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BENEFITS AND LEGACY FUND

QIKIQTANI INUIT ASSOCIATION

2018-2019 Annual Report

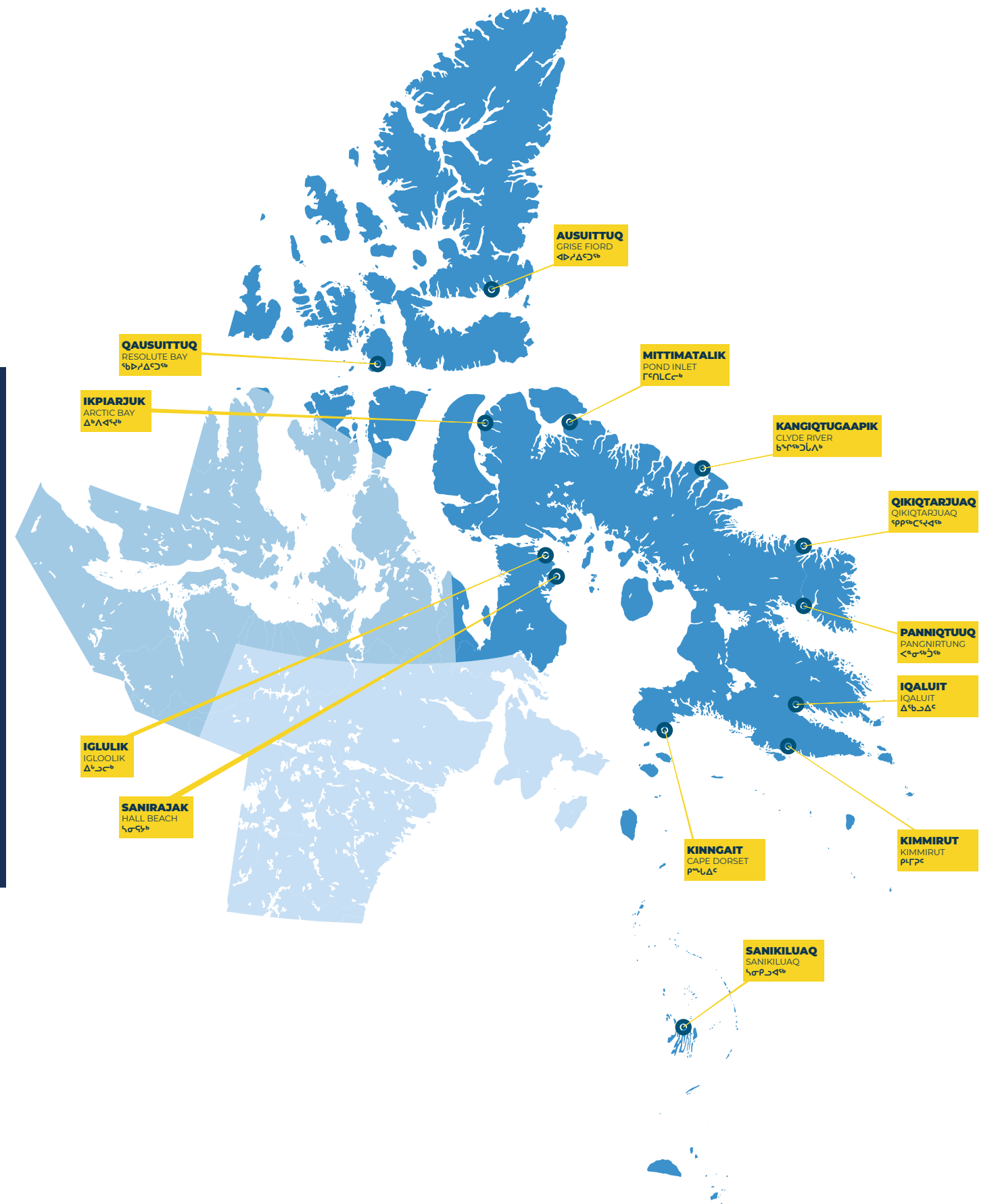
QIKIQTANI

INUIT ASSOCIATION

The Qikiqtani Inuit Association (QIA) is a not-for-profit society, which represents approximately 15,500 Inuit in the Qikiqtani region of Nunavut. The Qikiqtani region includes 13 communities from Grise Fiord, in the High Arctic, down to Sanikiluaq, on the Belcher Islands.

QIA was established to protect, promote and advance the rights and benefits of Qikiqtani Inuit. It is a Designated Inuit Organization under the Nunavut Agreement. QIA is one of three Regional Inuit Associations affiliated with Nunavut Tunngavik Inc.; the other associations include the Kitikmeot Inuit Association and the Kivalliq Inuit Association. We work closely with our partners, such as Inuit Tapiriit Kanatami and the Inuit Circumpolar Council Canada, as well as different levels of government, to represent Inuit in the Inuit Nunangat.

Two other organizations operate under the QIA umbrella: Kakivak Association, responsible for community economic development and small businesses; and Qikiqtaaluk Corporation, created to manage economic development on behalf of QIA.



