring approval by the Board of Governors during the year 2020 (2019 - nil).

5. Accounts payable and accrued liabilities

	<u>2020</u>	<u>2019</u>
Trade payables and accrued liabilities	\$ 2,240	\$ 1,481
Employee benefits payable	1,813	1,663
Deposits payable	<u>274</u>	<u>248</u>
	<u>\$4,327</u>	<u>\$ 3,392</u>

The total amounts above are 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.

	<u>2020</u>	<u>2019</u>
Total minimum lease payments	\$ 377	\$ 533
Less: Imputed Interest (total interest expense to be incurred)	<u>(5)</u>	<u>(11)</u>
Present value of minimum lease payments	<u>\$ 372</u>	<u>\$ 522</u>

The future minimum lease payments for each of the next three (3) fiscal years are:

<u>2021</u>	\$	156
<u>2022</u>		156
<u>2023</u>		<u>65</u>
		<u>\$ 377</u>

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 \$6 (2019 - \$14) at an implied average interest rate of 1.36% (2019 – 1.36%). The capital lease obligations expire in fiscal year 2023.

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(in thousands of dollars)

7. Professional development fund

The College is required under the Nunavut Employees Union Collective Agreement to contribute an amount equivalent to 4% (2019 - 4%) of instructors' salaries for professional development activities. Contributions to the professional development fund during the year were \$303 (2019 - \$331) 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>2020</u>	<u>2019</u>
Opening fund balance	\$ 2,106	\$ 1,854
Add: Contributions	303	331
Add: Interest earned	28	30
Less: Professional development expenditures	<u>(437)</u>	<u>(109)</u>
Closing fund balance	<u>\$ 2,000</u>	<u>\$ 2,106</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).

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>2020</u>	<u>2019</u>
College's contributions	\$ 1,641	\$ 1,703
Employees' contributions	1,631	1,693

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, 2020.

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(in thousands of dollars)

8. Employee future benefits (continued)

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:

	Severance and removal	Sick leave	2020	2019
Accrued benefit obligations at beginning of the year	928	568	1,496	1,488
Benefits earned	82	89	171	183
Interest cost on the average accrued benefit	25	16	41	47
Benefits paid	(121)	(13)	(134)	(154)
Actuarial (gain) loss	410	(77)	333	(68)
Accrued benefit obligations at end of year	<u>1,324</u>	<u>583</u>	<u>1,907</u>	<u>1,496</u>

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

	<u>2020</u>	<u>2019</u>
Benefit obligation as of March 31:		
Discount rate	3.2%	2.7%
Rate of compensation increase	3.0%	3.0%
Benefit costs for years ended on March 31		
Discount rate	2.7%	3.0%
Rate of compensation increase	3.0%	3.0%

9. Expenses by object

	Related Party	Other	<u>2020</u>	<u>2019</u>
Salaries and employee benefits	\$ 1,484	\$ 32,049	\$ 33,533	\$ 32,341
Buildings and utilities	10,958	773	11,731	11,005
Fees and professional services	1,825	8,264	10,089	10,896
Housing	-	3,117	3,117	3,120
Travel	-	1,941	1,941	2,360
Materials and supplies	-	1,243	1,243	1,601
Telecommunications	-	686	686	734
Furniture and equipment	-	504	504	551
Amortization (Schedule A)	-	383	383	400
Advertising and promotion	-	380	380	424
Professional development fund (Note 7)	-	303	303	331
Freight and postage	-	285	285	303
Bad debt expense	-	153	153	113
	<u>\$ 14,267</u>	<u>\$ 50,081</u>	<u>\$ 64,348</u>	<u>\$ 64,179</u>

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(in thousands of dollars)

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). The College recorded the following related party transactions and balances:

Government contributions

	<u>2020</u>	<u>2019</u>
Appropriations received from the Government of Nunavut	\$ 39,019	\$ 38,695
Services provided without charge	<u>14,267</u>	<u>13,372</u>
Total government contributions	<u>\$ 53,286</u>	<u>\$ 52,067</u>

The Government of Nunavut provides funding to the College for the period April 1 to March 31 annually. The College recognizes government contributions as revenue on April 1. Seventy five percent (75%) of the amount recognized includes government contributions designated for the first nine (9) months of the College's 2020/21 fiscal year.

Contract Income

Of the \$8,592 (2019 - \$10,465) of contract income earned in the year, \$4,287 (2019 - \$4,430) is for courses delivered on behalf of the Government of Nunavut.

Due to the Government of Nunavut

	<u>2020</u>	<u>2019</u>
Due to the Government of Nunavut	\$ 7,273	\$9,975

This amount represents expenditures originally paid by the Government of Nunavut, primarily payroll, and invoiced to the College for payment.

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 of Nunavut. 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. Payroll processing expense and employee benefits are allocated based on the College's estimated employee headcount for the year.

	<u>2020</u>	<u>2019</u>
Use of facilities	\$ 10,958	\$ 10,195
Payroll processing and other services	1,825	1,671
Employee benefits	1,484	1,440
Intern salary	<u>-</u>	<u>66</u>
	<u>\$ 14,267</u>	<u>\$ 13,372</u>

NUNAVUT ARCTIC COLLEGE

Notes to Financial Statements

Year ended June 30, 2020

(in thousands of dollars)

10. Related party transactions (continued)

There are \$2,354 (2019 - \$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 an agreement for, or is contractually obligated for, the following basic payments subsequent to June 30, 2020 with third parties:

University partnership agreements	\$4,651
Leases on student accommodation	2,702
Catering services contract	1,876
Strategic planning	147
Lease on office and classroom space	117
Leases on instructor accommodation	98
Administrative support	55
Applied research service contracts	20
	<u>\$9,666</u>

Contractual obligations by fiscal year are as follows:

2021	\$ 6,275
2022	2,010
2023	679
2024	<u>702</u>
	\$ 9,666

The contractual obligations expire during the fiscal year 2024.

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. The College's contractual rights arise because of contracts entered into for educational services (contract income) and government contributions. Contractual rights of \$29,264 from government contributions exist for the College for future assets which will be realized in fiscal year 2021.

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.

13. Financial risk management (continued)

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, 2020 is the carrying value of these assets.

(i) Cash

The College manages its credit risk relating to cash by dealing with 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, 2020 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, 2020, 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>
\$2,610	\$280	\$1

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 overdue for more than 500 days. 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. There were no write-offs requiring FMB approval during the year.

b) Liquidity risk

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

13. Financial risk management (continued)

The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated capital 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. Impact of COVID-19

On 11 March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world. The pandemic has resulted in governments and territories in Canada and worldwide enacting emergency measures to limit the spread of the virus.

On March 18, 2020, the Government of Nunavut declared a state of public health emergency over COVID-19 out of an over-abundance of caution since there were still no confirmed cases in Nunavut. College employees transitioned to working remotely during the COVID-19 pandemic. The College moved to the remote delivery model for classes and all planned in-person events on campus were cancelled. The impact on tuition fees revenue was not material.

The College management continues to assess the impacts on its operations and learners as governments respond and the economy reacts to these uncertainties.