



THE PIERRE ELLIOTT TRUDEAU FOUNDATION

Business Plan 2009-2010

Prepared for Industry Canada as an internal document only

June 2009

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1. BACKGROUND

An independent and non-partisan Canadian charity, the Pierre Elliott Trudeau Foundation was established in 2001 as a living memorial to the former Prime Minister by his family, friends, and colleagues. In 2002, the Government of Canada endowed the Foundation with a donation of \$125 million.

The Pierre Elliott Trudeau Foundation funds outstanding scholars who conduct research in crucial societal issues, and creates opportunities for dialogue and collaboration across organizations and disciplines under four key themes: Human Rights and Dignity, Responsible Citizenship, Canada in the World, and People and their Natural Environment. Since being established, the Foundation has granted close to 200 major awards to top researchers and highly accomplished individuals, in Canada and abroad.

The Foundation is governed by a diverse and highly distinguished board of up to 18 directors, including two directors appointed by the Minister of Industry and two representatives of the family of the late Pierre Trudeau. Directors oversee the approximately \$150 million endowment and an annual operating budget of \$6.5 million, and they set policies and program directions for the Foundation.

The Mission Statement adopted by the Board of Directors inspires the work of the Foundation, and shapes its Business Plan for 2009-2010.

MISSION STATEMENT

The Pierre Elliott Trudeau Foundation promotes outstanding research in the humanities and social sciences, and fosters a fruitful dialogue between scholars and policymakers in the arts community, business, government, the professions, and the voluntary sector.

The Foundation:

- *encourages emerging talent by awarding Trudeau Scholarships to the most talented doctoral students in Canada and abroad;*
- *appoints distinguished Trudeau Fellows and Mentors for their knowledge and wisdom to build an intellectual community to support the work of the Scholars; and*
- *creates and maintains an international network of Trudeau Fellows, Scholars, and Mentors.*

Through our growing community, we actively encourage talented individuals to develop audacious proposals, to set and achieve ambitious goals, and to interact with and teach as many people as possible. The best ideas emerge when individuals from different generations and different disciplines focus on a problem together, when technical, scientific and policy innovators are informed by outstanding communicators in bioethics, geography, history and the law, and when new patterns of human behaviour are revealed and deep cultural understanding achieved.

2. OUR FOUR CORE PROGRAMS

Our distinctive and essential organization is devoted to the delivery of four core programs: a unique funding model segmented in three programs, targeted towards Scholars, Fellows and Mentors, and a Public Interaction program, intended to achieve knowledge acquisition, transfer and exchange among our program beneficiaries and the public. The Foundation's annual activity cycle revolves around these four main programs.

Trudeau Scholarships

Up to fifteen Scholarships are awarded each year to support doctoral candidates pursuing research of compelling present-day concern, touching on one or more of the four themes of the Foundation. Scholars are highly gifted individuals who are actively and concretely engaged in their fields and expected to become leading national and international figures. Trudeau Scholars are encouraged to work with Trudeau Mentors and Fellows. Interaction with the Trudeau community, non-academic spheres and the general public is an essential element of the Scholarship program.

Trudeau Fellowships

Up to five Fellows are chosen each year in recognition of outstanding achievement, innovative approaches to issues of public policy and commitment to public engagement. The Foundation provides support for the Fellows to make extraordinary contributions in their fields through leading-edge research and creative work. As the Fellowship program grows, the Fellows build a network of imaginative people working together from a variety of perspectives to address fundamental social and policy issues.

Trudeau Mentorships

Up to twelve Mentors are appointed each year. The Mentorship program is an innovative experiment that seeks to forge intellectual and personal bonds between renowned Canadians with extensive experience in public life and talented, young doctoral students. Mentors are drawn from an impressive array of professional backgrounds, including the arts, journalism, business, public service, the legal profession, research and advocacy. They enjoy a nationwide and international reputation based on achievements in their own particular field, and, most importantly, are able to introduce Scholars to their networks.

Public Interaction Program

The Public Interaction Program (PIP) is the centrepiece that brings the three grant-giving programs together. The PIP events and the travel and research allocation provide unique opportunities to learn and exchange research, ideas and proposals that focus on specific questions, and to share relevant knowledge with colleagues from different disciplines and varied life and cultural backgrounds. The structure of our programs ensures that leading-edge researchers and Fellows, upcoming PhD Scholars and practical-minded Mentors bring their expertise together to make knowledge exchange and transfer a reality.

The PIP comes to life through four streams of annual Trudeau events. In addition, members of the Trudeau Community are encouraged to organize PIP events on major issues of public policy that affect Canadians and global society. Finally, we collaborate with other institutions and organizations to advance discussions in wider fields.

3. ACHIEVEMENTS IN 2008-2009

The Foundation successfully delivered on all commitments made in its Business Plan 2008-2009. The Foundation notably:

- ✓ **Selected fifteen new 2009 Trudeau Scholars** — a \$2.7 million commitment over up to four years to support a group of fifteen outstanding Canadian and foreign PhD students actively engaged in their fields and expected to become leading national and international figures. The Foundation currently funds 66 Scholars.
- ✓ **Appointed five 2009 Trudeau Fellows, including a first international Visiting Trudeau Fellow** — an investment of \$1.1 million over three years in four outstanding Canadians and one intellectual from abroad who have set themselves apart through their research achievements, creativity and social commitment. The Visiting Trudeau Fellow will be announced once arrangements with the Canadian host university are finalized. The Foundation currently supports fourteen Fellows.
- ✓ **Appointed ten 2009 Mentors** — offering \$350,000 to ten highly accomplished Canadians from diverse background who have been paired with 2007 Trudeau Scholars to help them connect with policy networks for eighteen months. Nineteen Mentors are currently enrolled in the Mentoring program.
- ✓ **Held eight major Public Interaction events, in addition to six other events** organized by Trudeau Community Members or with other external partners, and sponsored by the Foundation. (Except for the Trudeau Lectures, Trudeau events are by invitation only.)

Events hosted by the Foundation:

- Trudeau Lecture by Professor William D. Coleman, 2007 Trudeau Fellow (McMaster University): “Globalization in British Columbia: A Long History?” University of Northern British Columbia, Prince George, B.C., October 23, 2008 (90 participants).
- Fifth Trudeau Conference on Public Policy: “High Principles and Effective Proposals: Redefining Canada’s Global Agenda,” Montreal, Que., November 13-15, 2008 (over 220 participants).
- Trudeau Lecture by Professor Eric Helleiner, 2007 Trudeau Fellow (University of Waterloo), “The Politics of Global Finance: Does Money Make the World Go ‘Round’?” University of Lethbridge, Alta., November 19, 2008 (over 80 participants)
- Trudeau Mentors-Scholars Retreat, St-John’s, Nfld., January 27-29, 2009 (over 60 participants).
- Trudeau Lecture by Professor William E. Rees, 2007 Trudeau Fellow (University of British Columbia), “Are Humans Unsustainable by Nature?” Memorial University of Newfoundland, St. John’s, Nfld., January 28, 2009 (over 400 participants).

