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**CANADIAN CENTRE FOR POLICY ALTERNATIVES**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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# CANADIAN CENTRE FOR POLICY ALTERNATIVES

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DECEMBER 31, 2021

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## INDEPENDENT AUDITORS' REPORT

To the Members of the Canadian Centre for Policy Alternatives:

### Qualified Opinion

We have audited the financial statements of the Canadian Centre for Policy Alternatives (the "Centre"), which comprise the balance sheet as at December 31, 2021, and the statements of revenues and expenditures, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2021, 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 (ASNFPPO).

### Basis for Qualified 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 Centre 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.

In common with many not-for-profit organizations, the Centre derives support from the general public in the form of donation revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre, and we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenditures, assets and net assets.

Furthermore, Note 1 describes the Centre's policy with respect to the recording of employee future benefits. The accurate determination of employee future benefits expenditures and liabilities would normally require an actuarial valuation. In the absence of such a valuation, we were not able to determine whether adjustments might be necessary to the salaries and benefits, excess of revenues over expenditures, provision for employee future benefits and net assets.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNFPPO, 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 these financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative to do so.

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

### Auditors' 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 auditors' report that includes our opinion.



## INDEPENDENT AUDITORS' REPORT (continued)

### Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 Centre'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 Centre'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 Centre 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 the audit.

A handwritten signature in black ink that reads 'Logan Katz LLP'. The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Canada  
June 29, 2022

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)

**BALANCE SHEET**

**AS AT DECEMBER 31, 2021**

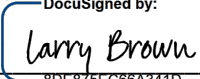
|  | 2021         | 2020         |
|--|--------------|--------------|
| <b>ASSETS</b>  |              |              |
| <b>CURRENT ASSETS</b>                                    |              |              |
| Cash (Note 2)  | \$ 3,851,015 | \$ 2,940,285 |
| Investments (Note 2)                                     | 828,904      | 1,333,215    |
| Accounts receivable (Note 4)                             | 178,816      | 380,246      |
| Prepaid expenditures                                     | 90,412       | 62,418       |
|  | 4,949,147    | 4,716,164    |
| <b>CAPITAL ASSETS (Note 3)</b>                           | 7,081        | 35,589       |
|  | \$ 4,956,228 | \$ 4,751,753 |
| <b>LIABILITIES AND NET ASSETS</b>                        |              |              |
| <b>CURRENT LIABILITIES</b>                               |              |              |
| Accounts payable and accrued liabilities (Notes 4 and 8) | \$ 469,700   | \$ 306,684   |
| Other liabilities (Note 5)                               | 976,587      | 926,636      |
|  | 1,446,287    | 1,233,320    |
| <b>DEFERRED CONTRIBUTIONS (Note 6)</b>                   | 1,072,411    | 1,106,656    |
| <b>NET ASSETS</b>  |              |              |
| Unrestricted   | 2,430,449    | 2,376,188    |
| Invested in capital assets                               | 7,081        | 35,589       |
|  | 2,437,530    | 2,411,777    |
|  | \$ 4,956,228 | \$ 4,751,753 |

Commitments (Note 7)

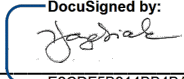
Financial instruments (Note 8)

Related party transactions (Note 9)

ON BEHALF OF THE BOARD:

DocuSigned by:  
  
 \_\_\_\_\_, Director  
 8DE875EC66A341D...  
 Larry Brown

Chair of the Board

DocuSigned by:  
  
 \_\_\_\_\_, Director  
 E2CDF5B914BB4BA  
 Tania Jarzebiak

Vice Chair and Treasurer

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**STATEMENT OF REVENUES AND EXPENDITURES**

