



Institute for Research on Public Policy

Building on our strengths

2021-2022

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Mission

The IRPP seeks to improve public policy in Canada by generating research, providing insight and influencing debate on current and emerging policy issues facing Canadians and their governments.



Debra Thompson, Associate Professor,
Political Science, McGill University

Purpose

We bring together the worlds of research and public policy to improve the lives of Canadians.



Values

WE ARE INDEPENDENT

We believe the credibility of our research hinges on safeguarding our independence and editorial control across all our activities. We are transparent about who supports us financially.

WE ARE NATIONAL

We seek to address policy issues of importance to all Canadians and to be relevant to governments at all levels. We examine ways to improve intergovernmental relations in Canada.

WE ARE EVIDENCE-BASED

The way we conduct our research is open-minded and meets the highest standards of methodological integrity and rigour. We verify our findings through peer review and/or consultations with experts.

WE ARE COLLABORATIVE

The Institute thrives on its relationships with partners from multiple sectors. We regularly convene conversations with outside experts to help advance understanding around key issues and to build productive networks. Much of what we publish is done in collaboration with external researchers, writers and practitioners, who work with us to help inform public policy.



WE ARE INCLUSIVE

The IRPP seeks to reflect the diversity of Canadian society by including a wide range of voices in the work that it undertakes. We are also committed to removing systemic barriers to inclusion so that equity-seeking groups are part of important public policy conversations.

WE ARE KNOWLEDGE MOBILIZERS

We work to unlock knowledge so that policy-makers, decision-makers and all Canadians can gain access to it. We use clear language, encourage dialogue and deploy various means of dissemination to help with this mobilization.

WE OPERATE IN CANADA'S TWO OFFICIAL LANGUAGES

We share our work and convene public dialogue in both English and French. We believe this commitment to operating in both official languages helps to enrich our national conversation on a wide range of policy issues.

The Year in Numbers

(April 1, 2021 - March 31, 2022)

FINANCIAL HIGHLIGHTS

Operational budget

\$3,263,181

Expenses

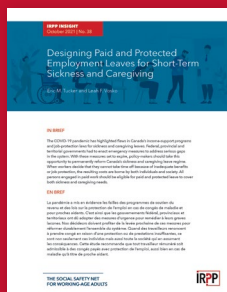
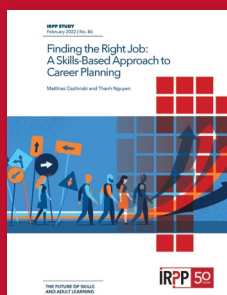
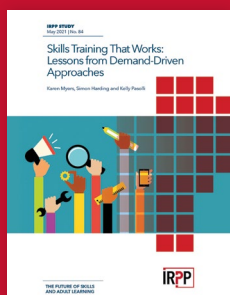
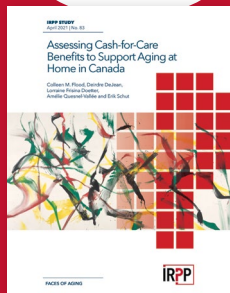
\$3,063,181

Operational budget over/under expenses

\$200,000

6

Research publications



6 16

Research briefings

Events

444

Policy Options articles

8

Centre of Excellence on the Canadian Federation Publications

WEBSITE ACTIVITY



3,122,158

pageviews

1,596,380 site users
9,189 downloads
126,565 Apple News views

SOCIAL MEDIA



36,429

followers

224,359 website visitors generated by social media
21,949 Twitter followers
2,797 Facebook followers
11,372 LinkedIn followers
311 Instagram followers
6,434 YouTube plays

EVENTS



8,223

registrations

13 webinars
3 hybrid panels
3 workshops
8,223 registrations
4,989 participants
56 external speakers

PODCAST



42,354

plays

27 episodes

MEDIA MENTIONS



659,228,192

potential reach

1,220 articles

IRPP Research Publications

Assessing Cash-for-Care Benefits to Support Aging at Home in Canada

Colleen M. Flood, Deirdre DeJean, Lorraine Frisina Doetter, Amélie Quesnel-Vallée and Erik Schut

April 7, 2021

Skills Training That Works: Lessons from Demand-Driven Approaches

Karen Myers, Simon Harding and Kelly Pasolli

May 18, 2021

Transitioning Back to Work: How to Improve EI Working-While-on-Claim Provisions

Colin Busby, Stéphanie Lhuis and Brian P. McCall

June 16, 2021

Designing Paid and Protected Employment Leaves for Short-Term Sickness and Caregiving

Eric M. Tucker and Leah F. Vosko

October 7, 2021

Réorganiser les soins de longue durée à la lumière de la pandémie

Yves Couturier, Maxime Guillette and David Lanneville

December 8, 2021

Finding the Right Job: A Skills-Based Approach to Career Planning

Matthias Oschinski and Thanh Nguyen

February 24, 2022



Centre of Excellence on the Canadian Federation

Essay

The Persistence of Western Alienation

Loleen Berdahl

May 27, 2021

IRPP Insight

Identité et ressentiment : expliquer le soutien au programme fédéral de péréquation

Olivier Jacques, Daniel Béland, André Lecours

October 13, 2021

Confederation of Tomorrow Reports

All in This Together? Canadians' Views on Masks, Vaccines and Lockdown During the COVID-19 Pandemic

April 2021

The Role of Governments and the Division of Powers: Federalism in the Context of a Pandemic

April 2021

Addressing Climate Change in the Canadian Federation

June 2021

Indigenous Relations and Reconciliation

June 2021

Attachment and Advantages, How Canadians View their Country, their Province and their Neighbour

June 2021

Respect, Influence and Fairness in the Canadian Federation

September 2021



Events

Will the 2021 Federal Budget Position Canada to Emerge Strongly from the Pandemic?

Jasmine Ramze Rezaee (with Charles Breton, Colin Busby, Jennifer Ditchburn, Natalia Mishagina)

Webinar, sponsored by AdMare

Bioinnovations

April 20, 2021

Participants: 334

Would a Universal Basic Income Best Address the Gaps in Canada's Social Safety Net?