- Trudeau Lecture by Professor Shana Poplack, 2007 Trudeau Fellow (University of Ottawa), “What Language Do We Speak?,” University of Moncton, N.B., February 24, 2009 (80 participants).
- Trudeau Summer Institute: “What’s Reason Got to Do with It? Rationality and Public Policies,” Gananoque, Ont., May 18-22, 2009 (over 100 participants).
- Trudeau Lecture by Professor Joseph Yvon Thériault, 2007 Trudeau Fellow (UQAM), “Is Canada a Truly Cosmopolitan Society?” at Carleton University, Ottawa, Ont., May 26, 2009 (over 90 participants).

Events sponsored by the Foundation through the PIP:

- Seminar: “Coordination and Collaboration in Peace Building: Assessing Canada’s Integrated Approach in Afghanistan,” Montreal, Que., November 12-13, 2008 (30 participants).
 - Scholars’ Workshop: “What New Canadian Leadership? Perspectives on the Promises and Problematics of Canada’s Role in a Socially Just Global Society,” Montreal, Que., November 13, 2008 (20 participants).
 - Conference in Memoriam: “Jacques Hébert: His Life, His Work,” Montreal, Que., December 8, 2008. Organized in partnership with Canada World Youth (60 participants).
 - Conference: “The Universal Declaration of Human Rights: 60 Years Later,” Montreal, Que., December 9, 2008. In collaboration with the Association for Canadian Studies (60 participants).
 - Workshop: “Working in and with the Community,” St-John’s, Nfld., January 27 & 29, 2009 (40 participants).
 - Workshop: “Humanities, Research and Creativity,” Gananoque, Ont., May 19, 2009 (over 30 participants).
- ✓ **Continued discussions with Canadian universities and the business community** to assess the potential of targeted fundraising efforts.
 - ✓ **Focused even more directly on knowledge dissemination activities**, notably by initiating the creation of an alumni association and by launching the Trudeau Lectures series to communicate our Fellows’ knowledge to a wide audience.
 - ✓ **Improved traceability of the Foundation’s spending**, particularly through developing a new management framework for the Fellowship with universities.
 - ✓ **Dedicated more resources to the international aspects** of our programs. For instance, we launched the first Call for Visiting Trudeau Fellowship, inviting a leading intellectual to do research and teaching in Canada and joined the UN Alliance of Civilizations Network of Foundations.
 - ✓ **Proceeded with a first thorough five-year review** of the Foundation’s programs and activities conducted by a three-member external Distinguished Review Panel.

4. THE YEAR AHEAD: PROMOTING WORLD-CLASS EXCELLENCE IN THE SOCIAL SCIENCES AND HUMANITIES

The Foundation will continue to contribute to Canada's knowledge advantage by supporting Scholars, Fellows, and Mentors who are tackling questions in areas that are in the national interest from a social and economic perspective, and through applying the KATE approach – Knowledge Acquisition, Knowledge Transfer and Knowledge Exchange – to all our activities, including PIP events.

The Distinguished Review Panel, which submitted a strategic *Report on the First Five-Year Periodic Review of the Foundation* earlier this year, concluded that the Foundation has “made significant and sustained progress toward achieving its remarkable vision.” As the Foundation has been recognized as an essential organization with a unique and necessary role, the year ahead will be dedicated to carrying on with the operation of our four core programs. We will also seek to implement the panel's recommendations incrementally – within the limits of our human and financial resources – as outlined in the Foundation's response to the evaluation, including a collective reflection to develop a new strategic plan.

Accomplishments

Since its creation, the Foundation has disbursed close to \$24 million through its programs. Direct transfers to individuals currently account for nearly \$17 million. The Foundation has granted 99 doctoral scholarships, recognized the research or creative work of 34 Fellows, and convinced 48 eminent Canadians to become Mentors to our Scholars. Every year, each of these competitions has elicited great interest from our university partners and from groups and organizations involved in public policy research. The very high quality of the nominees also demonstrates that the Foundation's programs have quickly taken their place among the most coveted awards in the country, a clear indication of the cogency of our approach.

The Foundation has also dedicated considerable financial resources – nearly \$7 million – to fostering a community of engaged citizens. The Public Interaction Program (PIP) continues to create opportunities to disseminate the ideas and profile the work of our members. The annual Trudeau Conference on Public Policy has become a highlight in the intellectual life of the country.

All awards granted by the Foundation follow a peer-review process. The Foundation's website describes our rigorous nomination and selection processes in detail. The Foundation taps into an extensive network to form its annual File Review Committees, whose 20 members are highly qualified individuals from many walks of life, including the public service, academia, the arts, and the media, who volunteer their time and efforts to screen, discuss and interview the outstanding individuals we support.

Despite the current global economic context, the Foundation's finances are strong. The original \$125 million endowment has grown to close to \$150 million (as of May 31, 2009), our investment portfolios are healthy, and the Foundation has so far avoided the multiple traps in the market.

Strategic orientations

In the year ahead, the Foundation's decisions will be guided by the outcomes of the first five-year review of the Foundation's work, which confirmed that the Foundation's mission and programs are highly relevant to Canadian society and well aligned with the goals of the federal government's Science and Technology (S & T) Policy.

Therefore, the Foundation will dedicate most of its resources to:

- a. Continue the lean and efficient delivery of our Scholarship, Fellowship, Mentorship and Public Interaction programs.
- b. Implement the Distinguished Review Panel's recommendations to make necessary adjustments to further increase the impact of our four programs.

In addition, and following recommendations set out in the report and subsequent commitments of the Foundation, the Foundation will seek to position itself more effectively in the Canadian landscape. This goal can be achieved by:

- c. Making adjustments to the Governance of the Foundation.
- d. Seeking greater flexibility in management and administration.
- e. Subject to resource availability, adopting an overarching strategy to raise the public profile and visibility of the Foundation.

This year's proposed budget captures the above-mentioned strategic orientations and is presented in Section 5: *Budget Implications*.

Expected outcomes

➤ ***Trudeau Scholarships***

The Foundation currently supports 66 Scholars (as of June 30, 2009). They come from a wide variety of disciplines and represent all regions of the country. Scholars are recruited with the expectation that they will identify and illuminate new and emerging crucial social issues, within the four priority domains of the Foundation. The 2009 Trudeau Scholarship competition attracted 185 complete applications from Canadian and foreign universities (160 applications in 2008). Applications were reviewed by an independent eight-member File Review Committee which also conducted screening interviews before presenting the Board of Directors with a list of fifteen finalists.

Since the launch of the Science and Technology policy in 2007, the Foundation has expressed its support for this important initiative and underscored how the Foundation can partner the Ministry of Industry in putting its plan in motion. Our Trudeau Scholarship program is instrumental in this effort. The following charts illustrate the relevance of the research projects conducted by the Scholars we are funding. They show the distribution of the 2003-2009 Trudeau Scholars based on both the Foundation's themes and the priorities identified in the 2007 S & T policy.

