

# I picture my research in Canada



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## FOR A NEW GENERATION OF RESEARCHERS, CANADA IS AN OBVIOUS CHOICE

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The new generation of researchers has options. They are skilled in the latest technologies, fresh with ideas and creativity, and ready with the knowledge and ambition that will transform our world — which makes them highly sought-after. They are the bright minds the country needs — to keep or to attract from all corners of the globe — in order to build a future fueled by research and innovation. What sets our nation apart from

other countries is the CFI. It supports early career researchers with the cutting-edge labs and equipment they need to pursue the compelling research questions that drive them. Very often, that seals the deal in their decision to stay or move here. In the stories in this report, learn how six researchers in the early stages of their career are taking advantage of state-of-the-art research infrastructure to make a real difference.



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# OVERVIEW

## What we do

Researchers need world-class research infrastructure to compete on the global stage. The Canada Foundation for Innovation (CFI) was created in 1997 to fund the tools essential for conducting leading-edge research in the 21st century. We support the evolving needs of Canada's universities, colleges and research hospitals across all areas of research — from health and medicine, to the natural sciences and engineering, to the social sciences and humanities — by funding state-of-the-art equipment, laboratories and facilities.

## Our objectives

- Increase Canada's capacity to carry out important world-class scientific research and technology development
- Support economic growth and job creation, as well as health and environmental quality through innovation
- Expand research and job opportunities by providing support through research infrastructure for the development of highly qualified personnel
- Promote productive networks and collaboration among Canadian universities, colleges, research hospitals, non-profit research institutions and the private sector

## How we do it

The CFI maximizes the funding it receives from the Government of Canada by contributing up to 40 percent of a project's research infrastructure costs. Institutions secure the remaining 60 percent through partnerships with provincial governments and other public, private and non-profit organizations.

This means the nearly \$8 billion invested by the Government of Canada through the CFI has been leveraged into a total investment of almost \$19.4 billion in research infrastructure in Canadian institutions since the CFI was created.

We have a well-established, rigorous and independent merit-review process that rewards research excellence. We rely on experts from around the world to ensure that the best projects are funded.

CFI funding is awarded to institutions, and all funding proposals must be aligned with the institutions' strategic research priorities and plans.

Proposals from eligible Canadian institutions are assessed on three main criteria: the quality of the research and need for infrastructure; the project's contribution to strengthening the capacity for innovation; and the potential benefits of the research to Canada.

**Since its creation in 1997  
the CFI has committed,  
with the generous support  
of the Government of  
Canada, almost  
\$8 billion  
in support of  
10,771 projects  
at  
154 research  
institutions  
in  
75 municipalities  
across Canada.\***

\* As of March 31, 2019

# A NEW COMMITMENT TO RESEARCH

The CFI has always been about creating opportunities for researchers to reach their most ambitious goals. We have done this by putting in place the foundations upon which great research careers are built, providing the research spaces where new and established researchers push back the frontiers of knowledge, and where students learn to take those ideas even further.

Supporting researchers at every stage of their career is critical because some of our toughest research questions — those most worth solving — take persistence and time, and require many different perspectives.

They also take commitment — commitment from the researchers themselves who can picture having productive careers in Canadian labs over the long term. But also commitment from the organizations that fund them.

This year, the CFI is making the transition to stable and permanent funding after the Government of Canada committed to ongoing support in the 2018 federal budget. This is a significant and lasting step forward for research in this country.

It means that researchers will have the support they need to see their big ideas through and that research institutions can plan ahead and make strategic choices for how they envision their future. It also means funding partners can be ready to support investment opportunities in ambitious research projects.

All of this makes research more sustainable, and allows researchers to set their sights high.

This year, we have also focused on planning ahead. Our new, five-year strategic roadmap outlines where we want to go, and a wide-ranging national consultation with our stakeholders gave us the best advice for how to get there, and what we might do along the way. You can read more about these initiatives on pages 6 and 7.

In all our endeavours, it is clear our path is a shared one. To that end, our participation in the Canada Research Coordinating Committee has allowed us to provide the perspective that state-of-the-art research infrastructure is indispensable to Canadian research. We are very pleased to be taking on the challenge of drafting a strategy for international engagement in conjunction with the federal granting councils and other members of the committee.

Nurturing collaborations across sectors remains a priority for us. As the funders of the research labs where innovators connect from around the world and across sectors, disciplines and backgrounds, we are well-positioned to do so. Now featuring over 600 labs, the Research Facilities Navigator continues to connect business and users in all sectors with the expertise and state-of-the-art equipment they need to succeed. In this way, we are supporting the ambitions of innovators in Canada and abroad.

It is a challenge we gladly take on, since working together and sharing expertise and equipment will define the future of research.



*Ingrid Pickering*

**Ingrid Pickering**  
Chair of the Board



*Roseann O'Reilly Runte*

**Roseann O'Reilly Runte**  
President and CEO



# Freezing on The Rock

Memorial University's Marjan Taghi Boroojerdi is working to understand the dangers posed by sea ice to ships and off-shore structures

After completing a master's degree in naval engineering in her native Iran, Marjan Taghi Boroojerdi was drawn to Newfoundland's Memorial University by the opportunity to conduct experimental work at the world-famous labs in the Department of Ocean and Naval Architectural Engineering. Now, she studies the bonds that form between chunks of sea ice as part of a team working to improve the safety of ships and oil rigs in arctic and sub-arctic conditions.



# IMAGINE

Our five-year strategic plan is a roadmap for how the CFI will transition to accommodate our new sustainable funding model which provides ongoing, predictable support for research infrastructure. Since our investments reach across sectors, disciplines and research institutions, our plan is also informed by our engagement with a broad range of stakeholders whose insights help us address the most pressing research challenges and most promising opportunities. Our plan identifies directions that will shape how we respond to the evolving needs of Canada's research community.

Our strategic roadmap highlights how we can continue to:

## **Sustain and enhance**

the world-class capacity of Canada's research institutions

## **Foster collaboration**

and integration between academic research and the private, public and not-for-profit sectors

## **Increase the global influence**

of Canadian research in ways that benefit society

We focused on three major trends in the research community that will help inform the way we provide research infrastructure support:

## **An increasing level of convergence,**

where researchers identify a specific and compelling problem that requires the deep integration of disciplines, knowledge, theories, methods, data and communities

## **A strong and growing emphasis on international collaboration**

and engagement on issues of global importance

## **A greater diversity of individuals**

of varied ages, backgrounds, ethnicities and genders who form Canada's rich research talent pool

# ENGAGE

In November 2018, we launched a pan-Canadian conversation with Canadian researchers and stakeholders to look at the CFI's role in the future of research and research infrastructure in Canada.

We framed the conversation around five themes: convergence, international collaborations, supporting small institutions, core and regional facilities, and equity, diversity and inclusion.

Nine provinces provided input, including in face-to-face meetings with government representatives from seven of them. Stakeholders from small and large universities, colleges, research hospitals and institutes, advocacy groups, provincial governments and individuals also provided feedback.

This feedback will inform how we design and deliver our programs, and will allow us to identify emerging opportunities and challenges for the future. In fact, we have already responded to some of the suggestions. For example, we extended the eligibility of infrastructure to include collaborative spaces, and we amended program guidelines to encourage the diversity of research teams.

In the coming months, we will continue to interpret what we heard, and look for ways to implement the valuable suggestions our stakeholders provided.

