



NORTHERN
POLICY INSTITUTE

INSTITUT DES POLITIQUES
DU NORD

ANNUAL REPORT | 2013-2014

northernpolicy.ca

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Vision

A growing, sustainable, and self-sufficient Northern Ontario. One with the ability to not only identify opportunities but to pursue them, either on its own or through intelligent partnerships. A Northern Ontario that contributes both to its own success and to the success of others.

Mission

Northern Policy Institute is an independent policy institute. We exist for the purposes of:

- The development and promotion of proactive, evidence based and purpose driven policy options that deepen understanding about the unique challenges of Northern Ontario and ensure the sustainable development and long-term economic prosperity of Northern Ontario;
- The research and analysis of:
 - » Existing and emerging policies relevant to Northern Ontario;
 - » Economic, technological and social trends which affect Northern Ontario;
- The formulation and advocacy of policies that benefit all Northern Ontario communities that include Aboriginal, Francophone, remote/rural communities, and urban centres; and,
- Other complementary purposes not inconsistent with these objectives.

Values

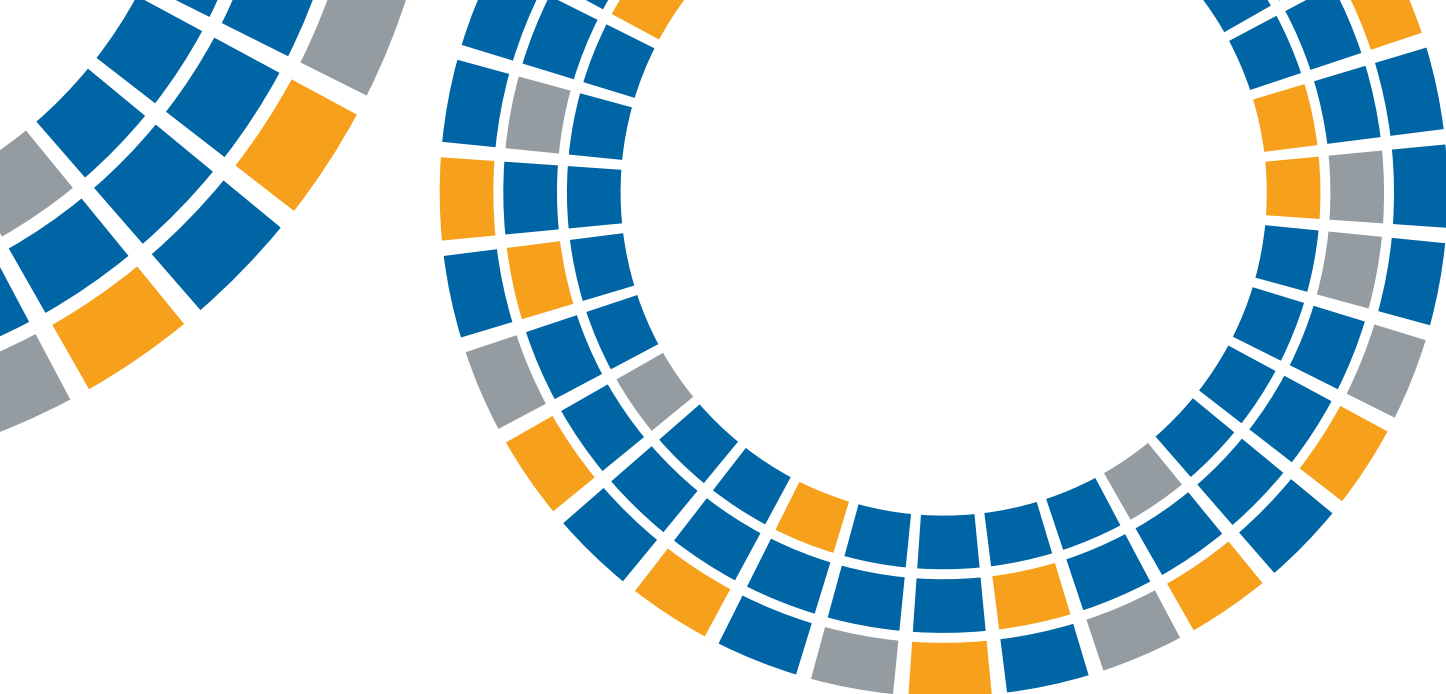
Objectivity: Northern Policy Institute is a non-partisan, not-for-profit incorporated body providing fair, balanced and objective assessments of policy issues in a pan-Northern Ontario context;

Relevance: Northern Policy Institute will support practical and applied research on current or emerging issues and implications relevant to Northern Ontario now and in the future in keeping with the themes and objectives of the Growth Plan for Northern Ontario, 2011;

Collaboration: Northern Policy Institute recognizes the value of multi-stakeholder, multi-disciplinary, and multicultural contributions to the collective advancement of Northern Ontario and works in a collaborative and inclusive approach to provide a full range of policy options for decision makers;

Coordination: Northern Policy Institute will complement the existing research efforts of Northern Ontario's post-secondary institutions and non government organizations and explore opportunities for coordinated efforts that contribute to the mandate of Northern Policy Institute; and

Accessibility: The work of Northern Policy Institute will be publicly accessible to stimulate public engagement and dialogue, promoting view points on the interests of Northern Ontario and its people.



Message from the Chair



It is a great honour to be serving as the chair of the newly created Northern Policy Institute. I am very excited to be helping move Northern Ontario forward by working together. What we need is a common voice. We must be willing to create partnerships and collaborate with all the people in Northern Ontario in order to move forward together.

