



## CONTENTS

Year in review	24
Message from the president	32
About SSHRC	34
SSHRC investments	36
Financial statements	38

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Catalogue no.: CR1-2005  
ISBN: 0-662-69197-0



Social Sciences and Humanities  
Research Council of Canada

Conseil de recherches en  
sciences humaines du Canada

Canada



# *Teen violence*





# *Teen violence*



**Something can be done**



**TO SOLVE A PROBLEM, YOU HAVE TO UNDERSTAND THE PROBLEM—  
FUNDAMENTALLY, AND IN DEPTH.**

**WHILE A FEW SENSATIONAL CASES OF EXTREME BULLYING AND SCHOOLYARD VIOLENCE  
MAY CAPTURE HEADLINES ACROSS THE COUNTRY, THE HYPE SOMETIMES OVERSHADOWS  
WHAT'S REALLY GOING ON AMONG TODAY'S YOUTH.**

RESEARCHER LORRIE K. SIPPOLA IS WORKING TO FIND THE TRUE ANSWERS—AND TRANSLATING  
HER DISCOVERIES INTO KNOWLEDGE THAT SCHOOLS, PARENTS AND YOUNG PEOPLE CAN USE  
IN THEIR OWN LIVES TO RECOGNIZE AND DEAL WITH PEER VICTIMIZATION.

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<b>PROJECT TITLE</b>	Peer-based victimization in late childhood and adolescence: a developmental perspective
<b>LEAD RESEARCHER</b>	Lorrie K. Sippola, University of Saskatchewan
<b>SSHRC PROGRAM</b>	Standard Research Grants

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*Make the healthy choice*







*Make the healthy choice*





*It's the one on the right*

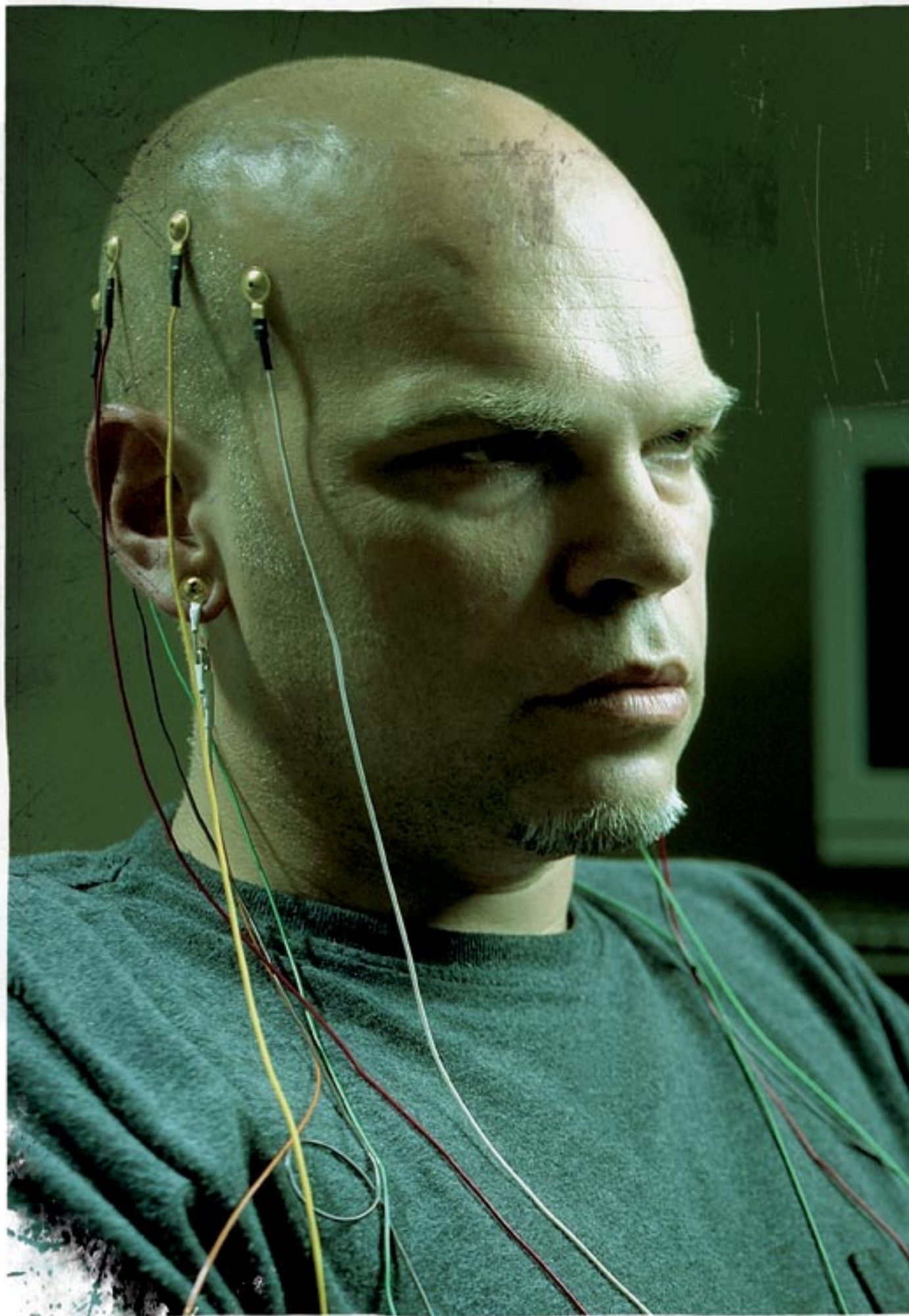
**FOR CANADA'S INUIT, LIVING OFF THE LAND IS NOT A CHOICE: IT'S A NECESSITY, ESSENTIAL TO THEIR CULTURE. AND YET CHOICES MUST INDEED BE MADE AS ENVIRONMENTAL CONTAMINANTS FILTER THROUGH THE FOOD CHAIN AND THREATEN PEOPLE'S HEALTH.**

JOANNA KAFAROWSKI IS LOOKING AT HOW WOMEN IN INUIT COMMUNITIES INFLUENCE HEALTHY DECISIONS THAT PRESERVE CULTURAL PRACTICES—FOR EXAMPLE, BY PERSUADING HUNTERS TO USE STEEL SHOT RATHER THAN TOXIC LEAD PELLETS (LIKE THE KIND USED TO KILL THE BIRD ON THE LEFT).

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<b>PROJECT TITLE</b>	Inuit women's discourse on environmental contaminants: linking personal awareness with social action
<b>LEAD RESEARCHER</b>	Joanna Kafarowski, University of Northern British Columbia
<b>SSHRC PROGRAM</b>	SSHRC Doctoral Fellowships

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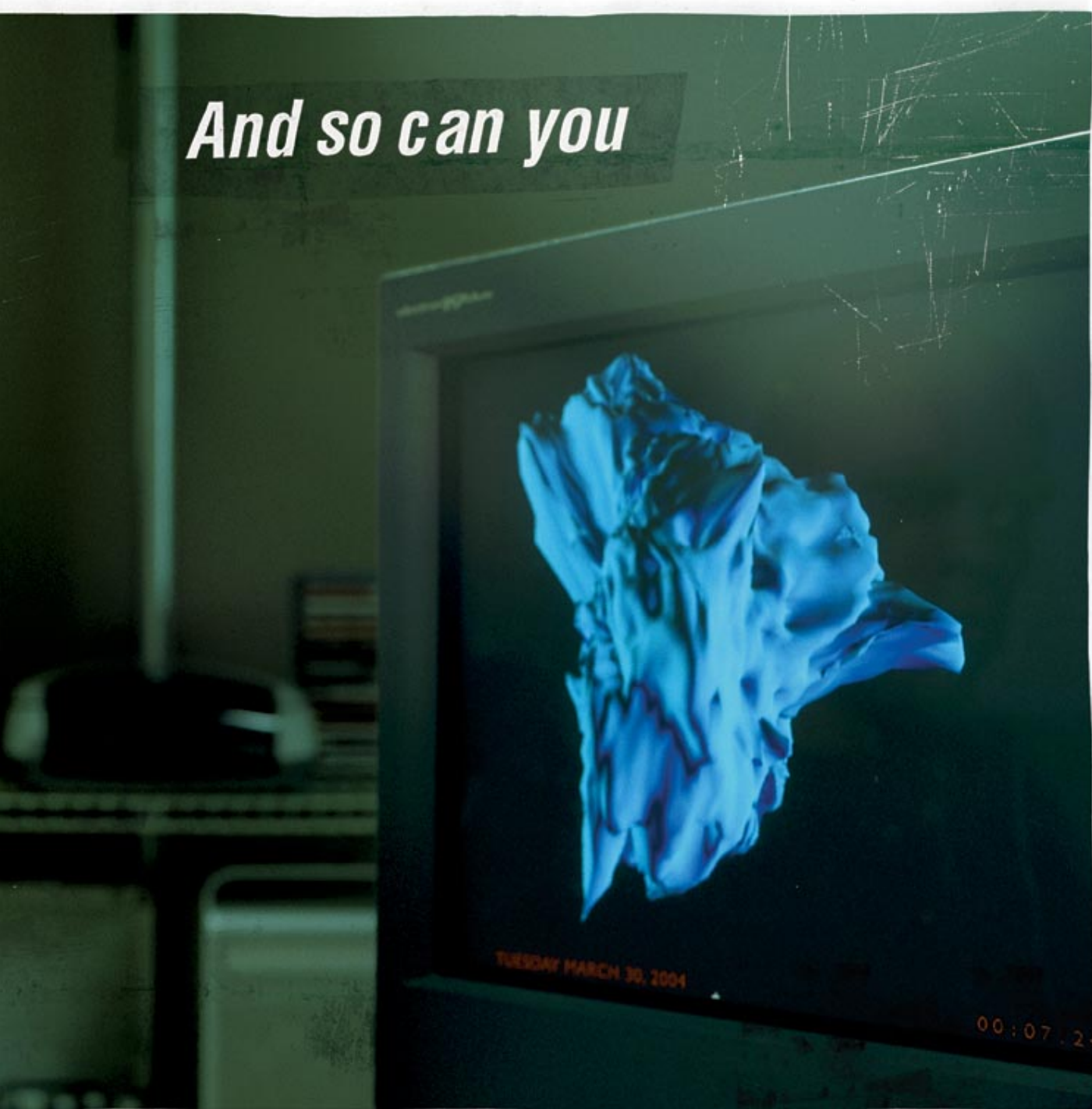