BENEFITS AND LEGACY FUND

2018-2019

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ABOUT THE BENEFITS AND LEGACY FUND

In October 2016, QIA established a new Revenue Policy to guide how QIA revenues would be invested and distributed to better serve Qikiqtani Inuit. The goal was to ensure clear and transparent reporting of how money was invested and used. The Revenue Policy created two new funds:

- The Legacy Fund, which invests money for the future
- The Benefits Fund, which delivers programs to Inuit

QIA never uses the Legacy Fund money for daily operations, it is invested to provide opportunities for the future - interest from the Legacy Fund goes to the Benefits Fund.

The Legacy Fund revenues come from numerous sources including:

- Payments from Inuit Impact and Benefit Agreements (IIBA) such as the Mary River IIBA as well as other agreements like the Qikiqtani Truth Commission Agreement
- Money received from Nunavut Tunngavik Inc. from mining of Inuit Owned Minerals
- Money received from sand and gravel projects on Inuit Owned Land
- Dividends from the Qikiqtaaluk Corp. and the Nunasi Corp.
- Money received from any investments of the Legacy Fund
- Surplus revenues from the Economic Development Fund

The Benefits Fund is used for social and cultural programs in the Qikiqtani region. The Benefits Fund receives yearly payments from the Legacy Fund with an annual target return on investment of four per cent, which is calculated and adjusted after releasing the audited financial statements.

As the Legacy Fund grows, the Benefits Fund grows. This way, QIA can ensure a stable base of funding to run programs today while looking to expand programs in the future.

The Policy outlines the process to determine the key themes and programs of the Benefits Fund. This selection process is reviewed periodically. This process includes extensive community engagement and program evaluations. The final selection of themes and resulting programs is determined by the QIA Board of Directors. A detailed account of the Benefits Fund Policy's first key themes and programs selection is available in QIA's 2017-18 Benefits Fund Report publicly accessible on QIA's website.

In October 2017, QIA announced the launch of the first suite of programs under the Benefits Fund. QIA approves projects and allocates funds based on a two-year time period.

- Qikiqtani Cultural Activities Program (QCAP)
- Daycare and Early Childhood Learning programs including:
 - Daycare subsidy (parental)
 - Daycare resources
- Opportunities Fund

In May 2018, the QIA Executive Committee increased the Benefits Fund program budget to facilitate a second call for Qikiqtani Cultural Activities Program (QCAP) proposals, as well as increased the daycare resources and daycare subsidy budgets. This resulted in a new program budget of approximately \$1.5 million. In March 2019, the QIA Board of Directors extended the duration of these programs to run until March 2022.

In spring 2021, QIA will conduct a series of community consultations to hear from community members about the types of programs they want to see after 2022.

2018-19 Budget and Expenditures

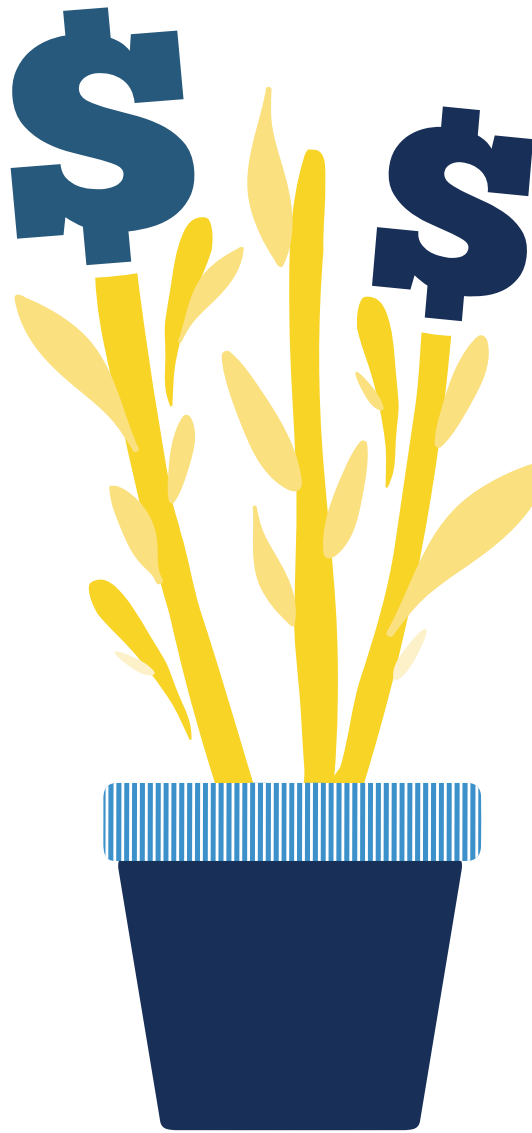
	Approved Budget		2018-19 actual spending
	October 2017	May 2018	
Qikiqtani Cultural Activities Program (QCAP)	\$430,000	\$637,500	\$599,714
Daycare Subsidy (parental)	\$312,500	\$500,000	\$496,600
Daycare resources	\$157,500	\$207,500	\$225,759
Opportunities Fund	\$100,000	\$100,000	\$100,000
Total	\$1,000,000	\$1,445,000	\$1,422,073