I believe that Northern Policy Institute will help us do that. By working with the people of Northern Ontario, listening to their concerns, and creating partnerships with all peoples, perhaps then, for the first time, an actual Northern voice will be created and heard in the rest of Ontario.

And while our first step may be collaborating and listening, it is also important that the voice of Northern Policy Institute is heard. We cannot just conduct or provide research. Our ideas and findings must matter and help influence public policy.

We all know that Northern Ontario faces a number of challenges. We need to find ways to work more closely with one another, not get caught up in regional divides, and find ways to best utilize the advantages that exist here. We are a region rich in natural resources, but we cannot sustain ourselves or our land if we continue to send the wealth of those resources out of the region.

We also have to help the people in the region by providing them with adequate training and experience to work not only in the resource-based sector, but our growing urban centres and economies as well.

Thankfully, we have gathered a great group of directors and staff to help lead the Northern Policy Institute forward. We come from all across the region and we are all dedicated to helping shape public policy that impacts Northern Ontario.

We are also pleased to have appointed Charles Cirtwill as president and CEO. Charles brings with him a wealth of experience having worked with the Atlantic Institute of Market Studies in Nova Scotia for over 12 years. We are confident that Charles will provide the direction and drive needed to make Northern Policy Institute not only a success, but a driving force in shaping public policy in the region.

We have already been meeting with key stakeholders throughout the region to educate the public on who we are and what we do, as well to gather feedback on the issues that are most important to you. You can expect to see us in your community soon and we look forward to speaking with you and learning how we can help you move Northern Ontario toward a bright and promising future.

Martin Bayer
Chair

Message from the President



Good public policy isn't something that can be pulled out of thin air. Effective policy grows from the voices of the people, the evidence that is available, and the priorities established by the most pressing needs.

This is where Northern Policy Institute comes in. Northern Ontario is a unique region. We are the second largest northern jurisdiction in the world with almost 800,000 people living in an area over 800,000 square kilometres. Our borders stretch from Quebec to Manitoba, from James Bay to Lake Superior. We have a diverse population of Anglophones, Francophones, First Nations peoples, immigrants, and Metis.

We have an economy driven by the rich natural resource deposits throughout the region, as well as a growing knowledge-based sector developing out of an evolving region. How could a region as large and diverse as Northern Ontario rely on public policy decisions made in Southern Ontario with a Southern Ontario perspective? It cannot. That is why a voice like Northern Policy Institute is needed. As an independent think tank, our goal is to provide evidence-based research to help grow a sustainable and self-sufficient Northern Ontario. And in order to do this, we need your help.

In our first few months we have already given over a dozen presentations and talks to key stakeholders in Thunder Bay, Sudbury, Sault Ste. Marie, Timmins, and North Bay. We have held two public information sessions and we have already started to commission papers and research projects.

We have commissioned a research paper on the First Nations Education Act, as well as two commentaries on the minimum wage debate. We have also commissioned a report looking at transportation authority models for the Ring of Fire and a demographic analysis of Northern Ontario.

We are excited about a comparative analysis of Northern Ontario with other northern jurisdictions in the country and even the world. We cannot continue to compare Northern Ontario to Southern Ontario. We have to look to other jurisdictions that face similar issues that we do and how they manage those issues.

While we may have hit the ground running, we still have to stretch our legs to make sure we can go the distance. In August, 2013, we received our first funds from the Northern Ontario Heritage Fund Corporation and we opened our headquarters in Thunder Bay and our office in Sudbury the following month. Between November and April we have hired a manager of operations, a senior policy analyst, a policy analyst, and an assistant to the president. There is still a lot of work to be done, but Northern Policy Institute is starting to find its stride and we are always looking at the road ahead.