*They can see what  
you're thinking*





*And so can you*



**IMAGINE THE FIRST TIME A HUMAN BEING PEERED INTO A REFLECTIVE SURFACE AND REALIZED THE FACE LOOKING BACK WAS HER OWN.**

**ARTIST ALAN DUNNING AND HIS COLLEAGUES ARE TODAY PUSHING THE FRONTIERS OF RECOGNITION EVEN FURTHER—NOT WITH MIRRORS AND FACES, BUT INSTEAD WITH THE INVISIBLE STATES OF THE HUMAN MIND AND BODY.**


**MARRYING TECHNOLOGICAL INNOVATION WITH AESTHETIC VISION, DUNNING'S PROJECTS OF ARTISTIC INQUIRY HAVE PRODUCED—FOR THE WORLD TO SEE—EVERYTHING FROM THREE-DIMENSIONAL "SHAPES OF THOUGHT" TO COLOURFUL REPRESENTATIONS OF THE BODY'S ELECTROCHEMICAL AURAS.**

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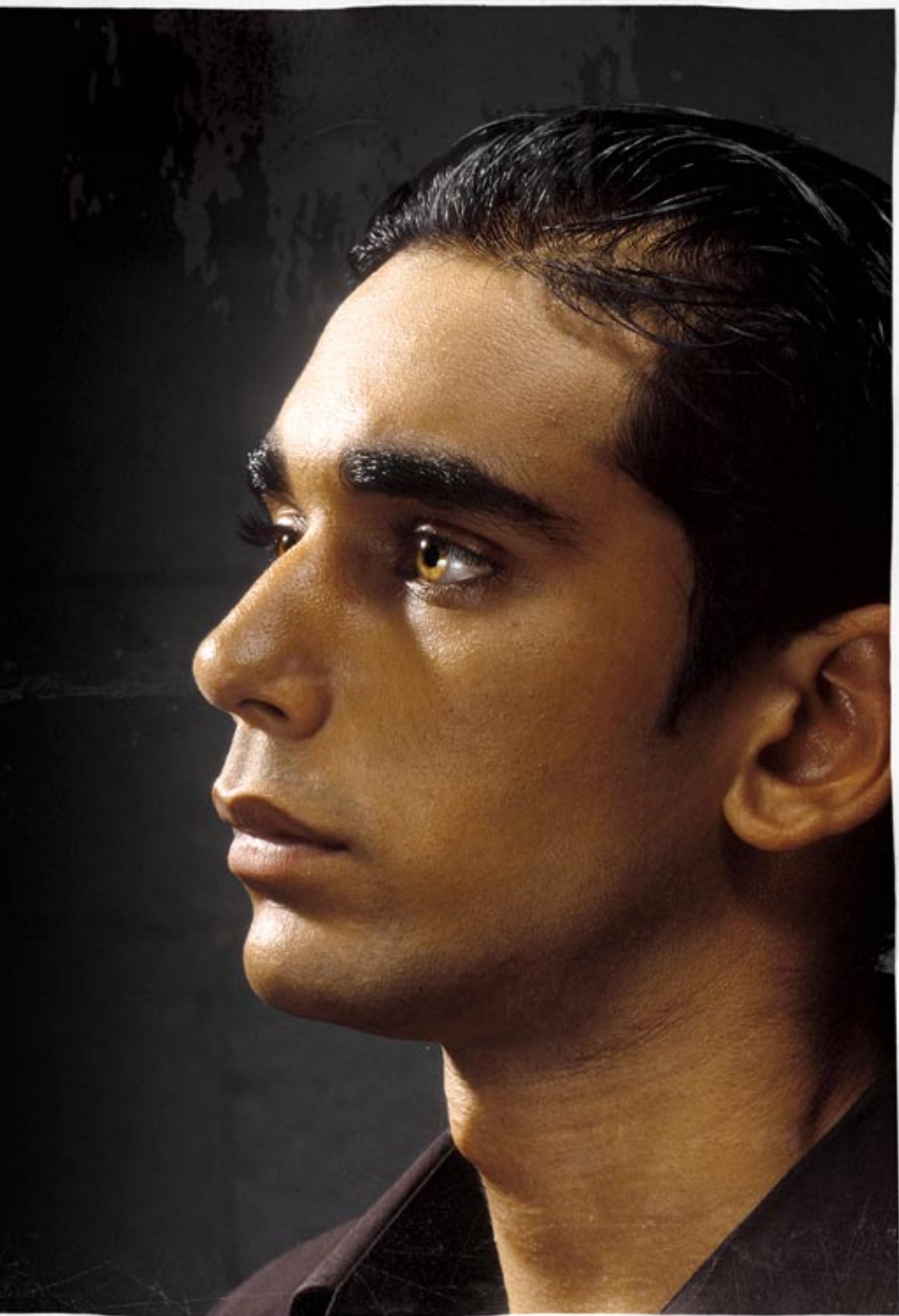
<b>PROJECT TITLE</b>	<b>The auratic body: visual and sonic virtual representation of human physiology</b>
<b>LEAD RESEARCHER</b>	<b>Alan Dunning, Alberta College of Art and Design</b>
<b>SSHRC PROGRAM</b>	<b>Research-Creation Grants in Fine Arts</b>

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*Our society  
proudly supports  
human rights*

A dark, high-contrast photograph of a ship's mast and rigging against a black background. The rigging consists of numerous thin, light-colored lines crisscrossing in a complex pattern. The ship's hull is visible at the bottom, appearing as a dark, curved shape. The overall image is very dark, with the rigging lines providing the primary visual texture and structure.





*Our society  
proudly supports  
human rights*



*Just not his*

**THE HARSH TRUTH IS THAT A DEEP DIVIDE SEPARATES THE RIGHTS OF CITIZENS FROM THOSE OF FOREIGNERS IN CANADA AND OTHER WESTERN NATIONS.**