Chart 1
Foundation Themes and Trudeau Scholars
2003-2009

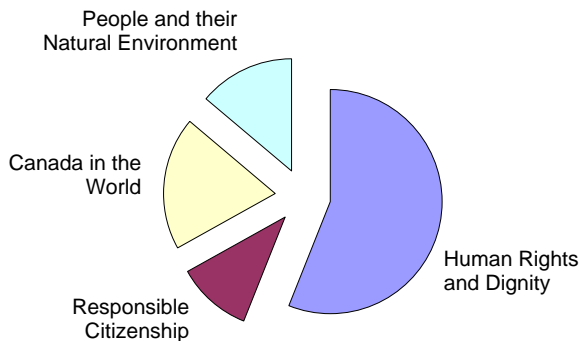


Chart 2
S & T Policy Themes and Trudeau Scholars
2003-2009

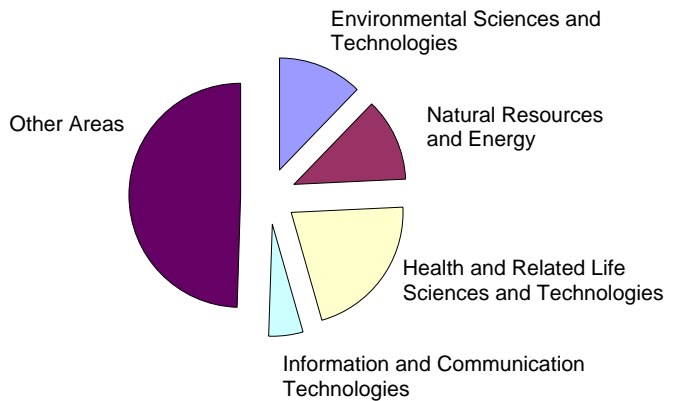


Chart 1 shows the distribution of the 99 Trudeau Scholars' work with reference to the Foundation's four priority themes. As they are trying to tackle complex and multifaceted societal issues, most of their thesis projects are tied to more than one category. Human rights and dignity is the most explored topic (56%), followed by responsible citizenship (11%), Canada in the world (19%), and people and their natural environment (14%).

Chart 2 illustrates that half (50%) of the Trudeau Scholars are doing research directly related to one of the four priority areas outlined in the Science and Technology Policy. Overall, 21% of the projects are related to health and related life sciences and technologies, 12% of the Scholars focus on questions related to natural resources and energy or environmental sciences and technologies, whereas 5% of the research projects are on information and communication technologies.

At least sixteen Trudeau Scholars are expected to complete their PhD degrees in 2009-2010, for a total of 38 PhDs obtained since the creation of the program. Because of the level and depth of the support provided to the students, Trudeau Scholars need less time on average than other doctoral students to complete their degree (4.71 years in average compared to 5.67 years in the field). As intended, former Trudeau Scholars stay in Canada after they complete their PhD, opting mostly for career paths in education and public service.

The Trudeau Scholarship program truly comes first among the Foundation's many successes. The program has continuously attracted the very best candidates in the humanities and social sciences, from across Canada and abroad. It has rapidly imposed itself as the most prestigious doctoral award in Canada for students interested in "big" social and public policy issues.

□ The Foundation intends to select fifteen new Trudeau Scholars in 2010.

➤ *Trudeau Fellowships*

An impressive number of Canadian universities are represented by the Trudeau Fellows, who are currently located in Newfoundland and Labrador, Quebec, Ontario, Alberta, Saskatchewan and British Columbia. Moreover, one Fellow, who is originally from Saskatchewan, holds a position with the University of Oxford.

The Fellows' research programs are by definition oriented toward important public policy issues, including at this time: economy and gender (Bakker – York); global social movements (Coleman, McMaster); law of international migrations (Crépeau, Montreal); ethnomusicology (Diamond, Memorial); impact of immigration on the arts and literature (Harel, UQAM); transnational financial relations (Helleiner, Waterloo); human rights law (Mahoney, Calgary); language and citizenship (Poplack, Ottawa); ecological footprint analysis (Rees, University of British Columbia); interactive research and sustainability (Robinson, University of British Columbia); social identity and biography (Sullivan, Toronto); political development of francophone communities (Thériault, UQAM); historical fiction and citizenship (Vanderhaeghe, Saskatoon); constitutional law and Aboriginal rights (Webber, Victoria); and Canada's international presence (Welsh, Oxford). *Chart 3* shows that research conducted by Trudeau Fellows falls under one or more of the four themes prioritized by the Foundation.

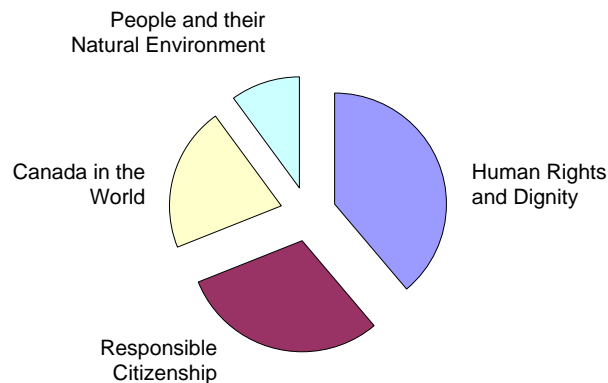
The 2009 Fellows nomination process identified potential candidates in a wide range of research fields and disciplines, as well as Canadian researchers outside of the country. The Foundation and its File Review Committee reviewed 62 nominations (compared to 61 nominations in 2008), including valid nominations from previous years. For the first time this year, a call for nominations for an *international* Visiting Trudeau Fellow was issued. A national panel of five outstanding Canadian academics conducted an independent review of the files and recommended five candidates for the Board of Directors' approval.

The Trudeau Fellowship offers concrete support and encouragement to respected scientists, thinkers and artists who are part of Canada's intellectual trust – the people with the talent, drive and potential to anticipate, understand, and engage in the crucial issues challenging Canadian society.

The Fellowship Program's aim is threefold. First, it is intended to reward exceptional individuals who use evidence and creativity to inform public discourse and policy. Second, it fosters the best multidisciplinary research and knowledge dissemination within the social sciences and the humanities. Finally, it strives to establish Trudeau Fellows as outstanding participants within the universities, to challenge and encourage the next generation of scholars.

□ The Foundation intends to appoint five new Fellows in 2010, including one *national* Visiting Trudeau Fellow.

Chart 3
Foundation Themes and Trudeau Fellows
2003-2009



➤ ***Trudeau Mentorships***

The Trudeau Mentorship program is a bold experiment, based on the premise that PhD students need help and hindsight to integrate a policy perspective in their doctoral research, as well as to learn how to translate their results to a complex set of audiences. Trudeau Mentors are expected to participate in major annual events organized by the Trudeau Foundation, in addition to individual meetings and exchanges with their Scholars. This approach has given the Scholars more opportunities to interact with their designated Mentor, but it has also given them access to the full roster of Trudeau Mentors on a regular basis.

Trudeau Mentor candidates are screened and selected by an independent File Review Committee composed of a majority of senior decision-makers and social entrepreneurs, including leading members of the media, business and policy community.

The Foundation considered 130 new nominations (an increase of 30% in comparison to the 83 nominations received in 2008) and 40 additional nominations from previous years for the 2009 competition. After review and discussion, a list of ten potential 2009 Trudeau Mentors was submitted to the board for approval. *Table 1* provides a list of current Trudeau Mentors and demonstrates that the group indeed represents a unique and diverse pool of talent, experience and intellectual resources.