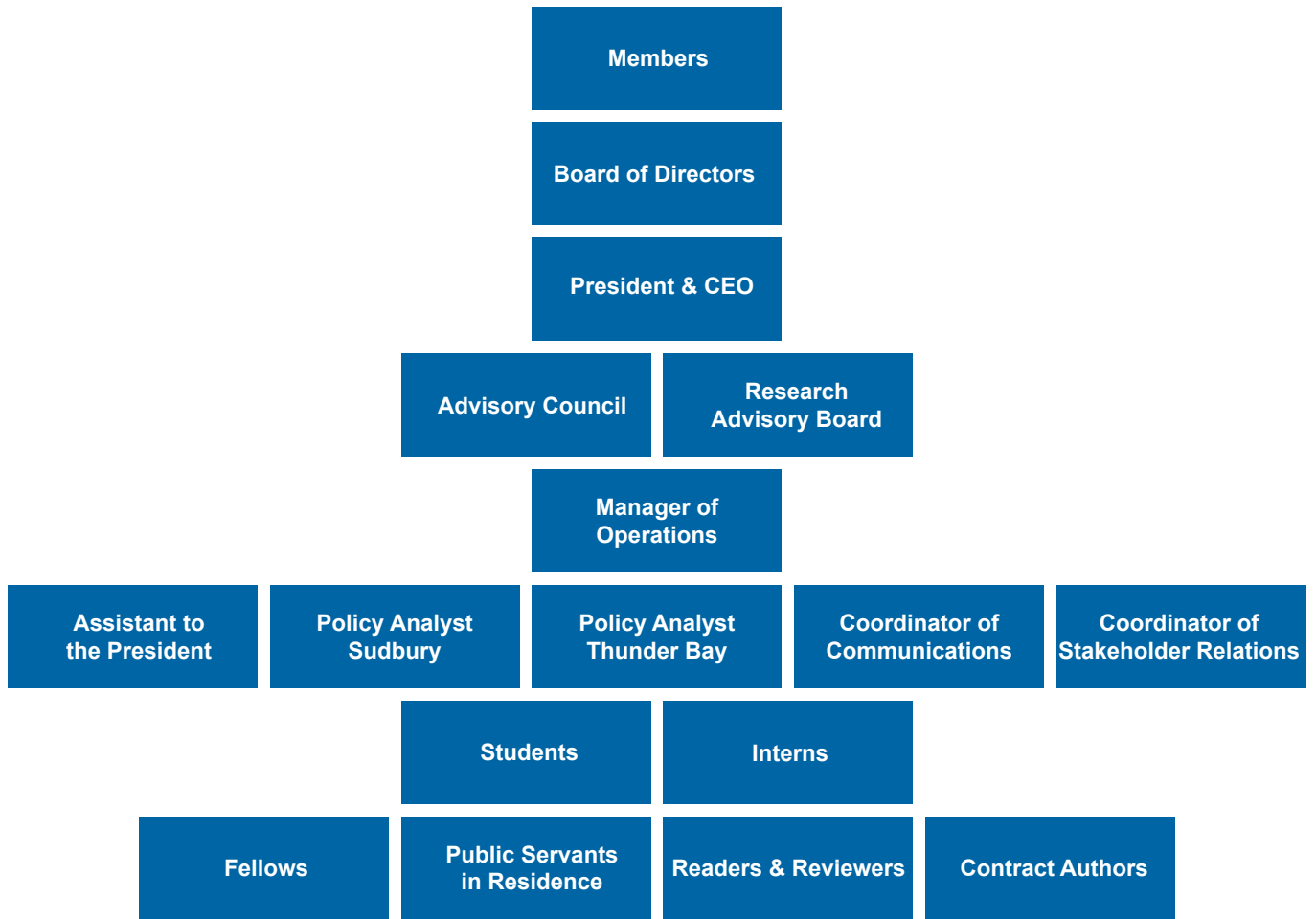
We will continue to provide evidence-based research and solutions for public policy challenges that impact us all. You may not always agree with the findings, but our job is to present the facts that will move policy in the most sensible direction.

We will tell you what the evidence says when it comes to shipping raw materials out of Ontario, or what to do about the high cost of electricity, or if raising the minimum wage will benefit everyone, or how we can reform First Nations education.

We firmly believe that evidence-based decisions are necessary. With your help, we can supply the evidence. It will be up to you, and the people you elect, to make the right decisions.

Charles Cirtwill
President & CEO

Who We Are



Board of Directors

2012/2013

Cameron Clark
Dominic Giroux
Floyd Laughren
Brian Stevenson

2013/2014

Martin Bayer
Florence Bailey
Thérèse Bergeron-Hopson
Charles Cirtwill
Dominic Giroux
Dr. Harley d'Entremont
Dr. George C. Macey
Hal J. McGonigal
Doug Murray
Madge Richardson
Brian Stevenson/Ray Riley

Voting Members

Cameron Clark
Dominic Giroux
Floyd Laughren
Brian Stevenson

Research Advisory Board

John Allison
Randy Battochio
Jonathan Dewar
Livio Di Matteo
Morley Gunderson
Anne-Marie Mawhiney
Robin Neill
S. Brenda Small

Advisory Council

Ron Arnold
Murray Coolican
Barbara Courte Elinesky
Brian Davey
Tony Dean
Don Drummond

Staff

Charles Cirtwill (President & CEO)
Samantha Angell (Manager of Operations)
Jamie Lee Yawney (Assistant to the President)
James Cuddy (Senior Policy Analyst)
Cheryl Reid (Policy Analyst)

Up to here | 2013-2014

December 2012

Funding announced by Northern Ontario Heritage Fund Corporation

February 2013

Northern Policy Institute Board chosen and appointed

June 2013

President & CEO, Charles Cirtwill, appointed

July 2013

Contract with Northern Ontario Heritage Fund signed

August 2013

First funds received

September 2013

Offices opened in Thunder Bay and Sudbury

September/October 2013

First projects commissioned

November 2013

Manager of Operations and Assistant to the President hired

January 2014

Senior Policy Analyst hired and website launched

April 2014

Policy Analyst hired and social media tools launched

Going Forward

The future of Northern Policy Institute is looking very promising. We have a lot of exciting plans for the year ahead and the years to come.

