

A
promising
future,
now

25 years of investing in ideas
that change our world

ANNUAL REPORT 2021-22

INNOVATION

Canada Foundation
for Innovation

Fondation canadienne
pour l'innovation

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How can research forge the future you want?

For 25 years, the Canada Foundation for Innovation has invested in the research labs and equipment that give rise to the possibility of a future that can be profoundly different from the past.

Young adults are navigating a rapidly changing world where climate change, social justice, geopolitical shifts and the economic and societal aftermath of the pandemic will be the defining issues of their youth.

With change comes an extraordinary opportunity for this generation to alter the trajectory of humanity, embrace a more empathetic value system and define their own futures.

From advancing renewable energy sources to building a more inclusive society to developing powerful new medicines that tackle some of our deadliest diseases, research promises a way to contribute to a world in transformation.

As we mark our anniversary, we look to those born as our organization began to ask

**“How can research forge the future
you want?”**



Overview

What we do

The Government of Canada created the Canada Foundation for Innovation (CFI) in 1997 to fund the state-of-the-art equipment, laboratories and facilities essential for conducting world-class research that produces benefits for Canadians. We support the evolving needs of Canada's universities, colleges, research hospitals and non-profit research institutions across all areas of research — from health and medicine, to the natural sciences and engineering, to the social sciences and humanities.

Our objectives

- Support economic growth and job creation, as well as health and environmental quality through innovation
- Increase Canada's capability to carry out important world-class scientific research and technology development
- 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 optimizes the Government of Canada's investments in research infrastructure by contributing typically up to 40 percent of a project's research infrastructure costs. Institutions — the ultimate recipients of our funding — secure the remaining 60 percent through partnerships with provincial governments and other public, private and non-profit organizations.

This means that Government of Canada investments have enabled CFI awards of nearly \$9.08 billion (as approved by the CFI Board of Directors), which have been leveraged into a total investment of \$21.75 billion in research infrastructure in Canadian institutions since we were 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 assess proposals from eligible Canadian institutions on three main criteria:

- The quality of the research and need for infrastructure
- The project's contribution to strengthening innovation capacity
- The potential benefits of the research to Canada.

Our process ensures that the infrastructure projects that best meet these criteria receive funding.

* As of March 31, 2022

Since 1997,
Government of Canada
investments
have enabled
CFI awards
of almost
\$9.08
billion for
171
research
institutions in
80
municipalities
across
Canada.*

Our values

Our commitment to equity, diversity and inclusion

The CFI is committed to the principles of equity, diversity and inclusion. In all our activities, we recognize that a breadth of perspectives, skills and experiences contributes to excellence in research.

Equity

We aim to ensure all CFI-eligible institutions have the opportunity to access and benefit from our programs and CFI-funded infrastructure through our well-established, fair and impartial practices.

Diversity

We value attributes that allow institutions and their researchers — from any background and from anywhere — to succeed. This includes individual attributes such as gender, language, culture and career stage; institutional attributes such as size, type and location; and attributes that encompass the full spectrum of research, from basic to applied and across all disciplines.

Inclusion

Our culture encourages collaboration, partnership, contributions and engagement among diverse groups of people, institutions and areas of research to maximize the potential of Canada’s research ecosystem.

We believe that nurturing an equitable, diverse and inclusive culture is the responsibility of every member of the research ecosystem, including funders, institutions, researchers, experts and reviewers.

For our part, we strive to be:

RESPONSIBLE

COLLABORATIVE

INNOVATIVE

How we live it externally

We remain transparent and accountable by monitoring and communicating the outcomes of our activities and investments.

We are client-focused, providing effective, efficient services and actively consulting with our stakeholders.

We believe in a bright future for Canada’s research community. Our investments allow researchers to think big and have a profound, transformative impact on society.

How we live it internally

We are objective, ensuring the integrity and independence of our processes and decisions.

We foster teamwork, valuing and considering the opinions, and trusting the skills and knowledge of our colleagues.

We bring fresh ideas into a work environment that fosters excellence and creative thinking.

A promising future, now

February 2022 marked 25 years since the CFI was created through the 1997 federal budget. Since then, our accomplishments, both in terms of the impact we have had on Canadian research and in terms of how we operate as an organization, have been transformative. What was a brain drain in the 1990s became a brain gain and Canadian research capacity now draws some of the world's brightest minds and most forward-looking ideas to Canada.

The impacts of the infrastructure projects we have funded have been far-reaching in the benefits they hold for Canadians.

A recent project at the University of Manitoba will build the digital architecture for a repository of documents collected by the Truth and Reconciliation Commission of Canada. This catalogue will provide a powerful tool for understanding the legacy of Canada's residential school history.

Epidemiologists at labs across Canada, led by researchers at the Université de Montréal, are creating a super database to provide much-needed evidence on which medications are safe during pregnancy.

Other labs at Dalhousie and Memorial universities are monitoring the effects of climate change on North Atlantic fisheries. Throughout this report, you will find 25 other examples of the extraordinary research the CFI has supported over its 25-year history.

Our unique funding model relies on a shared vision with the provinces, industry partners and the institutions themselves, which typically contribute 60 percent to every research infrastructure project we fund. We owe much of our success to their collaboration.

This anniversary is an important milestone not only for the CFI but also for the Canadian research community, so it is fitting that we launched several new funding competitions during this year. Each competition is a continuation of our critical support for research and innovation in this country, and each one is a reflection of our unique mandate as Canada's primary funder of research infrastructure.

As the fiscal year began, we were able to showcase our expertise in research infrastructure funding on the global stage as host of the 2021 International Conference on Research Infrastructures. This virtual gathering brought together

hundreds of participants from around the world. It was a productive conference that positioned Canada as a leading voice and collaborator within the global research community.

As our organization has grown and matured over the years we take the opportunity of our silver anniversary to look ahead and discover seeds of innovation we can sow now for future generations.

After two years of a global pandemic, and in the face of pressing global challenges like climate change, we are in a position to help foster the public's trust in science, particularly among the next generation. To understand how young people think about and access information about science, we initiated a national survey of 18- to 24-year-olds. We found that while the majority of Canadians in this age group understand the importance of science and use scientific information to guide their actions around science-based issues, there are cohorts who question or ignore it. For research-based organizations like the CFI, our responsibility to help foster a culture that embraces science and evidence is more important than ever.

At the CFI, we also recognize our role in fostering the extraordinary human ingenuity that powers the research and innovation engine. To that end, we continue to take meaningful action to enable bright minds to come together making our research community a model of equity, diversity and inclusion. This is one of our guiding principles as we begin consulting with Canada's research community to draft our next strategic plan, which we plan to release in 2023.

When the CFI opened its doors 25 years ago, it heralded a future built in part on the results of research that would directly benefit people across the country. As we look back on all the community has been able to achieve through our support, it is clear that this promising future is now.



Ingrid Pickering

Ingrid Pickering
Chair of the Board



Roseann O'Reilly Runte

Roseann O'Reilly Runte
President and CEO

Throughout this report, read 25 examples of the extraordinary research the CFI has supported since its inception 25 years ago.



Navigating a new normal for LGBTQ+ youth

Research at the University of Toronto is creating tools to help LGBTQ+ youth cope with the difficult and sometimes treacherous landscape of growing up queer.



3D printing in space to help astronauts and Earth-bound humans alike

By determining how to get 3D printing to work in space, researchers at York University in Toronto and Western University, in London, Ont., could cut costs and emissions for space exploration, enable repairs in space and find new medical applications.