**YEAR ENDED DECEMBER 31, 2021**

|   | <b>2021</b>      | <b>2020</b>       |
|---|------------------|-------------------|
| <b>REVENUES</b>                             |                  |                   |
| Individual giving                           | \$ 2,621,149     | \$ 2,563,339      |
| Individual bequests                         | 591,424          | 387,403           |
| Organizations and grants                    |                  |                   |
| General funding                             | 1,112,990        | 824,812           |
| Project income and grants                   | 1,854,626        | 1,787,764         |
| Capacity funding                            | -                | 555,512           |
| Fundraising events                          | 87,308           | 27,977            |
| Royalties and honoraria                     | 35,869           | 11,574            |
| Publications and advertising                | 18,627           | 10,775            |
| Interest                                    | 18,135           | 30,484            |
| Government assistance (Note 11)             | 271,054          | 591,853           |
| Other                                       | 10,091           | 4,886             |
|   | <b>6,621,273</b> | <b>6,796,379</b>  |
| <b>EXPENDITURES</b>                         |                  |                   |
| Administrative overhead (Note 11)           | 583,004          | 627,022           |
| Equipment and technical support             | 23,784           | 36,571            |
| Amortization                                | 38,731           | 11,899            |
| Programming materials and services          | 697,910          | 511,877           |
| Development materials and services          | 515,875          | 457,697           |
| Human resources (Note 10)                   |                  |                   |
| Compensation and remittances                | 4,566,141        | 4,141,916         |
| Contractors                                 | 153,954          | 3,326             |
| Staff development                           | 16,121           | 7,787             |
|   | <b>6,595,520</b> | <b>5,798,095</b>  |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>\$ 25,753</b> | <b>\$ 998,284</b> |

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2021**

|  | <b>2021</b>         |                                  | <b>2020</b>         |                     |
|--|---------------------|----------------------------------|---------------------|---------------------|
|  | Unrestricted        | Invested in<br>Capital<br>Assets | Total               | Total               |
| <b>BALANCES AT BEGINNING OF YEAR</b>                 | \$ 2,376,188        | \$ 35,589                        | \$ 2,411,777        | \$ 1,413,493        |
| (Deficiency) excess of revenues<br>over expenditures | 64,484              | (38,731)                         | 25,753              | 998,284             |
| Investment in capital assets                         | (10,223)            | 10,223                           | -                   | -                   |
| <b>BALANCES AT END OF YEAR</b>                       | <b>\$ 2,430,449</b> | <b>\$ 7,081</b>                  | <b>\$ 2,437,530</b> | <b>\$ 2,411,777</b> |

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2021**

|  | <b>2021</b>         | <b>2020</b>         |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                     |                     |
| Excess of revenues over expenditures   | \$ 25,753           | \$ 998,284          |
| Items not involving cash:  |                     |                     |
| Amortization   | 38,731              | 11,899              |
| Provision for severance pay  | 172,641             | 150,190             |
| Changes in non-cash operating working capital:   |                     |                     |
| Accounts receivable  | 201,430             | (169,672)           |
| Prepaid expenditures   | (27,994)            | 15,460              |
| Accounts payable and accrued liabilities   | 163,016             | 81,768              |
|  | <b>573,577</b>      | <b>1,087,929</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                     |                     |
| Purchases of capital assets  | (10,223)            | (12,385)            |
| Net proceeds from disposal of investments  | 504,311             | 185,789             |
|  | <b>494,088</b>      | <b>173,404</b>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                     |
| Excess of amounts recognized as revenue over externally restricted contributions received and deferred | (34,245)            | (394,337)           |
| Payments of severance pay  | (122,690)           | (13,069)            |
|  | <b>(156,935)</b>    | <b>(407,406)</b>    |
| <b>INCREASE IN CASH</b>  | <b>910,730</b>      | <b>853,927</b>      |
| Cash at beginning of year  | 2,940,285           | 2,086,358           |
| <b>CASH AT END OF YEAR</b>   | <b>\$ 3,851,015</b> | <b>\$ 2,940,285</b> |



**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**GENERAL**

Canadian Centre for Policy Alternatives (the "Centre") is a non-profit organization dealing with social and economic issues. It is incorporated under the Canada Corporations Act and subsequently continued under the Canada Not-for-profit Corporations Act.