**FRANÇOIS CRÉPEAU HAS SPENT 20 YEARS EXPLORING THAT DIVIDE.**

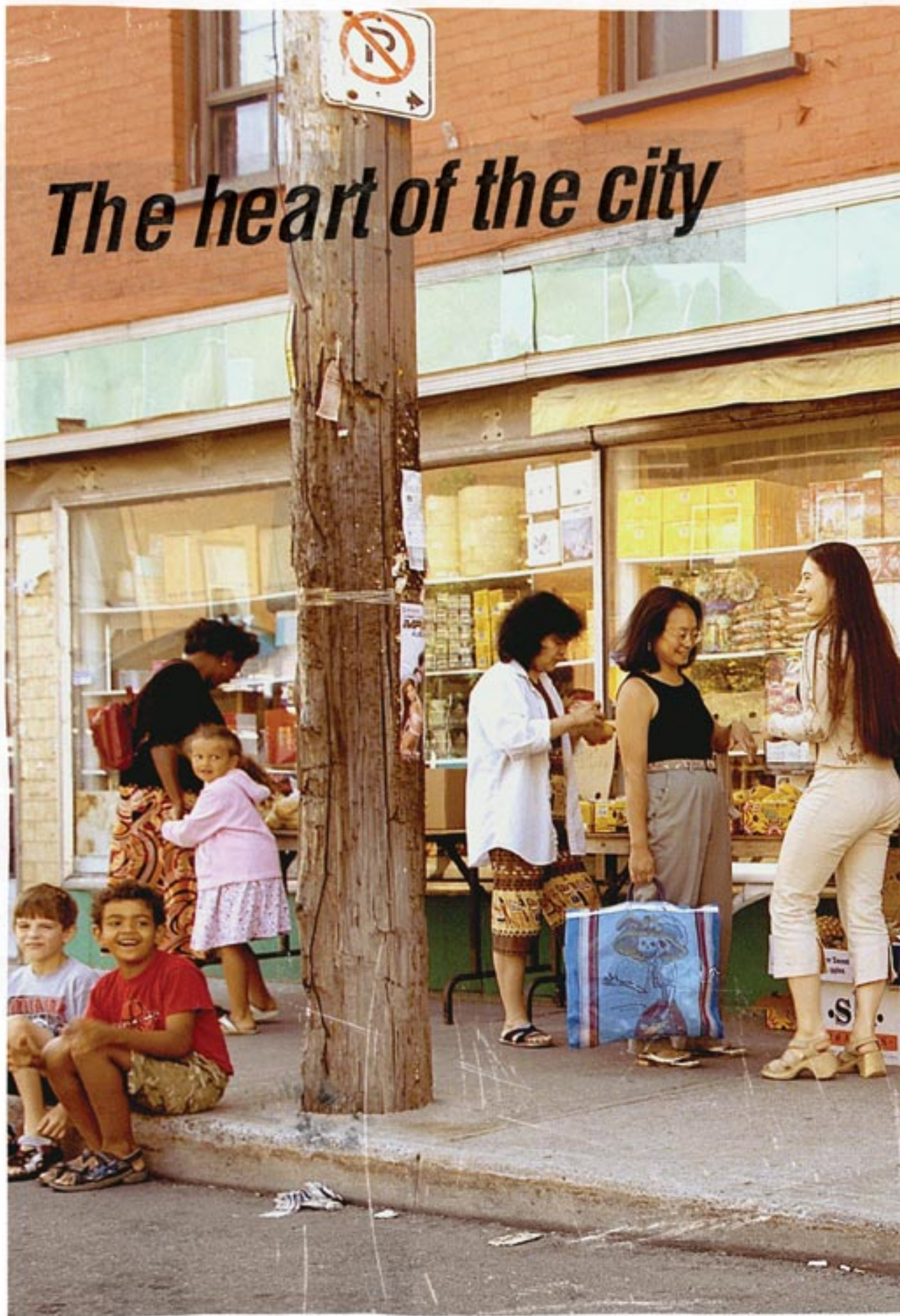
HE INVESTIGATES LAWS THAT PERMIT DETENTION ON THE SLIMMEST OF SUSPICIONS; THAT ALLOW PERSONS TO BE DEPORTED TO COUNTRIES THEY MAY HAVE RISKED THEIR LIVES TO ESCAPE IN THE FIRST PLACE. THE ULTIMATE QUESTION POSED BY HIS WORK: WILL NATIONS EVER IMPLEMENT A UNIVERSAL STANDARD FOR HUMAN RIGHTS?

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<b>PROJECT TITLE</b>	The foreigner as security risk: a transdisciplinary study of migration and the new security paradigm
<b>LEAD RESEARCHER</b>	François Crépeau, Université de Montréal
<b>SSHRC PROGRAM</b>	Research Development Initiatives

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# *The heart of the city*



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*The heart of the city*





**IN CITIES ACROSS CANADA, NEIGHBOURHOODS ARE UNDERGOING RAPID AND RADICAL CHANGE. BUT WHAT HAPPENS TO THEIR ETHNIC, SOCIAL AND ECONOMIC DIVERSITY WHEN MONEY POURS IN AND PROPERTY VALUES SHOOT UP?**

**DO PEOPLE IN URBAN NEIGHBOURHOODS HAVE THE POWER TO ACTIVELY CREATE COMMUNITIES THAT ARE COHESIVE AND INCLUSIVE? THESE ARE JUST SOME OF THE QUESTIONS DAVID HULCHANSKI AND HIS COLLABORATORS ARE EXPLORING THROUGH THEIR SSHRC-FUNDED RESEARCH.**

<b>PROJECT TITLE</b>	Community gentrification and building inclusive communities from within: a case study of Toronto's west-central neighbourhoods
<b>LEAD RESEARCHER</b>	David Hulchanski, University of Toronto
<b>SSHRC PROGRAM</b>	Community-University Research Alliances





**Human rights.**

**Neighbourhoods in transition.**

**Artistic representations of what our feelings look like.**

The work supported by the Social Sciences and Humanities Research Council of Canada ranges across the broadest imaginable spectrum of ideas and inquiries.

SSHRC does more than simply support individual research projects. The Council works actively to provide the means and opportunities for researchers to share their discoveries and exchange ideas. To borrow from each others' disciplines and apply their understandings to life in our millennial world.

Cutting through assumptions, presumptions and received truths, this research opens up new ways of understanding: new forms of knowledge outside the academic tradition, involving new communities and points of view.

It's not about thinking "inside the box" versus thinking "outside the box."

It's about doing away with the box entirely.

WE BUILD UNDERSTANDING

# *Year in review*

## [ 01 . Revealing SSHRC ]

### *What we do and why we do it*

The humanities and social sciences are rooted in a tradition of independent, creative thinking. Scholars claim the right and accept the responsibility to challenge and be challenged in the pursuit of understanding. They insist on the freedom to ask questions: hard ones, subtle ones, controversial ones, even embarrassing ones.

It is just these qualities that enable researchers in the humanities and social sciences to achieve true ‘revelations’—discoveries that not only add to what we already know, but that also introduce us to ways of thought and answers to questions we never imagined.

Such revelations have genuine potential to transform how we see, think and act. They expose opportunities for positive change in every dimension of our lives: social, political, economic, cultural, personal.

In 1977, Parliament created SSHRC to ensure that Canada’s researchers would always have the means and capacity to make such discoveries. And, for more than a quarter-century, that’s exactly what we’ve done.

### *In support of unexpected questions*

SSHRC supports research that addresses immediate social, political and economic problems, as well as research through which large-scale, radical new understandings come to light—the kind of profoundly influential ideas produced by the likes of Jane Jacobs, Marshall McLuhan, Northrop Frye, Henry Mintzberg and Richard Tremblay.

Freedom of inquiry and independence are essential for excellence in both kinds of research. These core values are guaranteed by SSHRC’s peer-review process and reflected in the design of SSHRC’s largest program, Standard Research Grants (SRG), which is—and will always remain—at the heart of the Council’s work and purpose.

In 2004-05, SSHRC supported more than 2,300 SRG projects that ranged from renowned writer and researcher Aritha van Herk’s study of laundry as a motif in Western art and literature to the ongoing archaeological explorations of John Oleson, distinguished professor of Greek and Roman studies at the University of Victoria.

Such work often asks unexpected questions that no one thought to ask before. It builds a diverse base of knowledge that helps us, as a society, better understand our world, while enriching our cultural and intellectual life.

Professor Oleson, for example, currently oversees an excavation at Humayma, Jordan—a site occupied by many cultures over many centuries. While his work focuses on a period of Roman occupation between the second and fourth centuries, it reveals fresh insights into interactions between different cultures in the Middle East—a powerfully timely topic.

This year, despite significant increases in the number of SRG applications, the Council maintained a 43 per cent success rate in the program.

**SSHRC-FUNDED RESEARCH HELPS US, AS A SOCIETY, BETTER UNDERSTAND OUR WORLD, WHILE ENRICHING OUR CULTURAL AND INTELLECTUAL LIFE.**

## SSHRC PROGRAMS ENCOURAGE SCHOLARS FROM DIFFERENT DISCIPLINES TO WORK TOGETHER TO REVEAL NEW UNDERSTANDINGS THAT CAN BE USED TO MAKE CANADA—AND THE WORLD—A BETTER PLACE.

### *Times change*

Canada's social sciences and humanities research community has evolved considerably over a generation. It's no surprise its needs have changed too.

In early 2004, SSHRC initiated discussion and debate across the country to find out, formally and comprehensively, what Canadians needed from the Council and to reassess the important role SSHRC plays in supporting research in Canada.

Answers came from universities and colleges, scholarly associations and research institutes, philanthropic foundations, think-tanks, government departments and community and voluntary organizations. The discussions created an unprecedented opportunity for Canada's diverse research stakeholders to come together as a community and think about their common goals.

In January 2005, when SSHRC published its consultation results, a clear direction had emerged: transform SSHRC from a granting body into a full-fledged "knowledge council." Later that spring, SSHRC's board of directors approved a corporate plan that charted the Council's new direction.

The vision of the knowledge council is "to engage Canadians in building knowledge through research and in using that knowledge to create a just, free, prosperous and culturally vibrant world." Its key goals are to intensify the *impact* of research on society and to create *connections*—across disciplines, regions, communities—that ensure new understanding born of research is not confined to the hallways of academia or limited to specialized communities of interest.

This year, SSHRC began to pursue its new vision, experimenting with programs that create opportunities for researchers to share their work more widely among themselves and throughout society.

SSHRC worked with researchers on the concept of creating research clusters—networks that allow researchers, policy-makers and practitioners to share results and learn from one another. It also launched new targeted programs, and recognized Canadian research excellence with a series of high-profile awards that captured unprecedented media attention.

In every case, SSHRC's aim was to build connections and intensify the impact of Canada's humanities and social sciences research.

## [ 02 . Making an impact ]

### *Newsmakers*

Bullying. Pollution. Human rights. Urban change. The projects featured in the opening pages of this report show just how compelling research in the humanities and social sciences can be. It grips the imagination. It sinks deep into the public consciousness.