Searching for new cures with Western and Traditional Knowledge

Traditional Indigenous Knowledge helps guide the Prairie to Pharmacy initiative at Alberta's University of Lethbridge in its quest to fill Canada's gap in natural product research and find new cancer drugs in prairie plants.

Image: University of Lethbridge



Recording Canada's residential school history in a new digital archive

A project at the University of Manitoba in Winnipeg is helping to archive millions of documents to catalogue part of this country's history and serve as a profound tool for understanding its legacy for Indigenous people and Canada.



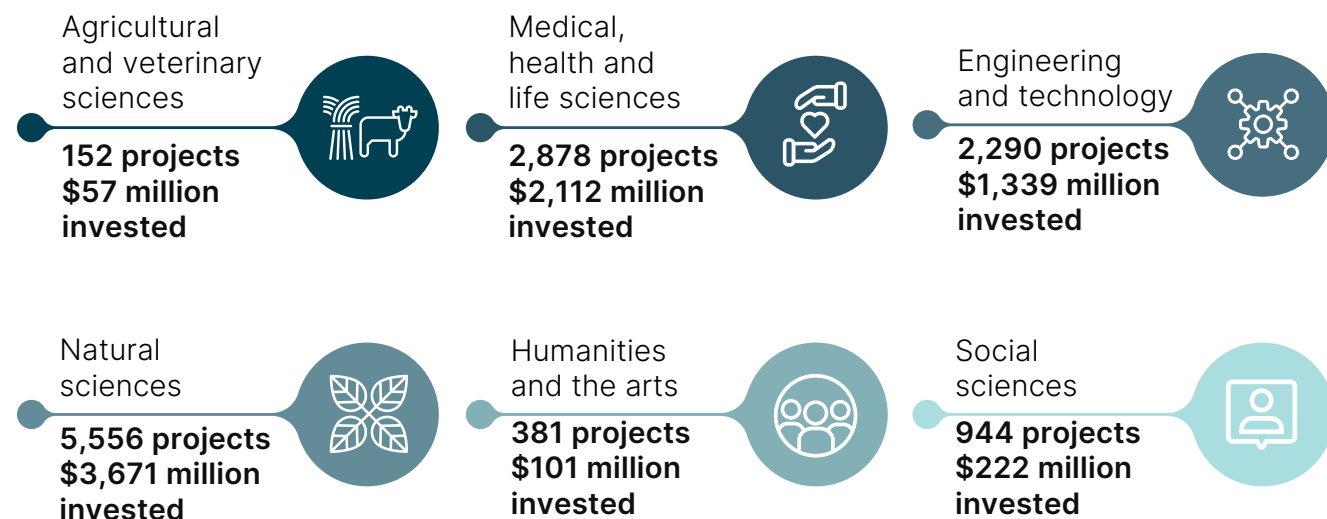
Reconstructing the ancient Arctic

Researchers at Trent University, in Peterborough, Ont., are using animal remains from archaeological sites to reconstruct Arctic ecosystems of the past.

25 years of investing in ideas that change our world

Since 1997, the CFI has invested in 12,201 research projects that contribute to a world in transformation, giving rise to the promise of a future that is profoundly different from the past. Here's a look at how.

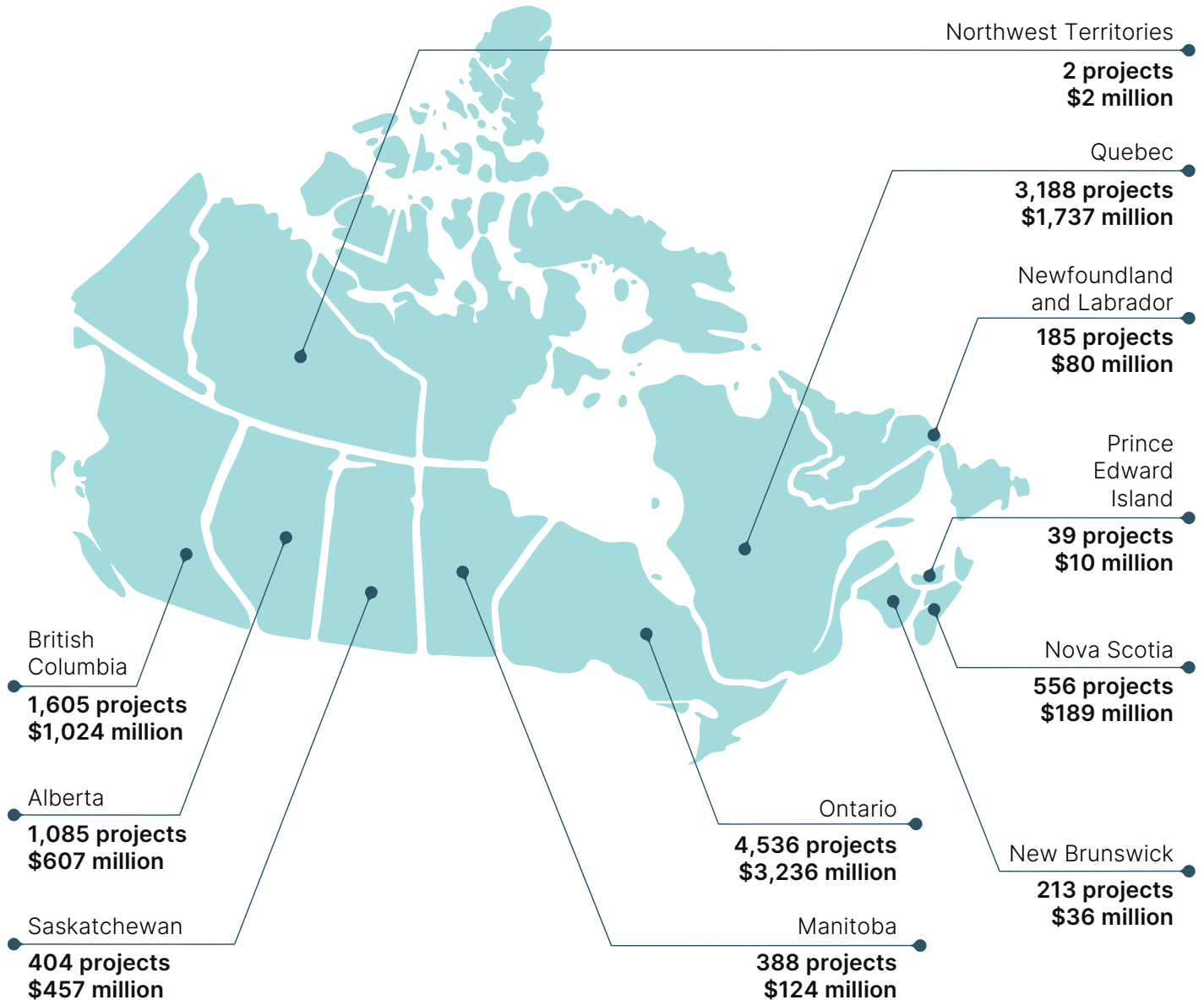
Advancing research in all fields



Addressing a range of socioeconomic areas

Safeguarding our health 5,518 projects \$3,446 million	Probing the universe 152 projects \$280 million
Exploring Earth and its natural resources 598 projects \$505 million	Planning our built environment 598 projects \$284 million
Protecting the environment 1,183 projects \$429 million	Finding new approaches to education 183 projects \$39 million
Improving manufacturing and technology 1,786 projects \$1,621 million	Promoting arts and culture 277 projects \$70 million
Strengthening our food and forestry industries 627 projects \$247 million	Understanding political and social systems 546 projects \$261 million
Optimizing our energy consumption 506 projects \$271 million	Developing new military technologies 4 projects \$0.5 million

Investing in every province and one territory



Data here and on page 6 reflect approved funding amounts up to November 2021. Funding from the Infrastructure Operating Fund cannot be broken down by field of research or socioeconomic area, so it is not included in those categories. For consistency, it is also not included in the breakdown by province and territory. Different sums between categories are due to rounding or unspecified data.