Garima Talwar Kapoor, David Green, Lindsay Tedds (with Colin Busby)

Webinar

May 4, 2021

Participants: 492

A Roadmap to Long-Term Care Reform in Canada (Long-Term Care Series)

André Picard, Samir Sinha, Tamara Daly (with France St-Hilaire)

Webinar

May 13, 2021

Participants: 773

Could Federalism Help Cure What Ails Long-Term Care? (Long-Term Care Series)

Carolyn Tuohy, Daniel Béland, Michel Grignon (with Paisley Sim)

Webinar

May 20, 2021

Participants: 346

A Roadmap to Long-Term Care Reform in Quebec (Long-Term Care Series)

Réjean Hébert, Marie-Louise Leroux, Yves Couturier (with Charles Breton)

Webinar

June 3, 2021

Participants: 163

Filling Gaps in Canada's Ailing Long-Term Care System with Cash-For-Care Benefits (Long-Term Care Series)

Colleen Flood, Isobel Mackenzie, Ito Peng (with Colin Busby)

Webinar

June 21, 2021

Participants: 267

Election 44 and the Erosion of Democracy

Shauna Sylvester, Seher Shafiq, Sanjay Ruparelia, Stephanie Carvin (with Les Perreux)

Webinar

September 9, 2021

Participants: 223

Expanding Home Care Options in Canada

Deborah Simon, Christine Kelly, Patrick Marier (with Colin Busby)

Webinar

November 16, 2021

Participants: 479

Inside the Constituency-Level Election Campaign

Erin Crandall, Royce Koop, Sarah Stoodley (with Alex Marland)

Webinar

November 30, 2021

Participants: 200

Food Banks and Canada's Social Safety Net
 Martin Dooley, Vishal Khanna, Richard Matern,
 Joanne Santucci (with Colin Busby)
 Webinar
 December 13, 2021
 Participants: 248

*How Can Canada Support Recovery Efforts in
 the Global South in the Wake of the Pandemic*
 Melissa Fung, Mark Plant, Joanne Liu,
 Maika Sondarjee
 Webinar in partnership with and sponsored
 by ONE.org
 January 21, 2022
 Participants: 169

*Crashing the Party - An Insider's Look at Creating
 Political Platforms*
 Angelle MacEwen, Dan Mader, Tyler Meredith
 (with Jennifer Ditchburn)
 Webinar in partnership with and sponsored
 by Carleton University
 January 25, 2022
 Participants: 447

*Connecting Insights: Think Tanks
 and Inclusive Policy*
 Garima Talwar Kapoor, Hayden King
 (with Jennifer Ditchburn)
 Webinar in partnership with and sponsored
 by the Canada School of Public Service
 February 4, 2022

*Emerging Shifts in Regulatory Governance
 (Policy Radar Series)*
 Robert Shepherd, Darcy Gray, Kevin Stringer,
 Catherine MacQuarrie, Alexandra Mallett
 Webinar in partnership
 with Carleton University
 March 22, 2022
 Participants: 147

*Gouvernance inclusive et démocratie à l'heure
 de la polarisation (Policy Radar Series)*
 Aurélie Campana, Eric Montigny, Jackie Smith,
 Sule Tomkinson
 Hybrid talk in collaboration with Université Laval
 March 24, 2022
 Participants: 90

*Democracy under Threat? Polarization
 and Public Policy in Canada (Policy Radar Series)*
 Anita Li, Eric Merkley, Sean Speer, Darell Bricker
 (with Jennifer Ditchburn)
 Hybrid talk in collaboration with
 the University of Toronto, sponsored by CBC
 March 30, 2022
 Participants: 482

RESEARCH BRIEFING SESSIONS

Briefing sessions on long-term care
 with governments of Ontario, Manitoba,
 Saskatchewan and British Columbia;
 Statistics Canada and Health Canada.



Chair of the Board

Anne McLellan

If

2020-21 was eventful, it is no exaggeration to say that we have lived through even more interesting times in 2021-22. The ups and downs of the COVID-19 pandemic, the federal election, trucker convoys, extreme weather events across the world, and, as our financial year was ending, Russia's invasion of Ukraine have all underlined a growing need – and, I'm pleased to say, a growing appetite – for insightful research on the pressing issues of the day. Once again, the IRPP has been well placed to meet this need.

The Institute has enjoyed a productive year. Our staff organized 16 events, and we produced six research publications and 27 podcasts. *Policy Options* published 444 articles, the Centre of Excellence on the Canadian Federation launched eight publications, and IRPP websites drew over 3.1 million pageviews, up almost 7 percent from last year.

These achievements were, in large part, driven by our new president Jennifer Ditchburn, who took the reins in June 2021. Thanks to her previous five-year stint as *Policy Options* editor-in-chief, Jennifer was already well acquainted with the IRPP and was able to hit the ground running. Since her appointment, she has spearheaded the development of a new strategic plan and a revised mission statement, which explicitly set out the Institute's purpose and values.

As board chair, I am especially proud of the mission statement, which cements the IRPP's role as an independent, national, evidence-based, collaborative, inclusive and bilingual organization of knowledge mobilizers. If we can keep living up to those values in coming years, a successful future is assured.

Besides our new president, we are delighted to welcome four highly qualified and respected Canadians as new board members:

Jean Charest, partner at the law firm McCarthy Tétrault and former Premier of Quebec. (As of April 2022, Jean has been on a leave of absence from the board.)

Virginia Mearns, senior director of Inuit relations at the Qikiqtani Inuit Association, a non-profit based in Iqaluit, which works to advance the rights and benefits of a region that is home to more than half of Nunavut's population.

James (Jason) Stewart, executive-in-residence at the Global Risk Institute; senior fellow at the C.D. Howe Institute; and president of a private philanthropic foundation.

Ray Williams, managing director and vice-chairman for financial markets at National Bank Financial.

“I believe that the Institute is playing a vital role in Canadian society at a time when facts are increasingly contested and the divisions within our body politic have seldom seemed so deep.”

On a bittersweet note, we bid farewell in June 2022 to France St-Hilaire, who is retiring after 30 years with the IRPP, 24 of them as vice-president and head of research. France embodies the values expressed in our mission statement, and has played a pivotal role in making the IRPP what it is today – a trusted source of independent, bilingual public policy research. We will miss her wise insights and dedication to perfection.

Looking ahead, 2022 promises to be another banner year as we celebrate the Institute’s 50th anniversary. Since 1972, the IRPP has made an invaluable contribution to the search for solutions to Canada’s toughest public policy challenges. We have become a pillar of a small – but influential – community of independent institutions supporting evidence-based policy-making and inclusive dialogue. I believe that the Institute is playing a vital role in Canadian society at a time when facts are increasingly contested and the divisions within our body politic have seldom seemed so deep.

As we mark this important milestone, we have much to celebrate, but also much work still to do. I wish to thank the dedicated team at the IRPP, management, staff, my own fellow board members and volunteer Investment Committee members for all their hard work over the past year and for their ongoing commitment to high-quality, independent, public policy research. Let us reflect on these past 50 years with pride as we look forward to the next 50 years with enthusiasm and humility.





President

Jennifer Ditchburn

It

was with honour and excitement that I took over the president's role in June 2021. Having worked at the Institute for five years, as editor-in-chief of *Policy Options*,

I was already an enthusiastic champion of the IRPP's mission and its great contribution to the broad policy dialogue in Canada. I also had a keen sense of the incredible depth of talent within the IRPP team.