The Centre is also a registered charity, is entitled to issue income tax receipts to donors, and is exempt from income taxes.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPO") and include the following significant accounting policies:

Revenue Recognition

The Centre uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Publications and advertising, royalties and honoraria, and other miscellaneous revenues are recognized as revenue when the amount to be received can be reasonably estimated and collection is ultimately assured.

Interest income includes interest earned on cash and investment balances.

Government assistance related to COVID-19 relief received or receivable for the current year expenditures are included in income or as a reduction of the related expenditure as eligible expenditures are incurred and there is reasonable assurance that the assistance will be realized.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and held on deposit with Canadian chartered banks.

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets

Capital assets are recorded at cost. Depreciation is provided using the straight-line method at the following useful lives:

|           |         |
|-----------|---------|
| Computers | 3 years |
| Equipment | 4 years |

In the current year, as a result of management examining the usage and future economic benefits of the assets, it was determined the depreciation rate for computers and equipment should be determined on a straight-line basis, rather than the declining balance basis as previously used. This change has been applied in the current year.

Deferred Contributions

Deferred contributions represent funding and donations, as well as other restricted contributions received with respect to projects and activities, to be conducted subsequent to the year end.

Use of Estimates

These financial statements have been prepared by management in accordance with ASNFPO and accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates. The significant estimates in the financial statements include allowance for doubtful accounts, inventory, the estimated useful lives of capital assets and the amount of certain accrued liabilities.

Employee Future Benefits

ASNFPO requires an accounting for employee future benefits. The Centre provides future benefits to its employees upon, and subsequent to, retirement.

Employees leaving the Centre are entitled to payment based on their term of service. The Centre has accrued the amount that would have been payable for severance pay had all employees been terminated at year end.

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Employee Future Benefits (continued)

In addition, the Centre sponsors for its employees both a Group Registered Retirement Savings Plan and a multiemployer target benefit pension plan. Regular contributions, calculated as a percentage of employees' remuneration, are made by the Centre to each of the plans on behalf of each employee. The costs of the Centre's contributions to the plans are charged to income in the period that each contribution becomes payable.

Finally, the Centre provides for health and dental coverage for employees who retire after ten years of service, whereby the aggregate of years of service and age is at least eighty. Benefits terminate at age eighty. These employee benefits are recognized as expenditures when incurred.

The Centre has not obtained actuarial valuations of its liabilities for employee future benefits, and as such, the related expenditure and liability, if any, are not recorded in the financial statements.

Financial Instruments

*Measurement of financial instruments*

The Centre initially measures its financial assets and liabilities at fair value.

The Centre subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivable.

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

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and 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 statement of revenues and expenditures. The accounts receivable is netted by an allowance for doubtful accounts of \$Nil (2020 - \$Nil).

*Transaction Costs*

The Centre recognizes its transaction costs in the statement of revenues and expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

**2. CASH AND INVESTMENTS**

Cash and investments are comprised of the following amounts for each office:

|                  | <b>2021</b>         | <b>2020</b>         |
|------------------|---------------------|---------------------|
| Cash:            |                     |                     |
| National         | \$ 2,992,759        | \$ 1,806,886        |
| British Columbia | 354,553             | 579,329             |
| Manitoba         | 503,703             | 554,070             |
|                  | <b>\$ 3,851,015</b> | <b>\$ 2,940,285</b> |
| Investments:     |                     |                     |
| National         | \$ 321,673          | \$ 821,685          |
| British Columbia | 284,627             | 290,423             |
| Manitoba         | 222,604             | 221,107             |
|                  | <b>\$ 828,904</b>   | <b>\$ 1,333,215</b> |