Invest

We had a productive year rolling out funding competitions that support the infrastructure needs of Canada's research community. Notably:

- We conducted 381 review committees for three competitions involving 1,001 reviewers recruited from around the world.
- Our Board of Directors approved 444 awards for a total CFI contribution of \$130.71 million.*
- We disbursed \$362.39 million for 1,022 awards.

Enhancing business innovation

College-Industry Innovation Fund

The College-Industry Innovation Fund (CIIF) helped colleges foster strategic partnerships with the private sector. It supported research infrastructure projects that enhanced a college's existing applied research and technology development capacity. This year, we awarded \$11.1 million in capital funding and \$3.3 million in associated operating costs through the Infrastructure Operating Fund (IOF) to support 14 projects at 12 colleges, cégeps and polytechnics. These included, for example, a project at Cégep de la Gaspésie et des Îles, in Gaspé, Que., that will help characterize properties of marine and food products to increase the bottom line for companies. Another example is the Battery Electric Vehicle Lab at Cambrian College, in Sudbury, Ont., which will help the mining industry transition to battery electric vehicles and equipment.

In 2020–21, we commissioned an evaluation of CIIF, which aimed to identify any gaps or barriers in the fund's design and delivery. Following that, we revised the fund to more broadly address the needs of the college research community. By funding applied research projects that lead to business, health or social innovation, the College Fund, as it is now known, will support colleges in developing and fostering collaborations with the public and not-for-profit sectors, in addition to the private sector.

Supporting Canada's Biomanufacturing and Life Sciences Strategy Biosciences Research Infrastructure Fund

On April 19, 2021, the federal budget allocated \$500 million to the CFI as part of the Government of Canada's Biomanufacturing and Life Sciences Strategy. This funding allowed us to create our new Biosciences Research Infrastructure Fund (BRIF), which will provide high-performance tools, innovative research spaces and biocontainment facilities for postsecondary institutions and research hospitals, in support of that strategy.

The first BRIF competition was launched in September 2021 to respond to critical needs identified in the biomanufacturing strategy. It will invest up to \$115 million in capital funding and up to \$34.5 million in associated operating costs through the IOF. This will support research infrastructure in containment level 3 (CL3) and containment level 4 (CL4) facilities in research hospitals and postsecondary institutions and associated large-animal facilities capable of working with infectious materials. The CFI Board of Directors will make final funding decisions in fall 2022.

We also began developing a second, wider-ranging BRIF competition in collaboration with the Canada Biomedical Research Fund (CBRF). The CBRF is a program of the three federal research funding agencies: the Social Sciences and Humanities Research Council (SSHRC), the Canadian Institutes of Health Research (CIHR), and the Natural Sciences and Engineering Research Council (NSERC). The first stage of the CBRF's two-stage competition was launched in March 2022. It will identify three to five research hubs. The second stage will be a call for proposals for projects associated with those hubs.

* Includes \$15 million from the Exceptional Opportunities Fund to support the Canadian Light Source and \$5 million from the Major Science Initiatives Fund to support VIDO-InterVac.

Bringing the world's best researchers to institutions in 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 offering competitive research support packages. This year, we awarded more than \$74 million in capital funding for key infrastructure and \$22 million in associated operating costs through the IOF to support 429 projects. These included projects that support research on the social behaviour and genetics of honey bees, the improvement of wastewater treatment and factors that impact how climate change affects extreme weather events, among others.

Supporting research facilities of national importance

Major Science Initiatives Fund

Major Science Initiatives Fund

We launched the 2023–29 Major Science Initiatives Fund competition in July 2021. With a total budget of \$660 million, this competition will provide multiyear funding toward the operation and maintenance of facilities between April 1, 2023 and March 31, 2029. We received 32 proposals. The CFI Board of Directors will make funding decisions in June 2022.

Thinking big for meaningful impact

Innovation Fund

Investments made through our Innovation Fund allow institutions to think ambitiously and propose transformative research infrastructure projects that underpin cutting-edge, globally competitive research. Infrastructure projects supported through this fund help Canada remain at the forefront of exploration and knowledge generation while making substantial and meaningful contributions to social, health, environmental and economic benefits, and addressing global challenges.

In November 2021, we launched the 2023 Innovation Fund competition through which we will invest up to \$400 million in capital funding. We will invest another \$120 million through the IOF for associated operating costs. The CFI Board of Directors will make funding decisions in June 2023.



Weighing risks and benefits of medication use during pregnancy

Led by researchers at the Université de Montréal, epidemiologists across Canada are creating a super database to provide much-needed evidence for which prescriptions are safe, or not, for mom and baby.



Seeing mental health and addiction differently

Research at Simon Fraser University, in Burnaby, B.C., is showing how technologies at the intersection of engineering and neuroscience could help take the trial-and-error out of diagnosing and treating mental illness and addiction in young people, saving valuable time and potentially lives.

Image: Simon Fraser University

Manage

Financial highlights *(For the year ending March 31, 2022)*

Since the CFI began:

\$11.63 billion*

Total amount committed in grants to the CFI by the Government of Canada, of which \$6.78 billion has been received. The balance will be received in future years, based on annual cash requirements

\$9.08 billion

Total awards approved by the CFI Board of Directors, of which \$8.06 billion has been disbursed to eligible institutions

\$21.75 billion

Total investment in research infrastructure including CFI contributions (typically 40 percent of project cost) plus those from institutions and their partners (typically 60 percent)

* The CFI has generated an additional \$1.7 billion in interest income since its inception.

This fiscal year:

\$362.39 million

Total disbursements to eligible institutions

\$338.55 million

Allocations received from the Government of Canada

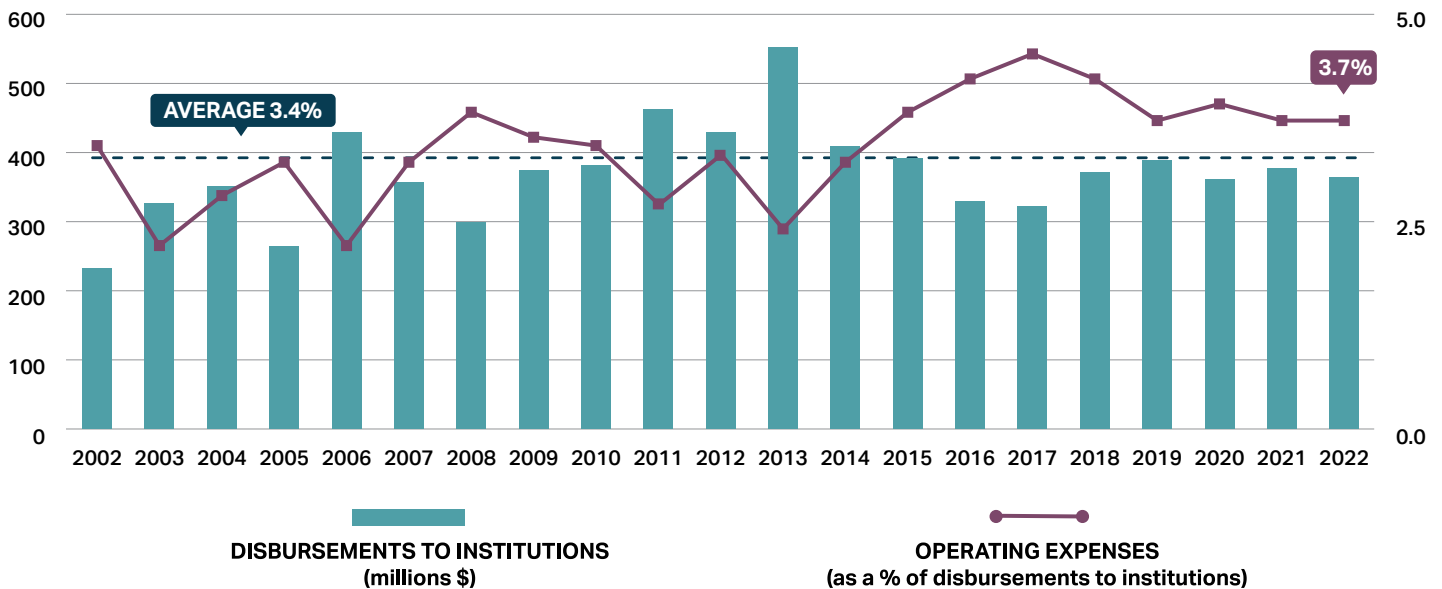
\$130.71 million

Awards approved

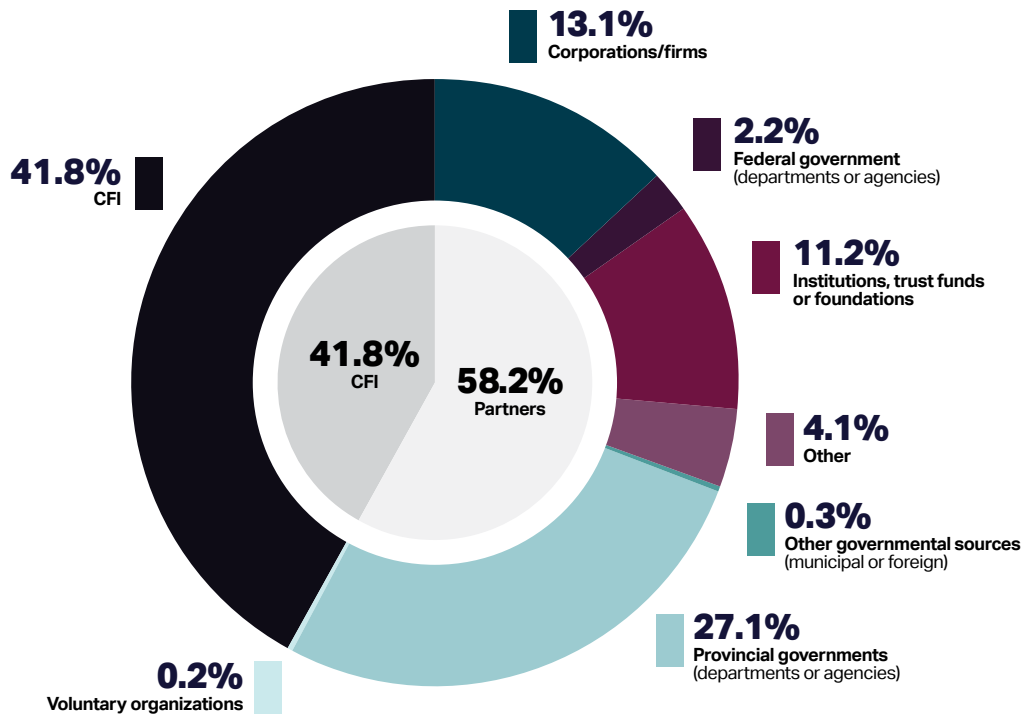
\$13.44 million

Associated operating expenses

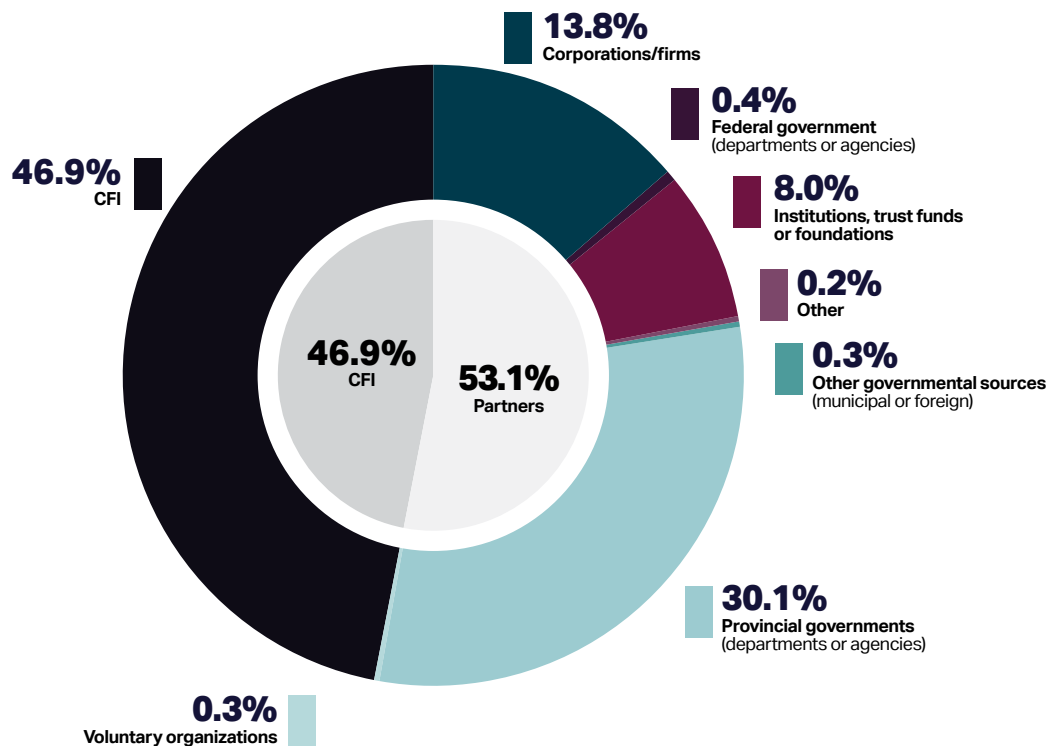
Annual disbursements to institutions and operating expenses as a percentage of disbursements



CFI contribution and other funding sources since our inception:
Total \$21.75 billion



CFI contribution and other funding sources for fiscal year 2021–22:
Total \$278.80 million





Finding connection through art for people with disabilities

A lab at the University of Regina combines fine arts and social sciences research to help people with disabilities express themselves through art and performance.

Image: Melissa Turbuck



Mastering the art of persuasive technology

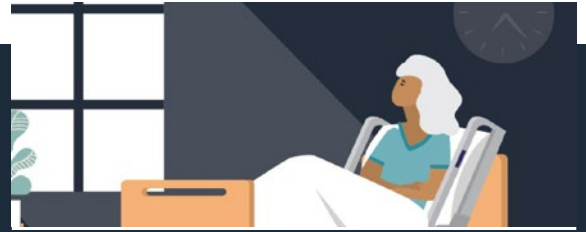
Computer scientists at Dalhousie University in Halifax are developing culturally relevant persuasive technologies to promote positive behaviours, from sexual health among young people in Africa to mental wellness during a pandemic.



Boosting brainpower through dance

Researchers at York University in Toronto are learning how the unique combination of music and movement provided by learning dance can improve both the mental and physical health of Parkinson's patients.