□ **The Foundation intends to appoint up to twelve new Mentors in 2010.**

Table 1
Trudeau Mentors 2008-2009

| Trudeau Mentor | Year | Position at Time of Nomination |
|-----------------------|-------------|--|
| Adam, Dyane | 2008 | Former Commissioner of Official Languages |
| Bartleman, James | 2009 | Chancellor, Ontario College of Art and Design; former Lieutenant Governor of Ontario |
| Blyth, Chuck | 2009 | Superintendent, Nahanni National Park Reserve |
| Dupuis, Renée | 2009 | Lawyer and writer; Chief Commissioner of the Indian Claims Commission |
| Fellegi, Ivan | 2009 | Chief Statistician Emeritus |
| Fowler, Robert | 2008 | Senior Fellow, University of Ottawa; former diplomat |
| Hamilton, Sylvia | 2008 | Filmmaker; writer |
| Harder, Peter | 2009 | Senior Policy Advisor, Fraser Milner Casgrain LLP; former Deputy Minister |
| Joe, Misel | 2009 | Saquamaw and Administrative Chief, Mi'kmaq Grand Council |
| MacKinnon, Janice | 2008 | Professor, History, University of Saskatchewan; former Minister of Finance, Saskatchewan |
| Mailhot, Louise | 2008 | Strategic Counsel, Fasken Martineau; former Justice, Court of Appeal of Québec |
| McAskie, Carolyn | 2009 | Senior Fellow, Graduate School of Policy and International Affairs, University of Ottawa; former Assistant Secretary General for Peacebuilding, United Nations |
| McLellan, A. Anne | 2009 | Bennett Jones LLP; former Deputy Prime Minister of Canada and Cabinet Minister |
| Murray, Larry | 2008 | Former Acting Chief of Defence Staff; former Associate Deputy Minister and Deputy Minister |
| Neve, Alex | 2008 | Secretary General, Amnesty International Canada |
| Obomsawin, Alanis | 2009 | Documentary filmmaker; member of the Abenaki Nation |
| Patten, Monica | 2008 | President and CEO, Community Foundations Canada |
| Seymoar, Nola-Kate | 2009 | President and CEO, International Centre for Sustainable Cities |
| Speaker, Raymond A. | 2008 | Security Intelligence Review Committee; former Leader of the Representative Party of Alberta; former Minister with different portfolios |

➤ **Public Interaction Events**

The Trudeau Conference on Public Policy is our flagship event. With more than 200 participants (and growing every year), it takes place in different cities across Canada and brings together the Trudeau community – Fellows, Scholars and Mentors – as well as public decision makers from a variety of backgrounds. The Foundation will hold its next annual conference titled “Canadian Cities and the Public Sphere: Rethinking the Urban Commons” in Ottawa in November 2009.

In Orford, Que., in January 2010, the annual Mentors-Scholars Retreat will be a special opportunity for our Scholars to share concerns, experiences, and best practices and to spend time with a group of eminent Canadian policy-makers. Moreover, for most of the

Mentors appointed in November, it will be their first contact with the Trudeau community. All Trudeau Mentors and Scholars, including alumni, are invited.

Our Summer Institute in Saskatoon, Sask., in May 2010 will offer an exceptional opportunity for collaboration and intense networking among Trudeau Scholars, Fellows and Mentors. A wealth of experience, knowledge and interdisciplinary exchange will transform these four days of plenary sessions, seminars, excursions and informal discussions into much more than a meeting. The Summer Institute is the ideal place to find out about research carried out by Trudeau community members, to make contact with colleagues in preparation for other events, or to learn more about other disciplines.

In the fall of 2008, the Foundation launched the Trudeau Lectures series to promote its Fellowships across Canada and to disseminate the key ideas of Trudeau Fellows. The annual series consists of five public lectures – one by each of the five Fellows – organized by the Foundation in collaboration with Canadian universities and institutions of higher education. Trudeau Fellows use these lectures to highlight their ideas, their research and their role as public intellectuals.

In accordance with our KATE model, and to give a wider audience a chance to benefit from the experience of the Trudeau Fellows, the Foundation will publish the text of the lectures in both official languages in the Trudeau Papers, which will be available in print and online. We organize each of the five lectures in different universities or institutions of higher learning every year. Here is the calendar for the 2009-2010 series:

- October 20, 2009: University of Winnipeg, Man., Trudeau Lecture by Professor François Crépeau (McGill University)
- November 25, 2009: University of New Brunswick, N.B., Trudeau Lecture by Guy Vanderhaeghe (University of Saskatchewan).
- January 27, 2010: Sherbrooke University, Que., Trudeau Lecture by Professor Rosemary Sullivan (University of Toronto).
- March 3, 2010: Ryerson University, Ont., Trudeau Lecture by Professor John B. Robinson (University of British Columbia).
- May 2010: Concordia University, Que., Trudeau Lecture by Professor Kathleen Mahoney (University of Calgary), as part of the 2010 Congress of the Canadian Federation for the Humanities and Social Sciences.

The Foundation will also encourage members of the Trudeau Community to organize PIP events – public policy workshops and seminars – linked to one or several of the Foundation themes with a view to generating a richer public debate on important societal issues. Finally, the Foundation will collaborate with a number of other institutions and organizations to advance discussions in wider fields. For instance, the Foundation recently established a partnership with a French institution, the Fondation Maison des Sciences de l’Homme, with a view to champion discussions around research archives. The workshop will take place in Paris in September.

□ The Foundation will organize and hold eight Trudeau events and support at least two additional PIP events in 2010.

New strategic planning exercise

As part of its recommendations, the Distinguished Review Panel suggested that, “In accordance with good governance practices, the Board should proceed with a detailed review of its 2002 Strategic Plan including the development of a balanced scorecard.”

Actually, the Foundation’s Board initiated a review of the original Strategic Plan (2002) in April 2008. Management then prepared a document titled “Strategic Recommendations” for consideration and discussion by the Board. The document includes an assessment of the Foundation’s progress since the first planning exercise and considerations for the future. The Board has been waiting for the information it would learn from the periodic review process and is now in a position to develop a new strategic plan during the 2009-2010 fiscal year.

Fundraising efforts

The Distinguished Review Panel further observed that, “While the Funding Agreement authorizes private fundraising initiatives on the part of the Foundation, little such activity has occurred to date. [...] The Panel is of the view that the Foundation’s successes to date and its growing recognition for excellence in programming and execution make contemplation of a fundraising initiative realistic at this time. Moreover, the recommended Strategic Planning exercise would facilitate the development of a clear and compelling vision for the future and a strong basis for moving forward on a fundraising initiative, should the Foundation decide to do so.”

The Board will look at private fundraising, with the objective of developing and implementing a strategy within the next two years.

Production cycle

As Foundation programs are running at full capacity, the management of the Foundation is efficient and transparent, and both Foundation management and staff are striving to align with best practices in the sector. The Foundation’s organizational structure is lean and flexible, focused on the delivery of its four core programs, and the production cycle is intensive.

Table 2 presents a simplified calendar describing the Foundation programming milestones for the upcoming year.