## Our pan-Canadian conversation

**133**  
different  
organizations  
represented

**503**  
participants  
in total

**18**  
town hall  
meetings

**72**  
written  
responses

In broad strokes, we heard that our stakeholders want us to:

Contribute to research environments that **encourage partnerships and interdisciplinary users**

**Enable international collaboration**

in the context of a national strategy

Make it **easier for smaller institutions**

to participate in our programs and continue to promote their growing success rates

Play a key role in **supporting core facilities**

Nurture an **equitable, diverse and inclusive culture**

in Canadian research



# Wearing his heart(beat) on his sleeve

University of Ottawa chemistry professor Benoît Lessard invents electronic sensors that can be woven into the fabric of our clothing

Conventional electronics rely on silicon chips. But many other substances, including inks and dyes, can conduct electricity, making them candidates for a new generation of flexible, printable electronics. In his laboratory at the University of Ottawa, Benoît Lessard and his students work on customizing molecules to optimize their electronic properties, then using those molecules in prototype devices, including lights, medical sensors and solar panels.



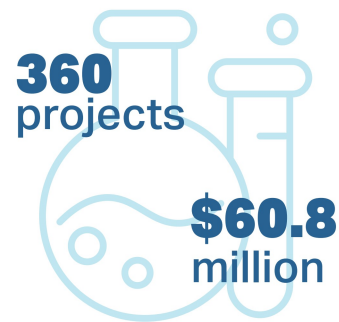


# INVEST

Bringing the world's best researchers to Canada, and keeping them here

## John R. Evans Leaders Fund

The John R. Evans Leaders Fund helps institutions attract and retain world-leading researchers by allowing institutions to acquire tools that will create competitive research support packages including both infrastructure and a portion of operating and maintenance costs. This year, a total of more than \$60.8 million was awarded to 360 projects.



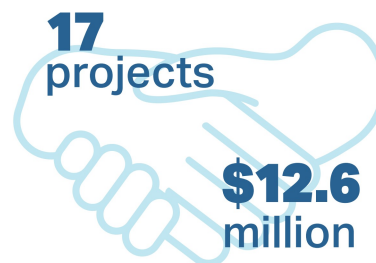
Supporting business innovation

## College-Industry Innovation Fund

The College-Industry Innovation Fund helps colleges foster partnerships with the private sector in areas of strategic priority to the institution.

Stream 1 of this fund supports infrastructure requests aimed at enhancing existing applied research and technology development capacity in colleges. Stream 2 supports research infrastructure associated with an application for a five-year grant from the College and Community Innovation–Innovation Enhancements program, which is managed by the Natural Sciences and Engineering Research Council of Canada.

This year, 17 projects were awarded more than \$12.6 million through both streams.



Big ideas, big impact

## Innovation Fund

Launched in April 2019, our latest Innovation Fund competition is the first one under our new funding model. For this competition, the CFI will invest up to \$400 million in capital funding and \$120 million through the Infrastructure Operating Fund for associated operating costs.



Keeping things running

## Infrastructure Operating Fund

We awarded more than \$22 million through the Infrastructure Operating Fund, which provides funding equivalent to 30 percent of CFI capital awards to assist institutions in the operation and maintenance of CFI-funded infrastructure.



Supporting major research facilities

## Major Science Initiatives Fund

Through our Major Science Initiatives Fund, we help make sure that 17 national research facilities have the support they need to operate optimally. Whether physical spaces or virtual networks, these facilities serve a critical mass of researchers tackling important issues facing society, from climate change to cancer. They also act as hubs to bring together some of our country's best researchers and for international scientific collaborations. As the challenges scientists tackle become more complex, major science initiatives become more critical for exploring the frontiers of research.

Since effective governance, management and operating practices all contribute to ensuring these facilities deliver the most value for Canadians, we gathered more than 100 representatives from all 17 national research facilities, as well as from universities and funding partners, for a workshop in Ottawa in November.

Under the theme, "Giving Canada's national research facilities a competitive edge," the workshop topics included:

- Lessons learned about strategic planning and sustainability
- Demonstrating achievements and the impacts of research to diverse stakeholders
- Best practices for financial management and reporting
- Methods for managing research data

### Research facilities supported through our Major Science Initiatives Fund:

André E. Lalonde Accelerator Mass Spectrometry Laboratory

Canada's Genomics Enterprise

Canada's National Design Network

Canadian Cancer Trials Group

Canadian Centre for Electron Microscopy

Canadian Light Source

Canadian Research Data Centre Network

CCGS *Amundsen* research icebreaker

Centre for Phenogenomics

Compute Canada

Érudit

International Vaccine Centre

Metabolomics Innovation Centre

Ocean Networks Canada

Ocean Tracking Network

SNOLAB

Super Dual Auroral Radar Network

# Better molecules for better medicine

Annie Castonguay, a researcher at Quebec's Institut national de la recherche scientifique, works to mobilize metals to destroy cancer cells and drug-resistant bacteria when traditional antibiotics and cancer treatments fall short

Cancer treatments like chemotherapy aren't perfect. The drugs meant to kill cancerous cells are not choosy, so they take out healthy cells too, which can mean serious side-effects for the patient. And if cancer cells develop a resistance, the therapies might not result in a complete remission. Engineering new molecules that incorporate the power of metals to destroy disease-causing cells could not only lead to more effective cancer treatments, but also better defences against another serious health threat — multidrug resistant bacteria.





# EVALUATE

## Measuring how we perform

We periodically assess data from various sources to measure our progress toward achieving our objectives. One study this year looked at the role of CFI awards in attracting and retaining top talent. It found that CFI-funded research infrastructure helps institutions recruit talented researchers from all over the globe, at every career stage, with diverse experience and expertise, and who are recognized as world-leading.

## Meeting early career researchers face-to-face

This year, we continued to evaluate the importance of our investments for supporting the next generation of researchers. Over the course of the year, we completed a report from eight focus groups at nine institutions across the country with early career researchers who had received CFI funding. We asked them about the impact of CFI-funded infrastructure on their research and career.

### Here's what we heard:

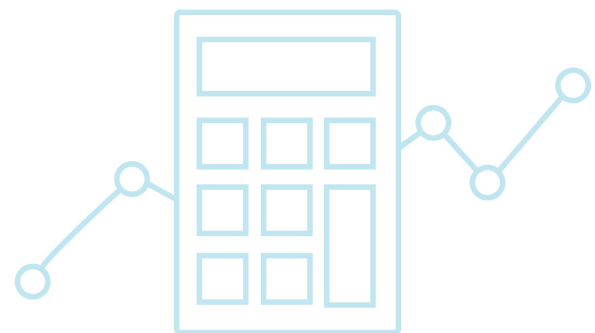
- The availability of CFI funding, in particular the John R. Evans Leaders Fund, was instrumental in enabling Canadian research institutions to attract and retain early career researchers
- Canadian institutions rely heavily on the inclusion of a CFI award component to provide competitive offers to early career researchers, particularly those who were fielding offers from outside of Canada
- CFI-funded research infrastructure has helped early career researchers launch, and in some cases, accelerate their research programs. It has also allowed the achievement of a number of research outcomes, including attracting and training students and postdoctoral fellows, producing publications and patents, establishing collaborations and creating spin-off companies

## Finding new ways to measure our impact

It has always been a priority for us to assess the impact of our investments in research infrastructure. To help us start to identify new and innovative approaches to measuring these impacts, we convened a group of 10 representatives from academia, government, and the private and not-for-profit sectors for a roundtable discussion.

### Initial ideas they put forward included:

- Reframe how we view social and economic impacts
- Recognize and value the occasionally serendipitous and normally incremental nature of research
- Consider research infrastructure as a catalyst to social and economic impact
- Consider social network analysis and include measures of social good
- Continue using mixed methods to assess impact





# Does your social life make you happy?

The University of British Columbia's Frances Chen uses sophisticated research tools to determine how our social lives — online and otherwise — affect how we feel and behave

How does a first-year university student's Facebook feed influence their feelings of social connection and belonging? Can a stressful situation be buffered by smelling the scent of a loved one? What impact does our social media use have on our sleep quality? Those questions — and many more — are being examined inside Frances Chen's Social Health Lab at the University of British Columbia.