As proof, consider the media's fascination with the winners of SSHRC's second annual Big Ideas Award Show, which brought the Council the most—and the most positive—media attention it has ever received for a single event. Coverage continued for months after the awards night. Winners Alex Michalos and Michael Atkinson were featured in 40 national and

local print articles reaching nearly four million readers, and were heard across the country on eight radio broadcasts. The media interest generated from this one event increased SSHRC's total print and broadcast reach by about 15 per cent over the previous year.

Consider too that SSHRC-supported researchers are regularly called on to offer expert opinions on television and radio programs across the country.

This year research stories posted on the SSHRC Web site attracted more than 70,000 visits. In all, SSHRC communications—including publications, special events and media reports—brought humanities and social sciences research to the attention of millions of Canadians.

### *Real life*

Social sciences and humanities research does more than just capture headlines. From multiculturalism and national security to same-sex marriage and identity theft, research outcomes have a direct impact on people's lives: men and women, children and seniors, citizens and refugees.

SSHRC programs encourage scholars from different disciplines to work together to reveal new understandings that can be used by political, business and community leaders to make Canada—and the world—a better place.

John Weaver of McMaster University is currently working on two very different research projects, both of which hold the potential to affect the lives of people in Canada and around the world. The first is a collaborative international research effort to investigate the true implications of globalization—with Professor Weaver's contribution focusing on the complex subject

## SPOTLIGHT ON EXCELLENCE

### 2004-05 Big Ideas Award Winners

From the mental health of US soldiers to the psychological impact of apartheid, Alex Michalos is sought around the world as an expert on quality of life. His work was recognized this year with the SSHRC Gold Medal for Achievement in Research.

Michael Atkinson has leapt onto Canada's intellectual stage with his provocative studies on why men increasingly choose to undergo cosmetic surgery. For his research, he received this year's SSHRC Aurora Prize.

of human rights in a global context. The second looks at the very personal (and just as complex) problem of suicide, where the outcomes of his research could, quite literally, save lives.

### *A competitive edge*

Research fuels university education. It brings students into contact with cutting-edge knowledge. It exposes them, first-hand, to the power of discovery and to how research can profoundly change the way we think. Those who don't go on to become researchers themselves take this knowledge and insight out into the working world, using their intelligence and creativity to sharpen the competitive edge of Canada's knowledge economy.

In 2004-05, the Canada Graduate Scholarships program expanded to include doctoral students, allowing SSHRC to support 24 per cent more graduate students than the year before. In all, Canada Graduate Scholarships and SSHRC Doctoral Fellowships supported 2,760 of Canada's best master's and doctoral students.

This year, doctoral student Dwight Newman won SSHRC's annual William E. Taylor Fellowship for his outstanding work on human rights—singling him out as the year's most exceptional representative of Canada's new generation of thinkers.

Newman's research on how countries deal with the rights of minority groups has already had an impact on a decision in the Supreme Court of Canada. The Taylor Fellowship will allow him to build on this success as he sets out to prove that groups, as well as individuals, hold legitimate claims to human rights.

## [ 03 . Creating connections ]

To maximize the impact and quality of humanities and social sciences research, SSHRC programs encourage researchers to connect—to build true partnerships that cut across physical, institutional and intellectual barriers.

These connections allow researchers not only to broaden their knowledge base—to draw from and capitalize on expertise from other disciplines and communities—but also to ensure that their research results are shared as widely as possible.

They boost the profile of Canadian research on the world stage, and they introduce researchers to new perspectives that improve both the questions asked and the methods by which they are answered.

### *A fresh idea: research clusters*

One of SSHRC's principal innovations this year was introducing the idea of clustering research. The idea draws on the networking and management lessons learned from such innovative SSHRC programs as Community-University Research Alliances, Major Collaborative Research Initiatives and the Initiative on the New Economy. The aim is to support the creation of national networks of researchers working together on different—but interconnected—issues by providing funds for infrastructure, management models and other collaborative tools.

In 2004-05, SSHRC awarded grants to 31 research teams to develop ideas on how research clusters might function.

**SSHRC PROGRAMS ENCOURAGE RESEARCHERS TO CONNECT—  
TO BUILD TRUE PARTNERSHIPS THAT CUT ACROSS PHYSICAL,  
INSTITUTIONAL AND INTELLECTUAL BARRIERS.**

One of these design grants went to Steven Savitt, a philosophy professor at the University of British Columbia, who proposes to put together a network of philosophers and theoretical physicists to work on the problem of time; more specifically, on the problem that time seems to operate differently at the quantum and cosmic levels.

Concentrating on the concept of quantum gravity, Savitt and his colleagues want to develop a cross-disciplinary approach that could lead to the last piece of the physics puzzle: the unified theory. This ambitious collaboration has the potential to make as great an impact on our understanding of the world as Einstein's theory of relativity.

#### *Research at street level*

SSHRC-funded researchers are pushing boundaries by connecting with local community organizations as equal partners in research projects.

David Hulchanski's investigation of urban change in downtown neighbourhoods is one such project. Led by the University of Toronto and funded through SSHRC's groundbreaking Community-University Research Alliances (CURA) program, the project involves nearly 30 partners, including the City of Toronto, St. Christopher House and the United Way of Greater Toronto.

Lon Dubinsky of the Kamloops Art Gallery collaborated this year with Thompson Rivers University researchers to discover why arts and heritage organizations seem to flourish in small cities. In a different vein, Elizabeth Jane Ursel of the University of Manitoba is working with her province's department of family services on a longitudinal study of women who have been abused by intimate partners.

## CONNECTIONS OF ALL KINDS

SSHRC conferences and workshops create important and lasting connections among researchers, policy-makers and the public.

This year SSHRC supported 132 conferences and workshops on a range of pressing issues, including:

*Negotiating Compromises in Divided Societies: Lessons from South Africa for Israel/Palestine*—Simon Fraser University

*Youth, Drugs and Violence: Links to Understanding*—Université de Montréal

*Lines Drawn Upon the Water: The First Nations Experience in the Great Lakes Borderlands*—The University of Western Ontario

## RESEARCH KNOWLEDGE ON DISPLAY

In February 2005, SSHRC hosted the Knowledge Project—bringing 80 research teams together in Ottawa to discuss issues ranging from cities and the environment to aging and technology. Attended by academics, the media and members of the public, this “knowledge expo” brought SSHRC's concept of strategic research clusters to policy-makers—and won their enthusiastic support.

## CANADIAN RESEARCHERS MERIT A BIGGER PLACE ON THE WORLD STAGE. THEIR WORK IS PROBING, CHALLENGING, AND OF THE HIGHEST QUALITY.

Building on the success of the CURA program and community-based initiatives like those of Hulchanski, Dubinsky and Ursel, SSHRC introduced two programs in 2004-05 that support the creation of connections between academics and the outside world.

The Social Economy program brings university researchers together with non-profit community-based groups, such as charities and credit unions, whose primary goal is to provide services to their communities. The benefits of the new program will flow both ways: researchers will gain unique insight into the social economy organizations they are studying, while the organizations get help developing ways to improve their effectiveness.

The Aboriginal Research program establishes equal partnerships between academic researchers and Aboriginal communities, drawing as much from traditional Aboriginal values and modes of knowledge as it does from modern research expertise.

The work of Ryan Heavy Head, a scholar at Alberta's Red Crow Community College, challenges the presumption that native and non-native learning traditions are somehow irreconcilably different. At the same time, he sheds light on how and why, when applied to the same problem, these traditions lead to mutually beneficial—yet distinctly different—ways of knowing.

In each case, these connections between community organizations and universities are creating research opportunities—and developing research-based solutions—that would otherwise not exist.

### *Border crossings*

Canadian researchers merit a bigger place on the world stage. Their work is probing, challenging, and

of the highest quality. It has much to add to the global body of knowledge—and much to gain from it as well.

This year, SSHRC programs such as the Initiative on the New Economy and Major Collaborative Research Initiatives enabled hundreds of Canadian researchers to connect with colleagues around the world and to develop international research projects of significant scope.

Byron Spencer, a professor of economics at McMaster University, leads a collaborative project that explores—and has begun to explode—the popular assumption that the aging of the baby boom generation will provoke an economic crisis in Canada and other countries. Harry Diaz, a professor of sociology and social studies at the University of Regina, has partnered with Chilean researchers to look at the problem of climate change and, specifically, how to manage diminishing water supplies around the world.

Ian Kerr, Canada Research Chair in Ethics, Law and Technology at the University of Ottawa, heads up a particularly timely project entitled, “On the Identity Trail: Understanding the Importance of Anonymity and Authentication in a Networked Society.” Bringing together international researchers in the fields of history, philosophy, ethics, law, policy and technology, Kerr's project looks at social and political concepts of privacy and how they are affected by new communications and surveillance technologies.

### *Knowledge: it's not all in your head*

The farther connections reach beyond the halls of academia, the greater the opportunity to arrive at—not just new knowledge—but new ways of knowing.

Gérard Duhaime, Canada Research Chair in Comparative Aboriginal Conditions at Université Laval presents



an excellent example of the possibilities that emerge when researchers open up to new ways of knowing.