Even the most successful organizations must seize the moment to take stock. They must ask themselves how they're perceived externally, what their strengths are, and where there may be room for improvement. The IRPP found itself at an ideal juncture on the cusp of its 50th anniversary to enter such a period of reflection and examine how we could build on our already solid foundation.

Following several months of consultations, a rewarding staff retreat and a perception audit by an external partner, our team was able to put together a strategic plan for the next three years.

The plan has three core priorities:

- Grow the IRPP's size and influence
- Enhance operational sustainability and workplace resilience
- Foster a more inclusive public policy dialogue in Canada

As a way of expanding our size and influence, we have added a policy associate position at the Centre of Excellence on the Canadian Federation, and are looking forward to recruiting a new research director. Our entire team is working to enhance the IRPP's profile in the public sphere - this year, we hosted 16 events, some of them in a new hybrid format. We are taking a collective, focused and innovative approach to revenue generation, so that we can sustain our growth over the long term. And we are encouraging conversations on diversity, equity and inclusion across our operations.

Another critical conversation we had during our strategic planning process concerned the Institute's purpose - something distinct from its mission. There was a strong feeling among the staff that the IRPP is at its best when it connects decision-makers with the research they need, and when it amplifies the work of a diverse array of policy thinkers. Our statement of purpose - "We bring together the worlds of research and public policy to improve the lives of Canadians" - is the phrase that encapsulates the "why" of what the IRPP does.

That sense of purpose has driven activities across the IRPP this past year. We continued to publish valuable new research on adult skills and training, on long-term care and on the state of our social safety net. In this second year of the pandemic, the Centre of Excellence kept close

“The IRPP found itself at an ideal juncture on the cusp of its 50th anniversary to enter such a period of reflection and examine how we could build on our already solid foundation.”

track of how different provinces enacted public health measures. *Policy Options* magazine, under its new editor-in-chief Les Perreux, broke new audience records, with rich coverage of such topics as Russia’s invasion of Ukraine, the post-pandemic future of urban centres, and how Canada can improve its electoral processes.

My tenure as president comes at a time of transition - both externally in Canadian society and internally within the IRPP. The pandemic has taught us to be agile and innovative, while also cultivating a healthy, flexible workplace. As we move forward with the IRPP’s strategic vision, we are well positioned to build on our many strengths while staying true to our purpose.



IRPP Research





Vice-President, Research

France St-Hilaire

The activities of the research team this past year have reflected the policy context brought about by two years of living through a global pandemic. Policy-makers in Canada have had to continue managing the public health crisis and its impact on health care systems and the economy, shoring up supports for those unable to work and businesses unable to operate due to lockdowns and other restrictions, while at the same time preparing for new policy imperatives that lie ahead. Full details of our publications and other activities in these areas appear below.

This is my last report as vice-president, research. I have been with the IRPP for 30 years and in my current position for 24. As the IRPP enters its 50th year, I have had the opportunity to look back and reflect on the Institute's role in Canada's most important policy conversations. I am particularly proud of the work we have done on immigration and diversity, federalism, our evolving trade relations with the United States, socio-economic development and governance in Canada's North, the policy implications of an aging population, and income inequality. Perhaps the most creative and stimulating project I took part in was *A Canadian Priorities Agenda*, best described by a participant as the equivalent of "Policy Idol for wonks!" - fun, but serious work nevertheless.

I firmly believe what we do matters. I also got to work with the brightest minds in the country and learn something new every day. I am grateful to many for this incomparable opportunity. In particular, I wish to thank the five presidents I have served under - Monique Jérôme-Forget, Hugh Segal, Mel Cappe, Graham Fox and Jennifer Ditchburn - for their unwavering trust and support, and for making the IRPP a place to be proud of. I also wish to thank board members, past and present, for their sage advice and invaluable insights. To all my colleagues, thank you for your camaraderie, team spirit and remarkable dedication to the work we do. And to all the IRPP contributors I have had the pleasure of working with over the years, thank you for entrusting us with your research and your ideas for improving the lives of Canadians.

Finally, I wish my successor Rachel Samson and the rest of "*la relève*" every success in setting a productive course for the IRPP for its next 50 years.

France St-Hilaire

The Future of Skills and Adult Learning

Research Director: Natalia Mishagina

This research program helps build a more robust learning environment in Canada. It critically evaluates current education and training opportunities for working-age adults, and proposes reforms to improve the system's reach and impact. This work has become even more relevant as policy-makers seek ways to help displaced workers rebound from the fallout of the COVID-19 pandemic.

IRPP STUDIES

Skills Training That Works: Lessons from Demand-Driven Approaches

There is a common misconception that government-sponsored training for unemployed or underemployed low-skilled individuals is ineffective. The authors conclude, however, that such views are often based on poor evaluations of training programs. They review recent programs that have helped learners secure good jobs, and note that overcoming the stigma toward training helps convince governments and voters to invest taxpayer funds in skills development. The key is to invest in programs that produce solid results.

In particular, sector-based training programs for low-skilled workers have shown promise in the US. The paper concludes that key factors in producing results include a focus on jobs that are in demand, choosing trainees with a real interest in these jobs and providing a variety of supports for those trainees.

Finding the Right Job: A Skills-Based Approach to Career Planning

The economy is in constant flux as some jobs disappear and new ones are created. To succeed in this fast-moving world, workers need to know how to take advantage of the emerging opportunities. Yet, identifying jobs that fit one's skills can be difficult and, to make matters worse, very few adult Canadians use career-guidance services.

The authors have developed two algorithms that can help identify jobs best suited to a worker's skills and interests, and pinpoint the skill gaps that anyone looking for a new job needs to overcome. The algorithms can also make career guidance more accessible by incorporating them into an online tool that is free and easy to use.

RESEARCH IN ACTION

Our work on skills development, including op-eds in *Policy Options* to promote it, have drawn widespread attention from governments and the media.

- The deputy minister of immigration, population growth and skills in Newfoundland and Labrador thanked IRPP for publishing “valuable perspectives” on promising training models, and expressed interest in using our work to help the ministry align skills training programs with in-demand occupations.
- New Brunswick’s minister of economic development and small business, immigration and opportunities invited us to make a presentation based on the training models paper. France St-Hilaire took part in a round table on the future of work with Bank of Canada governor Tiff Macklem and other experts.
- Among other media appearances, France was interviewed by the *Financial Post* for a podcast on the changing nature of work.
- Natalia Mishagina took part in the *Coalition for a Better Future* summit in Ottawa. Our chair Anne McLellan cohosted the event.



The Social Safety Net for Working-Age Adults

Research Director: Colin Busby

Despite governments' efforts to develop poverty-reduction strategies, many Canadians still struggle to meet their basic needs on incomes far below the poverty line. This research program draws attention to this overlooked but fast-growing segment of the population. The fallout from the COVID-19 pandemic has made our work in this area even more relevant and urgent.