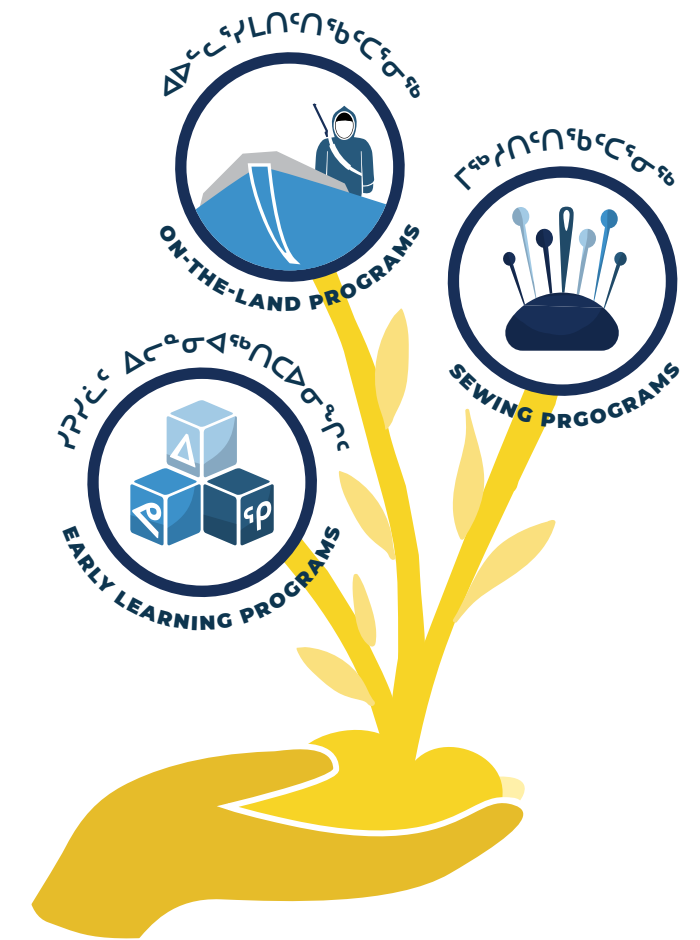
QIA'S REVENUE POLICY



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QIA REVENUE STREAMS



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LEGACY FUND



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BENEFITS FUND FOR PROGRAMS

QIA's Revenue Policy explains how all revenue is invested. This Revenue Policy provides a clear and transparent financial plan that benefits Qikiqtani Inuit today and tomorrow.

QIA revenues are invested in the Legacy Fund. QIA never uses the Legacy Fund money for daily operations - it is invested for the future. Interest from the Legacy Fund goes to the Benefits Fund. The Benefits Fund is used for social and cultural programs in the Qikiqtani Region.

2018-19 BENEFITS FUND: BY THE NUMBERS



Qikiqtani Cultural Activities Program (QCAP)

\$599,714

- 50 Completed QCAP projects
- 88% Approval of QCAP project applications
- 27 QCAP projects with an on-the-land focus
- 17 QCAP projects with a sewing focus



Daycare Subsidy

\$496,600

- \$2,500 Daycare subsidy per child
- 200 Approximate number of Inuit children receiving the daycare subsidy



Daycare Resources

\$225,759

- 55 Centres received Inuktitut early childhood learning resources
- 1,060 Approximate number of Inuit children who benefited from QIA daycare resources



Opportunities Fund

\$100,000

- 1077 and 1079 Iqaluit buildings that will become men's transitional housing with help from Opportunities Fund.



TOTAL BENEFITS FUND INVESTMENT IN PROGRAMS \$1.4 MILLION



QIKIQTANI CULTURAL ACTIVITIES PROGRAM – QCAP

The Qikiqtani Cultural Activities Program (QCAP) provides funding for community-based projects that foster the preservation and transmission of traditional skills. In the long-term, the program is intended to increase participation in cultural activities in the region, strengthen Inuit cultural identity, and empower Qikiqtani Inuit.

Currently, QCAP focuses on projects that strengthen traditional skills, such as sewing, harvesting, and on-the-land activities. This focus is based on community feedback. These key themes were identified in 2017 following community consultations across the Qikiqtani region.

In the 2018-19 fiscal year, the QCAP budget for all 13 Qikiqtani communities was \$637,500, approximately \$49,000 per community.

The 2018-19 fiscal year was the first year QIA delivered QCAP. In March 2019, the QIA Board of Directors approved extending the program from two to four years, or until March 2022, at which time it will be reviewed again.

INCREASE OPPORTUNITY TO LEARN TRADITIONAL SKILLS

STRENGTHEN TRANSMISSION OF TRADITIONAL KNOWLEDGE

STRENGTHEN OVERALL WELL-BEING IN QIKIQTANI INUIT

QCAP is delivered as an application-based program, individuals and community groups can submit a proposal for projects they would like to mount in Qikiqtani communities. In 2018-19, QIA released two callouts for applications, one in March 2018 and one in August 2018.

The funding received for programs may be used for materials and supplies, instruction and guest speaker costs, rental fees for equipment and venues, administration and other expenses directly linked with the project.

In its first year, QCAP supported 50 projects across the Qikiqtani region. The 17 sewing projects funded included skin preparation, seal skin and caribou kamiik-making, mitten-making, and parka-making. Some of these projects were targeted at specific groups, such as youth and women living in shelters.