During the Canadian phase of an international study on living conditions in the Arctic, Duhaime recognized that indigenous Northern peoples often have very different perceptions of their living conditions than the governments surveying them. He worked closely with Aboriginal groups from Canada's North to modify the standard statistical survey. The result? Greater, more accurate information not only about formal economic conditions, but also about informal conditions such as hunting, fishing and trading that are essential to Northern life.

This year SSHRC's Research-Creation Grants in Fine Arts program allowed artist-researchers across Canada to complete innovative research that results in works of art. This unique program—illustrated by Alan Dunning's "Shapes of Thought" project profiled in the opening pages of this report—welcomes an entirely new perspective on knowledge creation into SSHRC's vibrant research community.

#### [ 04 . Reaching beyond conclusions ]

Appearances can be deceiving. The world isn't black and white. These are truths that are easy to forget, allowing us to placidly accept unexamined conclusions: teen violence is inevitable; Aboriginal traditions and modernity can't creatively coexist; vibrant city neighbourhoods must be sacrificed to progress and global economics; art is entertainment, not a precious social value; security trumps human rights.

Social sciences and humanities research delves deeper—it goes beyond appearances and comfortable received wisdom, behind the media stories and beyond the speeches, and reveals the detail and complexity at the root of today's pressing issues and common misconceptions.

Research challenges our assumptions and prejudices. It shifts our perception to reveal a different world—one that is never black and white, one that demands real understanding and intelligent action.

By opening up to new ways of knowing and by supporting connections between researchers and people outside the university, SSHRC more than ever before is helping Canadian researchers broaden their ability to enquire—to dream up new questions and uncover new ways of answering them. Through research Canadians expand their powers of revelation, and deliver new understanding to the world.

In today's increasingly complex global environment, such revelations have the potential to affect our lives in profound ways. They are crucial to the health and well-being of individuals and societies; crucial to the political, economic and intellectual vitality of our nation and all others.

Acting as a true knowledge council, SSHRC will continue to foster connections and interconnections among researchers and communities, and constantly strive to increase the impact of this work—seeing the world with fresh eyes, and getting that knowledge out into the world where it can inspire ideas and debate, galvanize individuals, communities and governments into action, and expand Canada's capacity for discovery.

**ACTING AS A TRUE KNOWLEDGE COUNCIL, SSHRC WILL CONTINUE TO FOSTER CONNECTIONS AMONG RESEARCHERS AND COMMUNITIES, AND CONSTANTLY STRIVE TO INCREASE THE IMPACT OF THIS WORK.**

# Personal revelations

**Candid words from SSHRC's departing president: what he's done, how he's changed and why everyone should be talking about humanities and social sciences research in Canada.**

**Throughout your tenure, you've pushed really hard for change. But in your last year you pulled out all the stops. You opened the door to artists at universities and to Aboriginal communities. Through consultations with academic, government and community organizations, you got hundreds of people thinking and talking about the future of SSHRC and humanities and social sciences research. Did you achieve what you wanted to achieve?**

I wanted to give the academic community a type of electric shock—to wake it up and challenge it to capture its own future. I'm not sure if the consultations did all that, but I think the social sciences and humanities community is starting to see that things can't be done the same way in the future as they were in the past. Research is changing, society is changing, and the way we do things must change as well.

**As a quantitative social scientist, you've been criticized during your presidency for favouring targeted social science research over humanities. How do you want federal support for the humanities to develop over the next five years?**

First, it's hard to prove beyond a doubt, but I think that by piggybacking with the social sciences, the humanities have been winning financially, not losing.

Second, it's a murky distinction. At the end of the day—just like the social sciences—the humanities answer questions that are extremely important to people. What we talk about in our transformation movement—the need for connection between researchers, with the media, with the government, beyond the classroom, the need for more knowledge transfer—all that applies equally to social sciences and humanities.

I would like humanities in Canada to have more stature, but I don't know what the feds can really do. They could invest to help them be more public and connect with the spirit of the nation, but they can't do more than what the humanities are prepared to contribute themselves.

**By some accounting, the government has tripled SSHRC's budget while you were president. What's your secret?**

I can't really take the credit for that. I did my best, but in a lot of ways, it was the right time. Over the last eight years the government has been extremely supportive of research and education.



What I have done is stated—again and again—what the humanities and social sciences bring to Canadians. The best advice I got when I arrived in Ottawa was from Henry Friesen, who was then the president of the old Medical Research Council. He said, “Marc, in Ottawa you have to repeat and repeat and repeat the same story until people believe you.” And he was right. It seems to have worked.

**If you had the power to do anything, what would you change at SSHRC, in Ottawa, at Canadian universities?**  
I’d instill a bit more pride.

At SSHRC this means making people proud of what we support. Talking more about the research, making it dinner table conversation.

For people in Ottawa, it means recognizing that our research community has a lot to offer the world.

And, for Canadian universities, it’s about realizing their own strengths and bragging about them. Working at SSHRC has made me respect the university system in Canada to a degree that I would never have thought possible. I’ve learned to appreciate the quality of our educational institutions, the energy people put into building them up, and the way they support civil society.

**When your tenure ends at SSHRC, you’ll be morphing back into an academic—taking up where you left off at the Université de Montréal. Has your experience at SSHRC transformed your research goals?**

Oh, they’ve changed radically. SSHRC broadened my expertise and experience, and got me more and more interested in education and science policy. This is

what I want to work on over the next few years. What is the future of universities? Of the knowledge society? Of academic disciplines? How can we best measure the impact of research?

It reminds me of a question my father always asked, “Marc, what are you doing exactly? What is sociology? How do you make a difference in the world?” Dad had a machine shop making precision instruments. He was an open but very down-to-earth man. Whenever I do research, I always think about that question and whether my father would understand my work.

**In that case, how would you explain social sciences and humanities research to the average Canadian? How do you get them to understand its importance to their day-to-day lives?**

Humanities and social sciences research deals with issues that are central to Canadian life. Wherever we turn—economic growth and jobs, religion, multi-ethnic relations, war and peace, issues of privacy—we find humanists and social scientists working.

But there is a paradox here. While Canadians are preoccupied by the issues, they ignore the fact that these questions are being shaped by social sciences and humanities research. They don’t realize that we could—and should—be drawing on this knowledge to help us understand and improve the world around us.

That’s why we have to do a better job communicating what we do and why. Every single humanist and social scientist should try to answer my father’s question. And SSHRC must develop programs to help us do this.

**HUMANITIES AND SOCIAL SCIENCES RESEARCH DEALS WITH ISSUES THAT ARE CENTRAL TO CANADIAN LIFE. WHEREVER WE TURN, WE FIND HUMANISTS AND SOCIAL SCIENTISTS WORKING.**

# About SSHRC

## GOVERNANCE

SSHRC is an arm's-length federal agency, created by Parliament in 1977 to promote and support research in the social sciences and humanities.

Governed by a 22-member board that reports to Parliament through the minister of industry, SSHRC forms intellectual and financial partnerships with public and private sector organizations to focus research and aid the development of better policies and practices in key areas of Canada's social, cultural and economic life.

## COUNCIL MEMBERS

SSHRC Council meets regularly to set policy and program priorities, to allocate budgets and to advise the minister of industry and Parliament on research policy for social science and humanities disciplines.

## MEMBERS OF THE COUNCIL

*from April 1, 2004 to March 31, 2005*

### Chair

Marc Renaud  
*President, SSHRC*

### Members

Penelope M. Ayre Rowe  
*Vice-President, SSHRC*  
*Chief Executive Officer, Community Services Council*  
*of Newfoundland and Labrador*  
*St. John's, Newfoundland and Labrador*

Marcel Boyer  
*Bell Canada Professor of Industrial Economics*  
*Université de Montréal*

Tim Brodhead  
*President and Chief Executive Officer*  
*The J.W. McConnell Family Foundation*  
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Sean Caulfield  
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*University of Alberta*

Richard Cloutier  
*Professor, Psychology*  
*Université Laval*

Jean-Douglas Comeau  
*Dean, Immersion Schools*  
*Université Sainte-Anne*

Andrée Courtemanche  
*Professor, History and Geography*  
*Université de Moncton*

Mary M. Crossan  
*Donald K. Jackson Chair in Entrepreneurship*  
*The University of Western Ontario*

Yves Gingras  
*Canada Research Chair in the History and*  
*Sociology of Science*  
*Université du Québec à Montréal*

Karen R. Grant  
*Vice-Provost, Academic Affairs*  
*University of Manitoba*

Greg R. Halseth  
*Canada Research Chair in Rural and*  
*Small Town Studies*  
*University of Northern British Columbia*

Linda Hughes  
*President and Publisher, The Edmonton Journal*  
Edmonton, Alberta

Gregory Kealey  
*Vice-President, Research*  
University of New Brunswick

Thomas Kierans  
*Chair, CSI Global Education Inc.*  
Toronto, Ontario

Camille Limoges  
*Independent scholar and consultant*  
Outremont, Québec

James R. Miller  
*Canada Research Chair in Native-Newcomer Relations*  
University of Saskatchewan

Keren Rice  
*Canada Research Chair in Linguistics  
and Aboriginal Studies*  
University of Toronto

Stan M. Shapson  
*Vice-President, Research and Innovation*  
York University

S. Martin Taylor  
*Vice-President, Research*  
University of Victoria

Vianne Timmons  
*Vice-President, Academic Development*  
University of Prince Edward Island

Catherine Wilson  
*Professor, Philosophy*  
The University of British Columbia

### **Associate Members**

Alan Bernstein  
*President, Canadian Institutes of Health Research*  
Ottawa, Ontario

Tom Brzustowski  
*President, Natural Sciences and Engineering  
Research Council*  
Ottawa, Ontario

### **PEER REVIEW**

SSHRC awards its grants and fellowships through an independent, national, peer-review process designed to ensure excellence. Peer review is universally recognized as the most objective and effective way to allocate public research funds.