# MANAGE

## Financial highlights\*

Since the CFI began:

**\$8.8** billion

Total amount committed in grants to the CFI by the Government of Canada, of which \$5.7 billion has been received. The balance will be received in future years, based on annual cash requirements

**\$8** billion

Awards approved

**\$19.4** billion

Investment of CFI contributions plus those from institutions and their partners

This fiscal year:

**\$386.1** million

Total disbursements to eligible recipients, an increase from the previous year's total of \$369.7 million

**\$330.7** million

Allocations received from the Government of Canada

**\$135.3** million

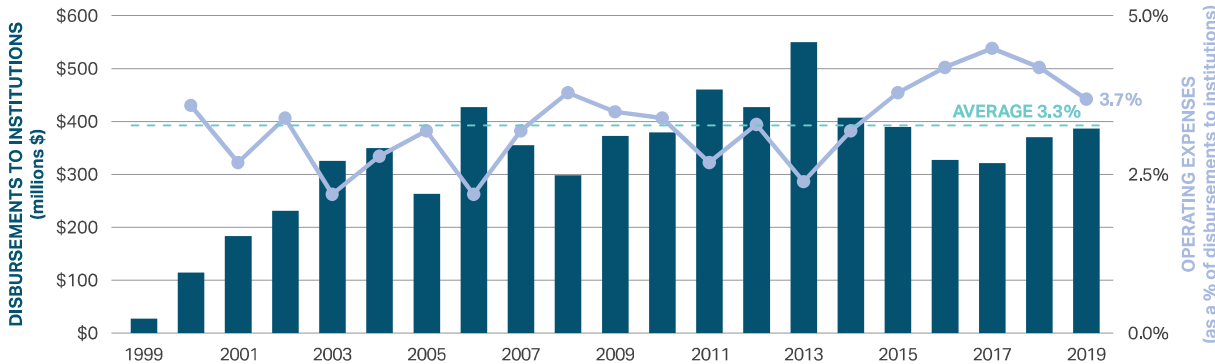
Awards approved

**\$14.4** million

Operating expenses, down from \$15.5 million the previous year, due in part to lower rent costs and to the temporarily lower volume of competitions and associated proposal review activities

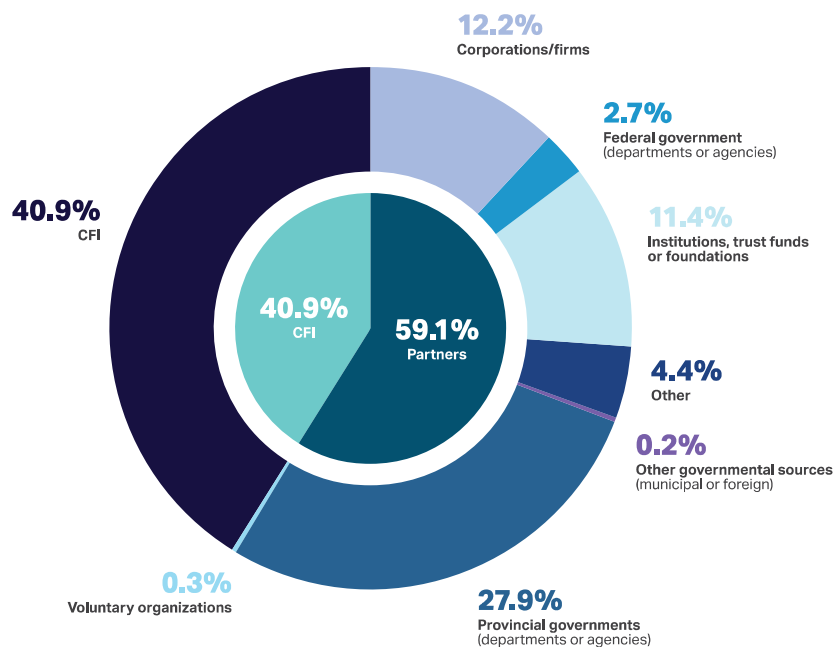
\* For the year ending March 31, 2019

## Annual disbursements to institutions and operating expenses as a percentage of disbursements\*

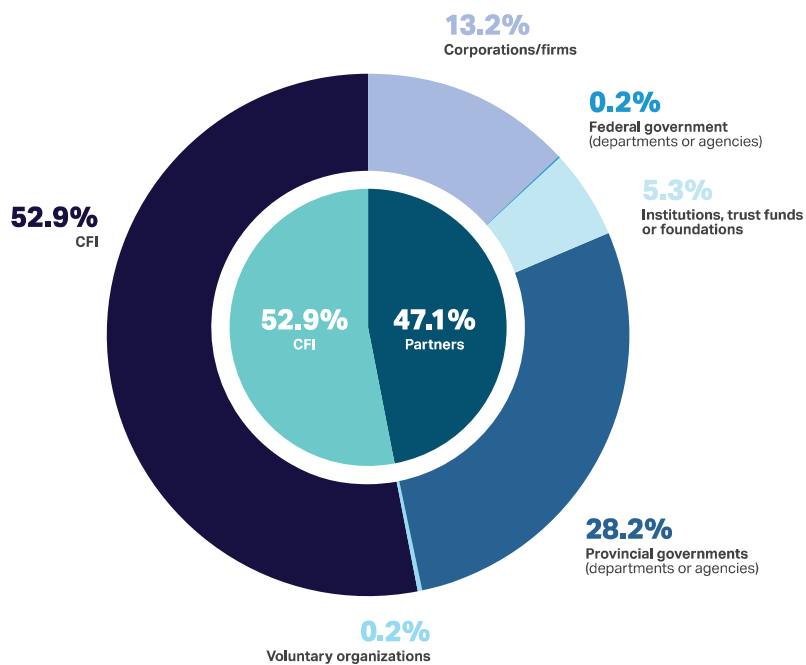


\* As of March 31, 2019

CFI contribution and other funding sources since our inception: Total \$19.4 billion\*



CFI contribution and other funding sources for fiscal 2018–19: Total \$256 million\*



\* As of March 31, 2019

## Reviewing our investment strategy and policy

Our Board's Investment Committee, which oversees the management and investment of CFI funds, reviewed our investment strategy and policy in the fall of 2018. Our portfolio of investments is decreasing and will continue to do so in the coming months as funds transferred to the CFI from the Government of Canada in the early years are now almost entirely depleted. Since 2008, the CFI has been receiving funds from the federal government sufficient to cover projected award disbursements to institutions in a given year. As a result, the CFI concentrates on more liquid investments and maintains an appropriate liquidity policy.