IRPP INSIGHT

Designing Paid and Protected Employment Leave for Short-term Sickness and Caregiving

When workers decide that they cannot take time off because of inadequate benefits or job protection, the resulting costs are borne by both individuals and society. These costs have come to the fore during the COVID-19 pandemic, highlighting flaws in Canada's income-support programs and job-protection laws for sickness and caregiving leave. As a result, federal, provincial and territorial governments have enacted emergency measures to address serious gaps in the system.

Based on a survey of various foreign regimes, as well as an analysis of Canadian programs and policies, this paper proposes a system of paid short-term sickness and caregiving leave available to all workers, including up to 15 days of paid job protection. These proposals are especially timely given that policy-makers across Canada are currently considering far-reaching reforms to Canada's sickness and caregiving leave regime.

WEBINAR

Food Banks and Canada's Social Safety Net

Canada's first food bank was set up in 1981, intended as a temporary support for struggling urban residents. Four decades later, food banks have mushroomed across the country and play an indispensable role in alleviating food insecurity. However, little is known about food-bank clients or how government income supports affect food-bank use.

Since 2014, McMaster University and Hamilton Food Share – a network of major food banks in Hamilton, Ontario – have joined forces to improve the quality of food-bank data. The IRPP held a panel discussion in December 2021 on the group's preliminary findings on food-bank use in Hamilton, the implications for government policy and the issues facing food banks in Canada.

Among the conclusions:

- One-third of low-income households in Hamilton use a food bank at least once a year.
- Low household income drives usage, and food-bank users tend to be the "poorest of the poor."
- The gross income of households using food banks is about half that of the average low-income family.
- The most common type of food-bank household is a single person who lives alone.

RESEARCH IN ACTION

Our publications, events and op-eds attracted the attention of senior decision-makers interested in addressing the shortcomings of Canada's social safety net for working-age adults.

- France St-Hilaire met with Scott MacAfee, chair of Canada's National Advisory Council on Poverty, to discuss major issues surrounding working-age adults and high rates of poverty among single persons who live alone.
- The National Advisory Council on Poverty invited France to round table sessions related to its strategic planning process.
- The IRPP Insight *Designing Paid and Protected Employment Leaves for Short-Term Sickness and Caregiving* was our most viewed research publication in 2021-22, with over 5,000 page views. The authors also presented their research to Ontario's Ministry of Labour.
- We convened a working group of 12 experts to discuss ways of modernizing the employment insurance system and expanding the range of reform options. Several officials from Economic and Social Development Canada attended the event.

Faces of Aging

Research Director: Colin Busby

This research program addresses the pressing issues that face Canada's aging population. In the past, we have examined the growing need for public pensions, and how elderly Canadians can maximize their retirement income and address the financial risks that come with longevity. Our focus this year has been the shortcomings of Canada's long-term care (LTC) system and how to address them, specifically by making more use of home care.

IRPP STUDY

Assessing Cash-for-Care Benefits to Support Aging at Home in Canada

Most older Canadians have limited access to long-term care services that are often of poor quality and fragmented. Wait times for admission to LTC institutions are long, and many who receive care at home report having unmet needs. Family and friends must often fill the gaps, and many wear themselves out trying to balance caregiving tasks with work and other family commitments.

This study argues that the challenge facing Canada's policy makers is not only to adequately meet the growing need for LTC services, but to ensure those services are delivered where people want to receive them, most often at home.

The authors, led by Colleen Flood, recommend a funding solution popular in Germany and the Netherlands: direct public transfers, known as cash-for-care benefits, which are paid to long-term care recipients (or their caregivers) to support care at home. These benefits give recipients more control over how their care is organized and provided, and hence more autonomy. But such cash-for-care benefits are not sufficient. Also required are investments to

enhance the quality and safety of care in LTC institutions, improve access to formal home care, and better support informal home care.

IRPP WEBINAR

Expanding home care options in Canada

Ninety per cent of Canadians say they would prefer to spend their old age at home rather than in an institution. Yet governments continue to focus on institutional care, leaving family and friends to provide the bulk of home care support for the elderly. The result is burnout among caregivers, exacerbated by the COVID-19 pandemic.

We brought together a panel of leading experts to discuss ways of improving and accelerating access to publicly funded home care in Canada. Among the topics they examined: options to alleviate the current shortage of personal support workers; the range of self-managed home care options across provinces; and innovations in Quebec that could be a model for other provinces.

RESEARCH IN ACTION

Our research on long-term care has drawn widespread interest among policy-makers, practitioners and others with an interest in this increasingly pressing issue.

- IRPP President Jennifer Ditchburn and Research Director Colin Busby met senior policymakers in provincial ministries of health and long-term care, as well as the federal government, to brief them on our research findings and to hear their feedback on policy priorities.
- We hosted a four-part series of webinars on long-term care, which attracted over 1,500 participants. Additionally, almost 450 participants from across the country tuned into our webinar on expanding home care options in Canada.
- *Policy Options* published a 13-article series on long-term care, guest-edited by Colin Busby. The project was designed to improve understanding of the decades-long inaction in long-term care reform, and to start a conversation on how to tackle the system's shortcomings.
- We held six separate briefing sessions for governments and paragonovernmental organizations, to discuss the details of our long-term care research and Faces of Aging research program.

Centre of Excellence on the Canadian Federation



Executive Director: Charles Breton

Research Associates: Ji Yoon Han and Paisley Sim



e published the final article in our inaugural essay series, *A Resilient Federation? Public Policy Challenges for the New Decade*, in which leading

scholars from across the country proposed a post-pandemic policy agenda for the Canadian federation. This final essay by Loleen Berdahl (Johnston-Shoyama), *The Persistence of Western Alienation*, was the most read of the series, clearly filling a gap in Canadians' understanding of this important issue. Following publication of Berdahl's essay, the series was turned into an e-book and has been used as a teaching resource in undergraduate and graduate seminars across the country.

Soon after the Centre's launch in 2020, we initiated a research project to measure and monitor policies that Canada's provinces and territories have adopted in response to the COVID-19 pandemic. As the pandemic ebbed and flowed, the Centre's stringency index evolved to include new measures of vaccine-related restrictions. The publicly available data represent a valuable resource for scholars and have been widely used. The Centre's staff used them to produce three analytical pieces for *Policy Options*. Statistics Canada also consulted Charles Breton on its work related to provincial COVID measures.

Together with other experts, Charles met the Senate's prosperity action group led by Senator Peter Harder to discuss fiscal federalism and upcoming challenges for the Canadian federation.