Table 2
Foundation Production Cycle for 2009-2010

| Date | Activity |
|-----------------------|---|
| September 2009 | Nomination Deadline: 2010 Mentorship Competition |
| September 2009 | Call for Nominations: 2010 Fellowships |
| October 2009 | Call for Applications: 2010 Scholarships |
| October 2009 | Selection Process: 2010 Mentors |
| October 2009 | Trudeau Lecture at the University of Winnipeg |
| November 2009 | Nomination Deadline: 2010 Fellowship Competition |
| November 2009 | Board Meeting and Annual Meeting of the Members |
| November 2009 | Trudeau Conference on Public Policy |
| November 2009 | Trudeau Lecture at the University of New Brunswick |
| December 2009 | Nomination Deadline: 2010 Visiting Fellowship Competition |
| December 2009 | Submission of 2008-2009 Annual Report to the Minister |
| December 2009 | Submission of 2008-2009 Annual Report on ATIP* to Parliament |
| January-February 2010 | Selection Process: 2010 Fellows |
| January 2010 | Application Deadline: 2010 Scholarship Competition |
| January 2010 | Public Announcement: 2010 Mentors |
| January 2010 | Trudeau Mentors-Scholars Retreat |
| January 2010 | Trudeau Lecture at the University of Sherbrooke |
| February-March 2010 | Selection Process: 2010 Scholars |
| March 2010 | Trudeau Lecture at Ryerson University |
| April 2010 | Board Meeting |
| May 2010 | Public Announcement: 2010 Fellows |
| May 2010 | Public Announcement: 2010 Scholars |
| May 2010 | Trudeau Summer Institute |
| May 2010 | Trudeau Lecture at Concordia University |
| June 2010 | Submission of 2010-2011 Business Plan to the Minister |
| June 2010 | Submission of <i>InfoSource</i> Chapter and statistics on ATIP* to Treasury Board |
| July 2010 | Call for Nominations: 2011 Mentorships |
| August 2010 | Financial Year-End |

* The Foundation has been subject to the *Access to Information Act* and the *Privacy Act* since April 2007.

5. BUDGET IMPLICATIONS

(A) PROGRAM COSTS

Overall Budget Framework for Programs

For budgetary purposes, the core programs of the Foundation are as follows:

Scholarships are tenable for three years, with a possible fourth-year extension to allow either the completion of the doctorate, or the undertaking of a post-doctoral opportunity. The Foundation offers this extension only where there is strong evidence that the doctorate will be completed during this fourth year or on proof of an exceptional post-doctoral opportunity. Supervisors are contacted directly to provide detailed reports on the students' progress. The current stipend is \$40,000 per year (\$35,000 per year for pre-2009 cohorts), covering the cost of tuition and reasonable living expenses. An additional \$20,000 per year (\$15,000 per year for pre-2009 cohorts) is available to support approved research-related travel, and to cover networking expenses associated with events and joint projects undertaken within the framework of the Foundation's programs.

In April 2004, the Board of Directors approved a policy with regard to the accumulation of awards. Essentially, the Trudeau Scholarship allows for the accumulation of awards each year in amounts up to the annual stipend plus \$10,000. When a Scholar's total external awards in a given year exceed \$10,000, the stipend for that year is reduced by the amount in excess of \$10,000. The annual travel and research allowance (ATA) of \$20,000 is never reduced by outside scholarship income. Unused balances generated by a given cohort are available to fund the fourth-year extension for the cohort.

Where an extension is granted for completion of the doctoral studies, the Scholar receives both a stipend and an ATA for up to 12 months' time, based on the annual equivalent of \$35,000 (or \$40,000 for 2009 and subsequent cohorts) plus the annual equivalent of \$2,000 for the ATA. Post-doctoral extensions, also granted for up to 12 months, provide the Scholar with the annual equivalent of a \$15,000 all-encompassing grant (or \$20,000, for 2009 and thereafter). All such stipends remain subject to the award accumulation restriction.

For presentation purposes, the stipend is reflected within the Scholarship program budget, whereas the ATA forms an integral part of the PIP budget.

Fellowships are valued at \$225,000 each and are tenable for three years. For fiscal 2009 and prior years, the \$150,000 stipend portion of the Fellowship represented a firm commitment that was paid over three years, with an additional payment of up to \$25,000 per year available for approved travel and networking expenses (the "ATA"). All audited figures and budget figures for years 2009 and 2010 included in this Business Plan reflect this structure.

A change to the administration and payment schedule of this program was approved in April 2009, subsequent to the adoption of the 2010 budget. Full deployment should be achieved over the next twelve months. Newly named Fellows will each receive a \$50,000

stipend (formerly \$150,000), with the remaining \$175,000 (formerly \$75,000) designated as an ATA and available throughout their three-year mandate. Essentially, the stipend is reduced by \$100,000 and the ATA is increased by the same amount. The latter will be administered in partnership with Canadian universities, with the expectation that this new arrangement will facilitate appropriate accountability for an expansive range of eligible activities. The principal impact of these changes will be to assure full and effective use of the ATA.

Given full use of the ATA, the entire \$225,000 becomes a firm commitment (compared with \$150,000), and future budgets and financial results will reflect a transfer of \$500,000 from the Fellowship program into the PIP program, where the ATAs have traditionally been included.

Also planned for the 2010 fiscal year is the designation of a Visiting Trudeau Fellowship. One of the five named Fellows will be a national, non-academic guest invited by a Canadian university. The Visiting Trudeau Fellowship is tenable for three years, and payable according to the payment schedule agreed with the host university, the stipend being \$50,000. An additional amount of up to \$175,000, administered by the host university, is offered to cover the Fellow's research, travel, networking and knowledge dissemination activities.

For presentation purposes, the stipend is reflected in the Fellowship program budget, whereas the ATA forms an integral part of the PIP budget.

Mentorships, originally tenable for one year, are now tenable for eighteen months, as modified by the Board of Directors in November 2005. The honorarium is \$20,000 per eighteen-month term. An additional \$15,000 per term (the "ATA") is available to cover approved networking expenses associated with events and joint projects undertaken within the framework of the Foundation's programs.

For presentation purposes, the honorarium is reflected in the Mentorship program budget, whereas the ATA forms an integral part of the PIP budget.

Public Interaction Program (PIP). Fulfilling as it does the specific mandate to build "an innovative network of study and exchange," the ATA component of each of the Fellowship, Scholarship and Mentorship programs constitutes the bulk of the PIP budget. Scholars and Mentors make extensive use of their ATA, and Fellows are expected to follow suit once the program changes have been fully implemented. In any given year, the ATA may be drawn on by as many as 20 Fellows (averaging \$25,000 per fellow), 60-75 Scholars (\$15,000 – \$20,000 per scholar), and 16 Mentors (\$15,000 per mentor).

The balance of the PIP budget consists mainly of expenses for one-time and regular annual events, the costs to maintain and update the Trudeau Foundation website, and communication expenses for public engagement activities.

Budgeted Program Costs for 2009-2010

➤ *Scholarships*

The single largest program expense is base awards to the Scholars. The 2010 budget anticipates fifteen new scholars, each entitled to \$120,000 paid over a period of up to four years. Fourth-year extensions for earlier cohorts will be covered by existing reserves created by the external prizes that have been awarded to our Scholars.¹

The ATA budget for all active Scholars is included in the PIP budget.