The Centre's investments consist of the following at year end:

|  |                   |
|--|-------------------|
| Interest-earning instruments at annual rates varying between 0.31% and 2.75%, maturing between June 2022 to December 2024. | \$ 606,300        |
| Term deposits at an annual rate of 0.52% maturing in March 2022.   | 222,604           |
|  | <b>\$ 828,904</b> |

**3. CAPITAL ASSETS**

|           | <b>2021</b>       |                             |                 | <b>2020</b>      |  |
|-----------|-------------------|-----------------------------|-----------------|------------------|--|
|           | Cost              | Accumulated<br>Amortization | Net             | Net              |  |
| Computers | \$ 234,092        | \$ 227,011                  | \$ 7,081        | \$ 31,670        |  |
| Equipment | 80,682            | 80,682                      | -               | 3,919            |  |
|           | <b>\$ 314,774</b> | <b>\$ 307,693</b>           | <b>\$ 7,081</b> | <b>\$ 35,589</b> |  |

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Centre is entitled to rebates on the Goods and Services Tax, as well as the Harmonized Sales Tax paid on expenditures.

Pending claims submitted are included in accounts receivable.

**5. OTHER LIABILITIES**

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
| Severance pay, in accordance with the collective agreement | \$ 976,587  | \$ 926,636  |

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**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

**6. DEFERRED CONTRIBUTIONS**

The Centre receives contributions that are specifically restricted for expenditures related to various specific purposes. Revenue includes contributions from various sources, including foundations and government grants, research contracts, research grants from unions, cooperative businesses and other non-governmental organizations, and individual and organizational contributions, required to be used for specific purposes. Deferred contributions represent restricted contributions received in excess of expenditures.

Changes in deferred contributions balances are as follows:

|                                     | <b>2021</b>      |              |                   |                     |                   | <b>2020</b>         |                     |
|-------------------------------------|------------------|--------------|-------------------|---------------------|-------------------|---------------------|---------------------|
|                                     | Nova Scotia      | Saskatchewan | Manitoba          | British<br>Columbia | National          | Total               | Total               |
| Balances at beginning of year       | \$ 60,000        | \$ 24,318    | \$ 519,511        | \$ 162,529          | \$ 340,298        | \$ 1,106,656        | \$ 1,500,993        |
| Plus: amounts received              | 283,884          | 97,772       | 460,725           | 244,959             | 201,565           | 1,288,905           | 1,114,766           |
| Less: amounts recognized as revenue | 283,884          | 122,090      | 529,622           | 272,013             | 115,541           | 1,323,150           | 1,509,103           |
| <b>Balances at end of year</b>      | <b>\$ 60,000</b> | <b>\$ -</b>  | <b>\$ 450,614</b> | <b>\$ 135,475</b>   | <b>\$ 426,322</b> | <b>\$ 1,072,411</b> | <b>\$ 1,106,656</b> |

The revenue recognized of \$1,323,150 (2020 - \$1,509,103) is included in individual giving, and organizations and grants in the statement of revenues and expenditures.

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

**7. COMMITMENTS**

Office Premises

The Centre's National, British Columbia and Manitoba offices operate from premises under operating leases expiring September 2026, January 2027 and March 2022, respectively. Minimum annual lease payments over the next five years, including an estimate of the related operating expenditures, are as follows:

|      | National   | British<br>Columbia | Manitoba |
|------|------------|---------------------|----------|
| 2022 | \$ 142,037 | \$ 162,631          | \$ 4,992 |
| 2023 | 145,289    | 164,506             | -        |
| 2024 | 146,374    | 166,381             | -        |
| 2025 | 149,627    | 168,256             | -        |
| 2026 | 112,220    | 170,131             | -        |

The Toronto office operates from premises under a Facilities License Agreement whereby lease payments are made on a month-to-month basis. The Saskatchewan office operates from premises for which there is no formal lease agreement and whereby lease payments are made on a month-to-month basis. There is no formal lease agreement in Nova Scotia as it is a home office.