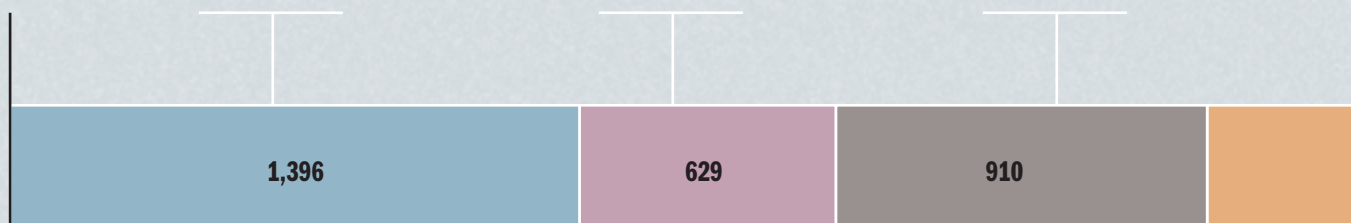
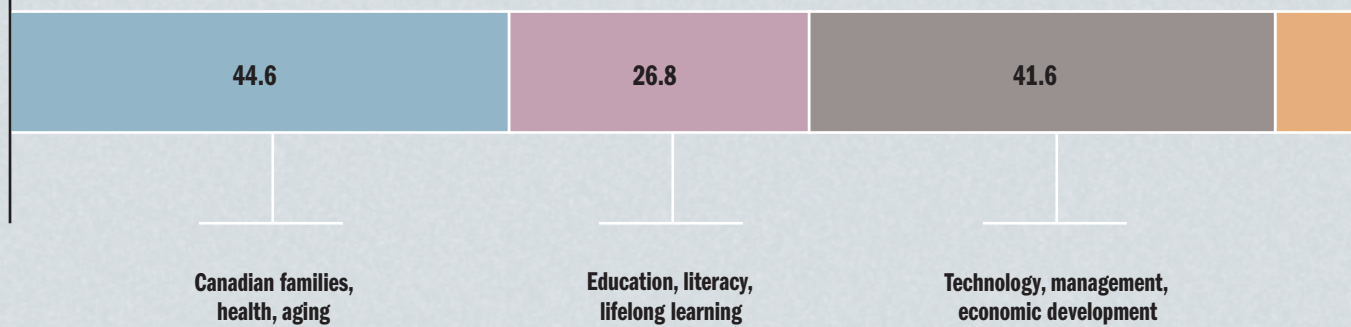
Each year, volunteer selection committees totalling some 300 Canadian scholars and experts assess thousands of research proposals. Based on academic excellence, the importance of the research to the advancement of knowledge, and other key criteria, they recommend which projects to fund. Nine thousand other Canadian and international experts provide written assessments of proposals to help the review committees in their decision-making.

# SSHRC investments

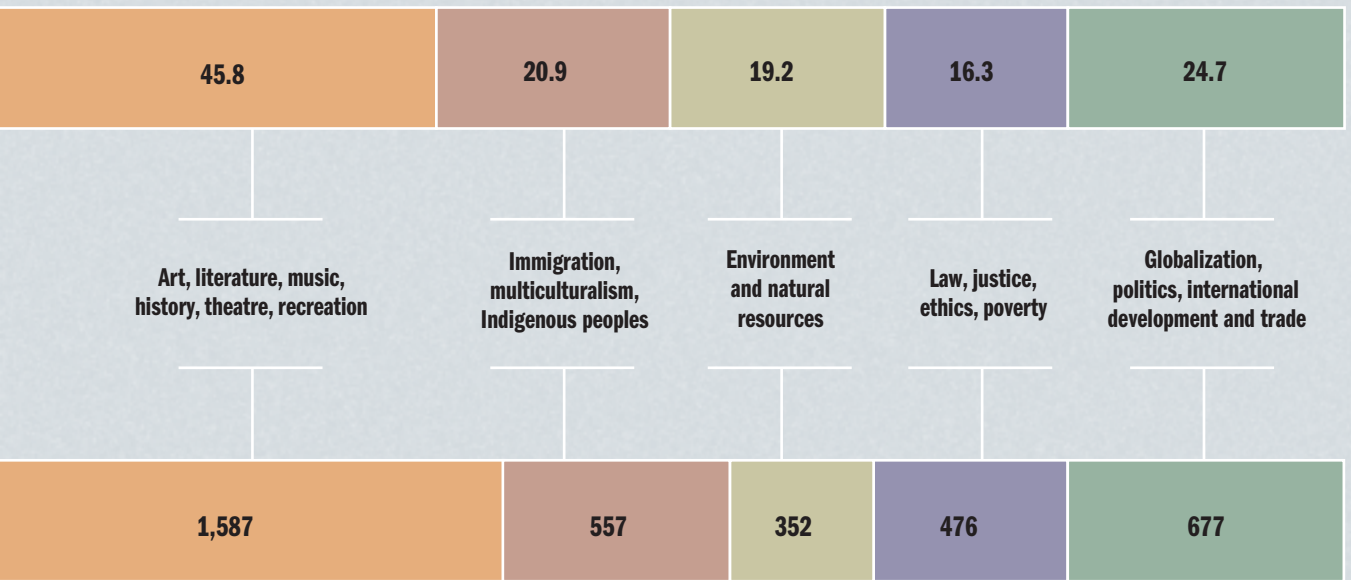
## 2004-05

### Investments

millions of dollars



### Number of projects









Auditor General of Canada  
Vérificatrice générale du Canada

## AUDITOR'S REPORT

To the Social Sciences and Humanities Research Council  
and the Minister of Industry

I have audited the statement of financial position of the Social Sciences and Humanities Research Council as at March 31, 2005 and the statements of operations, net liabilities and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Nancy Cheng, FCA  
*Assistant Auditor General  
for the Auditor General of Canada*

*Ottawa, Canada  
May 27, 2005*

## STATEMENT OF MANAGEMENT RESPONSIBILITY

for the year ended March 31, 2005

Responsibility for the integrity and objectivity of the accompanying financial statements of the Social Sciences and Humanities Research Council for the year ended March 31, 2005 and all information contained in this report rests with the management of the Council.

These financial statements have been prepared by management in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector. These statements should be read within the context of the significant accounting policies set out in Note 2 of the financial statements.

To fulfil these accounting and reporting responsibilities, the Council maintains a set of accounts which provides a centralized record of the Council's financial transactions. Financial information contained in the ministerial statements and elsewhere in the *Public Accounts of Canada* is consistent with these financial statements.

The Council's Common Administrative Services Directorate develops and disseminates financial management and accounting policies, and issues specific directives which maintain standards of accounting and financial management. The Council maintains systems of financial management and internal control which gives due consideration to costs, benefits and risks. They are designed to provide reasonable assurance that transactions are properly authorized by Parliament and are executed in accordance with the *Financial Administration Act* and the prescribed regulations, and are properly recorded and controlled so as to maintain accountability of Government funds and safeguard the Council's assets. Financial management and internal control systems are augmented by the maintenance of internal audit programs. The Council also seeks to assure the objectivity and integrity of data in its financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

The accounting system and financial statements of the Council have evolved over the years to meet the changes in the structure of the grants and scholarships programs and to give improved reporting and control of expenditures relating to those programs.

Management presents these financial statements to the Auditor General of Canada who audits them and provides an independent opinion, which has been appended to the financial statements.