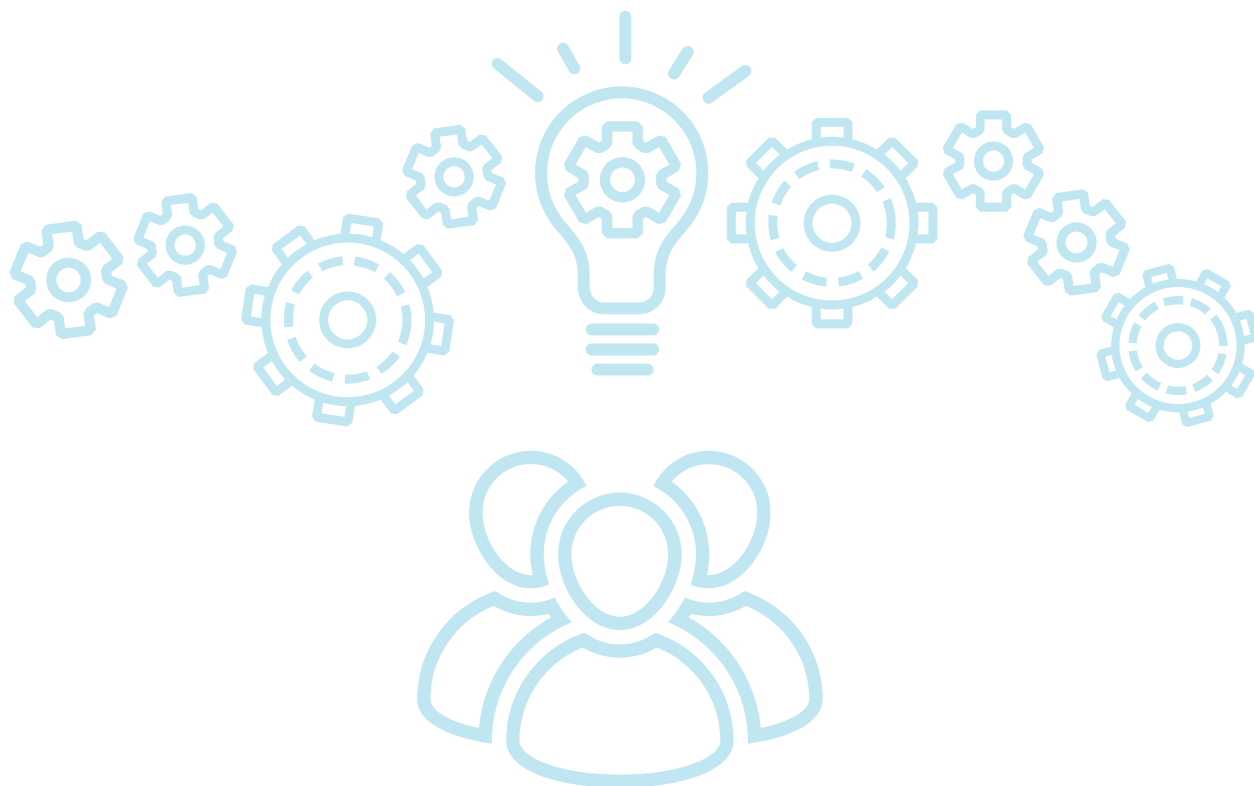
## Remaining accountable

We regularly visit recipient institutions to discuss their policies, practices, processes and controls for grant management over the lifecycle of CFI awards, and assess how well they are managing their CFI-funded projects. We use a risk-based approach to

select institutions for these monitoring visits. This year, we conducted five visits and shared good practices institutions use for managing their CFI funds with these institutions and on our website.

We also conduct contribution audits and other cost reviews of institutions to ensure the funding they receive for a given project has been used in accordance with the terms and conditions of the award agreement, and with applicable policies and guidelines. We performed contribution audits or other cost reviews on five projects in 2018–19. All projects with a CFI contribution exceeding \$10 million are automatically subject to an audit, and the risks associated to a project determine the scope, nature and extent of the audit activities.

Institutions submit financial reports for each of their CFI-funded projects at specific intervals, ranging from quarterly reporting to biennial reporting. The frequency is determined by the complexity and risk of each project. This year we received more than 900 financial reports from recipient institutions. These reports provide information on individual project costs, funding and timelines for the acquisition of the infrastructure. We reviewed each of these financial reports to identify and address any issues.





## Ranges of remuneration

For the fiscal year ending March 31, 2019, compensation for CFI staff whose remuneration exceeded \$100,000 was within the following annual salary ranges\*:

### CFI management (officers)

#### President and CEO

Roseann O'Reilly Runte

\$217,100 to \$304,000

#### Vice-President, Finance and Corporate Services

Manon Harvey (*left in January 2019*)

Isabelle Henrie (*acting as of January 2019*)

\$143,900 to \$199,100

#### Vice-President, Programs and Performance

Guy Levesque (*left in November 2018*)

Mohamad Nasser-Eddine (*acting as of November 2018*)

\$143,900 to \$199,100

#### Vice-President, External Relations and Communications

Pierre Normand

\$143,900 to \$199,100

### Employees

#### Director, Programs

\$119,200 to \$159,000

#### Director, Communications

#### Director, Corporate Services

#### Director, Finance

#### Director, Performance, Analytics and Evaluation

\$103,800 to \$138,500

#### Manager, Finance

#### Manager, Information Management/ Information Technology

#### Manager, John R. Evans Leaders Fund

#### Senior Advisor, Policy and Planning

#### Senior Programs Officers

#### Senior Project Manager

\$94,400 to \$125,600

#### Manager, Administration

#### Manager, Creative Services

#### Manager, Human Resources

#### Senior Financial Monitoring Officer

\$84,800 to \$112,700

#### Analyst, Finance

#### Coordinator, Creative Services

#### Editor – Translator (French)

#### Financial Reporting Analyst

#### Senior Evaluation Analyst, Performance, Analytics and Evaluation

\$75,200 to \$100,300

\* Salary ranges are in line with those of other agencies contracted by the Government of Canada to deliver on specific mandates.

# Governance

## Board of Directors

The CFI Board of Directors is composed of a maximum of 13 individuals from a variety of backgrounds, each Director offering a unique perspective and understanding of the research community and bringing expertise from one or more of the private, institutional, academic and research sectors.

The Government of Canada appoints six Directors (known as Governor-in-Council appointments), including the Chair, while CFI Members appoint the remaining Directors. Directors are nominated and appointed for three-year terms. Consideration is given to gender balance and geographical representation.

**Ingrid Pickering\***, Chair (Sask.)  
Audit and Finance Committee, Governance and Nominating Committee, Investment Committee  
*(appointed June 2018)*

**Kevin P. D. Smith\***, Chair (Ont.)  
Audit and Finance Committee, Governance and Nominating Committee, Investment Committee  
*(term completed)*

**Margaret Bloodworth**, Vice-Chair (Ont.)  
Chair, Governance and Nominating Committee

**Alain Beaudet\*** (Ont.)  
*(term completed)*

**Catherine Boivie\*** (B.C.)  
*(appointed October 2018)*

**Micheline Bouchard** (Que.)  
Chair, Investment Committee

**Lynda Brown-Ganzert\*** (B.C.)  
Audit and Finance Committee

**John Kelly\*** (Ont.)  
*(appointed October 2018)*

**Michel Kelly-Gagnon\*** (Que.)  
Governance and Nominating Committee  
*(term completed)*

**Ronald Layden\*** (N.W.T.)  
*(appointed September 2018)*

**Leslie MacLaren** (N.S.)  
Audit and Finance Committee

**Rod McInnes** (Que.)  
*(term completed)*

**Cecilia Moloney** (N.L.)  
Governance and Nominating Committee

**Marc Ouellette** (Que.)  
*(appointed June 2018)*

**Ian Seymour** (Man.)  
Chair, Audit and Finance Committee,  
Investment Committee

**Mamdouh Shoukri\*** (Ont.)  
*(appointed September 2018)*

**Prem Singhmar\*** (Alta.)  
Governance and Nominating Committee  
*(term completed)*

**Gordon F. Stovel\*** (Ont.)  
Chair, Audit and Finance Committee,  
Investment Committee  
*(term completed)*

\* Governor-in-Council appointment

## Members

The Board of Directors reports to a higher governing body made up of our Members, who represent the Canadian public. Members are nominated and appointed by other Members for a five-year term. They meet in June each year and are responsible for appointing seven of the Board Directors, appointing external auditors, reviewing audited financial statements and approving the annual report before it is released at the annual public meeting.