The 27 on-the-land projects occurred throughout the year with various activities taking place in both the ice and open water seasons. While some of these projects focused on young Inuit, many were based on intergenerational learning.

Other projects included a wide range of cultural activities including community feasts, Elders' gatherings, art lessons and throat singing.





“It’s very important for Inuit to know where we come from, to learn the skills of our parents, grandparents and ancestors so we can be grounded in our culture. Learning skills like working with skins connects us to our roots. It builds our self-esteem and is healing for people because sewing is therapeutic.”

-Elisapi Aningmiuq, organizer of Tukisigiavik Society’s sealskin preparation and kamik making project funded by QCAP

“A group working together is really powerful – it is a big part of healing. Strengthening Inuktitut is closely connected to this work. The best part of Qajaqtuaq is listening to Elders tell stories about traditional harvesting by qajaq and sharing country food with families in small camps.”

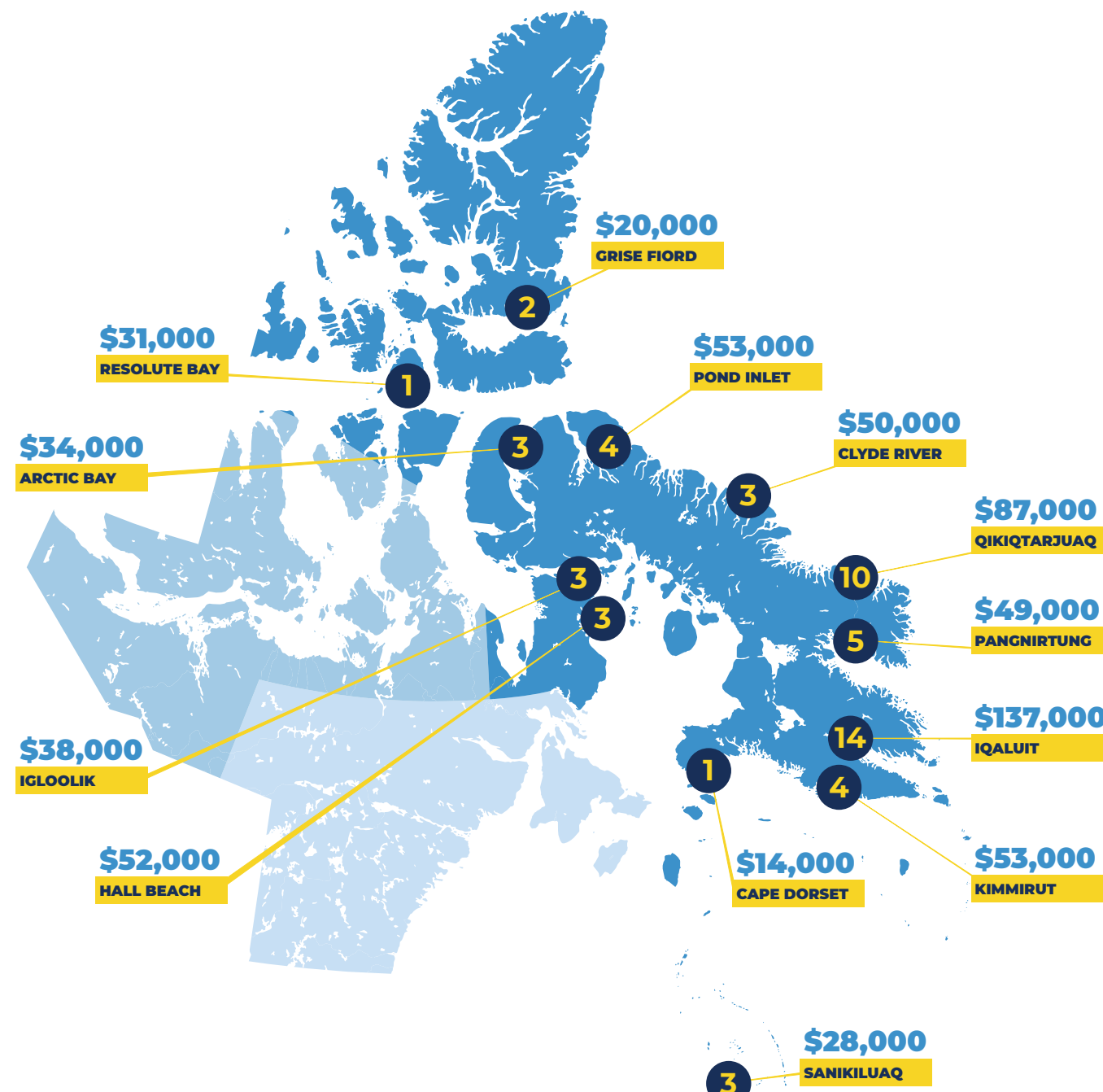
-Eemeelayou Arnaquq, project leader of Nunavut Youth Leap Qajaqtuaq funded by QCAP

In 2018-19 QCAP received 64 applications. Eight of these applications were for large projects over \$15,000. A total of 56 applications were approved. All 13 Qikiqtani communities had at least one approved QCAP project. As of summer 2019, 50 of the approved 56 projects were completed. Three completed projects had not submitted final reporting. Three approved projects had not been completed.