Image: York University



Understanding the challenges in how we care for our elderly

As COVID-19 magnifies problems in Canada's long-term care centres, researchers at Mount Saint Vincent University in Halifax are informing policies to make improvements.



Transforming Northern Ontario's forest product sector

Researchers at Lakehead University, in Thunder Bay, Ont., have teamed up with FPInnovations, a forest research organization, to develop new applications for forest by-products that are helping to reinvent an industry and boost employment in remote regions of Ontario.

Managing our investment strategy and policy

Our Board of Directors' Investment Committee, which oversees the management of the CFI's investment portfolio, reviewed our investment strategy and policy in the fall of 2021.

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 of the CFI's existence 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

Monitoring visits

We regularly visit recipient institutions to discuss and assess their policies, practices, processes and controls for managing our awards. We use a risk-based approach to decide which institutions to visit. We also consider internal and external priorities and capacity when planning these visits. We did not conduct any monitoring visits this year.

Contribution audits

We conduct contribution audits and other cost reviews to ensure institutions are using the funding they receive for a given project in accordance with the terms and conditions of the award agreement, and with applicable policies and guidelines.

We completed contribution audits or other cost reviews on five projects in 2021–22. 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.

Financial reports

Institutions submit financial reports for each of their CFI-funded projects at specific intervals, ranging from quarterly reporting to biennial reporting. We determine the frequency by the complexity and risk of each project.

This year we received more than 1,200 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.

Evaluations

In 2019–20, Innovation, Science and Economic Development Canada (ISED) completed an evaluation of its contribution to the CFI.

Overall, the evaluation report was positive. It outlined five recommendations that addressed program design and delivery, operations and maintenance of funded infrastructure, fund application and review processes, and collaboration and coordination between the CFI and stakeholders.

Reflecting on the evaluation and our own review activities, we adjusted eligibility requirements for the College Fund in order to broaden access to funding.

We also worked to improve how we communicate funding eligibility of social sciences and humanities infrastructure projects.

In addition, we undertook a series of post-mortems to support the ongoing enhancement of our competitive funding processes for the Innovation Fund, College Fund and Major Science Initiatives Fund.

We successfully supported ISED's Science and Research Sector to close each of these recommendations by the end of fiscal year 2021–22.

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, not-for-profit, 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.

Ingrid Pickering*

Chair, Board of Directors
Audit and Finance Committee
Governance and Nominating Committee
Investment Committee

Margaret Bloodworth

Vice-Chair, Board of Directors
Chair, Governance and Nominating Committee

Catherine Boivie*

Audit and Finance Committee
Investment Committee

Lynda Brown-Ganzert*

Governance and Nominating Committee

John Kelly*

Audit and Finance Committee
Investment Committee

Ronald Layden*

Governance and Nominating Committee

Cecilia Moloney

Governance and Nominating Committee

Christopher Mushquash

Governance and Nominating Committee

Marc Ouellette

Governance and Nominating Committee

Morag Park

Ian Seymour

Chair, Audit and Finance Committee
Chair, Investment Committee

Mamdouh Shoukri*

Governance and Nominating Committee

William Waterman

Audit and Finance Committee
Investment Committee

**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 nominate and appoint their fellow Members for five-year terms. 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.

Marilyn Luscombe

Co-Chair, Members Committee

Louise Proulx

Co-Chair, Members Committee

Lorne Babiuk

Members Governance and Nominating Committee

Sophie Bouffard

Carrie Bourassa

Jean-Paul Deveau

Elizabeth Douville

Joanne Gassman

Members Governance and Nominating Committee

Jack Gauldie

Chair, Members Governance and Nominating Committee

Ronald Morrison

Pierre Richard

Members Governance and Nominating Committee

Vianne Timmons

Luc Vinet

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 fee of \$750 for attending Board or committee meetings.

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 2021–22, the remuneration of Board Directors ranged from \$2,500 to \$16,750.

Ranges of remuneration for CFI staff

Executive team

Position level	2021–22 range
President	\$229,200 to \$321,000
Vice-President	\$151,900 to \$210,300

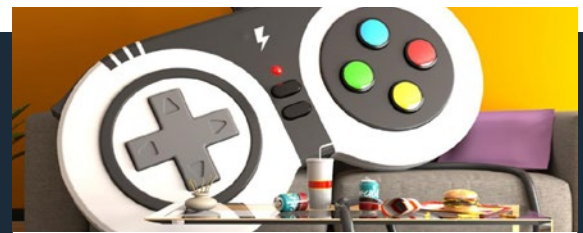
Other staff

Position levels with pay ranges that exceed \$100,000/year	2021–22 range
7	\$125,900 to \$167,900
6	\$109,600 to \$146,300
5	\$99,700 to \$132,700
4S	\$89,500 to \$119,100
4	\$79,400 to \$105,900



Finding new markets for monkey bars

Labs at Lambton College, in Sarnia, Ont., helped develop the next generation of playground equipment to give a southwestern Ontario company a boost.



Helping video gaming companies level up

Computer scientists at the University of Saskatchewan in Saskatoon have developed a testing tool to keep Canada's booming indie video game industry thriving.



Saying goodbye to two dimensional screens and hello to holographics

Two research facilities at the universities of Waterloo (in Waterloo, Ont.) and Alberta (in Edmonton, Alta.) are crucial to a Newfoundland company's bid to lead the charge on holographic technologies.

Learn

We use data to improve our processes and program delivery as well as to explore, assess and demonstrate our results and their benefits to Canadians.

Managing corporate and program data

The CFI is committed to ensuring data integrity, enhancing data quality and improving data management processes. The CFI's Data Governance Committee reviewed and prioritized data-related issues and provided guidance on actions that should be taken to address them. It provided insight on how to capture, monitor and safeguard data in corporate data repositories.

Exploring the impacts of research investments on a geographical region

We conducted a study with the Fonds de recherche du Québec (FRQ) and the Ministère de l'Économie et de l'Innovation (MEI) to examine the socioeconomic impacts of investments by all three organizations in the Estrie region of Quebec. The study focused on research in aging and rehabilitation that is aimed at allowing seniors to live at home longer, which is a priority in the province of Quebec. The results illustrate the complementary nature of CFI, FRQ and MEI investments, and that CFI investments can form the base on which research projects are built. The study also shows the importance of a regional research ecosystem with a common vision around the care of an aging population.



Making an impact

Our study on research funding in the Estrie region illustrates the potential for research to produce socioeconomic impacts for an aging population, including:

- **Addressing chronic pain:** Researchers analyzed the effectiveness of neurostimulation with electrodes applied to the skull to reduce, or even eliminate, chronic pain, which is prevalent in an aging population.
- **Promoting independence:** Researchers created a living laboratory, the Laboratoire d'innovation par et pour les aînés, and launched the Mobilainés project, a one-stop shop to maximize the independence of seniors by helping them get around.
- **Delaying disease:** Researchers developed new non-pharmacological nutritional strategies to compensate for the brain's energy deficit using alternative fuel known as ketones to delay Alzheimer's disease.

Enhancing diversity data

We worked with ISED, Statistics Canada and the three federal research funding agencies to revise our common self-identification questionnaire. The revised questionnaire is intended to support equity, diversity and inclusion reporting for the CFI with the goals of:

- Improving data management and quality
- Harmonizing data sets across funding agencies to ensure a more robust analysis and comparable reporting
- Minimizing burden for respondents by requiring that the questionnaire be completed only once.