**Ronald Morrison**, Co-Chair (Ont.)

**Emőke Szathmáry**, Co-Chair (Man.)

**Lorne Babiuk** (B.C.)

**Harold Cook** (N.S.)

Members Governance and  
Nominating Committee

**Elizabeth Douville** (Que.)

**Joanne Gassman** (B.C.)

**Jack Gauldie** (Ont.)

Members Governance and  
Nominating Committee

**Linda Humphreys** (Alta.)

**Marilyn Luscombe** (N.B.)

**Louise Proulx** (Que.)

Chair, Members Governance  
and Nominating Committee

**Pierre Richard** (Ont.)

**Vianne Timmons** (Sask.)

Members Governance and  
Nominating Committee

**Luc Vinet** (Que.)

## Remuneration

Directors opting to receive remuneration from the CFI are entitled to an annual retainer of \$5,000. Committee Chairs receive \$7,500, and the Board Chair receives \$10,000. Directors are also entitled to receive a per diem fee of \$750 for attending Board or committee meetings and a \$500 fee for attending a committee meeting associated with a Board meeting. Members are not entitled to any remuneration. Members and Directors may, however, be reimbursed for any reasonable out-of-pocket expenses incurred while performing their duties or attending CFI meetings. In 2018–19, the remuneration of Board Directors ranged from \$0 to \$17,500.

# Tiny fly, deadly bite

Leishmaniasis is a devastating disease that kills an estimated 30,000 people every year. By studying the sandflies that transmit it, the University of Calgary's Chukwunonso Nzelu is helping to zero in on a vaccine

Raising sandflies is tricky, but with the help of Chukwunonso Nzelu's expertise, researchers have grown a large, thriving colony of the insects at the University of Calgary's high-level containment insectarium. It's a critical resource for studying how the flies transmit Leishmaniasis to humans, with the goal of producing a vaccine against the disease. What they learn could also inform the prevention of other insect-borne diseases like Lyme disease and malaria.





# REACH OUT

The CFI had a strong showing at the 2018 International Conference on Research Infrastructures (ICRI), a global event that occurs every two years. Representatives from over 50 countries, including from the European Commission, the Organisation for Economic Co-operation and Development, national governments and large research facilities, gathered in Vienna in September to discuss some of the most pressing challenges facing organizations that fund and manage research infrastructure around the world.

These included the internationalization of these facilities and equipment, the human resources required to run them and the need to foster diversity and overcome inequality in that work force. Using the best governance models to enhance the societal value of research infrastructure, and ensuring access to and quality of the huge data sets these research tools produce, were also covered.

To contribute to these important discussions, CFI's Senior Advisor, Policy and Planning moderated a series of discussions on the challenges facing governments, funding agencies and research institutions as the need for transnational access and international sharing of results grows.

CFI's Director, Performance, Analytics and Evaluation and our Vice-President, External Relations and Communications both presented on the topic of measuring and communicating the value of research infrastructure to society.

Our Interim Vice-President, Programs and Performance, weighed in on the topic of the immense and increasingly complex data sets that are produced, collected, managed or processed by research facilities across the globe with his presentation "The research infrastructure ecosystem and data: How to effectively link cyber infrastructure and data."

We look forward to building on this success at the 2020 ICRI conference, which the CFI has bid to host. The choice will be announced early in the next fiscal year.



Image: BMBWF/APA-Fotoservice/Martin Hörmandinger

CFI's President and CEO, Roseann O'Reilly Runte (holding mic), helped wrap up the conference at the final plenary session where panelists reiterated and reflected on the importance of inclusiveness and creativity in research, as well as the impact of that research and the data it produces in areas such as health and the environment. The panel also included (left to right) Shumete Gizaw, State Minister for the Ministry of Science and Technology, Federal Democratic Republic of Ethiopia; Vinny Pillay, South African Department of Science and Technology; and, Barbara Weitgruber, Director-General of the Federal Ministry of Education, Science and Research, Austria.



Image: BMBWF/APA-Fotoservice/Martin Hörmandinger

In her presentation, CFI's Director, Performance, Analytics and Evaluation, Laura Hillier, addressed the questions of why we need to assess the societal value of research infrastructure, why it is challenging to do so and how we can mitigate those challenges.

# CONNECT

## New milestones for the Research Facilities Navigator

The CFI's online directory of leading-edge, publicly funded research facilities is drawing growing interest from the research community at home and abroad as a strategic platform for facilitating collaboration. The listed facilities are opening their doors to collaborations with industry, academia and government.

### 600 (+) ways to innovation

University of Toronto's Encore Lab joined the Navigator's ranks in May as the 600th state-of-the-art research facility to open its doors to collaborations with partners from all sectors.

### Navigator highlights

**637**

facilities across Canada

**96**

institutions represented

**28**

sectors of application

**1,700**

average monthly web visits

### Navigator welcomes the Government of Canada

The Government of Canada began adding its research facilities to the Navigator to help improve the use and sharing of research equipment from science-based departments and agencies with potential partners and to promote collaboration across the Canadian science community.

### Pan-Canadian and international exposure

The Navigator was featured in several CFI presentations to pan-Canadian and international audiences, including the Canadian Network of Scientific Platforms Conference, the Euroscience Open Forum and a Canada-US-India Business Delegation. In February, CFI management and staff met with officials from the United Kingdom Research and Innovation, an organization that directs research and innovation funding in the UK, to discuss opportunities to collaborate, including the Navigator.



Image: Matthew Madden



Image: Catherine Aboumradi



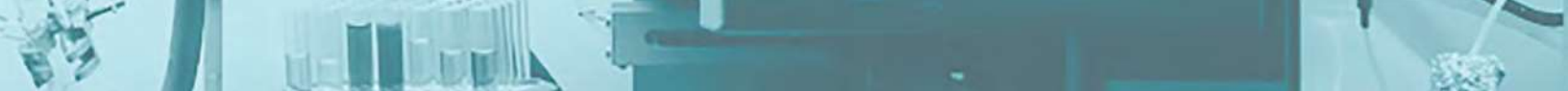
Image: WAMIC



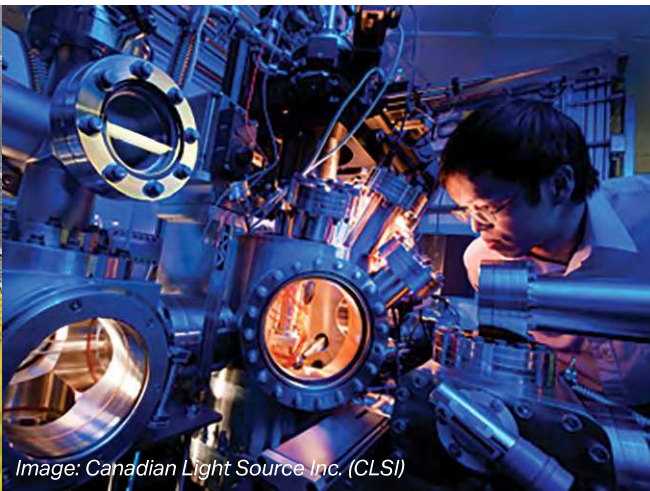
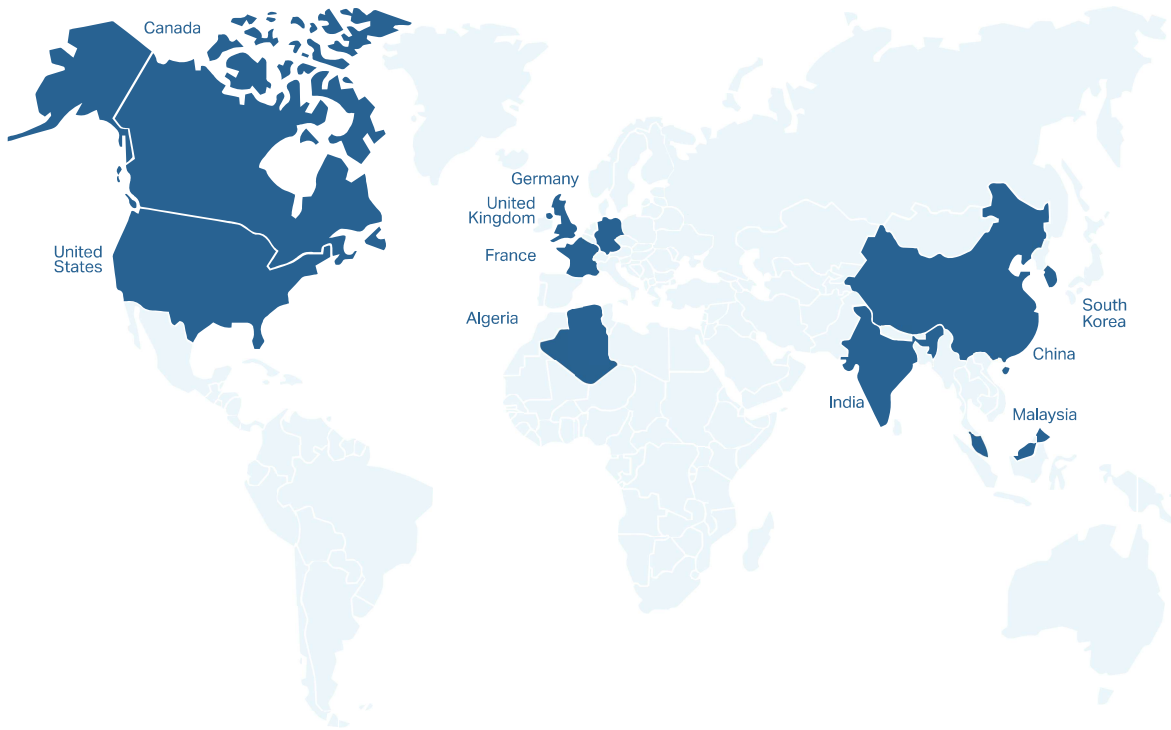
Image: Alison Pro