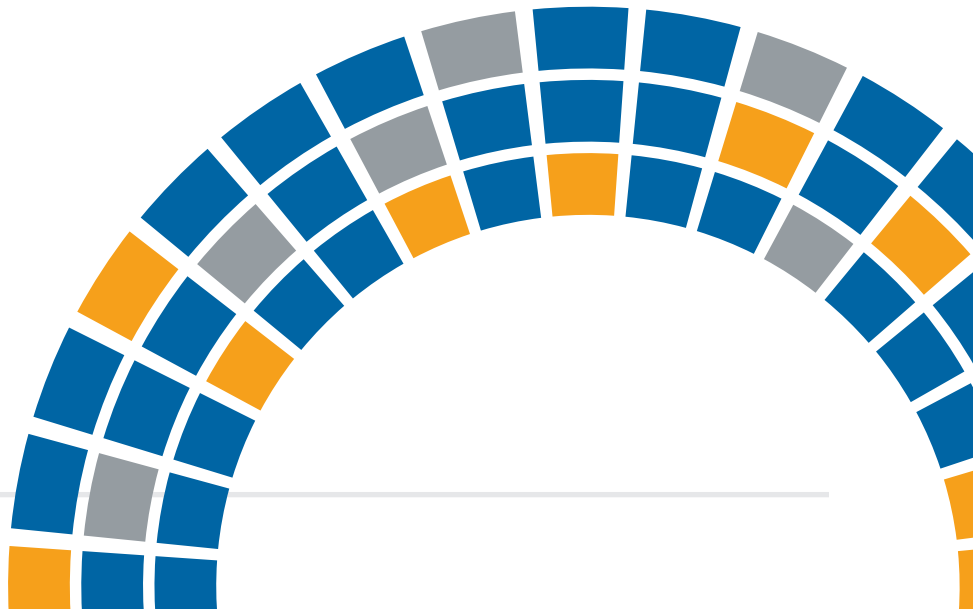
One of our first priorities will be adding additional staff to our team, including a coordinator of communications, a coordinator of stakeholder relations, as well as launching our internship program for students and recent graduates.

We are also looking to expand our research. We are hoping to commission papers and research on topics including early childhood education, income splitting, needed reforms to the provincial land use planning approach, and a roadmap to the Ring of Fire.

One of our primary goals will be to look at how to become a sustainable organization and we are hoping to pursue charitable status as soon as we are able.

We will also continue to establish our presence in the region and meet with key stakeholders, as well as the public. This will allow us to better understand the issues that matter most throughout Northern Ontario.

We look forward to the year ahead as we continue to support the growth of sustainable northern communities.



Commissioned Papers and Research Projects

Federal First Nations Education Act
Paul Bennett and Jonathan Anuk

Bennett's and Anuk's research paper on the First Nations education act looks at why education reform that was proposed in Bill C-33 missed the mark. This research paper argues for a community school-based approach that is respectful of what indigenous scholars refer to as the 'learning spirit.' The paper will propose a set of seven recommendations, which include rethinking the First Nations control of First Nations education act, reviewing the funding plan, embracing traditional indigenous knowledge and language as the core for a First Nations education policy, new measures of First Nations student performance and success, develop new and innovative forms of local-decision making, establish a First nations culture, language, and learning institute, and assess progress in implementing community school-based management and improving First Nations student achievement levels starting in 2018.

Airport/Port Transportation Authority Model
Nick Mulder

Mulder's commentary will examine the airport/port transportation authority model in relation to the Ring of Fire mineral development in Northwestern Ontario. Mulder will argue that a properly designed authority model may be more effective than a traditional Crown Corporation model to meet the infrastructure needs of the Ring of Fire. Because of the unique challenges facing the Ring of Fire infrastructure developments, such as its remoteness, the most effective model will be one that places the onus and risks on all the stakeholders and not just the provincial government and taxpayers. A potential option would be to create a new, independent Ring of Fire Infrastructure Authority.

Minimum Wage: Good Politics, Bad Economics
Morley Gunderson

In order to argue that good politics does not always translate into good economics, Gunderson will look at the political appeal of the minimum wage debate and the economic effects of minimum wage increases. While minimum wage increases are often lauded as an anti-poverty tool, Gunderson will argue that minimum wage increases can have an adverse effect by reducing the demand for workers whose wages have increased. Gunderson will recommend that more discourse is required around the adverse employment effects of increasing minimum wage, that increases should be

flexible, and that adjustments should be continuous small increases rather than large and infrequent, and that minimum wage increases should not be used to fight poverty.

Minimum Wage: Exploring Alternative Methods for Adjusting the Rate
James Cuddy

For Cuddy's commentary on the minimum wage debate in Ontario, he will look at three proposed models for adjusting the minimum wage. These include an immediate increase to \$14 per hour, tying minimum wage to the Consumer Price Index, and basing minimum wage on average wage. Cuddy will argue that a combination of the second and third model would be the most reasonable and appropriate for moving forward. According to Cuddy, minimum wage should not be based on measures of poverty but it should be tied to the Consumer Price Index and linked to average wages. Going forward, Cuddy will explain that adjustments to minimum wages should not be based on poverty, should occur as small frequent increases, should maintain principles of transparency and predictability, and should consider employment and income effects.

Demographic Analysis of Northern Ontario
Bakhtiar Moazzami

Over the past two decades, Northern Ontario has experienced a substantial demographic changes. Changes in demographics are often linked to socio-economic changes as well. Moazzami will be examining these changes in his upcoming paper, specifically focussing on rural and urban demographics and how changing economic trends, such as the collapse of the forestry industry, have impacted various population groups, namely the total population, Francophone, Aboriginal, and immigrant populations.

Comparative Analysis of Northern Regions
David MacKinnon

Northern Ontario has a very unique set of challenges and problems that are often viewed through the lens of Southern Ontario policy makers. MacKinnon will argue in his upcoming paper that in order to understand the experiences of Northern Ontario, it should be compared to other northern regions around Canada and the world. MacKinnon will examine other northern jurisdictions in order to better understand the issues facing the region, including climate change, issues relating to aboriginal peoples, economic performance, and political leaders. MacKinnon will survey regions in Russia, Scandinavia, the Canadian Arctic, Alaska, and Iceland.