APPROVED 2018-19 QCAP PROJECTS

TOTAL FUNDING AND NUMBER OF APPROVED PROJECTS IN EACH QIKIQTANI COMMUNITY



\$645,000 APPROVED FUNDING
56 APPROVED PROJECTS



QCAP PROJECT PROFILES

ARNAIT MAKGIARNINGIT – IQALUIT

The Arnait Makgiarningit project assisted a group of five women in Iqaluit to learn how to make beaver skin parkas and seal skin mitts. The first part of the project took place from October to November 2018. The participants learned to work with beaver skin pelts: washing, stretching, blocking, drying, patching, cutting, and sewing. The second part of the project was from January to February 2019. The participants learned to make seal skin mitts: scraping, stomping, washing, stretching, cutting patterns, and sewing.

The participants expressed gratitude for the opportunity to gain traditional knowledge. Many felt pride in discovering the innovative techniques demonstrated. The traditional sewing skills they practiced resulted in hardy garments that withstand strenuous activities such as harvesting on-the-land.

RESTORE AMMITUQ ORIGINAL QAJAQ FRAME – IGLOOLIK

During December 2018 and January 2019, Zacharias Kunuk and Judha Palluq researched, built and documented the process of building a traditional qajaq.

Elder Joanasie Kigutaq was interviewed on camera about his knowledge of qajaq making. In the interviews, Kunuk and Palluq gathered insights on traditional qajaq construction techniques, the use of qajaqs for harvesting, and qajaq maintenance.

The team used the skeleton of an old qajaq as the model for the new one. The entire process, which was filmed, will be broadcast online at isuma.tv publicly available for viewing by all Inuit.

The next phase of the project will be to test the qajaq at sea.

SPRING OUTDOOR ON-THE-LAND PROJECT – PANGNIRTUNG

In May and June 2018, 49 Inuit partook in the Pangnirtung on-the-land project. The project included various day excursions: six fishing and two seal harvesting trips. Group leader, Peter Kilabuk, shared the participants' joy and excitement upon arrival at the lake. Kilabuk was particularly moved by the children who were learning how to fish for the first time, fumbling with their catch, but persevering.

For some participants, particularly for those who don't have mentors who can teach them these skills or the necessary vehicles and tools, the project offered a rare opportunity to practice harvesting.

For Kilabuk, one of the highlights of the project was sharing a communal meal featuring their catch of the day.

Beyond the transmission of skills, Kilabuk noticed the shared camaraderie and strengthening of friendships amongst many of the participants. According to Kilabuk, the project provides many benefits akin to social services intended to empower Inuit.



QCAP FUNDING ALLOCATION, COMPLETED PROJECTS, 2018-19

Community	Program focus	Project name	Amount Spent
Arctic Bay	Other	Ipiutaq fishing derby community feast	\$5,553
	On-the-land	Qimuksiugiqatarniq	\$8,139
	Sewing	Seal skin parka making	\$19,442
Cape Dorset	Other	Hamlet of Cape Dorset - throat singing workshop	\$7,648
Clyde River	On-the-land	Historic camp site tours	\$21,661
	On-the-land	Land project	\$15,000
	On-the-land	Berry picking and seal hunting project	\$14,982
Grise Fiord	Other	Umimmak School - art lessons	\$15,000
	On-the-land	Umimmak School - youth seal hunting trips	\$13,627
Hall Beach	Sewing	Hamlet of Hall Beach - women's group	\$24,122
	Sewing	Caribou skin kamik making	\$8,920
	On-the-land	Taking youth out on-the land	\$18,322
Igloolik	On-the-land	Aqqiaruq Outfitting	\$18,978
	On-the-land	Kingulliit Productions - restore ammituq original kayak frame	\$8,290
Iqaluit	On-the-land	Walrus harvesting	\$15,000
	Sewing	Seal skin preparation and parka making project	\$5,000
	Sewing	Iqaluit Community Tukisigiarvik Society - sealskin preparation and kamik making	\$15,758
	On-the-land	Land trip - traditional sewing group	\$10,000
	Sewing	Qimaavik Women's Shelter - traditional sewing Qimaavik Women's Shelter	\$5,000
	Sewing	Anana's warmth	\$9,680
	Sewing	Arnait makigiarningit	\$10,000
	Other	Inuit Broadcasting Corporation - Uakallanga episodes 4,5,6	\$6,930
	\$6,930	Land trip	\$6,270
	On-the-land	Land trip	\$6,270
	Other	Niqinik Nuatsivik - Nunavut food bank - country food voucher pilot project	\$15,000
	Sewing	Qimaavik YWCA Agvvik - traditional sewing group	\$5,000
	On-the-land	Nunavut Youth Leap - Qajaqtuaq project	\$10,835