Approved by:



**Germain Tremblay**  
*Director of Finance*  
(Senior Full-time Financial Officer)



**Michel Cavallin**  
*Director General*  
*Common Administrative Services Directorate*  
(Senior Financial Officer)

May 27, 2005

# STATEMENT OF FINANCIAL POSITION

as at March 31, 2005

(thousands of dollars)	2005	2004
<b>ASSETS</b>		
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	\$ 2,836	\$ 3,419
Accounts receivable (Note 4)	982	553
Advances	5	4
<b>Total Financial Assets</b>	<b>3,823</b>	3,976
<b>Non-financial assets</b>		
Prepaid expenses	44	48
Capital assets (Note 5)	2,059	1,500
<b>Total Non-Financial Assets</b>	<b>2,103</b>	1,548
	<b>\$ 5,926</b>	\$ 5,524
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 2,899	\$ 3,428
Employee vacation and compensatory benefits	779	760
Deferred revenue (Note 7)	467	464
Employee severance benefits (Note 8)	2,121	1,741
<b>Total Liabilities</b>	<b>6,266</b>	6,393
<b>NET LIABILITIES</b> (Note 9)	<b>(340)</b>	(869)
	<b>\$ 5,926</b>	\$ 5,524

Contingencies (Note 12)

Commitments (Note 13)

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

Approved by the Council:



Marc Renaud  
President



Michel Cavallin  
Director General - Common Administrative  
Services Directorate

# STATEMENT OF OPERATIONS

for the year ended March 31, 2005

(thousands of dollars)	2005	2004
<b>REVENUES</b>		
Donations for research	\$ -	\$ 40
Interest on overdue accounts receivable	1	3
Gain on sale of surplus capital assets	-	2
<b>Total Revenues</b>	<b>1</b>	<b>45</b>
<b>EXPENSES</b>		
<b>Grants and Scholarships-Social Sciences and Humanities</b>		
Research grants	85,548	77,459
Research training	66,810	48,678
Strategic	32,621	30,324
Canada Research Chairs	41,152	32,167
Initiative on the New Economy	19,344	17,469
Research communication	7,031	6,097
Donations for research	-	40
	<b>252,506</b>	<b>212,234</b>
<b>Grants-Indirect Costs of Research Program (Note 14)</b>	<b>244,518</b>	<b>224,182</b>
<b>Operations (Note 10)</b>		
Salaries and employee benefits	15,646	14,165
Professional and special services	3,708	3,884
Accommodations and rentals	2,169	1,915
Transportation and communications	1,856	1,297
Information	464	875
Amortization of capital assets	659	552
Utilities, materials and supplies	323	329
Repair and maintenance	279	303
Loss on disposals of capital assets	2	23
	<b>25,106</b>	<b>23,343</b>
<b>Total Expenses</b>	<b>522,130</b>	<b>459,759</b>
Refunds of previous years' expenditures and other adjustments	(1,063)	(711)
<b>Net cost of operations</b>	<b>\$ 521,066</b>	<b>\$ 459,003</b>

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

## STATEMENT OF NET LIABILITIES

for the year ended March 31, 2005

(thousands of dollars)	2005	2004
Net liabilities, beginning of year	\$ (869)	\$ (840)
Net cost of operations	(521,066)	(459,003)
Services provided without charge by other government departments (Note 10)	2,969	2,557
Net cash provided by Government (Note 3c)	519,209	454,876
Change in due from the Consolidated Revenue Fund	(583)	1,541
<b>NET LIABILITIES, End of Year</b>	<b>\$ (340)</b>	<b>\$ (869)</b>

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

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2005

(thousands of dollars)	2005	2004
<b>OPERATING ACTIVITIES</b>		
Net cost of operations	\$ 521,066	\$ 459,003
Non-cash items included in net cost of operations:		
Bad debt expense	(34)	–
Amortization of capital assets (Note 5)	(659)	(552)
Services provided without charge by other government departments (Note 10)	(2,969)	(2,557)
Loss on disposals of capital assets	(2)	(23)
Variations in Statement of Financial Position:		
Operating accounts receivable	463	133
Advances	1	(318)
Prepaid expenses	(4)	17
Operating accounts payable and accrued liabilities	529	(1,490)
Liability for employee vacation and compensatory benefits	(19)	(97)
Deferred revenues	(3)	(6)
Liability for employee severance benefits	(380)	(78)
<b>Cash used in operating activities</b>	<b>517,989</b>	454,032
<b>INVESTING ACTIVITIES</b>		
Acquisitions of capital assets	1,220	844
<b>Cash used in investing activities</b>	<b>1,220</b>	844
<b>Net cash provided by Government</b>	<b>\$ 519,209</b>	\$ 454,876

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### 1. AUTHORITY AND OBJECTIVE

The Social Sciences and Humanities Research Council (SSHRC) was established in 1977 by the *Social Sciences and Humanities Research Council Act*, and is a departmental corporation named in Schedule II to the *Financial Administration Act*. The objective of the Council is to promote and assist research and scholarships in the social sciences and humanities.

The Council's funding programs provide support through grants, scholarships and fellowships for basic research (by individual researchers and research teams), targeted research (by multidisciplinary teams and research networks), advanced research training (at the doctoral and postdoctoral level) and research communication.

The Council's grants, scholarships, and operating expenditures are funded by budgetary lapsing authorities. Employee benefits are funded by statutory authorities.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector. The most significant accounting policies are as follows:

#### a) Parliamentary appropriations

The Government of Canada finances the Council through Parliamentary appropriations. Appropriations provided to the Council do not parallel financial reporting according to generally accepted accounting principles. They are based in large part on cash flow requirements. Items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides information regarding the source and disposition of these authorities and a high-level reconciliation between the two bases of reporting.

#### b) Due from the Consolidated Revenue Fund and net cash provided by Government

The Council operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by the Council is deposited to the CRF and all cash disbursements made by the Council are paid from the CRF. Due from the Consolidated Revenue Fund represents the amount of cash that the Council is entitled to draw from the CRF, without further appropriations, in order to discharge its liabilities. Net cash provided by government represents all cash disbursements, net of cash receipts, including transactions with departments of the federal government. A corresponding amount is credited directly to the net liabilities.

#### c) Revenues

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues. Funds that have been received from external parties for specified purposes are disclosed as deferred revenue. Deferred revenue is recognized as operational revenue when the specified purpose has occurred.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### d) Expenses

Expenses are recorded when the underlying transaction or expense occurred subject to the following:

- *Grants and scholarships*

Grants and scholarships are recognized in the year in which the entitlement of the recipient has been established, when the recipient has met the eligibility criteria, the commitment has been approved, and the payment is due before the end of the fiscal year.

- *Employee severance benefits*

The Council provides post-retirement and post-employment benefits to its employees through a severance benefit plan. This benefit plan is not pre-funded and therefore has no assets. The Council calculates a liability and an expense for employee severance benefits using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole. Employee severance benefits on termination of employment represent obligations of the Council that are normally funded through future years' appropriations.

- *Vacation and compensatory benefits*

Vacation and compensatory pay are expensed in the year that the entitlement occurs.

- *Contributions to the Public Service Pension Plan*

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Council's contributions reflect the full cost as employer. Under present legislation, contributions made by the Council to the Plan are 2.14 times the employees' contributions on account of current service. The Council's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Council. The Council is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

- *Services provided without charge by other Government departments and agencies*

Services provided without charge by other Government departments and agencies are recorded as operating expenditures at their estimated fair value and a corresponding amount is credited directly to the net liabilities.

### e) Refunds of previous years' expenditures and other adjustments

Refunds of previous years' expenditures are deducted from expenditures. These funds are remitted to the Receiver General for Canada.

### f) Accounts receivable

Accounts receivable are stated as amounts expected to be ultimately realized. An allowance is made for doubtful accounts from external parties for any amounts where the recovery is considered uncertain. No such provision is made for amounts owing from other government departments.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### g) Capital assets

Capital assets with an acquisition cost of \$2,500 or more are capitalized at cost as well as the standard furniture, equipment and desktop personal computer assigned to each employee due to the material number of such items. The capitalization of software and leasehold improvements has been done on a prospective basis from April 1, 2001. Capital assets are amortized over their estimated useful life on a straight-line basis, using a half-year rule in the year of acquisition and disposal, as follows:

Capital asset class	Amortization period
Informatics equipment including standard software issued on desktop computers	3 years
Purchased network software and in-house developed software	5 years
Other equipment	5 years
Furniture	7 years
Motor vehicles	7 years
Items acquired under capital leases	Lesser of their useful life or the term of the lease
Leasehold improvements	

### h) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The allowance for employee severance benefits and the estimated useful lives of capital assets are the most significant items where estimates are used. Actual results could differ from those estimated.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### 3. PARLIAMENTARY APPROPRIATIONS

The operations of the Council are financed through Parliamentary appropriations. These appropriations are recorded as cash provided by government when used; any unused appropriation balances lapse. Items recognized in the Statement of Operations in one year may be funded through Parliamentary appropriations in a different year. The differences are reconciled as follows:

#### a) Reconciliation of net cost of operations to total Parliamentary appropriations used

(thousands of dollars)	2005	2004
<b>NET COST OF OPERATIONS</b>	<b>\$ 521,066</b>	\$ 459,003
<b>Adjustments for items not affecting appropriations:</b>		
Add Gains on disposals of surplus Crown assets	-	2
Interest on overdue accounts receivable	<b>1</b>	3
Refunds of previous years' expenditures	<b>1,063</b>	711
Less Amortization of capital assets	<b>(659)</b>	(552)
Vacation and compensatory pay liability	<b>(19)</b>	(97)
Services provided without charge by other		
Government departments and agencies	<b>(2,969)</b>	(2,557)
Severance benefits liability	<b>(380)</b>	(78)
<b>Adjustments for items affecting appropriations:</b>		
Add Capital acquisitions	<b>1,220</b>	845
Prepaid expenses	<b>44</b>	48
Other adjustments	<b>43</b>	170
<b>TOTAL PARLIAMENTARY APPROPRIATIONS USED</b>	<b>\$ 519,410</b>	\$ 457,498