Events and Presentations

Presentation to the 2013 Federation of Northern Ontario Municipalities

Location: Parry Sound, ON

Date: May 8, 2013

Presenter: Martin Bayer, Chair

One of the first presentations given by Northern Policy Institute. Martin Bayer, the chair of the Board of Directors, provided detailed information on what Northern Policy Institute is, what its objectives are, who is involved, and some of the current steps being undertaken by the board including recruiting a president and CEO, approving the funding agreement from the Northern Ontario Heritage Fund, and preparing a draft budget for consideration by the board.

Bayer also provided insights for the direction of Northern Policy Institute, citing the many varied issues facing the people in Northern Ontario. Bayer emphasized communication with the people of Northern Ontario, implementing recommendations, measuring progress and outcomes, and not falling into regional divisions.

Northern Policy Institute: Working Together to Grow Northern Ontario (Northern Ontario Municipal Association, Northwestern Ontario Associated Chambers of Commerce, and Northwestern Ontario Development Network)

Location: Thunder Bay, ON

Date: September 26, 2013

Presenter: Charles Cirtwill, President and CEO

President and CEO, Charles Cirtwill, provided a brief history of Northern Policy Institute, including the recommendation by Common Voice Northwest in the Northern Growth Plan and its inclusion in the plan released in 2011. Cirtwill also provided a timeline of Northern Policy Institute, including approval of funding, appointment of board, CEO search, and staffing and project commission progress.

Cirtwill discussed the role of a think tank and Northern Policy Institute. The purpose of Northern Policy Institute is to educate and engage the community, as well as listen, learn, and adapt to evidence. Cirtwill also introduced areas of focus, how projects are chosen, and some projects already underway.

Presentation to the Greater Sudbury Chamber of Commerce President's Series Luncheon

Location: Sudbury, ON

Date: September 17, 2013

Presenter: Martin Bayer, Chair

Bayer once again provided some background information on Northern Policy Institute, its goals, and some of the steps moving forward. Bayer also discussed Northern Policy Institute's research development and coordination, collaborating with stakeholders, and the importance of being publicly accessible.

Bayer expanded on some of the key challenges facing people in Northern Ontario, including ensuring that resource based wealth extracted in the region stays in Northern Ontario, ensuring there are skilled and trained workers to fill jobs in the North, ensuring transportation infrastructure meets the needs of the region, and a need for continuous innovation.

3rd Annual Mining Ready Summit

Location: Timmins, ON

Date: October 16 and 17, 2013

Presenters: Martin Bayer, Chair and Charles Cirtwill, President and CEO

Bayer and Cirtwill provided background information on Northern Policy Institute, its goals, and some of the steps moving forward. Bayer also discussed Northern Policy Institute's research development and coordination, collaborating with stakeholders, and the importance of being publicly accessible.

Presentation to the Lakehead Economics Department

Location: Thunder Bay, ON

Date: November 22, 2013

While providing background information on Northern Policy Institute, the presentation to the Lakehead Economics Department also discussed in more detail the role of a think tank and how it can succeed. The success of a think tank is based on the evidence it provides in order to form a recommendation and having that recommendation followed.

The presentation provided details on how students can get involved in Northern Policy Institute, either through request for papers, internships, and submitting blogs and student papers.

Presentation to the Laurentian University Board of Governors

Location: Sudbury, ON

Date: December 13, 2013

The presentation to the Laurentian University Board of Governors included a brief background on Northern Policy Institute and the role of think tanks, but went a little further by outlining the three goals of the institution. These goals included enhanced measurement and the availability of those measures to all stakeholders, building sustainable community capacity, and enhancing self-sufficiency.

It also provided an overview of Northern Policy Institute commissioned projects and projects under discussion, which included a review of the federal aboriginal education act, the Northern Data Bank, land use planning, anti-poverty efforts, a better way to set minimum wage, income splitting, and potential for port/airport authority model to fund, build and manage Ring of Fire Infrastructure. Some of the other projects under discussion included Northern performance measures, the cost of smaller class sizes, framework for community development, and criteria for setting infrastructure priorities.

Presentation to Laurentian Health Policy Students

Location: Sudbury, ON

Date: January 30, 2014

Along with providing background information on Northern Policy Institute and what it does, how think tanks succeed, and projects under consideration, this presentation specifically brought forward how students can become involved.

The presentation provided details on how students can get involved in Northern Policy Institute, either through request for papers, internships, and submitting blogs and student papers.

Presentation to North Superior Workforce Planning Board

Location: Thunder Bay, ON

Date: February 12, 2014

In addition to providing background information on Northern Policy Institute, this presentation discussed how Northern Policy Institute works with the community. In the model that was created, priorities, policy ideas, research, data, expertise, and measures of success are collected through various methods, which can include online citizens panel, social media and direct interaction with the public, federal and provincial, municipal, Aboriginal, civil society and stakeholders, and the private sector. This information is also passed back to these groups by Northern Policy Institute, creating a cycle.

Presentation to Northern Ontario Service Deliverers Association

Date: April 8, 2014

The presentation to the Northern Ontario Service Deliverers Association provided an overview of how Northern Policy Institute defines the top-priority issues in the North. Northern Policy Institute engages with top-priority issues by conducting research, serving as a platform for republication of existing research, and creating partnerships.

Public Information Sessions

Thunder Bay, ON

Date: February 11, 2014

Over 30 people attended the first Northern Policy Institute public information session, which was held in Thunder Bay, ON and included remarks from Northern Policy Institute Vice Chair, George Macey, and a briefing from Northern Policy Institute President, Charles Cirtwill.