➤ *Fellowships*

The Fellowship Program's budget represents the third largest budgetary envelope among program costs, and reflects the selection costs and awards committed to 2008 Fellows.²

The ATA budget for all active Fellows is included in the PIP budget.

➤ *Mentorships*

The Mentorship program anticipates the selection and appointment of ten new Mentors in January 2010. Like the Fellows and Scholars, multiple groups of Mentors will be active participants during fiscal 2009-2010.³

The ATA budget for all active Mentors is included in the PIP budget.

➤ *Public Interaction Program*

The Public Interaction Program's (PIP) steady growth since fiscal 2006 stems mainly from the increasing use of ATA funds by Fellows, Mentors and Scholars. As multiple cohorts of Fellows, Scholars and Mentors are now participating alongside each other in any given year, the ATA costs can be expected to rise steadily year over year, until saturation levels are reached.

¹ The Scholarships are expensed in a lump sum each year in order to comply with accounting standards. In fact, however, five cohorts will be receiving some form of funding during fiscal 2010, being at various stages of their studies. In addition to the fifteen 2010 Scholars, Scholars from the 2006 cohort will be receiving fourth-year funding; the 2007 cohort will be receiving their third-year instalments; the 2008 cohort will be receiving their second-year instalments; the 2009 cohort will be receiving their first-year instalments.

² These Prizes are expensed in a lump sum each year in order to comply with accounting standards. In actual fact, however, four groups of Fellows will be receiving funding during fiscal 2010, being at various stages of their respective mandates: the five Fellows named in April 2007 will be receiving their final installments during 2009-2010; the April 2008 Fellows receiving funding from 2008-2011; the April 2009 Fellows from 2009-2012. The 2010 Fellows will receive their funding from fiscal 2010 through fiscal 2013.

³ The nine Mentors who started in January 2008 will be funded in 2008 and 2009, the nine 2009 Mentors will be funded in 2009 and 2010, and the 2010 Mentors will be funded in 2010 and 2011.

Budget 2010 reflects the enhancement of the Scholars' ATA from \$15,000 to \$20,000 for the two most recent cohorts, contributing to an increase of \$230,000 over the 2009 Scholar ATA budget.

The evolution of the PIP program's activities continues with an ever-increasing participation rate from the Trudeau Community at the four major annual events and the annual rotation of venues across the country. Two international events are planned for 2010, which will require more funding than the average PIP Events budget can accommodate. As such, an additional \$20,000 has been provided for these events in the 2010 PIP Budget (shown as a separate item).

(B) OPERATING COSTS

Overall Budget Framework and Budgeted Costs for 2009-2010

In May 2004, the *Funding Agreement* was amended to allow the Foundation to spend up to 1.5% of the total value of the Fund on "**operating costs**," as defined in Section I.

Every effort is made to keep operating costs under strict control. During the 2009 fiscal year and continuing into 2010, the Foundation will operate with one part-time and six full-time staff members to run its ambitious programs. To limit salary and benefit costs, some work, especially in the areas of accounting, communications and information services, will continue to be contracted out. Investment counsel fees, which are based on the Portfolio's fair market value, fall squarely within the range typical of fixed-income portfolios.

- The budget for 2009-2010 projects an expenditure of roughly 1.28% of Total Net Assets on operating costs, which include investment counsel fees, administrative expenses, all program planning and delivery, and costs related to the Foundation's obligations under ATIP legislation.

Last year, there was a concern that the Periodic Evaluation slated for 2009 might entail cost overruns; as such, a spending freeze was in effect across all budgetary envelopes for much of fiscal 2009 in an attempt to mitigate the overall financial impact of the evaluation exercise. The challenge to contain the evaluation costs was met; however, the severe cutbacks created an untenable operational environment and certain necessary costs had to be resumed in fiscal 2010.

- Wage adjustments and the joint hiring of a part-time Communications Officer in conjunction with another non-profit organization contribute to the increase in Administrative expenses in Budget 2010.
- The use of essential professional services is also resumed in 2010, allocated to both the Administrative and Program Delivery budgets.

Following the Comprehensive Program Evaluation and the recommendations of the Evaluation Panel, specific budgetary envelopes were set aside in Budget 2010 to address issues relating to the Foundation's governance and visibility.

- The 2010 budget for Program Delivery includes a provision of \$25,000 for governance instruments, and \$55,000 for updated communication materials, following the recommendations made by the Evaluation Panel. These items are clearly marked in the budget.

The Trudeau Foundation has been subject to the **Access to Information and Privacy Acts** ("ATIP") and the Library and Archives Act since April 1, 2007. A certain number of processes and documents have been created to ensure compliance to these acts, and some additional investments are required to comply with the Library and Archives Act triggered by ATIP, although the actual costs are difficult to assess at this point. As per Industry Canada's directive, these costs must be absorbed by the Operating budget and as such fall within the 1.5% spending cap.

- The 2010 budget includes a provision of \$50,000 for costs related to ATIP and Library and Archives compliance.

The *Funding Agreement* also requires that an **Annual Report** be prepared each year, and this is included in Administrative expenses. The budget reflects an increased volume of paper copies for use where the online version is not practical.

6. INVESTMENT PERFORMANCE

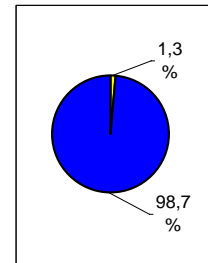
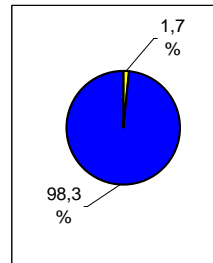
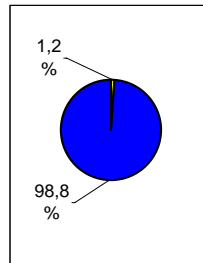
The Foundation's low-risk investor profile shielded it from the magnitude of losses suffered by other investors during 2009. On the downside, the investment mix constraints prevented the Foundation's investment managers from fully countering the effects of market conditions with a more effective combination of fixed-income securities. For the first time in its history, the Foundation's investment income is expected to drop markedly [c.f. budget 2010] even as its expenses are increasing, and unavoidably so.

As at May 31, 2009, the market value of all Fund investments stood at \$ 149,605,213 compared with \$144,933,452 at May 31, 2008. In the aggregate, the return on investment for the 12 months ended May 31, 2009, was **6.17%** compared to the 12-month return of 6.97% at May 31 of last year. The lifetime rate of return, as shown in the chart below, is **5.54%** compared to its benchmark of 5.96%. During the 12 months ended May 31, 2009, \$4.4 million was withdrawn to provide operating capital.