Office Equipment

The Centre leases various office equipment under operating leases expiring between May 2023 and September 2024. The minimum annual lease payments to expiry are as follows:

|      |          |
|------|----------|
| 2022 | \$ 3,886 |
| 2023 | 2,301    |
| 2024 | 877      |

**8. FINANCIAL INSTRUMENTS**

Risks

The Centre is exposed to various risks through its financial instruments, without being exposed to currency, liquidity, or concentrations of credit risk. The following analysis provides a measure of the Centre's risk exposure at the balance sheet date:

*Credit Risk*

The Centre is subject to credit risk with respect to its accounts receivable. A significant portion of the Centre's revenues and resulting receivable balances are derived from contributions from various donors. The Centre sets up a provision for bad debts based on the estimated realizable value on an account by account basis.

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**8. FINANCIAL INSTRUMENTS (continued)**

Risks (continued)

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk on its credit line when used. The risk arises from changes in interest rates and the degree of volatility of these rates. Investment practices are designed to avoid undue risk of loss or impairment to assets and provide a reasonable expectation of fair return given the nature of the investment. The Centre is not exposed to significant interest rate risks on its investments.

Credit Facility

The Centre has available a \$300,000 credit line with a chartered bank bearing interest at the bank's prime rate plus 1% per annum, secured by a pledge agreement on deposits held at the financial institution. The credit line was unused as of the year end.

The Centre has access to \$92,000 unsecured credit on credit cards, bearing interest at the interest rate of the financial institution's prime lending rate as of the first business day of each calendar month, plus 10% per annum, for which the balance is required to be fully paid on a monthly basis. The credit used as at December 31, 2021 amounts to \$36,834 (2020 - \$14,237) and is included in accounts payable and accrued liabilities.

The Centre also has access to \$15,000 unsecured credit on credit cards, bearing interest at the rate of 19.50% per annum, for which the balance is required to be fully paid on a monthly basis. The credit used as at December 31, 2021 amounts to \$20 (2020 - \$921) and is included in accounts payable and accrued liabilities.

**9. RELATED PARTY TRANSACTIONS**

Most of the members of the Board of Directors work for, or represent, funders of the Centre. The funding is obtained in the normal course of its charitable operations.

Furthermore, certain funding organizations also purchase from, or provide services to, the Centre, also in the normal course of operations.

Most of the members of the Centre's Board of Directors also occupy senior management or Board positions of the funding organizations they represent. However, no one single member of the Centre's Board has, on their own, control, significant influence, or an economic interest with respect to the Centre. Accordingly, not one of the funding organizations has control, significant influence, or an economic interest with respect to the Centre, despite having a representative elected to the Centre's Board.



**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**10. RETIREMENT BENEFIT PLANS**

The Centre and its employees participate in two retirement benefit plans, as detailed below. Defined contribution accounting is applied to both of these plans.

The Centre contributes to a Group Registered Retirement Savings Plan for its employees in the form of a percentage of their remuneration. Under this arrangement, the Centre matches the employees' 0.75% to 1.75% contributions to the plan based on their respective employment contract.

In addition, employees of the Centre are members of the Multi-Sector Pension Plan ("the MSPP"), which is a multiemployer, target benefit, career average, contributory plan that has been designated as a Specified Ontario Multiemployer Pension Plan. Under the arrangement, the Centre matches the employees' 5.25% contributions to the MSPP.

At January 1, 2020, the valuation of the MSPP's most recently filed actuarial valuation report, the transfer ratio was 49.2%. It was estimated to be 49.3% by January 1, 2021. The next required actuarial valuation report for the MSPP must be prepared as of a date that is no later than January 1, 2023.

The Centre's contributions to these plans during the year amounted to \$203,382 (2020 - \$181,755) and are included in the human resources expenditures in the statement of revenues and expenditures.

**11. GOVERNMENT ASSISTANCE**

In March 2020, the World Health Organization declared the COVID-19 coronavirus outbreak to constitute a pandemic, with rapid developments thereafter. Measures taken by various governments to contain the virus have affected economic activity. Management has taken measures to monitor and mitigate the effects of COVID-19 to ensure the safety and health of its employees, supporters, and vendors.