Enhanced diversity data will allow us to improve our fund design and delivery to address barriers to equitable access to funding. This aligns with the Canada Research Coordinating Committee's (CRCC) priority to inspire excellence by engaging diverse expertise, ideas and perspectives in Canadian research.



Probing the North Atlantic for clues to climate change impacts

Researchers at Memorial University in St. John's and Dalhousie University in Halifax will deploy high-tech floating sensors to get a clearer picture of the changing chemistry and productivity of warming oceans — and what it means for fisheries.



Growing body parts from plants

Inspired by movies like *Little Shop of Horrors* and *The Matrix*, research in one University of Ottawa lab is all about taking the most audacious ideas and turning them into reality.

Image: University of Ottawa



Getting jazzed up about the social impact of improv

The ImprovLab at the University of Guelph, in Guelph, Ont., explores the social impact of the improvisational arts.



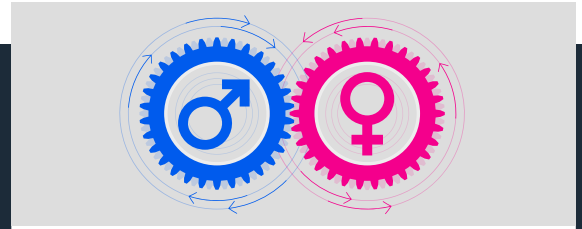
Preventing falls

Researchers at Simon Fraser University, in Burnaby, B.C., are analyzing how people fall with the aim of preventing injuries.



Letting them eat dirt

Researchers at the University of British Columbia in Vancouver have demonstrated that microbes might protect children against asthma, more evidence that exposure to certain bacteria keeps us healthy.



Understanding chronic pain between the sexes

Until now, experiments to understand chronic pain used mostly male mice. To scientists' surprise, however, females react differently. Thanks to research at Montreal's McGill University, our way of understanding pain circuitry is changing.



Seeing the future in augmented reality

Researchers at Emily Carr University of Art + Design in Vancouver create environments that are enhanced by technology to predict how virtual realities will change how we interact with each other and the space around us.

Collaborate globally

In alignment with our Strategic Roadmap, we continued to develop our international initiatives through a number of activities.

Building on our 2019 Letter of Understanding with the UK Science and Technology Facilities Council (STFC) and on our relationship with United Kingdom Research and Innovation (UKRI), our Research Facilities Navigator, an online directory of research facilities, is now featured on the UKRI's Infrastructure Portal.

We presented the CFI and its activities at international sessions organized by the CRCC that included representatives from France's Conseil national de recherche scientifique, the National Science Foundation in the United States and Germany's Deutsche Forschungsgemeinschaft. This was an opportunity to lay the foundation for future international collaboration.

We also participated in international committees including the international steering committee for the French Agence nationale de recherche; joint science and technology coordinating committees with the UK and Germany; and expert committees of the Organisation for Economic Co-operation and Development's Global Science Forum (GSF), which supports international collaboration in science and science policy. A CFI representative co-chairs the GSF's Expert Group on Very Large Research Infrastructures.

Hosting the International Conference on Research Infrastructures

In 2021, Canada welcomed the International Conference on Research Infrastructures (ICRI). Supported with funding from the European Union, the conference was hosted by the CFI, in partnership with CIHR, NSERC and SSHRC, and with additional support from Laboratories Canada and the National Research Council of Canada.

It was the first time the event was organized by a country in North America. Originally planned as an in-person event in Ottawa in September 2020, due to the pandemic, it was instead held virtually in June 2021.

The meeting brought together nearly 700 attendees, speakers and panelists from 50 countries spanning all continents and representing a broad spectrum of disciplines and sectors of activity.

The discussions included:

- Addressing global issues such as climate change and environmental degradation and thinking through ways to collaborate in addressing these challenges
- Continuing to invest in scientific research and research infrastructures and ensuring that this funding is stable and predictable over time
- Distributing global research capacity more equitably while introducing new thinking about how to adapt research infrastructures for developing countries
- Accommodating the needs of the next generation of researchers and supporting them with a network of research infrastructures as a top priority.

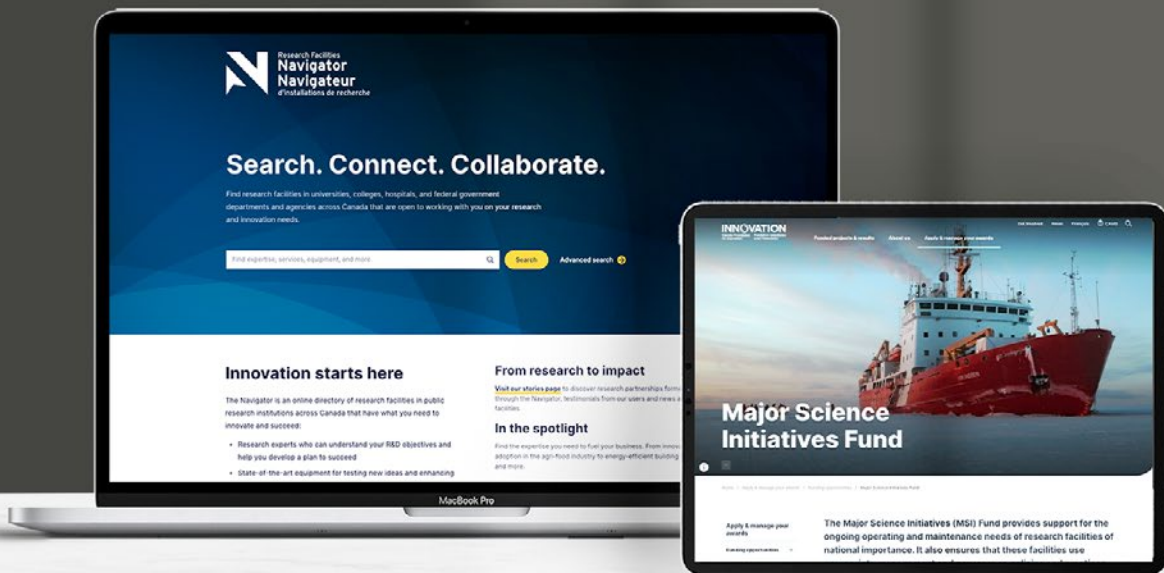
The final conference proceedings report was posted on the ICRI2021.ca website in September 2021. The CFI continued its participation in this important international event by taking part in the organizing committee for ICRI 2022, which will be hosted by the Czech Republic in October 2022.



Communicate

Serving Canada's research community for 25 years

To mark our anniversary, we showcased the impact the CFI has had on researchers and the research community since our creation in 1997. We began our celebration by refreshing the branding (below) for both the CFI and the Research Facilities Navigator, as well as relaunching our Innovation.ca website (bottom) with easier navigation, new content and a more user-friendly and accessible design.





We reached out to the public by showcasing stories of the cutting-edge research occurring across the country in CFI-funded labs and facilities in feature sections in both *The Globe and Mail* and *Le Droit* (and its network of newspapers).

We engaged the institutions we fund to help us promote our anniversary by recruiting researchers to produce “selfie” videos in which they reflect on how CFI funding has advanced their work and how future generations will benefit. “Without CFI funding, I think that my research program would never have gotten off the ground way back in 2007,” says Maria DeRosa (below), Dean of Science and a researcher at Carleton University who uses a CFI-funded DNA synthesizer to create smart fertilizers, medical therapeutics and toxic food tests. Without the CFI, she says in her video, “We wouldn’t be here today with the students we’ve been able to train and the research goals we’ve been able to accomplish.”