During his address, Cirtwill outlined the three priorities set by Northern Policy Institute, which included enhancing measurement, building capacity, and promoting self-sufficiency. He also asked for patience, cautioning that producing quality, evidence-based, peer-reviewed work takes time.

North Bay, ON

Date: April 9, 2014

For their second public information session, Northern Policy Institute visited North Bay, ON. The session drew many influential people in the area, including Mayor Paul Schooppmann, Pierre Riopel, president of College Boreal, Chief Patrick Madahbee of Anishinabek Nation, Mayor Allan McDonald, and Dorie Moe, manager of North Bay and Area with the Ministry of Northern Development and Mines.

Media Coverage

"Northern Policy Institute Directors Announced"

February 1, 2013
NetNewsLedger

"Today the inaugural Board of Directors was announced. Ten Northerners from seven communities across Northern Ontario have been appointed to serve on the Northern Policy Institute's (NPI) inaugural board of directors [. . .] The inaugural NPI board of directors' selection process was based on a skills matrix that considered experience relevant to NPI's purpose, background, geography and interests. Board members were chosen from approximately 70 nominations and expressions of interest in response to advertisements throughout the North in the fall of 2012."

"Bailey joins Northern Policy Institute"

February 5, 2013
Kenora Online

"Ten professionals in northern Ontario have been named as members of the Northern Policy Institute, including Sioux Lookout's economic development officer. Florence Bailey will be serving on the board of directors [. . .] Bailey was selected based on skills and experience that were relevant to the goal of the organization. Location of the individuals was also taken into account, to ensure an even representation from across the region."

"2013 Northern Ontario Leadership Conference"

April 2, 2013
Kiss 99.3 Timmins

"The Northern Ontario Leadership Conference will welcome a series of guest speakers and host panel discussions focussing on the business, health care, education, social services, technology, economic development and mining sectors. Among the speakers that have confirmed their participation at the NOLC are: [. . .] Mr. Martin Bayer, Chair of the Northern Policy Institute."

"Mayors to devise own growth plan"

May 8, 2013
North Bay Nuggett

"Northern Ontario mayors are no longer waiting on the province and are developing their own regional growth plan [. . .] It's a 25-year plan that's supposed to guide government priorities, initiatives and investments in the North. Its release included initial commitments for developing a Northern Multimodal Transportation Strategy, piloting two regional economic development

planning areas, and creating a new Northern Policy Institute. The institute, which included a board of directors consisting of 10 appointees from seven Northern Ontario communities, held its inaugural meeting earlier this year."

"Charles Cirtwill to Head Northern Policy Institute"

July 3, 2013
NetNewsLedger

"Charles Cirtwill, the president of the Atlantic Institute for Market Studies in Nova Scotia is headed to Thunder Bay. [. . .] At AIMS, Cirtwill has been at the helm steering the organization for over a decade. Cirtwill's published works focus on government structure and organization, business-government relations, intergovernmental relations, performance measurement and accountability."

"Cirtwill believes 'fresh face' helped him snag Northern Policy Institute gig"

July 4, 2013
Tbnewswatch

"Charles Cirtwill says not being from Northern Ontario probably helped him to land the Northern Policy Institute's top job [. . .] 'I have to admire the courage of the Ontario provincial government to set up a think tank as part of a process to encourage sustainable development. I think it is an interesting approach. I was hired for my experience in running a think tank,' [. . .] 'My job coming in is to build on all the research and the ideas that are already there in the North, draw them together into a single place and encourage people to discuss and explore which ones work and which ones don't. I'm not just going to stroll in and say 'mining is going to solve every problem we're going to have.'"

"Northern Policy Institute Names Charles Cirtwill As Its Founding President and CEO"

July 6, 2013
Wawa-News

"'Mr. Cirtwill's success in establishing and managing a similar think tank about public policy issues makes him the ideal candidate,' says Bayer, who was appointed NPI Board Chair earlier this year. 'The appointment of Mr. Cirtwill speaks to how NPI will establish itself as a significant advocate for Northern Ontario communities and the policies that affect them.' [. . .] 'I was attracted by the opportunity to help establish a new organization similar to AIMS from the ground up,' explains Cirtwill. 'I was struck by the boldness of the Ontario government in helping to set up an independent policy institute

as part of the process to deliver sustainable growth, and I believe I can help lay the foundation for a long and successful future; not only for NPI but for Northern Ontario, the entire province of Ontario, and indeed for Canada as a whole.”

“How will Northern Policy Institute Make a Difference?”
July 8, 2013
The Chronicle-Journal (Editorial)

“The Northern Policy Institute is a well-meaning agency and Cirtwill seems well qualified. But one can’t help feeling that, even before it starts, the organization he is to lead is redundant, unnecessary. [. . .] Cirtwill certainly has his work cut out for him to show that NPI is more than just a continuation of what’s already been well said and well documented.”

“Northern think tank taking shape”
September 8, 2013
Sudbury Star

“The Northern Policy Institute received \$5 million from the Northern Ontario Heritage Fund to get started, but its chair, Martin Bayer, told the Sudbury Chamber of Commerce this week that he wants the Northern Policy Institute to eventually be financially self-reliant. ‘Governments can’t always be counted on,’ Bayer said. ‘We also want to operate independent of them.’”