#### b) Reconciliation of Parliamentary appropriations voted to Parliamentary appropriations used

(thousands of dollars)	2005	2004
<b>GRANTS AND SCHOLARSHIPS</b>		
Main estimates – Vote 105	<b>\$ 486,167</b>	\$ 209,947
Add Supplementary estimates	<b>29,971</b>	241,741
Less Frozen Allotment	<b>(14,000)</b>	(13,000)
Grants and scholarships lapse	<b>(5,112)</b>	(2,311)
Grants and scholarships expenditures	<b>497,026</b>	436,377
<b>OPERATING EXPENDITURES</b>		
Main estimates – Vote 100	<b>17,983</b>	15,455
Add Supplementary estimates, salary increments	<b>4,284</b>	4,384
Less Operating lapse	<b>(2,058)</b>	(1,020)
Adjustment for retroactive pay liability	-	177
Operating expenditures	<b>20,209</b>	18,996
Statutory contributions to employee benefit plans	<b>2,175</b>	2,125
<b>TOTAL PARLIAMENTARY APPROPRIATIONS USED</b>	<b>\$ 519,410</b>	\$ 457,498

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### c) Reconciliation of net cash provided by Government to Parliamentary appropriations used

(thousands of dollars)	2005	2004
<b>NET CASH PROVIDED BY GOVERNMENT</b>	<b>\$ 519,209</b>	\$ 454,876
Refunds of prior year's expenditures	<b>1,063</b>	711
Variation in accounts receivable	<b>(429)</b>	(177)
Variation in advances	<b>(1)</b>	318
Variation in accounts payable and accrued liabilities	<b>(529)</b>	1,490
Variation in deferred revenues	<b>3</b>	6
Other adjustments	<b>94</b>	274
<b>TOTAL PARLIAMENTARY APPROPRIATIONS USED</b>	<b>\$ 519,410</b>	\$ 457,498

### 4. ACCOUNTS RECEIVABLE

(thousands of dollars)	2005	2004
Other government departments	<b>\$ 491</b>	\$ 274
Outside parties	<b>532</b>	286
Allowance for doubtful accounts	<b>(41)</b>	(7)
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>\$ 982</b>	\$ 553

### 5. CAPITAL ASSETS

(thousands of dollars)	2005				2004
Capital asset class	Opening balance	Net additions for the year	Accum. Amort.	Net book value	Net book value
Informatics	\$ 1,424	\$ 515	\$ (1,193)	\$ 746	\$ 522
Software	648	64	(371)	341	411
Other equipment	128	81	(85)	124	30
Furniture	1,231	75	(862)	444	457
Leasehold improvements	193	361	(150)	404	80
<b>TOTAL</b>	<b>\$ 3,624</b>	<b>\$ 1,096</b>	<b>\$ (2,661)</b>	<b>\$ 2,059</b>	<b>\$ 1,500</b>

Amortization expense for the period ended March 31, 2005 is \$659,121 (\$552,216 in 2004).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(thousands of dollars)	2005	2004
Outside parties	\$ 2,012	\$ 2,176
Other government departments	887	1,252
<b>TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	<b>\$ 2,899</b>	<b>\$ 3,428</b>

### 7. DEFERRED REVENUE

Deferred revenue represents the balance, at year-end, of the specified purpose accounts which includes transactions related to the Queen's Fellowship Endowment Fund as well as earmarked funds received in the form of private donations and interest generated thereon. These funds must be used for the purposes for which they were received.

#### a) Queen's Fellowship Endowment Fund

The Queen's Fellowship Endowment Fund consists of a \$250,000 endowment which has been deposited in the Consolidated Revenue Fund and is internally restricted for specific purposes in the net liabilities (see Note 9). The interest generated on the endowment is used to fund scholarships to graduate students in certain fields of Canadian studies. The balance below is included in the Consolidated Revenue Fund in the name of the Council and appears as Due from the Consolidated Revenue Fund on the Statement of Financial Position. Details of the transactions related to the endowment are as follows:

(thousands of dollars)	2005	2004
Balance, beginning of year	\$ 60	\$ 52
Interest received	6	8
<b>BALANCE, END OF YEAR</b>	<b>\$ 66</b>	<b>\$ 60</b>

#### b) Restricted gifts, donations and bequests

Deferred revenue also includes transactions for the receipt, interest generated thereon and disbursements related to private restricted gifts, donations and bequests received for the specified purpose of special projects in the field of social sciences and humanities research activities. The balance below is included in the Consolidated Revenue Fund in the name of the Council and appears as Due from the Consolidated Revenue Fund on the Statement of Financial Position. Details of the operations related to the restricted gifts, donations and bequests are as follows:

(thousands of dollars)	2005	2004
Balance, beginning of year	\$ 404	\$ 406
Restricted donations received	2	2
Interest received	5	6
Fellowships paid	(10)	(10)
<b>BALANCE, END OF YEAR</b>	<b>\$ 401</b>	<b>\$ 404</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### 8. EMPLOYEE FUTURE BENEFITS

Employees of the Council are entitled to specific benefits on or after termination or retirement, as provided for under various collective agreements or conditions of employment.

#### a) Pension benefits

The Council and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The Council's contributions to the Public Service Pension Plan during the year amounted to \$1,594,101 (\$1,359,465 in 2004).

#### b) Severance benefits

The Council provides severance benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the allowance for employee severance benefits. Information about the plan, measured as at the balance sheet date, is as follows:

(thousands of dollars)	2005	2004
Liability for employee severance benefits, beginning of year	\$ 1,741	\$ 1,663
Cost for the year	544	226
Benefits paid during the year	(164)	(148)
<b>LIABILITY FOR EMPLOYEE SEVERANCE BENEFITS, END OF YEAR</b>	<b>\$ 2,121</b>	<b>\$ 1,741</b>

### 9. NET LIABILITIES

The Government of Canada includes in its revenues and expenses, the transactions of certain consolidated accounts established for specified purposes. The Queen's Fellowship Endowment Fund is a consolidated specified purpose account which consists of an endowment of \$250,000. The transactions generated from the endowment are included in deferred revenue (see Note 7a). The endowment itself does not represent a liability to third parties but is internally restricted for specified purposes. The details of the net liabilities are as follows:

(thousands of dollars)	2005	2004
Consolidated specified purpose account balance – endowment fund	\$ 250	\$ 250
Net liabilities excluding endowment fund	(590)	(1,119)
<b>NET LIABILITIES</b>	<b>\$ (340)</b>	<b>\$ (869)</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### 10. RELATED PARTY TRANSACTIONS

The Council is related in terms of common ownership to all other Government of Canada departments, agencies and Crown Corporations. The Council enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises.

During the year, the Council received services without charge, which are recorded at fair value in the financial statements as follows:

(thousands of dollars)	2005	2004
Accommodations provided by Public Works and Government Services Canada	\$ 2,000	\$ 1,659
Contributions covering the employer's share of employees medical and Dental insurance premiums provided by Treasury Board Secretariat	888	814
Other services provided without charge	81	84
<b>TOTAL SERVICES PROVIDED WITHOUT CHARGE</b>	<b>\$ 2,969</b>	<b>\$ 2,557</b>

### 11. GRANTS, SCHOLARSHIPS AND OTHER EXPENDITURES ADMINISTERED AND DISBURSED FOR GOVERNMENT DEPARTMENTS AND AGENCIES AND ORGANIZATIONS OUTSIDE THE GOVERNMENT

Grants, scholarships and other expenditures administered and disbursed by the Council on behalf of government departments and agencies and organisations outside the government, which are not included in the statement of operations, amounted to \$153,554,687 (\$116,149,245 in 2004). Most of these disbursements are made by the Council from funds entrusted to it by government departments and agencies.

The Council receives administrative fees in some circumstances where a significant administrative burden is incurred by the Council for the administration of certain funds on behalf of other government departments and organizations. These amounted to \$358,079 during the year (\$404,923 in 2004).

### 12. CONTINGENCIES

In the normal course of its operations, the Council becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the amount can be made, this estimated amount is recorded in the financial statements. In 2001, the Council was served with a statement of claim arising from Employment Equity. The potential liability of the Council and consequent damages arising from such a liability could amount to approximately \$1.9 million. The Council cannot assess the outcome of this complaint on its operations. The effect, if any, of the ultimate resolution of this matter will be accounted for in the year when known.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2005

### 13. COMMITMENTS

Payments of grants and scholarships extending in future years are subject to the provision of funds by Parliament. Future years awards adjudicated prior to March 31, 2005 are payable as follows:

(thousands of dollars)	
2005-2006	\$ 252,201
2006-2007	174,329
2007-2008	98,562
2008-2009	37,229
2009-2010 and subsequent years	18,944

In addition, the nature of the Council's operating activities result in some large multi-year contracts and obligations whereby the Council will be committed to make some future payments when the services or goods are rendered. Major operating commitments that can reasonably be estimated are as follows:

(thousands of dollars)	
2005-2006	\$ 17
2006-2007	11
2007-2008	6
2008-2009	6
2009-2010	6

### 14. INDIRECT COSTS OF RESEARCH PROGRAM

In 2003-2004, the Council was mandated to administer a program for indirect costs of research on behalf of the federal granting agencies (Canadian Institutes of Health Research, Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council). The program awards annual grants to Canadian community colleges, universities and their affiliated research hospitals and institutions, whose researchers receive funding from at least one of the three federal granting agencies. The purpose of the grants is to defray a portion of the indirect costs associated with federal investments in academic research.