Finally, the Centre continued to encourage public debate with a series of reports based on the Confederation of Tomorrow project. These publications touched on issues such as climate change, reconciliation and separation of powers in the Canadian federation. Ahead of Alberta's equalization referendum in October 2021, we published an IRPP Insight, *Identity and Self-Interest: Support for Equalization in Canada*, to help explain the issues to Alberta voters and other Canadians.

Policy Options



Editor in Chief: Les Perreux

Deputy Editor (English Content): Evangeline Sadler

Deputy Editors (French Content): Patrick Déry, Félice Schaepli and Etienne Tremblay

Accenture Fellow on the Future of the Public Service: Kathryn May

Policy Options had a year of growth and transition. The site reached 2.8 million page views – 4 percent more than last year – despite publishing 444 articles compared to 597 the previous year. We welcomed a new editor-in-chief and deputy editor of French content, who revived the steady growth we have enjoyed since completing the transformation from a paper magazine seven years ago. We also continued our tradition of seeking diverse voices on current policy issues while boosting content and readership in French.

Kathryn May joined us in the fall as our first reporter under a public service journalism fellowship sponsored by Accenture. Kathryn's reporting on the challenges facing Canada's largest employer, the federal government, fills a gap in national affairs coverage and has produced some of our most popular articles. With a full team in place at the start of 2022, *Policy Options* broke all-time monthly traffic records in February and March.

We added value to breaking news with two deeply analytical articles: the challenges to civil order and discord over pandemic measures (exemplified by the protests in Ottawa and other parts of the country); and the challenges for Canada's defence and foreign policy stemming from Russia's invasion of Ukraine. In each case, *Policy Options* provided a springboard for

contributors to find their way onto major national and international media platforms.

We also shone the spotlight on major issues in Canadian public policy through feature series on the elections process, Canada's *Competition Act* and constituency-level election campaigns. In addition to quick pivots to produce timely analysis of major policy challenges, we produced seven feature series digging deeply into connectivity, the future of cities and the federal elections process. IRPP research directors Natalia Mishagina and Colin Busby were guest editors for feature series on skills development and reforming long-term care, respectively. *Policy Options* also resumed live events, albeit online. Hundreds of viewers tuned in to lively panel discussions on the federal election and global vaccine equity.

We continue to refine our outreach to the public, launching various training and editorial improvements. Expanding and improving French content is a key goal for the coming year.

Communications



Director: Cléa Desjardins

Event Coordinator: Judy Manny

Communications Officer: Ricardo Montrose

Digital Content Creator: Colm O'Sullivan



s the IRPP as a whole continues to build on its strengths, so does the communications team.

One important area of growth is the recognition that our events are – and always have been – a valuable public relations and outreach tool. Instead of events being managed separately, as they were in the past, the events coordinator is now part of the communications team. As a result, our virtual and hybrid event offerings have flourished, enabling us to connect with thousands of people through lively online discussions. Partnerships with external funders, think tanks, universities and policy schools have generated extra revenue for the IRPP and strengthened connections across Canada's public-policy community.

Improved connections are also at the heart of initiatives focused on IRPP websites, which have become increasingly linked thanks to cross-site tagging that allows content from the Centre of Excellence and *Policy Options* to populate the IRPP website, and vice versa. Fresh newsletter branding has also helped highlight the connections between the IRPP, the Centre of Excellence and *Policy Options*. A Canadian Heritage grant to develop a customer relationship management system will enable us to streamline communications with newsletter subscribers, as well as with *Policy Options* authors, research contributors, event panellists,

and many other individuals with an interest in the IRPP's work.

We have expanded the IRPP's social media presence by launching an Instagram account and attracting a growing number of Twitter and LinkedIn followers. The *Policy Options* Podcast has grown with the addition of the new In Their Words stream, highlighting the voices of our op-ed and research authors.

External media have continued to bring the IRPP's work to Canadians across the country through interviews and articles, especially highlighting new research projects and the Centre of Excellence's COVID-19 Stringency Index.

The communications team is focused on reaching an even wider audience as we mark the IRPP's 50th anniversary later in 2022. Our plans include special 50th anniversary branding, video content, a multipronged series in partnership with Canada's policy schools and a fundraising gala to celebrate this milestone.

Investment Committee



Chair: Ali Suleman

Members: Elizabeth Roscoe, Jason Stewart

Non-director members: Enrique Cuyegkeng, Peter von Schilling, Monika Skiba



he IRPP's Endowment Fund supports the work of the Institute. In order to maintain the fund's real value (after inflation), the role of the Investment Committee is to:

- Advise the Board of Directors on the Institute's investment strategy.
- Consider and recommend an appropriate asset mix.
- Select external investment managers and hold them accountable for their performance (both return and risk) in meeting the mandate objectives.
- Act as a resource for the board on investment-related matters.

The Investment Committee and the Board have always recognized that protecting the real value of the Fund while providing for the Institute's operations may be competing objectives. For this reason, the Institute has used different approaches, asset mixes and formulas over the years to determine the amount released annually from the Endowment Fund to support its operations and ensure the Fund's long-term sustainability.

In 2008-09, to reduce the transmission of portfolio volatility onto the amount released from the Endowment Fund, a modified Yale formula was selected for the spending policy. This formula consists of taking 80 percent of the allowable spending in the prior fiscal year,

increased by the rate of inflation (as measured by the consumer price index) for the 12 months ending December 31, plus 20 percent of the long-term spending rate applied to the four-quarter market average of the endowment for the period ending December 31 prior to the start of the relevant fiscal year.

In 2012, the decision was made to change the asset-mix allocation to 70 percent equities and 30 percent fixed income. In 2013 Burgundy Asset Management was given the mandate to manage the equities portion of the portfolio, and in 2014 RBC Philips, Hager & North Investment Counsel was given the mandate to manage the fixed-income portion of the portfolio. In January 2018, we decided to invest 10 percent of the fund in real estate and gave the mandate to Bentall Green Oaks (then Bentall Kennedy). As a result, the current asset allocation is 70 percent equities (consisting of 20 percent Canadian, 25 percent US and 25 percent EAFE), 20 percent bonds (25 percent of which is invested in commercial mortgages), and 10 percent real estate.

In 2019, the IRPP received a \$10-million grant from the federal government to create the Centre of Excellence on the Canadian Federation. To meet reporting requirements, a separate Centre Fund was created, and the Endowment Fund was renamed the Base Fund. The Centre Fund is invested according to the same Statement of Investment Policy and Procedures.

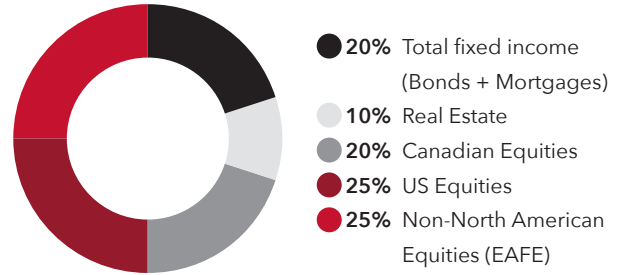
With two Funds to oversee now and the management having become more complex, in 2021 the Board decided to retain the services of an investment consulting firm to support the committee with its work by providing advice and more in-depth reporting. As a result of a search, HUB Proteus was given the mandate in March.