Revenues and expenditures were moderately impacted by the COVID-19 situation. Moderate declines in revenues were offset by pandemic-related government assistance, and by lower expenditures in predictable areas such as in-person meetings and travel. Since the beginning of the pandemic, the Centre has operated almost entirely in a virtual, work-from-home office environment. Management continues to follow the various government policies and advice with respect to the safety of its vendors and employees.

To assist in mitigating the impact of the pandemic, the Centre has participated in the following government assistance programs:

Canada Emergency Wage Subsidy ("CEWS") program: This program provides a subsidy to cover 75% - 85% of eligible employee wages up to a maximum of \$1,129 per week per employee and is available where certain conditions are met, including a reduction in monthly revenue at either a prescribed threshold or based on an experienced percentage decline. Management has determined that it has qualified for 11 claim periods from January 1, 2021 to October 23, 2021 inclusive, for a total subsidy in the amount of \$271,054 (2020 - \$566,853). The claim total has been reported as government assistance revenue in the statement of revenues and expenditures.

**CANADIAN CENTRE FOR POLICY ALTERNATIVES**  
**(National, Ontario, Saskatchewan, Nova Scotia, British Columbia, and Manitoba Offices)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**11. GOVERNMENT ASSISTANCE (continued)**

Canada Emergency Rent Subsidy ("CERS") program: This program provides a subsidy to cover up to 90% of eligible rent and property-ownership expenditures where certain conditions are met, including a reduction in monthly revenue based on an experienced percentage decline. The base portion of this subsidy program is based on the revenue reduction experienced, applied on a declining scale to the eligible expenditures, up to a maximum of 65% of eligible expenditures. The lockdown support portion of this subsidy program, of an additional fixed 25% applied to eligible expenditures, is available to those who are affected by a public health order. Management has determined that it has qualified for the 11 claim periods from January 1, 2021 to October 23, 2021, for a total subsidy in the amount of \$40,064 (2020 - \$5,160). The amount has been recognized as a reduction in administrative and governance expenditures in the statement of revenues and expenditures and is included in the balance of accounts receivable.

Government assistance may be subject to a Canada Revenue Agency review including an assessment of the Centre's eligibility. If it is determined that the Centre is ineligible, any amounts to be repaid will be included as an expenditure in that fiscal year.

**12. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified in order to conform with the presentation adopted in the current year.

**CANADIAN CENTRE FOR POLICY ALTERNATIVES****STATEMENT OF REVENUES AND EXPENDITURES - NATIONAL OFFICE***Including the Ontario, Saskatchewan and Nova Scotia offices***YEAR ENDED DECEMBER 31, 2021**

|  | <b>2021</b>        | <b>2020</b>       |
|--|--------------------|-------------------|
| <b>REVENUES</b>  |                    |                   |
| Individual giving  | \$ 1,803,966       | \$ 1,723,022      |
| Individual bequests                                      | 486,797            | 243,290           |
| Organizations and grants                                 |                    |                   |
| General funding  | 788,277            | 523,173           |
| Project income and grants                                | 682,973            | 710,639           |
| Capacity funding   | -                  | 555,512           |
| Fundraising events                                       | 24,883             | 3,150             |
| Royalties and honoraria                                  | 33,528             | 11,266            |
| Publications and advertising                             | 18,588             | 10,554            |
| Interest   | 7,689              | 21,403            |
| Government assistance (Note 11)                          | 160,221            | 340,880           |
| Other  | 7,421              | 135               |
|  | <b>4,014,343</b>   | <b>4,143,024</b>  |
| <b>EXPENDITURES</b>                                      |                    |                   |
| Administrative overhead (Note 11)                        | 316,448            | 332,221           |
| Equipment and technical support                          | 15,400             | 20,487            |
| Amortization   | 18,079             | 4,089             |
| Programming materials and services                       | 311,553            | 225,021           |
| Development materials and services                       | 434,123            | 381,240           |
| Human resources (Note 10)                                |                    |                   |
| Compensation and remittances                             | 2,893,777          | 2,461,268         |
| Contractors  | 56,325             | 3,326             |
| Staff development  | 13,059             | 6,248             |
|  | <b>4,058,764</b>   | <b>3,433,900</b>  |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>\$ (44,421)</b> | <b>\$ 709,124</b> |