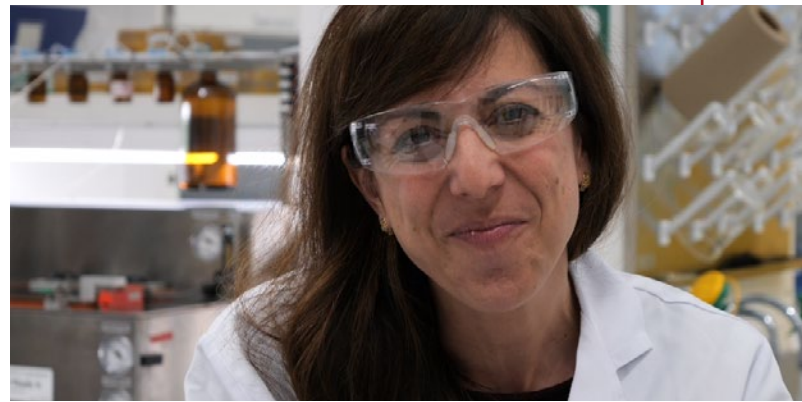


Image: Carleton University

Our annual public meeting brought together a keynote panel on the role of Traditional Knowledge as a powerful driver of research. Hosted by our President and CEO, Roseann O’Reilly Runte (lower left), and moderated by the Right Honourable Paul Martin, Canada’s 21st Prime Minister (lower right), the panel included Tania Willard, member of the Secwépemc First Nation and artist, curator and Assistant Professor in Visual Arts at the University of British Columbia Okanagan (upper left) and Chantelle Richmond, member of the Biigtigong Nishnaabeg First Nation, Canada Research Chair in Indigenous Health and Environment and Associate Professor of Geography and Environment at Western University (upper right).

In February, the Honourable Kirsty Duncan (Member of Parliament for Etobicoke North, Ont.) read a statement in the House of Commons that marked 25 years since the CFI was introduced in Budget 1997. CFI investments over the years “have led to breakthroughs in such areas as health, AI, quantum computing and the environment,” said Duncan. “Here’s to the next 25 years of supporting discovery, exploration and innovation.”



Image: ParIVU

Asking young people “How can research forge the future you want?”

As part of our anniversary, we collaborated with Acfas and worked with national polling firm Ipsos to shed light on the attitudes 18- to 24-year-old Canadians have toward science and the factors that shape them.

Ipsos surveyed a sample of 1,500 young adults across the country with questions around the sources of information they access and which sources have the greatest influence on their attitudes toward four science-related issues: COVID-19 vaccine safety, environmental sustainability, climate change and the importance of science, technology, engineering and math education for the future.

The results, released in December 2021, suggest that science matters to this group, but that young adults are navigating an extremely complex and diverse information ecosystem where they are inevitably exposed to anti-science information.

This presents increasingly difficult challenges for science communicators and educators: How can they effectively reach those who do not have the tools or the interest to fully understand science-related issues? And, how can they counter misinformation? Policy makers, ministries of education and economic development organizations also have a role to play in taking up this challenge in order to build a more science-literate society.

“I believe that science is what we should base our opinions on. If we can’t trust science, who would we trust? ... I hope more young Canadians will look towards science to guide their decisions.” – *Survey respondent*



Key findings show that science matters to young people

- 70 percent said science can be relied upon because it is based on facts and not opinion.
- 77 percent think science is a good field for people in their age group to pursue as a career.
- 59 percent fall into a segment that shows attitudes and behaviours that align with science.
- 73 percent reported following at least one social media influencer that has expressed anti-science views, underlining the need for organizations like the CFI to continue to promote science literacy.

Promoting the Research Facilities Navigator

By the end of the fiscal year, the Research Facilities Navigator's unique online platform featured over 1,100 researchers from 796 research facilities at 121 participating institutions with research services and expertise in 28 sectors of application. To enhance the value of the Navigator and promote it among key audiences we:

- Initiated a new partnership with Mitacs (a non-profit organization that supports collaborative projects between academia and industry), which gives facilities listed in the Navigator even greater potential to be discovered by entrepreneurs and innovators in all sectors
- Raised the profile of the Research Facilities Navigator by participating in the 2021 Canada Innovation and Entrepreneurship Awards and three roundtables organized by the Innovators and Entrepreneurs Foundation
- Presented the Prix Partenariat at the Association pour le Développement de la Recherche et de l'Innovation du Québec's (ADRIQ's) Gala des Prix Innovation
- Began a new strategic partnership with ADRIQ, which will help us share Navigator and other CFI news and information with industry leaders and decision makers in Quebec
- Launched a campaign called #FuelYourBusiness to promote the people and expertise available through the Navigator and how they can help industry with their R&D needs.



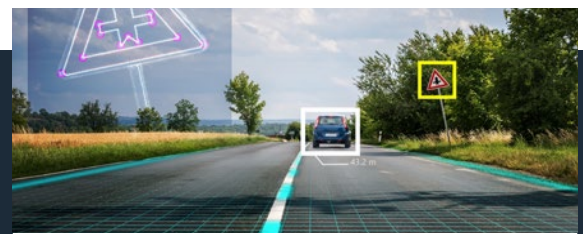
Building houses that hold up in a hurricane

A state-of-the-art research facility at Western University, in London, Ont., has found that a few dollars can make our homes much safer in extreme storms.



Creating composites that are stronger, lighter, greener

Montreal's research leaders in engineering and manufacturing, including Polytechnique Montréal, are combining forces to create the next generation of composites for everything from jets to cars that maximize strength and minimize weight.



Changing everything with intelligent cars

Once the domain of traditional robotics, the future of self-driving cars now lies in artificial intelligence, where researchers at the University of Toronto have serious clout.

Looking toward the future

What we are working on for 2022–23:

- Consulting Canada’s research community and other stakeholders to guide the development of our next strategic plan which will be published in 2023
- Holding key competitions to equip and maintain high-performing research facilities at universities, colleges and research hospitals, including through the Major Science Initiatives Fund and the Innovation Fund
- Collaborating with NSERC, SSHRC, CIHR, ISED and Health Canada to deliver the CBRF and BRIF competitions, including the selection of three to five research hubs in support of Canada’s Biomanufacturing and Life Sciences Strategy
- Expanding partnerships with multiple agencies to enhance support available to researchers and institutions
- Reviewing and updating oversight activities to ensure CFI funding is properly managed by institutions
- Refreshing how we measure and report on our performance and impact
- Continuing to review and update policies and practices to ensure the security of the CFI’s infrastructure, systems, data and processes
- Reviewing and updating policies and strategies in support of talent management

Canada Foundation for Innovation

Financial statements
March 31, 2022

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, 2022, 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, 2022 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 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 14, 2022

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



Canada Foundation for Innovation

Statement of financial position

As at March 31

	2022	2021
	\$	\$
Assets		
Cash and cash equivalents <i>[note 4]</i>	153,174,317	189,178,797
Interest and other receivables	855,306	820,631
Prepaid expenses	322,586	312,760
Capital assets, net <i>[note 5]</i>	1,773,306	2,153,960
	<u>156,125,515</u>	<u>192,466,148</u>
Liabilities and net assets		
Liabilities		
Accounts payable and accrued liabilities	1,492,252	1,278,281
Deferred lease inducement <i>[note 6]</i>	485,419	555,600
International Conference on Research Infrastructure project deposits	295,101	486,590
	<u>2,272,772</u>	<u>2,320,471</u>
Deferred contributions <i>[note 7]</i>		
Expenses of future years	152,079,437	187,991,717
Capital assets	1,773,306	2,153,960
Total liabilities	<u>156,125,515</u>	<u>192,466,148</u>
Commitments <i>[note 8]</i>		
Net assets <i>[note 9]</i>	<u>—</u>	<u>—</u>
	<u>156,125,515</u>	<u>192,466,148</u>