“Northern Policy Institute needs tangible goals: Chair”
September 19, 2013
Northern Life

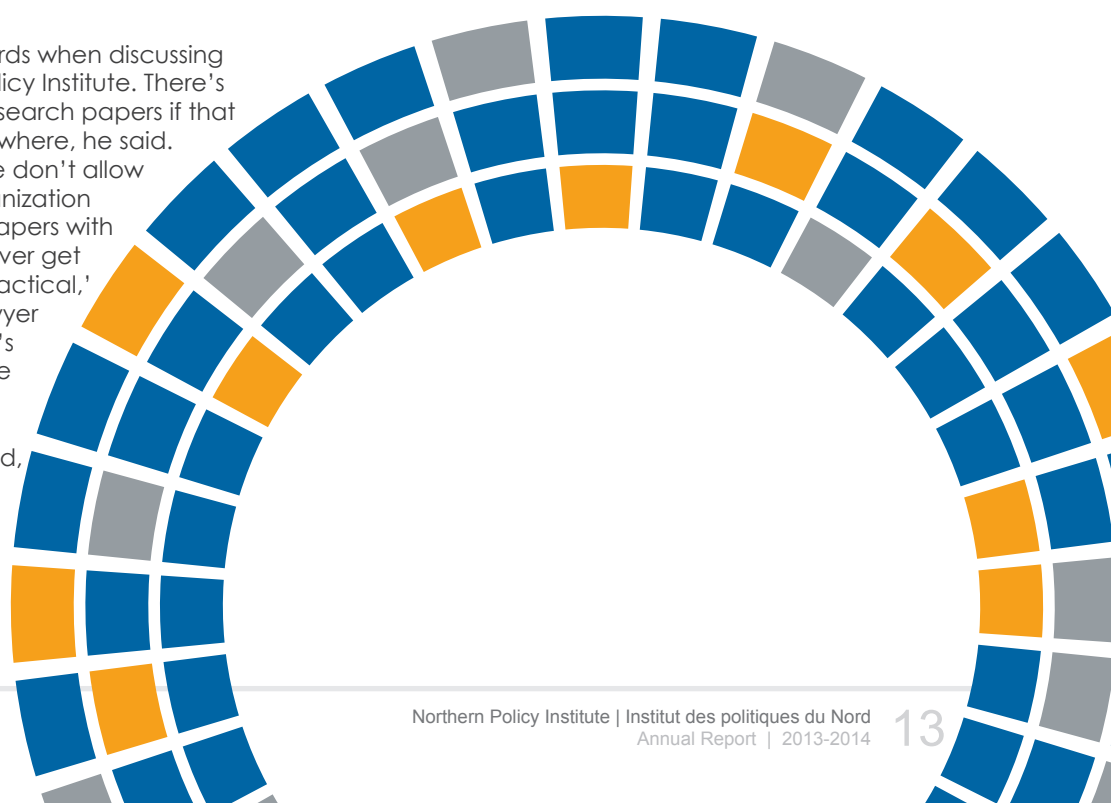
“Martin Bayer doesn’t mince words when discussing the mandate of the Northern Policy Institute. There’s no point in wasting money on research papers if that work sits unused on a shelf somewhere, he said. ‘I think we have to make sure we don’t allow ourselves to be yet another organization that generates more research papers with some recommendations that never get implemented to simply aren’t practical,’ said Bayer, a Sudbury-based lawyer who was appointed the institute’s chair in February. ‘We want to be careful about that and be sure that if we are commissioning research and it’s evidence-based, it’s relevant, it’s going to be meaningful and it’s going to be used.’”

“Northern Policy Institute Up and Running”
September 30, 2013
The Lake 89.5 Kenora

“The Northern Policy Institute is alive and well and getting up to speed. The Policy Institute was created by the provincial government to look at economic development issues and opportunities for northern Ontario. They’ve been up and running for 13 months and CEO Charles Cirtwill says they’re trying to create an online community consultation tool that will gather public feedback on Provincial Government policies. Cirtwill addressed members of the Northwestern Ontario Regional Conference in Thunder Bay last week.”

“Northern Policy Institute Working to Include More Input”
October 1, 2013
The Border 93.1 Fort Frances

“The Northern Policy Institute wants to give northerners more say into the decision making process at Queen’s Park. Chief Executive Officer, Charles Cirtwill, says they’re trying to create an online community consultation tool that will gather public feedback on Provincial Government policies. The independent think tank for Northern Ontario was formed more than a year ago.”



Independent Auditor's Report

Northern Policy Institute Financial Statements For the 17 month period ended April 30, 2014

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Independent Auditor's Report

To the Board of Directors of Northern Policy Institute

We have audited the accompanying financial statements of Northern Policy Institute, which comprise the statement of financial position as at April 30, 2014 and the statements of operations and net assets and cash flows for the 17 month period ended April 30, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at April 30, 2014 and the results of its operations and its cash flows for the 17 month period ended April 30, 2014 in accordance with the Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario

October 9, 2014
BDO Canada LLP, a limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Northern Policy Institute Statement of Financial Position

April 30, 2014


Assets

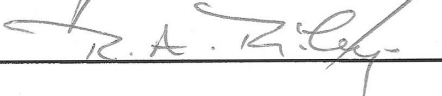
Current	
Cash	\$ 734,900
Government remittances receivable	11,744
Accounts receivable	25,000
Prepaid expenses	5,097
	776,741
Equipment (Note 2)	18,342
	\$ 795,083

Liabilities and Net Assets

Current	
Accounts payable and accrued liabilities (Note 3)	\$ 64,382
Deferred revenue	250,000
	314,382
Deferred capital contributions (Note 4)	18,342
	332,724
Net assets	
Unrestricted	462,359
	\$ 795,083