A sample of some of the 600-plus research facilities now listed on the Research Facilities Navigator, from left to right: Nova Scotia Community College's Applied Geomatics Research Group; Cégep Édouard-Monpetit's Aerospace Technological Centre; Niagara College's Walker Advanced Manufacturing Innovation Centre; University of Victoria's Ocean Technology Test Bed; University of Saskatchewan's Canadian Light Source; Saint Mary's University's Dynamic Environment & Ecosystem Health Research group.





## Navigator visitors come from across the globe: top 10 countries



# COMMUNICATE

Effective communications is how we ensure that Canadians know the impact of CFI-funded research on their lives. We do this by telling the stories of the research the CFI enables, holding events to celebrate new investments and engaging the research community in many other ways.



To celebrate International Women's Day on March 8, we showcased the stories of women who had found their inspiration as students and early career researchers working in CFI-funded labs, and who are making their mark in areas ranging from improving Inuit health to developing cutting-edge software.



Our "I picture my research in Canada" campaign ran from September 2018 to spring 2019, and focused on talented early career researchers who have chosen Canada to pursue their careers. You can find their stories throughout this report. We promoted the work of these researchers online and in select publications and billboards such as along Sparks Street in Ottawa (above).



On March 13, at Western University, the Honourable Kirsty Duncan, Minister of Science and Sport (centre), announced more than \$39 million for state-of-the-art research labs and equipment through the John R. Evans Leaders Fund. This investment will support 251 researchers leading 186 projects at 43 universities across Canada. Ryan Stevenson (second from left) offered a tour of his lab, which includes a fake MRI machine that helps kids get accustomed to MRI procedures. He will use his grant to advance our understanding of how the brain develops its ability to process sensory information in people with autism. Also shown are Kate Young, Member of Parliament for London West (far left); the Honourable Mary Ng, Minister of Small Business and Export (second from right) and Peter Fragiskatos, Member of Parliament for London North Centre (far right).





▲ Antoine Petit, President and CEO of the National Centre for Scientific Research (CNRS) in France gave the keynote address on the future of artificial intelligence and the importance of global collaboration at our 2018 annual public meeting in Ottawa on December 4.

## Twitter contest

To highlight the work of a new generation of researchers, we launched our second #IAmInnovation Twitter contest in January and announced the winners in April 2019. We asked contestants to submit videos and photos that demonstrate their work in CFI-funded labs and facilities.

The three winners were:

- PhD candidate Anita Luu of the Department of Biomedical Science at the University of Guelph is researching bone cancer in dogs, helping researchers better understand how the disease spreads in humans
- Postdoctoral researcher Sean Locke of the School of Health and Exercise Sciences at the University of British Columbia's Okanagan Campus is researching why some individuals are more inclined to develop healthy behaviours than others
- PhD candidate Caroline Aubry-Wake of the Department of Geography at the University of Saskatchewan is using weather stations in the Rockies to understand how a changing climate impacts downstream water resources


The students won a trip to Ottawa to participate in a science communications workshop along with a chance to take over the CFI Twitter account for a day.

 Anita Luu  
@AmoebaAnita


I use CFI-funded equipment everyday to study cancer biology in the lab 🧪. Thank you @InnovationCA for all your support! #IAmInnovation #Contest




5:44 PM · Mar 8, 2019

 Sean Locke  
@thelocctor


We can't thank @InnovationCA enough for the ability to learn from & work with people like @LoisHourston to make #exercise & #diet changes to reduce #diabetes risk @dprgubc @UBCFHSD @UBC\_HES @DiabetesCanada @msfhr @ubcpres Help broaden reach: give an RT #IAmInnovation #contest



6:11 PM · Mar 7, 2019

 Caroline Aubry-Wake  
@CryoCaro

Predicting the changes occurring in our mountains, and the associated consequences on the downstream water resources would be impossible without these remote weather stations! Thanks @InnovationCA for helping us with their installation and maintenance! #IAmInnovation #contest



6:36 PM · Mar 8, 2019

# Shifting the research relationship

Lakehead University's Christopher Mushquash's wide-ranging work on addictions and mental health in Indigenous communities is tied by one common thread: listening to what the community needs and wants

Being brought up in Sioux Lookout, an Ontario town about four hours northwest of Thunder Bay, greatly influenced the kind of researcher and clinician Christopher Mushquash has become. He is Ojibway, a member of Pays Plat First Nation and a researcher at Lakehead University. "When I was an undergraduate student I felt that it would be important for me to develop a skill set that might make me of use to my community," he says. He has gone on to do just that, and much more — while always keeping community at the forefront of his work.





# TOWARD THE FUTURE

## What we are working on for 2019–20:

- Launching the 2020 Innovation Fund competition with a budget of \$400 million
- Conducting the midterm review of 17 national research facilities funded through the Major Science Initiatives Fund
- Completing a study of the way CFI investments support private-sector innovation and competitiveness
- Carrying out our biennial satisfaction survey of project leaders, clients and stakeholders to understand how they view the CFI and its role in the country's research and innovation system
- Participating in the 2020 overall evaluation of the CFI by the Audit and Evaluation Branch of Innovation, Science and Economic Development Canada
- Releasing a retrospective analysis of the advancement and evolution of the 12 facilities funded through the 2012 and 2014 competitions for the Major Science Initiatives Fund
- Participating in the 17th College and Community Innovation Program — Build Innovation Enhancement Grants competition, managed by NSERC
- Launching a communications campaign to show the economic impacts of CFI-funded projects in communities around the country
- Evaluating the effectiveness of our communications activities in an increasingly digital environment
- Continuing to add federal science facilities to the Research Facilities Navigator
- Raising the profile of the Navigator both at home and internationally as Canada's destination to locate state-of-the-art facilities and cutting-edge expertise

# FINANCIAL STATEMENTS

## Independent auditor's report

To the Members of the  
**Canada Foundation for Innovation**

### Opinion

We have audited the financial statements of the Canada Foundation for Innovation (the "Foundation"), which comprise the statement of financial position as at March 31, 2019, and the statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally





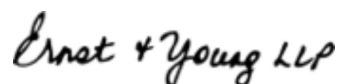
accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ottawa, Canada  
June 18, 2019



Chartered Professional Accountants  
Licensed Public Accountant

## Statement of financial position

As at March 31

	2019 \$	2018 \$
<b>ASSETS</b>		
Cash	41,330,110	19,847,933
Interest and other receivables	1,364,230	2,042,594
Investments (note 4)	183,330,635	269,151,356
Prepaid expenses	188,040	300,785
Capital assets, net (note 5)	3,996,368	2,197,752
	<b>230,209,383</b>	<b>293,540,420</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	505,569	865,554
Deferred lease inducement (note 6)	695,962	—
International Conference on Research Infrastructures project deposits	94,826	—
	<b>1,296,357</b>	<b>865,554</b>
Deferred contributions (note 7)		
Expenses of future years	224,916,658	290,477,114
Capital assets	3,996,368	2,197,752
<b>Total liabilities</b>	<b>230,209,383</b>	<b>293,540,420</b>
Commitments (note 8)		
<b>Net assets</b> (note 9)	—	—
	<b>230,209,383</b>	<b>293,540,420</b>

See accompanying notes

### ON BEHALF OF THE BOARD

  
**Ingrid Pickering**  
 Director

  
**Ian Seymour**  
 Director

## Statement of operations

Year ended March 31

	2019 \$	2018 \$
<b>REVENUE</b> (note 7)		
Recognition of deferred contributions related to amounts granted to eligible recipients	386,098,462	369,667,306
Recognition of deferred contributions related to current-year operations	13,191,013	14,489,938
Amortization of deferred contributions related to capital assets	1,245,665	991,338
	<b>400,535,140</b>	<b>385,148,582</b>
<b>EXPENSES</b>		
Grants to eligible recipients	386,098,462	369,667,306
General and administration	13,191,013	14,489,938
Amortization of capital assets	1,245,665	991,338
	<b>400,535,140</b>	<b>385,148,582</b>
<b>Excess of revenue over expenses for the year</b>	<b>—</b>	<b>—</b>

See accompanying notes

# Statement of cash flows

Year ended March 31

	2019 \$	2018 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	—	—
Items not involving cash		
Amortization of capital assets	1,245,665	991,338
Amortization of deferred contributions related to capital assets	(1,245,665)	(991,338)
Loss on equipment disposals and write-offs	6,244	—
Decrease of deferred contributions related to equipment disposal	(6,244)	—
Net increase (decrease) in amortization of discount/premium on investments	(5,283,882)	1,281,185
Net decrease in deferred contributions related to expenses of future years	(396,260,456)	(378,628,621)
	<u>(401,544,338)</u>	<u>(377,347,436)</u>
Net change in non-cash working capital balances related to operations (note 11)	1,221,912	379,945
<b>Cash used in operating activities</b>	<b><u>(400,322,426)</u></b>	<b><u>(376,967,491)</u></b>
<b>Capital</b>		
Purchase of capital assets	(3,050,525)	(119,916)
Increase in deferred contributions related to capital assets	3,050,525	119,916
<b>Cash used in capital activities</b>	<b><u>—</u></b>	<b><u>—</u></b>
<b>Cash used in operating and capital activities</b>	<b><u>(400,322,426)</u></b>	<b><u>(376,967,491)</u></b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(452,104,887)	(374,093,048)
Proceeds from disposal of investments	543,209,490	498,379,534
<b>Cash provided by investing activities</b>	<b><u>91,104,603</u></b>	<b><u>124,286,486</u></b>
<b>FINANCING ACTIVITIES</b>		
Grants received (note 7)	330,700,000	250,900,000
<b>Cash provided by financing activities</b>	<b><u>330,700,000</u></b>	<b><u>250,900,000</u></b>
<b>Net change in cash during the year</b>	<b>21,482,177</b>	<b>(1,781,005)</b>
Cash, beginning of year	19,847,933	21,628,938
<b>Cash, end of year</b>	<b><u>41,330,110</u></b>	<b><u>19,847,933</u></b>

See accompanying notes



# Notes to financial statements

## 1. Description of business

The Canada Foundation for Innovation (the "CFI") was incorporated on April 25, 1997, under Part I of the *Budget Implementation Act*, 1997 (the "Act") for the purpose of making research infrastructure grants to Canadian universities, colleges, hospitals and non-profit research institutions to increase the capability for conducting high-quality research.

Grants received from the Government of Canada and related investment income are administered and invested in accordance with the requirements of the Act and the terms and conditions of the Funding and the Contribution Agreements between the CFI and the Government of Canada.

The CFI is a non-taxable entity under paragraph 149(1) I) of the *Income Tax Act (Canada)*.

## 2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations and include the following significant accounting policies:

### REVENUE RECOGNITION

The CFI follows the deferral method of accounting for contributions that include grants from the Government of Canada and potential donations from other sources.

Externally restricted contributions and related investment income are deferred and recognized as revenue in the year in which the underlying expenditures are incurred. A receivable is recognized if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions applied toward the purchase of capital assets are deferred and amortized to revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

### GRANTS TO ELIGIBLE RECIPIENTS

Grants to eligible recipients are recognized as expenses as the disbursements of funds are authorized by management and all eligibility criteria are met.

### FINANCIAL INSTRUMENTS

The CFI records interest and other receivables, investments and accounts payable and accrued liabilities at amortized cost using the effective interest method of amortization. Cash is measured at fair value.

Purchases of investments are recorded on the settlement date.

Financial instruments recorded at fair value are grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- **Level 1**—fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2**—fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3**—fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of hierarchy for which a significant input has been considered in measuring fair value.

The financial instrument recorded on the statement of financial position at fair value is composed of cash and is listed as Level 1.

## CAPITAL ASSETS

Purchased capital assets are recorded at cost while contributed capital assets, if any, are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. When a capital asset no longer contributes to the CFI's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates and terms:

Leasehold improvements	Term of the lease
Furniture and other equipment	5 years
Computer and software	3-5 years
Awards management system	Remaining months to March 2021

Development costs for the CFI awards management system are capitalized and amortized when the new functionalities become operational. Development costs are composed mainly of professional services.

## USE OF ESTIMATES

The preparation of these financial statements requires the CFI's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. The most significant estimates used in preparing these financial statements include assumptions used in determining the collectability of accounts receivable, the estimated useful lives of capital assets and the amount of accrued liabilities.

## 3. Capital management

In managing capital, the CFI focuses on liquid resources available for operations and to be disbursed to eligible recipients. The CFI's objective is to have sufficient liquid resources to continue operating in accordance with the Funding and the Contribution Agreements between the CFI and the Government of Canada, despite adverse events with financial consequences, and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual corporate plan, including long-term cash flow projections and budget. Disbursements to eligible recipients and actual operating results are monitored and compared to the cash flow projections to ensure availability of sufficient liquid resources. As at March 31, 2019, the CFI has met its objective of having sufficient liquid resources to meet its current obligations.

## 4. Investments

Investments comprise the following financial instruments:

	2019		2018	
	Fair value \$	Carrying value \$	Fair value \$	Carrying value \$
<b>Money market funds</b>	—	—	4,981,056	4,981,150
<b>Bonds</b>	33,606,490	33,612,331	88,029,299	88,079,116
<b>NHA mortgage-backed securities</b>	—	—	26,295,189	26,394,085
<b>High interest savings accounts</b>	149,718,304	149,718,304	149,697,005	149,697,005
	<b>183,324,794</b>	<b>183,330,635</b>	<b>269,002,549</b>	<b>269,151,356</b>

### MARKET RISK

#### *Interest rate risk*

Interest rate risk arises when the value of an investment fluctuates due to changes in market interest rates. For the year ended March 31, 2019, if the interest rates on bonds had a 1% increase or decrease with all other variables held constant, the increase or decrease in the interest earned for the year would have been approximately \$0.5 million (2018—\$1.1 million). The increase or decrease in the interest rate was not calculated for NHA mortgage-backed securities.