Developed markets globally continued to show tremendous strength throughout 2021, spurred by accommodative central bank monetary policies, driving performance to all-time highs. However, the economic recovery from the global pandemic was slower during the second half of the year. Inflationary pressures from supply-chain disruptions resulting from the continuing pandemic and erratic economic recovery, along with conflict between Russia and Ukraine, precipitated central bank policy changes earlier than anticipated to rein in inflation. Unwinding near-zero policy rates and historic quantitative easing during the first quarter of 2022 led to rising interest rates that lowered equity and fixed income markets. The Canadian equity market was an exception due to Canada’s GDP linkage to commodity prices and a strong financial-services market, which benefited from rising energy and materials prices, and rising interest rates, respectively.

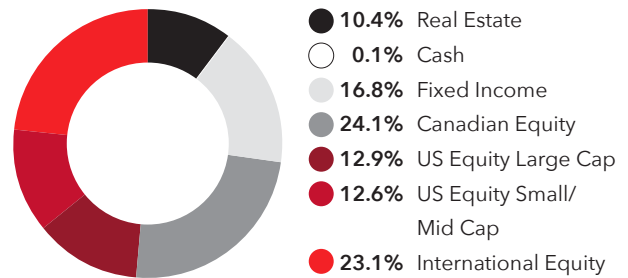
For the fiscal year, the base fund grew 8.5 percent on a gross basis and 7.5 percent net of fees, while the Centre of Excellence fund gained 8.1 percent on a gross basis and 7 percent net of fees. Both outperformed their benchmarks. As of March 31, 2022, the Base Fund’s market value was \$45,715,390 and the Centre of Excellence fund’s market value was \$10,986,921, after drawdowns.

The funds’ asset mix is reported below.

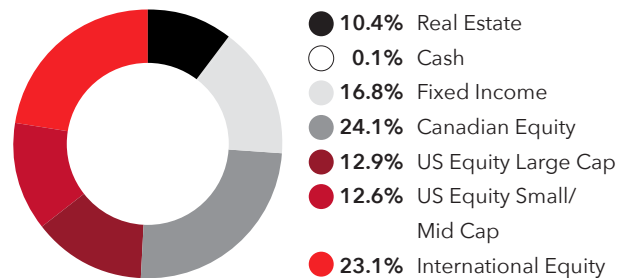
POLICY



BASE FUND



CENTRE FUND



The tables and graph below show that the Base and Centre Funds have been managed to achieve the dual objectives of providing income for the operations of the IRPP and Centre of Excellence while maintaining the funds' real value.

FUNDS - HIGHLIGHTS

Fiscal year	2022	2021	2020	2019	2018
Base Fund market value	\$45,715,390	\$44,727,414	\$37,790,737	\$42,668,109	\$41,937,523
Return (before draw and fees)	8.5%	25.3%	-5.3%	8.0%	3.4%
Return (after draw and fees)	2.4%	18.4%	-11.4%	1.7%	-2.6%
Centre Fund market value	\$10,986,921	\$10,715,776	\$8,908,118	-	-
Total Base and Centre Funds	\$56,702,311	\$55,443,190	\$46,698,855	-	-
Total spending (excludes fees)	\$2,940,032⁴	\$2,872,102 ³	\$2,325,443	\$2,279,262	\$2,228,923 ²
Total operating budget	\$3,263,181³	\$3,078,038 ³	\$3,096,443 ³	\$2,872,336	\$2,529,350
Total management fees	\$540,233⁵	\$343,293 ³	\$306,584	\$346,260	\$368,760
Funds contribution	90.1%	93.3%	75.1% ¹	79.3% ¹	68.4% ¹
					90.1% ²

¹ Contribution from Base Fund only.

² Includes an additional draw from the Base Fund as authorized by the Board of Directors.

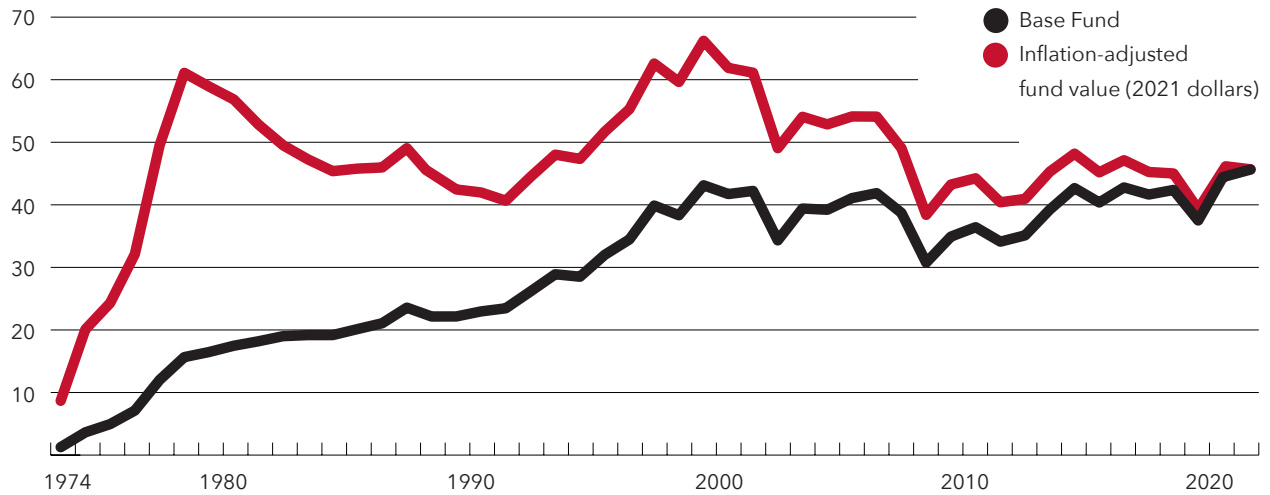
³ Includes draw from the Centre Fund.

⁴ Includes draw from the Centre Fund and an additional draw from the Base Fund as authorized by the Board of Directors.

⁵ Includes management and performance fees, custodian fees and financial consultant fees. The increase in 2022 reflects the increase in assets, the normalization of management fees and additional consultant fees.

VALUE OF THE BASE FUND, NOMINAL AND INFLATION ADJUSTED, 1974-2022

(millions of dollars)



Over the IRPP's 50-year history, the Base Fund has provided more than \$87 million to support the Institute's operations.