See accompanying notes

On behalf of the Board:


Director


Director

Canada Foundation for Innovation

Statement of operations

Year ended March 31

	2022	2021
	\$	\$
Revenue [note 7]		
Recognition of deferred contributions related to amounts granted to eligible recipients	362,387,403	375,031,454
Recognition of deferred contributions related to current-year operations	13,001,422	12,874,556
Amortization of deferred contributions related to capital assets	439,134	958,656
	375,827,959	388,864,666
Expenses		
Grants to eligible recipients	362,387,403	375,031,454
General and administration	13,001,422	12,874,556
Amortization of capital assets	439,134	958,656
	375,827,959	388,864,666
Excess of revenue over expenses for the year	—	—

See accompanying notes

Canada Foundation for Innovation

Statement of cash flows

Year ended March 31

	2022	2021
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	—	—
Add (deduct) items not affecting cash		
Amortization of capital assets	439,134	958,656
Amortization of deferred contributions related to capital assets	(439,134)	(958,656)
Net decrease in deferred contributions related to expenses of future years	(374,462,280)	(386,257,658)
	<u>(374,462,280)</u>	<u>(386,257,658)</u>
Net change in non-cash working capital balances related to operations <i>[note 11]</i>	(92,200)	894,821
Cash used in operating activities	<u>(374,554,480)</u>	<u>(385,362,837)</u>
Capital activities		
Purchase of capital assets	(58,480)	(44,596)
Increase in deferred contributions related to capital assets	58,480	44,596
Cash used in capital activities	<u>—</u>	<u>—</u>
Cash used in operating and capital activities	<u>(374,554,480)</u>	<u>(385,362,837)</u>
Financing activities		
Grants received <i>[note 7]</i>	338,550,000	324,000,000
Cash provided by financing activities	<u>338,550,000</u>	<u>324,000,000</u>
Net decrease in cash and cash equivalents during the year	(36,004,480)	(61,362,837)
Cash and cash equivalents, beginning of year	189,178,797	250,541,634
Cash and cash equivalents, end of year	<u>153,174,317</u>	<u>189,178,797</u>

See accompanying notes

Canada Foundation for Innovation

Notes to financial statements

March 31, 2022

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:

Cash and cash equivalents

Cash and cash equivalents consist of cash deposits and short-term investments with term to maturity less than 90 days from the date of acquisition or that are able to be cashed on demand.

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 to be 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 cash and cash equivalents, interest and other receivables and accounts payable and accrued liabilities at amortized cost using the effective interest method of amortization which approximates fair value given the short term to maturity. Transactions are recorded on a settlement date.

Notes to financial statements

March 31, 2022

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	Fully amortized

The awards management system became fully amortized on March 31, 2021. On-going maintenance of this system is charged to expenses.

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 the 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, 2022, the CFI has met its objective of having sufficient liquid resources to meet its current obligations.

Notes to financial statements

March 31, 2022

4. Cash and cash equivalents

Cash and cash equivalents comprise the following financial instruments:

	2022		2021	
	Fair value \$	Carrying value \$	Fair value \$	Carrying value \$
Cash	122,192,030	122,192,030	149,182,117	149,182,117
Cash equivalents	30,981,963	30,982,287	39,997,261	39,996,680
	153,173,993	153,174,317	189,179,378	189,178,797

Market risk

Interest rate risk

Interest rate risk arises when the value of a financial instrument fluctuates due to changes in market interest rates.

The CFI invests in money market securities and deposit accounts and, as such, the interest rate does not present a significant financial risk for the CFI.

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, 2022, the entire portfolio is composed of cash and short-term money market securities. As such, fluctuations in market price would have a minimal impact, if any, on the fair value of the financial instrument.

The CFI's grant commitments do not exceed the total of its financial instruments, related investment income and grants committed from the government that will be received in future years. The timing of financial instruments 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 deposit accounts are tiered-rate interest accounts that combine competitive interest, liquidity and security of a simple deposit account. The interest rates for these accounts range from 0.20% to 0.85% [2021 – 0.20% to 1.433%].

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.

Canada Foundation for Innovation

Notes to financial statements

March 31, 2022

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 financial instrument maturities to projected cash outflows. Furthermore, the entire portfolio is made up of cash and money market securities. As such, liquidity does not present a significant financial risk to the CFI.

All money market securities mature in April 2022.

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% [2021 – 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:

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Leasehold improvements	2,309,461	799,646	1,509,815	1,725,344
Furniture and other equipment	823,862	641,003	182,859	289,655
Computers and software	1,362,438	1,281,806	80,632	138,961
Awards management system	6,629,688	6,629,688	—	—
	11,125,449	9,352,143	1,773,306	2,153,960

Total cost and accumulated amortization related to capital assets held as at March 31, 2021, were \$11,066,969 and \$8,913,009, 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 11 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, 2022, the unamortized balance is \$485,419.

Canada Foundation for Innovation

Notes to financial statements

March 31, 2022

7. Deferred contributions

The CFI operates under two active Funding Agreements and four Contribution Agreements with the Government of Canada. As at March 31, 2022, the Government of Canada had committed \$11.63 billion in grants to the CFI under these agreements, of which \$6.78 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 the Parliament, based on the estimated cash requirements for the year. During the fiscal year, the CFI received \$338.6 million [2021 – \$324.0 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.

	2022 \$	2021 \$
Balance, beginning of year	187,991,717	250,249,375
Add grants received	338,550,000	324,000,000
Add restricted interest revenue earned	985,025	1,692,948
Less amount recognized as revenue	(375,388,825)	(387,906,010)
Less amount applied toward capital assets	(58,480)	(44,596)
Balance, end of year	152,079,437	187,991,717

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.

	2022 \$	2021 \$
Balance, beginning of year	2,153,960	3,068,020
Add restricted grants applied towards the purchase of capital assets	58,480	44,596
Less amount amortized to revenue	(439,134)	(958,656)
Balance, end of year	1,773,306	2,153,960

Notes to financial statements

March 31, 2022

8. Commitments

During the year, the CFI approved grants for a maximum amount of \$130.7 million [2021 – \$665.3 million]. Total disbursements to eligible recipients during the fiscal year were \$362.4 million [2021 – \$375.0 million]. As at March 31, 2022, the CFI has approved grants for a maximum amount of \$9,077.0 million, of which \$8,059.7 million had been disbursed. To date, the CFI has award agreements in place related to these approved grants in the amount of \$8,659.2 million and, therefore, has outstanding contractual obligations of \$599.5 million as at March 31, 2022.

The CFI estimates these obligations to be disbursed as follows:

	\$ millions
2023	215.8
2024	137.9
2025	113.9
2026	54.0
2027 onwards	77.9
Total estimated disbursements	599.5

In August 2017, the CFI signed a lease for premises at 55 Metcalfe Street, Ottawa, Ontario 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 impose 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, 2022, amounted to \$906,550 [2021 – \$815,728].

Notes to financial statements

March 31, 2022

11. Statement of cash flows

The net change in non-cash working capital balances related to operations consist of the following:

	2022	2021
	\$	\$
Interest and other receivables	(34,675)	725,899
Prepaid expenses	(9,826)	55,904
Accounts payable and accrued liabilities	213,971	249,888
Deferred lease inducement	(70,181)	(70,181)
International Conference on Research Infrastructure project deposits	(191,489)	(66,689)
	(92,200)	894,821