The Pierre Elliott Trudeau Foundation
Average Annual Compounded Rate of Return on Investments (Gross of Fees)
Market value - May 31, 2009

| | BMO - Harris Rate of return | RBC Investments Rate of return | Combined Rate of return |
|---|--------------------------------|-----------------------------------|----------------------------|
| Rate of Return since inception | 5,97% | 4,71% | 5,54% |
| | VS | VS | VS |
| Benchmark Scotia MacLeod MT (50%), ST (50%) BI | 5,96% | 5,58% | 5,96% |
| One-year Rate of Return for the period ended May 31st, 2009 | 6,67% | 4,86% | 6,17% |
| | VS | VS | VS |
| Benchmark Scotia MacLeod MT (50%), ST (50%) BI | 7,30% | 6,91% | 7,30% |
| Total funds invested | \$ 94 553 920 | \$ 31 936 913 | \$ 126 490 833 |
| Investment Counsel fees | \$ 1 479 393 | \$ 925 416 | \$ 2 404 809 |
| Transferred to operating | \$ 25 752 871 | \$ 707 687 | \$ 26 460 558 |
| Total cash withdrawn | \$ 27 232 264 | \$ 1 633 103 | \$ 28 865 367 |
| Market value - May 31, 2009 | \$ 108 466 978 | \$ 41 138 236 | \$ 149 605 213 |
| Market value - May 31, 2008 | \$ 105 548 861 | \$ 39 384 591 | \$ 144 933 452 |

Cash & short-term investments
 Fixed income



7. FINANCIAL ISSUES

The changes to the Fellowship program, as detailed earlier, have been approved although they have yet to be implemented. The overall Fellowship value remains the same by definition, although the new arrangement is expected to greatly enhance the use of the Fellows' annual travel, research and networking allowance (ATA). Therefore, the phenomenon of unused ATA balances which occurred in prior years is not expected to recur, which will result in greater program spending of almost \$200,000 per year once fully implemented. By extension, these unused ATA funds – reinvested in earlier years – will no longer be available for other spending initiatives or to provide a stable level of operating funds during lean years.

The Foundation's three-pronged strategy, developed in 2005-2006 to forestall the erosion of the Fund due to inflation, is still valid and entails: (1) careful control of expenses and a possible contraction of future program expenditures; (2) the development of a private fundraising initiative; (3) the development of mitigation strategies to increase the return on the Fund within the current investment policy. Point 1, in particular, was put to the test during 2009 and served to reinforce the need to focus on points 2 and 3 during fiscal 2010. The success of point 2 – private fundraising – rests in part on the Foundation's ability to improve its visibility, the latter being among the recommendations made by the Evaluation Committee.

Global markets remain uncertain at the time of this writing. Discussions have been held with the Foundation's investment managers to explore how best to maximize investment revenues while respecting the constraints of the Funding Agreement, but the need for external funds has become patently obvious.

A pilot project to target corporate sponsorships for theme-specific scholarships began in April 2008 and has not yielded satisfactory results to date. Management talks with professional fundraisers will be held in 2009 and 2010 to address this pressing concern.

The Foundation continues to seek partnerships and corporate sponsorships for its events and programs.

Appendix 1—*Financial Information*, follows.

APPENDIX 1: FINANCIAL INFORMATION

Statement of Financial Position

as at August 31st

| | 2010 ¹ budget | 2009 ¹ latest estimate | 2008 audited | 2007 audited | 2006 audited | 2005 audited | 2004 audited |
|--|-----------------------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Assets | | | | | | | |
| Current Assets | | | | | | | |
| Cash | | | 1 886 055 | 217 029 | 233 632 | 201 847 | 147 054 |
| Short-term investments | | | 938 442 | 37 781 | 42 712 | 3 871 893 | 1 401 537 |
| Investments in fixed-income securities (note 2) | | | 142 517 954 | 140 126 149 | 139 098 186 | 134 160 334 | 132 553 146 |
| Interest receivable | | | 1 938 699 | 1 987 910 | 1 900 835 | 1 662 395 | 1 574 426 |
| Other receivable | | | 163 407 | 97 108 | 104 438 | 111 174 | 85 372 |
| | | | 147 444 557 | 142 465 977 | 141 379 803 | 140 007 643 | 135 761 535 |
| Capital Assets, gross | | | 547 553 | 544 671 | 525 742 | 510 882 | 481 832 |
| Capital Assets, acc depreciation | | | 349 207 | 306 350 | 261 270 | 213 984 | 124 476 |
| Capital Assets, net | | | 198 346 | 238 321 | 264 472 | 296 898 | 357 356 |
| Deferred Website Dvpm costs, gross | | | 171 413 | 171 413 | 171 413 | 142 799 | 117 791 |
| Deferred Website Dvpm costs, acc amortization | | | 171 413 | 161 873 | 144 000 | 117 361 | 69 761 |
| Deferred Website Dvpm costs, net | | | 0 | 9 540 | 27 413 | 25 438 | 48 030 |
| | | | 147 642 903 | 142 713 838 | 141 671 688 | 140 329 979 | 136 166 921 |
| Liabilities | | | | | | | |
| Current Liabilities | | | | | | | |
| Accounts payable and accrued liabilities | | | 279 250 | 216 490 | 156 639 | 182 621 | 107 229 |
| Deferred revenue | | | 46 153 | 46 153 | 0 | 0 | 0 |
| Current portion of fellowship prizes payable | | | 608 279 | 625 000 | 625 000 | 600 000 | 450 000 |
| Current portion of scholarship prizes payable (note 3) | | | 938 186 | 798 452 | 841 736 | 736 504 | 483 706 |
| Current portion of mentorships payable | | | 95 000 | 90 000 | 100 000 | 0 | 0 |
| | | | 1 966 868 | 1 776 095 | 1 723 375 | 1 519 125 | 1 040 935 |
| Long-term liabilities | | | | | | | |
| Fellowship prizes payable | | | 466 810 | 500 000 | 500 000 | 500 000 | 475 000 |
| Scholarships payable | | | 1 917 560 | 1 515 000 | 1 327 000 | 1 362 467 | 1 300 000 |
| | | | 2 384 370 | 2 015 000 | 1 827 000 | 1 862 467 | 1 775 000 |
| Total Liabilities | | | 4 351 238 | 3 791 095 | 3 550 375 | 3 381 592 | 2 815 935 |
| Net Assets | | | | | | | |
| Net assets restricted for endowment purposes | 125 000 000 | 125 000 000 | 125 000 000 | 125 000 000 | 125 000 000 | 125 000 000 | 125 000 000 |
| Net assets invested in capital assets | 142 954 | 172 673 | 198 346 | 238 321 | 264 472 | 296 898 | 357 356 |
| Reserve against inflation (note 4) | 15 000 000 | 13 125 000 | 11 250 000 | 9 375 000 | 7 500 000 | 5 625 000 | 3 750 000 |
| TF private donations fund (note 5) | 365 805 | 352 805 | 339 805 | 336 269 | 278 790 | 315 409 | 311 579 |
| Unrestricted net assets | 3 464 871 | 5 285 522 | 6 503 514 | 3 973 153 | 5 078 051 | 5 711 080 | 3 932 051 |
| | 143 973 630 | 143 936 000 | 143 291 665 | 138 922 743 | 138 121 313 | 136 948 387 | 133 350 986 |
| | | | 147 642 903 | 142 713 838 | 141 671 688 | 140 329 979 | 136 166 921 |

Note 1.

Years 2009 and 2010 are subject to year-end adjustments.

Note 2.

Beginning with fiscal year 2008, fair-value accounting (mark-to-market) is in effect for Investment assets, and interest revenues will be measured using the effective interest method.