Community	Sewing	Inuksuk High School - Suputiit project	\$9,500
Kimmirut	On-the-land	Land outing project	\$15,000
	On-the-land	Municipality of Kimmirut - multi-generational traditional camping and day trips	\$15,833
	Sewing	Qakuqtajaaq	\$6,601
	On-the-land	Land project	\$10,000
Pangnirtung	On-the-land	Spring outdoor on-the-land trips	\$14,900
	On-the-land	Surviving in winter, how to hunt seal and fishing	\$8,200
	Sewing	Sewing	\$6,000
Pond Inlet	Sewing	Nasivvik High School - sewing and skin preparation	\$10,000
	On-the-land	Hamlet of Pond Inlet, recreation committee - Elders/youth on-the-land skills transfer and mentorship project	\$32,560
	On-the-land	Place names and how to seal hunt in the wintertime in-class	\$3,740
	On-the-land	Nasivvik High School - students at risk	\$10,000
Qikiqtarjuaq	On-the-land	Traditional navigation language and skills project	\$11,670
	On-the-land	Nunavut Youth Leap - Pisuktiit, part II	\$8,000
	On-the-land	Fishing skills	\$6,831
	Other	Traditional Inuit games	\$4,500
	On-the-land	Land skills	\$9,997
	Sewing	Mittens project	\$5,000
	On-the-land	Caribou and narwhal hunting	\$9,000
	On-the-land	Hunting on the land	\$6,527
Sanikiluaq	Sewing	Sewing seal skin parka	\$11,972
	Other	Municipality of Sanikiluaq - Elders' gathering	\$7,500
	Sewing	Hamlet of Sanikiluaq - kamik making	\$10,000
	Sewing/On-the-land	Hamlet of Sanikiluaq - community hunting and sewing project	\$10,000



DAYCARE SUBSIDY

The QIA Daycare Subsidy was launched in October 2017 under the new Benefits Fund program. The program helps Qikiqtani Inuit parents pay for daycare costs. Only Inuit children in licensed daycares are covered by the program.

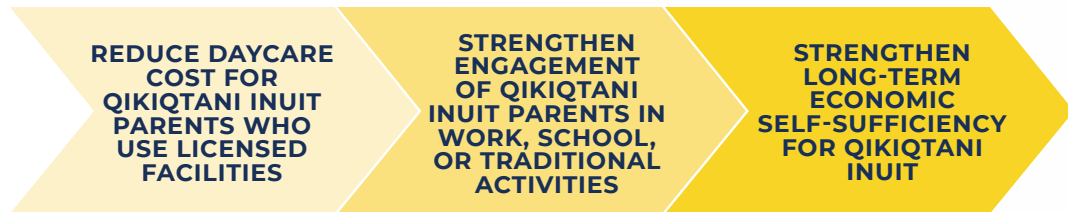
This subsidy builds on Kakivak Association’s existing program. Since the late 1990s, Kakivak has administered a parental subsidy program with funds from the Government of Canada’s First Nations and Inuit Child Care Initiative program. The QIA subsidy tops-up the existing Kakivak subsidy of \$19 per day per child.

In May 2018, the QIA Executive passed a resolution to increase the daycare subsidy from \$5 to \$10 per day per child. Inuit parents receiving the Kakivak subsidy became eligible for a combined subsidy of up to \$29 per day. The resolution also included extending the Benefits Fund programs by two years. This means the QIA daycare subsidy will be available until March 2022.

“The daycare subsidy has helped us so much. Daycare costs are very high but it’s something our family needs. Daycare gives my daughter more than homecare or babysitting; it helps her learn.”

Lizzie Aliqatuqtuq, Iqaluit

The daycare subsidy provides eligible Qikiqtani parents approximately \$2,500 per child each year. More than 200 childcare spaces are subsidized annually. This works out to helping approximately 200 Inuit children attend daycare each year.



In the 2018-19 fiscal year, \$496,600 was allocated to the daycare subsidy program. This subsidy was distributed to Inuit families with children in 22 licensed centres across the Qikiqtani region.

Six Qikiqtani communities do not have operating licensed daycares. As such, Inuit in Arctic Bay, Clyde River, Hall Beach, Grise Fiord, Qikiqtarjuaq, and Resolute Bay cannot currently access this subsidy.

QIA daycare subsidy allocation, 2018-19

Community	Number of Centres	Number of daycare spaces supported	Distribution of funding
Cape Dorset	1	9	4%
Igloolik	1	1	1%
Iqaluit	14	153	73%
Kimmirut	1	8	4%
Pangnirtung	2	24	11%
Pond Inlet	1	6	3%
Sanikiluaq	2	8	4%