Financial Statements

MARCH 31, 2022

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF
INSTITUTE FOR RESEARCH ON PUBLIC POLICY

OPINION

We have audited the financial statements of Institute for Research on Public Policy [the "Organization"], which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, statement of revenues and expenditures, and statement of cash flows 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 Organization as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Organization 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.

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 accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY 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 Organization'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 Organization'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 Organization 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.

Ernst + Young LLP

Montreal, Canada
June 7, 2022

Statement of financial position

As at March 31

	2022 \$	2021 \$
ASSETS		
Current		
Cash	949,359	711,236
Accounts receivable <i>[note 3]</i>	172,042	98,106
Prepaid expenses	14,588	71,425
	1,135,989	880,767
Investments <i>[note 4]</i>	56,661,019	55,443,190
Tangible capital assets <i>[note 5]</i>	150,644	124,677
	57,947,652	56,448,634
LIABILITIES		
Current		
Accounts payable and accrued liabilities <i>[note 7]</i>	207,903	184,718
Deferred contributions <i>[note 8]</i>	507,796	275,622
	715,699	460,340
Commitments <i>[note 11]</i>		
NET ASSETS		
Base Endowment [internally restricted]	46,428,607	45,250,744
Centre of Excellence Endowment [restricted]	11,067,585	10,754,813
Unrestricted	(264,239)	(17,263)
	57,231,953	55,988,294
	57,947,652	56,448,634

See accompanying notes

Statement of changes in net assets

Year ended March 31

	Base Endowment [internally restricted] \$	Centre of Excellence Endowment [restricted] \$	Unrestricted \$	2022 \$	2021 \$
		<i>[note 10]</i>			
Balance, beginning of year	45,250,744	10,754,813	(17,263)	55,988,294	47,050,756
Excess of revenues over expenditures	–	816,732	426,927	1,243,659	8,937,538
Transfer Base Endowment <i>[note 9]</i>	1,014,189	–	(1,014,189)	–	–
Transfer Sixth Decade fund <i>[note 9]</i>	163,674	–	(163,674)	–	–
Transfer Centre of Excellence <i>[note 9]</i>	–	(503,960)	503,960	–	–
Balance, end of year	46,428,607	11,067,585	(264,239)	57,231,953	55,988,294

See accompanying notes

Statement of revenues and expenditures

Year ended March 31

	2022 \$	2021 \$
REVENUES		
Centre of Excellence contribution <i>[note 10]</i>	—	182,000
Sixth Decade Contribution <i>[note 8]</i>	(163,674)	(200,000)
Contributions, partners and collaborators	300,066	313,408
Contributions, other	15,827	16,206
Publications and events	3,236	3,781
<i>Policy Options</i> advertising	25,497	22,726
	180,952	338,121
EXPENDITURES		
General research and support services	1,945,906	1,703,809
Centre of Excellence <i>[note 10]</i>	443,133	485,495
<i>Policy Options</i>	635,634	699,371
Other publications	6,835	18,859
Interest and bank charges	5,889	7,174
Amortization of tangible capital assets	25,784	21,134
	3,063,181	2,935,842
Deficiency of revenues over expenditures before the undernoted	(2,882,229)	(2,597,721)
Net investment income <i>[note 10]</i>		
Change in fair value of investments	1,779,660	8,999,359
Dividend income	1,504,562	1,511,244
Gain on disposal of investments	1,087,595	1,054,381
Interest income	277,391	294,693
Transaction costs	(523,320)	(324,418)
	4,125,888	11,535,259
Excess of revenues over expenditures	1,243,659	8,937,538

See accompanying notes

Statement of cash flows

Year ended March 31

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	1,243,659	8,937,538
Items not affecting cash:		
Amortization of tangible capital assets	25,784	21,134
Change in fair value of investments	(1,779,660)	(8,999,359)
	(510,217)	(40,687)
Net change in non-cash working capital items <i>[note 12]</i>	238,260	15,615
Cash used in operating activities	(271,957)	(25,072)
INVESTING ACTIVITIES		
Acquisition of investments	(69,529)	(69,060)
Proceeds of disposal of investments	631,360	324,084
Acquisition of tangible capital assets	(51,751)	–
Cash provided by investing activities	510,080	255,024
Net increase in cash during the year	238,123	229,952
Cash and cash equivalents, beginning of year	711,236	481,284
Cash and cash equivalents, end of year	949,359	711,236

See accompanying notes

Notes to Financial Statements

March 31, 2022

1. PURPOSE OF THE ORGANIZATION

Founded in 1972, the Institute for Research on Public Policy [the "Organization"] seeks to improve public policy in Canada by generating research, providing insight and influencing debate on current and emerging policy issues facing Canadians and their governments. Its independence is assured by an Endowment, made up of the "Base Endowment" [internally restricted], to which federal and provincial governments and the private sector contributed in the early 1970s, as well as a second fund [the "Centre Endowment" [restricted]], created in 2019 thanks to a grant from the Government of Canada specifically to support the activities of the Institute's Centre of Excellence on the Canadian Federation. The Organization is incorporated under Part II of the *Canada Corporations Act* and is a registered charity under the Canadian *Income Tax Act* and *Quebec Taxation Act* and, accordingly, is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are deferred and are recognized as revenue in the year in which the related expenses are incurred and are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Advertising revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered and the price is fixed or reasonably assured, on a straight-line basis over the duration of the contract, once advertising is edited. The liability relating to the received but unearned portion of revenues is recognized in the balance sheet as sponsorship revenue collected in advance.

Publications and events revenues are recognized when persuasive evidence of an arrangement exists, merchandise is sold, services have been rendered, and the price is fixed or reasonably assured. The liability relating to the received but unearned portion of revenues is recognized in the balance sheet as publications and events revenue collected in advance.

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Interest income is recognized on a time proportion basis, dividend income is recognized as of the ex-dividend date and changes in fair value are recognized when they occur.

Allocation of expenses

The allocation of salaries is based on the percentage of time spent by each employee on the *Policy Options* activities and the Centre of Excellence activities. Non-salary expenses are allocated proportionally to *Policy Options*. In accordance with the agreement that created the Centre of Excellence, no overhead expenses are allocated to this line of activity.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is calculated on their respective estimated useful life using the straight-line method at the following rates and over the following period:

Computer equipment	33%
Office equipment	20%
Leasehold improvements	Over the term of the lease

Impairment of long-lived assets

Long-lived assets, which comprise tangible capital assets, are reviewed for impairment when certain events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted future net cash flows expected from its use and disposal. If there is an impairment, the impairment amount is measured as the amount by which the carrying amount of the asset exceeds its fair value. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Financial instruments*Measurement of financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value [except for related party transactions], adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are expensed in the year they are incurred.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. In addition, the Organization elected to subsequently measure all other investments at fair value.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable [excluding sales taxes receivable]

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the writedown is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess (deficiency) of revenues over expenditures.