Note 3.

Scholarship reductions due to external awards were previously returned to the general Fund. Beginning 2008, any such savings are reserved to fund the respective cohort's 4th year extensions. The scholarships for cohorts 2009 and later have been increased from \$105,000 to \$120,000 per scholar.

Note 4.

An amount of \$1,875,000 must be internally restricted each year in order to counter inflationary impacts, as per Board Resolution.

Note 5.

Fundraising expenses are covered from the Private Fund, rather than Unrestricted Net Assets.

Statement of Revenues & Expenses

for the year ended August 31st

| | 2010 ¹ budget | 2009 ¹ latest estimate | 2008 audited | 2007 audited | 2006 audited | 2005 audited | 2004 audited |
|--|-----------------------------|--------------------------------------|-------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | | | |
| Interest income (note 2) | 6 653 000 | 6 656 300 | 6 816 482 | 6 012 057 | 6 001 474 | 5 982 085 | 5 903 411 |
| Gain on disposal of fixed income securities (note 2) | | | 805 015 | 22 905 | 92 017 | 2 500 007 | 785 917 |
| Unrealized gain on marketable securities | | | 3 640 079 | | | | 1 183 |
| Donations and other revenues | | 46 153 | 1 600 | 0 | 0 | 0 | 155 371 |
| Total Revenues | 6 653 000 | 6 702 453 | 11 263 176 | 6 034 962 | 6 093 491 | 8 482 092 | 6 845 882 |
| Expenses | | | | | | | |
| Programme Costs (note 3) | | | | | | | |
| Fellowship programme | 764 875 | 768 350 | 773 175 | 760 461 | 758 811 | 752 528 | 757 467 |
| Mentorship programme | 225 875 | 215 586 | 184 268 | 149 067 | 180 584 | 140 290 | 129 639 |
| Scholarship programme (note 3.1) | 1 828 850 | 1 827 400 | 1 897 656 | 1 512 846 | 1 308 420 | 1 271 660 | 1 196 133 |
| PIP programme - supplement | 20 000 | | | | | | |
| PIP programme (note 4) | 1 932 100 | 1 528 976 | 1 292 059 | 1 270 177 | 1 096 352 | 1 050 567 | 451 106 |
| sub-total, Programmes: | 4 771 700 | 4 340 312 | 4 147 158 | 3 692 551 | 3 344 167 | 3 215 045 | 2 534 345 |
| Operating Costs | | | | | | | |
| Investment counsel fees | 365 000 | 365 000 | 361 074 | 353 421 | 356 382 | 358 544 | 352 148 |
| Programme Delivery costs (note 5) | 645 840 | 671 000 | 618 167 | 633 904 | 615 936 | 685 032 | 471 736 |
| - - - communications/visibility | 55 000 | | | | | | |
| Admin costs (note 6) | 702 830 | 645 805 | 629 992 | 524 693 | 604 080 | 626 070 | 577 420 |
| - - - governance instruments | 25 000 | | | | | | |
| Accountability & Transparency under ATIP (note 7) | 50 000 | 36 000 | 45 522 | 28 963 | 0 | 0 | 0 |
| sub-total, Operating Costs: | 1 843 670 | 1 717 805 | 1 654 755 | 1 540 981 | 1 576 398 | 1 669 646 | 1 401 304 |
| Total expenses, GAAP basis: | 6 615 370 | 6 058 117 | 5 801 913 | 5 233 532 | 4 920 565 | 4 884 691 | 3 935 649 |
| Excess of Revenues over Expenses: | 37 630 | 644 336 | 5 461 263 | 801 430 | 1 172 926 | 3 597 401 | 2 910 233 |

Note 1.

Years 2009 and 2010 are subject to year-end adjustments.

Note 2.

GAAP adjustments for bond premium amortization and gains/losses on disposal of securities were recorded up until fiscal year 2007 inclusive.

With the adoption of the Fair Value accounting standard taking effect in fiscal year 2008, unrealized gains/losses on Fair Value changes and the effective interest method of recording revenues will have an impact on Investment Income, in lieu of bond premium amortization.

Given that certain requisite elections under the new GAAP standard had not been made when this Budget was prepared, the corresponding revenue calculation method could not be selected, nor could GAAP-adjusted revenues be reliably estimated. Under the circumstances, it seemed more informative to simply show the projected annual income for LE-2008 and BGT-2009 as estimated by the Portfolio Fund Managers. This approach continues to be used for estimates and budgets.

Note 3.

Generally accepted accounting principles require that the full amount of an Award be expensed in the year that the commitment is established.

TF Fellowships are tenable for 3 years, Mentorships for 18 months, Scholarships for 3 or 4 years.

Note 3.1

Beginning in fiscal 2007, prior savings in Scholarship costs (from external award reductions) were returned to the Program to the extent necessary to fund 4th year extensions to complete the doctorate or to undertake post-doctoral studies.

Effective with fiscal year 2008, the full amount of the scholarship commitment will be used to make 4th year extensions available to the respective cohorts.

Beginning in fiscal year 2009 and with the 2009 cohort, the value of the Trudeau Scholarship increases from \$105,000 to \$120,000.

Note 4.

PIP increase from 2007 - 2008 results from the decision to keep the full amount of Travel Allowances across all award categories available to the recipients for an extended period in order to enable their continued involvement within the Trudeau Community, rather than returning unused amounts to the general Fund.

PIP increase from 2008 - 2009 results from the unsponsored portion (\$54,000 of the total \$100,000) of the new Trudeau Lectures series for 2009, as well as a greater allowance for some annual and one-time events, in view of the increasingly higher participation rates being enjoyed.

In Budget 2010, an additional amount of \$20,000 is allocated to two non-recurring international PIP events.

Note 5.

The comprehensive Program evaluation required by the Funding Agreement and originally budgeted in fiscal 2008 (\$50,000) and 2009 (\$100,000) was deferred; it took place in late 2008/early 2009 (fiscal 2009).

Note 6.

Fundraising costs are included under Admin, and covered by the Private Donations fund.

Note 7.

The TF became subject to ATIP effective April 1st, 2007.

Operating Expenses restriction, as per Funding Agreement

| | 2010 budget | 2009 LE | 2008 audited | 2007 audited | 2006 audited | 2005 audited | 2004 audited |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Operating Costs, as per pro-forma financial statements | 1 843 670 | 1 717 805 | 1 654 755 | 1 540 981 | 1 576 398 | 1 669 646 | 1 401 304 |
| less: fund-raising expenses paid from Private Donations fund | 0 | 0 | 0 | 0 | 53 856 | 14 512 | 527 |
| Total Operating Costs paid from "Humanities... Fund" | 1 843 670 | 1 717 805 | 1 654 755 | 1 540 981 | 1 522 542 | 1 655 134 | 1 400 777 |
| Humanities & Human Sciences Fund value | 143 607 825 | 143 583 195 | 142 951 860 | 138 586 474 | 137 842 523 | 136 632 978 | 133 039 407 |
| Operating Expenses as a % of Fund Value | 1,284% | 1,202% | 1,194% | 1,118% | 1,114% | 1,244% | 1,075% |