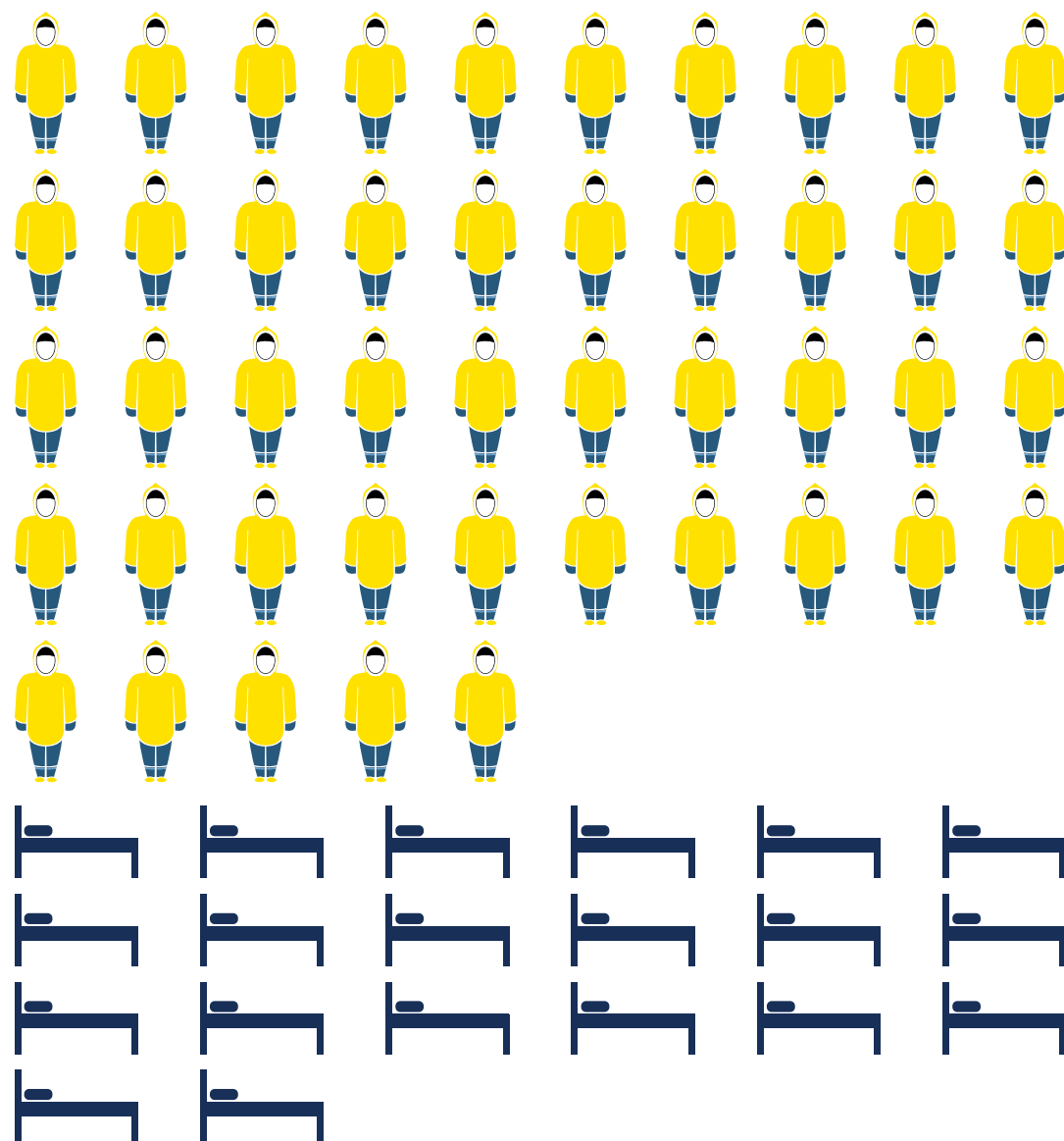


OPPORTUNITIES FUND

The Opportunities Fund allows QIA to support initiatives outside the set Benefits Fund programs. Each year, up to 10 per cent of the money available in the Benefits Fund is set aside for the Opportunities Fund. In the 2018-19 fiscal year, there was \$100,000 available for Opportunities Fund projects.

In May 2018, the Executive Committee passed a resolution pledging \$100,000 to the Uquutaq Society to develop a new men’s shelter and transitional housing project in Iqaluit. Buildings 1077 and 1079 were identified as the locations for this project. Uquutaq anticipates the facility will be ready for use in 2020.

The Iqaluit men’s shelter currently has only 20 beds, but often has 35 to 45 men staying there each night.



2018-19 FINANCIAL REPORT

The 2018-19 Legacy Fund Financial Report was prepared by CIBC Wood Gundy, Rouleau Investment Group. The CIBC Wood Grundy *Annual Report for the QIA Legacy Fund* presents the QIA Legacy Fund investments as of March 29, 2019 and was prepared according to QIA’s Legacy Fund Operational Procedures dated May 16, 2017.

The following is a summary of the CIBC Wood Grundy *Annual Report for the QIA Legacy Fund*.

QIA LEGACY FUND’S QUALITATIVE OBJECTIVE

The qualitative objectives of the Legacy Fund for QIA are to:

- Preserve the capital of the Legacy Fund for QIA with care taken to uphold the distinct social and ethical principles of Inuit people
- Attain the Legacy Capital Objective as defined in the QIA Revenue Policy
- Cover the annual operating costs of the Legacy Fund for QIA