On behalf of the Board:


 _____ Director


 _____ Director

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

Northern Policy Institute Statement of Operations and Net Assets

For the 17 month period ended April 30, 2014

Revenue	
NOHFC funding	\$ 978,366
Donations-in-kind	9,357
Interest income	464
Amortization of deferred capital contributions	3,291
	991,478
Expenditure	
Amortization	3,291
Board meetings	27,854
Event promotion	901
Insurance	464
Interest and bank charges	1,280
Office	5,675
Publications	11,371
Recruitment	150,802
Professional fees	13,305
Public relations	6,651
Rent	9,357
Repairs and maintenance	1,980
Research	1,104
Subscriptions	2,953
Telephone	1,660
Travel	33,219
Wages and benefits	255,324
Website	1,928
	529,119
Excess of revenue over expenditure and net assets, end of period	\$ 462,359

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

Northern Policy Institute Statement of Cash Flows

For the 17 month period ended April 30, 2014

Cash flows from operating activities	
Excess of revenue over expenditure for the year	\$ 462,359
Items not involving cash	
Amortization of equipment	3,291
Amortization of deferred capital contributions	(3,291)
	<u>462,359</u>
Change in non-cash working capital balances (Note 5)	<u>272,541</u>
	<u>734,900</u>
Investing activities	
Purchase of equipment	21,634
Contributions received in the year	(21,634)
	<u>-</u>
Increase in cash and cash, end of period	\$ 734,900

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

Northern Policy Institute Notes to Financial Statements

April 30, 2014

1. Significant Accounting Policies

Nature and Purpose of Organization

The Northern Policy Institute was incorporated under the laws of the Province of Ontario on December 4, 2012 without share capital. The Northern Policy Institute is an evidence-based independent research organization with a focus on public policies and programs that affect Northern Ontario. The corporation is exempt from income tax under section 149 (1) (l) of the Income Tax Act.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards use the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. All investments have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank balances with a maturity of three months or less.

Equipment

Equipment is initially recorded at cost. Amortization is provided on a straight-line basis follows:

Computer equipment	- 3 years
Office furniture	- 5 years

Northern Policy Institute Notes to Financial Statements

April 30, 2014

1. Significant Accounting Policies (cont'd)

Deferred Capital Contribution

The Institute is the recipient of certain approved capital grants which specify purpose and maximum allowable contributions.

Funds received are included on the statement of financial position as equipment and deferred capital contributions and are amortized to income on the straight line balance method at the rate consistent with the method used to record the amortization on the related equipment.

Revenue Recognition

The Institute follows the deferral method of accounting for government grants and 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.

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the Institute's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimate used in the preparation of these financial statements is the accruals, value of donations-in-kind and estimated useful life of equipment. Actual results could differ from management's best estimates as additional information becomes available in the future.

Northern Policy Institute Notes to Financial Statements

April 30, 2014

2. Equipment

	Cost	Accumulated Amortization
Office furniture	\$ 4,726	\$ 473
Computer equipment	16,907	2,818
	\$ 21,633	\$ 3,291
Net book value		\$ 18,342

3. Accounts Payable and Accrued Liabilities

Trade	\$ 52,334
Accrued liabilities	12,048
	\$ 64,382

4. Deferred Capital Contributions

Balance, beginning of period	\$ -
Additions	21,633
Amortization	(3,291)
	\$ 18,342

5. Statement of Cash Flows

Government remittances receivable	\$ (11,744)
Accounts receivable	(25,000)
Prepaid expenses	(5,097)
Accounts payable and accrued liabilities	64,382
Deferred revenue	250,000
	\$ 272,541

Northern Policy Institute Notes to Financial Statements

April 30, 2014

6. Economic Dependence

The Institute is economically dependent on the grants it receives from the Northern Ontario Heritage Fund Corporation.

7. Financial Instruments

Unless otherwise noted, it is management's opinion that the Institute is not exposed to significant interest rate, currency or market risk arising from financial instruments.

Credit Risk

Credit risk is the risk of financial loss to the Institute if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Institute's receivables. The Institute does not believe it is subject to any significant concentrations of credit risk related to accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Institute encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Institute will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable. Management believes they are not exposed to significant liquidity risk.

Our Partners

Northern Policy Institute would like to thank all of those who were involved in the many years of discussions that led to the creation of Northern Policy Institute. It takes considerable vision and humility to place the well-being of your community ahead of your own self-interest. All of you did this by committing to the creation of an independent, evidence-based organisation that, inevitably, will eventually disagree with you at some point on some policy of direct importance to you personally.

Northern Policy Institute also wants to express our appreciation to our partners:



Lakehead University, who generously donated the time of their President and his support staff during the design phase of Northern Policy Institute and who have since generously donated office space on their Thunder Bay campus for Northern Policy Institute's head office.



Laurentian University, who generously donated the time of their President and his support staff during the design phase of Northern Policy Institute and who have since generously donated office space on their Sudbury campus for Northern Policy Institute's Sudbury office.



The Northern Ontario Heritage Fund Corporation, our founding donor, without whose support Northern Policy Institute would still be an idea and not a reality.

NORTHERN
POLICY INSTITUTE

P.O. Box 10117
Thunder Bay, ON P7B 6T6

Physical Offices:
Sudbury: Arts Building, Laurentian University
Thunder Bay: 874 Tungsten Street, Lakehead University

northernpolicy.ca

INSTITUT DES POLITIQUES
DU NORD