#### *Price risk*

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to an individual financial instrument or its issuer, or factors affecting all similar securities traded in the market.

As at March 31, 2019, a 1% increase in market price would result in an increase of the fair value for investments of approximately \$1.8 million (2018—\$2.7 million).

The CFI's grant commitments do not exceed the total of its investments, related investment income and grants committed from the government that will be received in future years. The timing of investment maturities is matched to projected cash outflows. The degree of volatility is mitigated by the CFI's policy that it will not invest in shares, warrants or other equities, convertible debt securities, derivatives, swaps, options or futures. As such, management believes that interest rate and price risks are appropriately managed.

The coupon rate for the bond held to maturity is at 1.95% (2018—1.95% to 5.50%).

The high interest savings accounts are tiered-rate interest accounts that combine high interest, liquidity and security of a simple deposit account, established for the purpose of investment. The interest rates for these accounts range from 1.82% to 2.51% (2018—1.03% to 1.85%).

#### *Currency risk*

Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The CFI is not exposed to currency fluctuations.

### LIQUIDITY RISK

Liquidity risk is the risk of not being able to meet cash requirements in a timely and cost-effective manner.

The CFI matches the timing of investment maturities to projected cash outflows, and as such, liquidity does not present a significant financial risk to the CFI.

The bond matures in June 2019 (2018—between June 2018 and June 2019).

## CREDIT RISK

Credit risk arises from the potential that the issuer of an investment will fail to perform its obligations. Concentrations of credit risk exist when a significant proportion of investments are invested in securities with similar characteristics or subject to similar economic, political or other conditions.

It is the CFI's policy to invest only in securities with at least AA investment ratings or the equivalent. In addition, the CFI's investment policy restricts the single largest issuer, in the case of all but AAA Government, to a maximum of 1% to 20% (2018—1% to 20%) of the total investment portfolio depending on the investment category. As such, management believes that credit risk is appropriately managed.

## 5. Capital assets

Capital assets consist of the following:

	2019			2018
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
<b>Leasehold improvements</b>	2,306,907	145,687	2,161,220	18,231
<b>Furniture and other equipment</b>	799,462	266,531	532,931	7,020
<b>Computers and software</b>	1,136,463	969,817	166,646	97,312
<b>Awards management system</b>	6,629,688	5,494,117	1,135,571	2,075,189
	<b>10,872,520</b>	<b>6,876,152</b>	<b>3,996,368</b>	<b>2,197,752</b>

Additions to leasehold improvements during the year ended March 31, 2019, totalled \$2,293,685 (2018—\$13,222) and \$616,043 (2018 — \$2,201) to furniture and equipment. During the year ended March 31, 2019, CFI disposed of leasehold improvements, furniture and other equipment with a net carrying value of \$3,831 and \$2,413, resulting in a capital loss of \$6,244.

Total cost and accumulated amortization related to capital assets held as at March 31, 2018, were \$11,184,878 and \$8,987,126, respectively.

## 6. Deferred lease inducement

In August 2017, the CFI signed a lease ending February 28, 2029, for new premises and received an inducement. The lease provides for eleven months of free basic rent totalling \$455,590 and seven months of free additional rent totalling \$287,159. The total amount of \$742,749 has been recognized as an inducement. The amortization of the inducement is over 127 months commencing August 1, 2018. As at March 31, 2019, the unamortized balance is \$695,962.

## 7. Deferred contributions

The CFI operates under two active Funding Agreements and three Contribution Agreements with the Government of Canada. As at March 31, 2019, the Government of Canada had committed \$8.79 billion in grants to the CFI under these agreements, of which \$5.72 billion had been received. The terms and conditions of these agreements call for remaining grants to be paid to the CFI annually, subject to sufficient appropriation by Parliament, based on the estimated cash requirements for the year. During the fiscal year, the CFI received \$330.7 million (March 31, 2018—\$250.9 million) related to these agreements.



## EXPENSES OF FUTURE YEARS

Deferred contributions related to expenses of future years represent unspent externally restricted grants received to date, together with investment revenue earned, for the purpose of providing grants to eligible recipients and paying for operating and capital expenditures in future years.

	2019 \$	2018 \$
<b>BALANCE, BEGINNING OF YEAR</b>	290,477,114	418,205,735
<b>Add grants received</b>	330,700,000	250,900,000
<b>Add restricted investment revenue earned</b>	6,073,300	5,648,539
<b>Less amount recognized as revenue</b>	(399,289,475)	(384,157,244)
<b>Less amount applied toward capital assets acquired</b>	(3,050,525)	(119,916)
<b>Loss on equipment disposals</b>	6,244	—
<b>BALANCE, END OF YEAR</b>	<b>224,916,658</b>	290,477,114

## CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized amount of restricted grants received and applied toward the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related capital assets.

	2019 \$	2018 \$
<b>BALANCE, BEGINNING OF YEAR</b>	2,197,752	3,069,174
<b>Restricted grants applied towards the purchase of capital assets</b>	3,050,525	119,916
<b>Loss on equipment and write-offs</b>	(6,244)	—
<b>Less amount amortized to revenue</b>	(1,245,665)	(991,338)
<b>BALANCE, END OF YEAR</b>	<b>3,996,368</b>	2,197,752

## 8. Commitments

During the year, the CFI approved grants for a maximum amount of \$135.3 million (2018—\$656.3 million). Total disbursements to eligible recipients during the fiscal year were \$386.1 million (2018—\$369.7 million). As at March 31, 2019, the CFI has approved grants for a maximum amount of \$7,916.5 million, of which \$6,962.7 million had been disbursed. To date, the CFI has award agreements in place related to these approved grants in the amount of \$7,758.5 million and, therefore, has outstanding contractual obligations of \$795.8 million as at March 31, 2019.

The CFI estimates these obligations to be disbursed as follows:

	in millions of \$
<b>2020</b>	286.5
<b>2021</b>	183.0
<b>2022</b>	151.2
<b>2023</b>	71.7
<b>2024 onwards</b>	103.4
<b>TOTAL ESTIMATED DISBURSEMENTS</b>	<b>795.8</b>

The CFI opted to terminate the lease for the premises at 230 Queen Street, Ottawa, Ontario, and vacated prior to August 1, 2018. In August 2017, a new lease agreement for premises at 55 Metcalfe Street, Ottawa, was signed for a period ending February 28, 2029. The minimum annual lease payment related to the new premises is approximately \$1.0 million.

## 9. Restricted contributions and net assets

The requirements of the Act, which governs the CFI and the terms of its Funding and Contribution Agreements with the Government of Canada, externally imposes restrictions on all of the CFI's net assets. Investment revenue to be earned on the grants received from the Government of Canada is also restricted. Accordingly, the entire net assets of the CFI are deferred and taken into revenue as expenditures are made with no net asset balance outstanding at any time. A statement of changes in net assets has not been prepared since it would not provide additional useful information.

## 10. Pension plan

The employees of the CFI may elect to become members of the Universities Canada Pension Plan (the "Plan"), a defined contribution plan managed by Sun Life Financial Inc. The employer contributions made to the Plan during the year ended March 31, 2019, amounted to \$770,598 (2018—\$768,935).

## 11. Statement of cash flows

	2019 \$	2018 \$
<b>Interest and other receivables</b>	678,364	132,489
<b>Prepaid expenses</b>	112,745	277,109
<b>Accounts payable and accrued liabilities</b>	(359,985)	(29,653)
<b>Deferred lease inducement</b>	695,962	—
<b>International Conference on Research Infrastructures project deposits</b>	94,826	—
	<b>1,221,912</b>	<b>379,945</b>