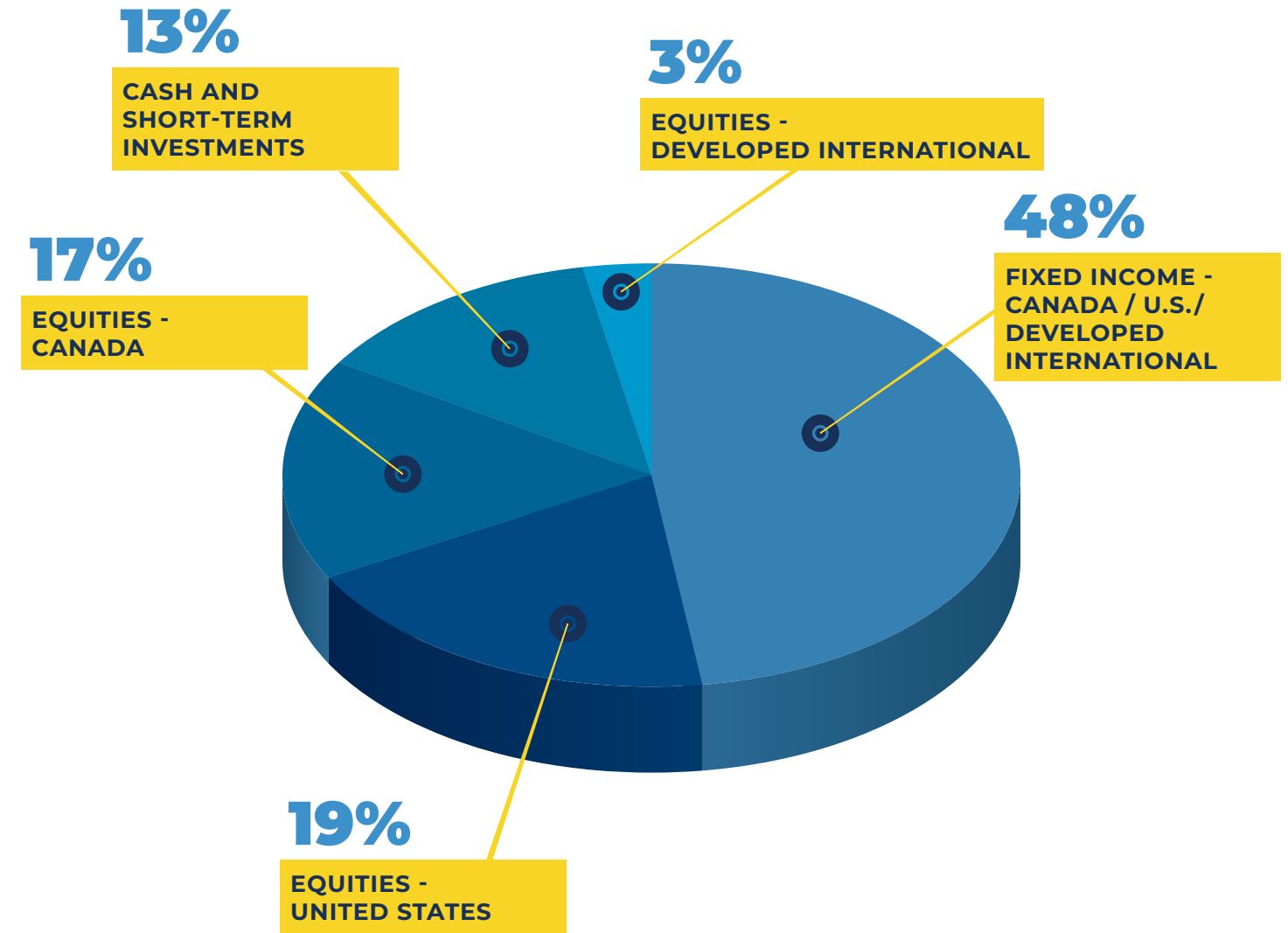
QIA LEGACY FUND’S RETURN OBJECTIVE

To obtain an annualized total return (yield plus capital appreciation) of four per cent to meet the Benefits Target as described in Article 15 of the QIA Revenue Policy.

ASSET ALLOCATION FOR QIA LEGACY FUND AS OF MARCH 29, 2019

QIA's tactical asset allocation as of March 29, 2019 complies fully with the Investment Policy Statement. The portfolio's asset mix at year-end was:

DESCRIPTION	PERCENTAGE
Fixed Income – Canada/ U.S./ Developed International	48%
Equities – United States	19%
Equities – Canada	17%
Cash and Short-Term Investments	13%
Equities – Developed International	3%
Fixed Income – Emerging Markets	0%
Other Assets	0%
	100%



Total Market Value

April 1, 2018 – March 29, 2019	
Portfolio Value for QIA Legacy Fund: April 1, 2018	\$34,742,087
Wood Gundy Deposit LF2 – December 14, 2018	\$3,982,085
Wood Gundy Deposit LF3 – December 14, 2018	\$4,586,392
Portfolio Value for QIA Legacy Fund: March 29, 2019	\$44,315,393

Legacy Fund Annual Income

April 1, 2018 – March 29, 2019	
Total income received from all sourced (net of administrative and management expenses)	\$1,004,829

Wealth Manager's Commentary for Year Ending March 29, 2019

We confirm that as of March 29, 2019, the Legacy Fund portfolio was 100 per cent compliant with the terms of the Investment Policy Statement and in-line with our ongoing Investment Strategy.

We maintained our long-term conservative focus with a targeted goal of preserving the capital of the Legacy Fund and positioning the assets with a goal of generating a long-term average annual return of four per cent.