3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trade	58,140	7,509
Dividends receivable	41,291	37,035
Sales taxes receivable	72,611	53,562
	172,042	98,106

4. INVESTMENTS

Investments related to the Base Endowment [internally restricted] ["BE"] consist of pooled equity, bond [including mortgages] and real estate funds and are carried at a fair value of \$45,681,995 [2021 - \$44,727,414] with a cost of \$33,194,684 [2021 - \$33,627,290].

Investments related to the Centre of Excellence Endowment [restricted] ["CEE"] [see note 10] consist of pooled equity and bond [including mortgages] funds at a fair value of \$10,979,024 [2021 - \$10,715,776] with a cost of \$9,764,531 [2021 - \$9,893,755].

	2022	2021
	\$	\$
EAFE pooled equity funds - BE	11,284,272	10,792,263
United States pooled equity funds - BE	12,124,714	11,638,883
Bond pooled funds [including mortgages] - BE	10,281,445	7,697,550
Canadian pooled equity funds - BE	7,176,015	10,413,633
Canadian pooled real estate funds - BE	4,815,549	4,185,085
EAFE foreign pooled equity funds - CEE	2,651,150	2,701,192
United States pooled equity funds - CEE	2,805,751	2,803,386
Bond pooled funds [including mortgages] - CEE	2,534,848	1,860,019
Canadian pooled equity funds - CEE	1,848,451	2,361,453
Canadian pooled real estate funds - CEE	1,138,824	989,726
	56,661,019	55,443,190

5. TANGIBLE CAPITAL ASSETS**2022**

	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	61,314	11,990 4	9,324
Office equipment	170,049	151,299	18,750
Leasehold improvements	188,660	106,090	82,570
	420,023	269,379	150,644

2021

	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	16,903	7,340	9,563
Office equipment	170,049	146,680	23,369
Leasehold improvements	188,660	96,915	91,745
	375,612	250,935	124,677

6. FINANCING FACILITY

The Organization has a line of credit of \$3,000,000, which is reviewed annually with the bank.

Bank indebtedness, outstanding at any time, is due on demand, secured by a moveable hypothec of \$5,000,000 plus 20 percent over the Base Fund portfolio held with Burgundy Assets Management Ltd., and bears interest at 0 percent over the bank's prime lending rate. As at March 31, 2022, the Organization did not have any outstanding balance on this line of credit.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Trade and accrued liabilities	192,081	174,123
Payroll deductions at source payable	15,822	10,595
	207,903	184,718

8. DEFERRED CONTRIBUTIONS

The Sixth Decade Contribution [formerly the Fifth Decade Contribution] represents amounts received and restricted for purposes at the discretion of the President and approved by the Board of Directors. During the year, no amount has been recognized in operations.

	2022	2021
	\$	\$
Sixth Decade Contribution [formerly Fifth Decade Contribution]	409,296	245,622
Other	98,500	30,000
Balance, end of year	507,796	275,622

9. INTERFUND TRANSFER

The net assets restricted for operations, and subject to internally imposed restrictions by the Board of Directors, must be maintained to finance the organization's operations. To finance the operations of the Organization, the Board of Directors authorizes an annual transfer of resources from restricted net assets to unrestricted net assets. This transfer of resources is determined using a formula approved by the Board of Directors.

	2022	2021
	\$	\$
Annual draw as per predetermined formula	2,355,794	2,367,502
Less: Net investment income (loss)		
– Base Endowment Fund	3,369,983	9,350,371
Transfer	(1,014,189)	(6,982,869)

The Board of Directors also authorizes an annual transfer of resources from the Centre of Excellence Endowment net assets to the unrestricted net assets. The transfer of resources is determined using a formula approved by the Board of Directors. During the year, an amount of \$503,960 was transferred [2021 - \$504,600].

In addition, an amount of \$163,674 [2021 - \$200,000] was transferred from the Base Endowment fund to the unrestricted fund.

10. CENTRE OF EXCELLENCE ENDOWMENT [RESTRICTED]

Centre of Excellence Endowment [restricted] net assets represent a contribution received from the Department of Canadian Heritage for the purpose of establishing a Centre of Excellence on the Canadian Federation as a permanent research body to promote shared understanding of the Canadian federal community; and to support the activities of the Centre to conduct and publish research on the Canadian federation for the interests of the Canadian public in furtherance of the Centre's mission. The Centre of Excellence

Endowment [restricted] net assets are to be maintained by the Organization on a permanent basis. The funds shall be invested according to the Organization's current investment policy guidelines. The income generated by the Centre of Excellence Endowment [restricted] assets can be used to support the annual direct operating costs and will cover costs directly related to its research activities and events. The Endowment contribution was received in March 2019. In 2022, a \$755,905 net investment gain was incurred on the Centre of Excellence Endowment [restricted] [2021 - \$2,184,889 net investment gain] and the direct operating costs for the Centre of Excellence consisted of \$443,133 [2021 - \$485,495]. In 2021, the revenues consisted of a remaining Start-up Contribution of \$150,000, and an amount of \$32,000 to support a scholar for the Centre.

11. COMMITMENTS

The minimum rentals payable under long-term operating leases, exclusive of certain operating costs for which the Organization is responsible, are approximately as follows:

	\$
2023	123,000
2024	123,000
2025	123,000
2026	132,000
2027	138,000
Thereafter	483,000
	1,122,000

12. CASH FLOWS

Net change in non-cash working capital items is composed of the following:

	2022	2021
	\$	\$
Accounts receivable	(73,936)	30,691
Prepaid expenses	56,837	(33,105)
Accounts payable and accrued liabilities	23,185	43,029
Deferred contributions	232,174	(25,000)
	238,260	15,615

13. FINANCIAL INSTRUMENTS

Risk management policy

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure as at March 31, 2022.

Credit risk

The Organization, in the normal course of operations, provides credit to its users. The Organization is exposed to credit risk on its accounts receivable but does not have a significant exposure to any individual or counterparty. The Organization establishes an allowance for doubtful accounts that corresponds to the credit risks of its specific users,

historical trends and economic circumstances.

Interest rate risk

The Organization is exposed to interest rate risk on its short-term investments, which bear interest at fixed rates, but considers this risk to be low.

Other price risk

The Organization's investments expose it to other price risk since changes in market prices could result in changes in fair value of cash flows of these investments. The maximum risk resulting from these financial instruments is equivalent to their fair value.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages liquidity risk by constantly monitoring forecasted and annual cash flows and financial liability maturities, by holding assets that are liquid or readily convertible to cash, and by maintaining access to additional financing from its line of credit.

“Looking ahead, 2022 promises to be another banner year as we celebrate the Institute’s 50th anniversary.”

—Anne McLellan



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