**CANADIAN CENTRE FOR POLICY ALTERNATIVES****STATEMENT OF REVENUES AND EXPENDITURES - BRITISH COLUMBIA OFFICE****YEAR ENDED DECEMBER 31, 2021**

|   | <b>2021</b>      | <b>2020</b>       |
|---|------------------|-------------------|
| <b>REVENUES</b>                             |                  |                   |
| Individual giving                           | \$ 659,331       | \$ 693,459        |
| Individual bequests                         | 103,343          | 144,113           |
| Organizations and grants                    |                  |                   |
| General funding                             | 208,413          | 202,704           |
| Project income and grants                   | 709,287          | 702,340           |
| Fundraising events                          | 22,650           | 9,597             |
| Royalties and honoraria                     | 2,237            | -                 |
| Interest                                    | 8,949            | 5,697             |
| Government assistance (Note 11)             | 85,995           | 191,433           |
|   | <b>1,800,205</b> | <b>1,949,343</b>  |
| <b>EXPENDITURES</b>                         |                  |                   |
| Administrative overhead (Note 11)           | 211,793          | 252,077           |
| Equipment and technical support             | 3,413            | 7,794             |
| Amortization                                | 20,652           | 7,810             |
| Programming materials and services          | 88,613           | 89,460            |
| Development materials and services          | 60,219           | 70,639            |
| Human resources (Note 10)                   |                  |                   |
| Compensation and remittances                | 1,324,479        | 1,299,777         |
| Contractors                                 | 81,629           | -                 |
| Staff development                           | 1,837            | 1,008             |
|   | <b>1,792,635</b> | <b>1,728,565</b>  |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>\$ 7,570</b>  | <b>\$ 220,778</b> |

**CANADIAN CENTRE FOR POLICY ALTERNATIVES****STATEMENT OF REVENUES AND EXPENDITURES - MANITOBA OFFICE****YEAR ENDED DECEMBER 31, 2021**

|   | <b>2021</b>      | <b>2020</b>      |
|---|------------------|------------------|
| <b>REVENUES</b>                             |                  |                  |
| Individual giving                           | \$ 157,852       | \$ 146,858       |
| Individual bequests                         | 1,284            | -                |
| Organizations and grants                    |                  |                  |
| General funding                             | 116,300          | 98,935           |
| Project income and grants                   | 462,366          | 374,785          |
| Fundraising events                          | 39,775           | 15,230           |
| Royalties and honoraria                     | 104              | 308              |
| Publications and advertising                | 39               | 221              |
| Interest                                    | 1,497            | 3,384            |
| Government assistance (Note 11)             | 24,838           | 59,540           |
| Other                                       | 2,670            | 4,751            |
|   | <b>806,725</b>   | <b>704,012</b>   |
| <b>EXPENDITURES</b>                         |                  |                  |
| Administrative overhead (Note 11)           | 54,763           | 42,724           |
| Equipment and technical support             | 4,971            | 8,290            |
| Programming materials and services          | 297,744          | 197,396          |
| Development materials and services          | 21,533           | 5,818            |
| Human resources (Note 10)                   |                  |                  |
| Compensation and remittances                | 347,885          | 380,871          |
| Contractors                                 | 16,000           | -                |
| Staff development                           | 1,225            | 531              |
|   | <b>744,121</b>   | <b>635,630</b>   |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>\$ 62,604</b> | <b>\$ 68,382</b> |