



# RESEARCH

## AT THE READY

during the COVID-19 pandemic

Annual report  
2020–21

**INNOVATION.CA**

CANADA FOUNDATION  
FOR INNOVATION

FONDATION CANADIENNE  
POUR L'INNOVATION



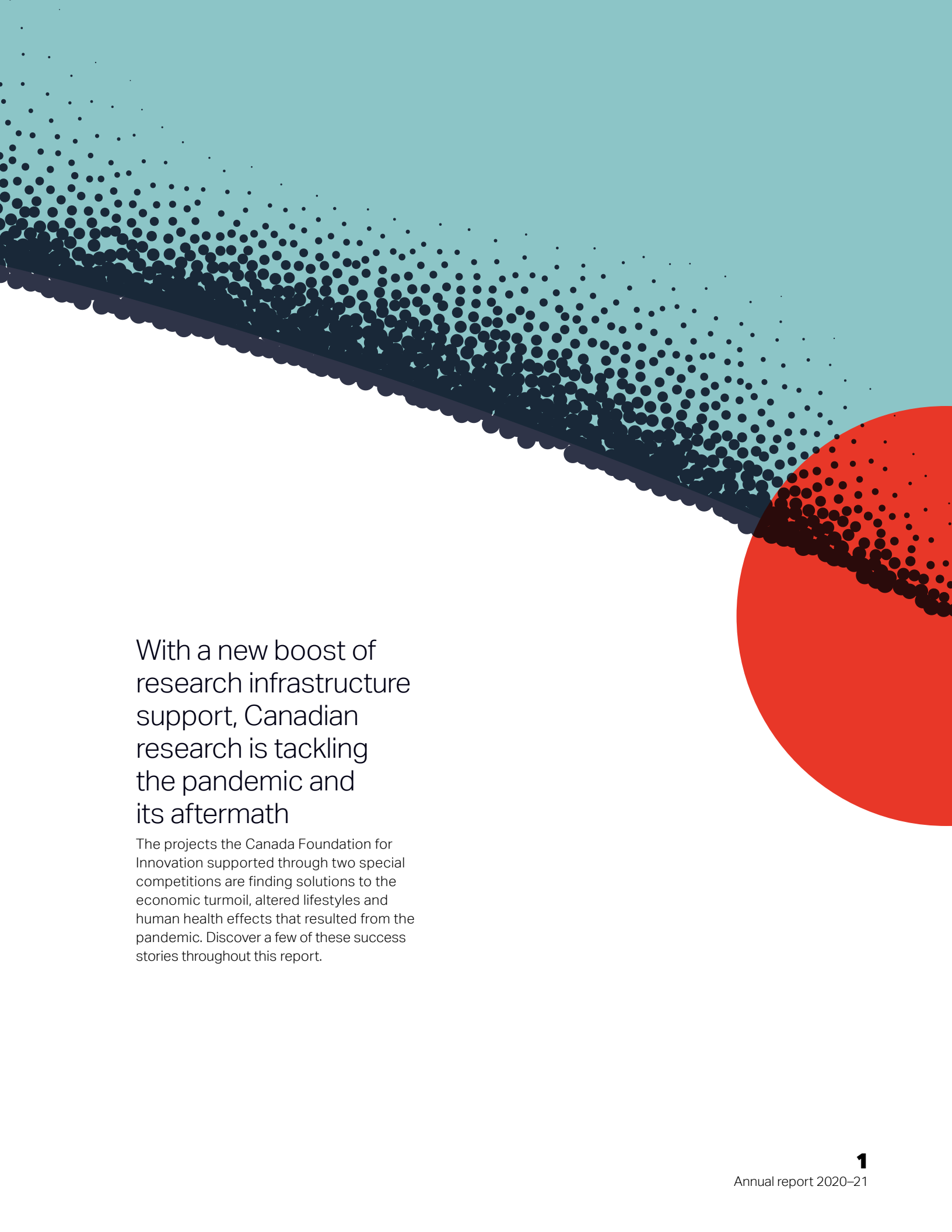
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## With a new boost of research infrastructure support, Canadian research is tackling the pandemic and its aftermath

The projects the Canada Foundation for Innovation supported through two special competitions are finding solutions to the economic turmoil, altered lifestyles and human health effects that resulted from the pandemic. Discover a few of these success stories throughout this report.



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# 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

- Increase Canada's capability 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 optimizes the Government of Canada's investments in research infrastructure by typically contributing 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 approved CFI awards of nearly \$9 billion, which have been leveraged into a total investment of \$21.5 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 the capacity for innovation
- The potential benefits of the research to Canada.

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

Since 1997,  
Government of Canada  
investments  
have enabled  
CFI awards  
of almost

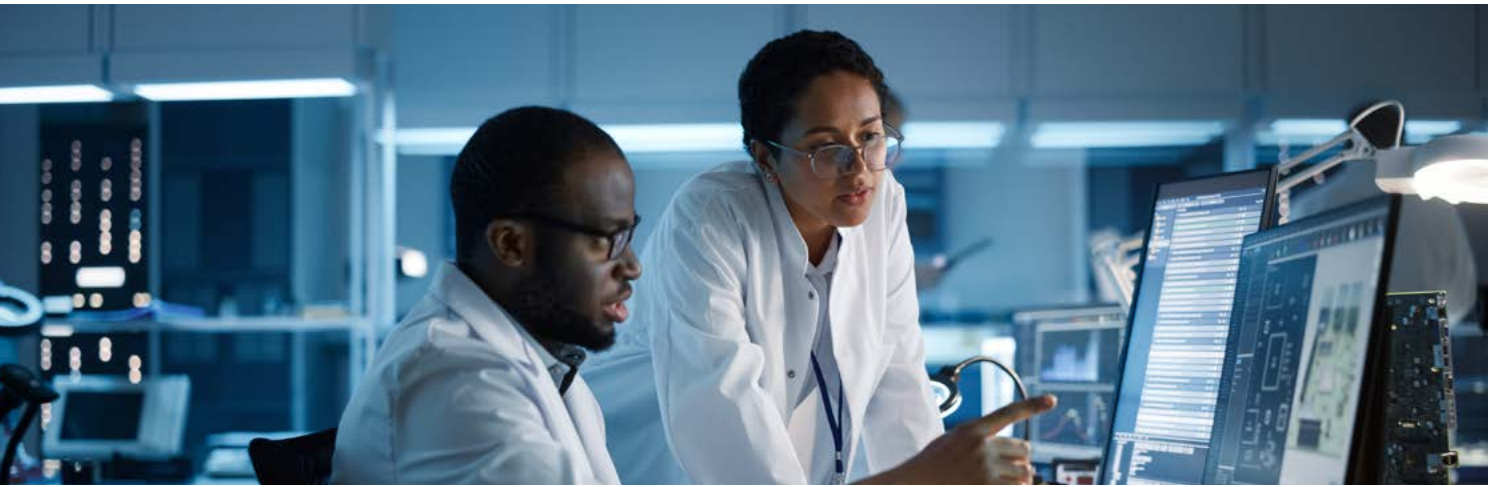
\$9

billion for  
11,892  
projects at

170  
research  
institutions in

80  
municipalities  
across  
Canada.\*

\* As of March 31, 2021



## Our commitment to equity, diversity and inclusion

### **OUR VALUES**

The CFI is committed to the principles of equity, diversity and inclusion (EDI). 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.

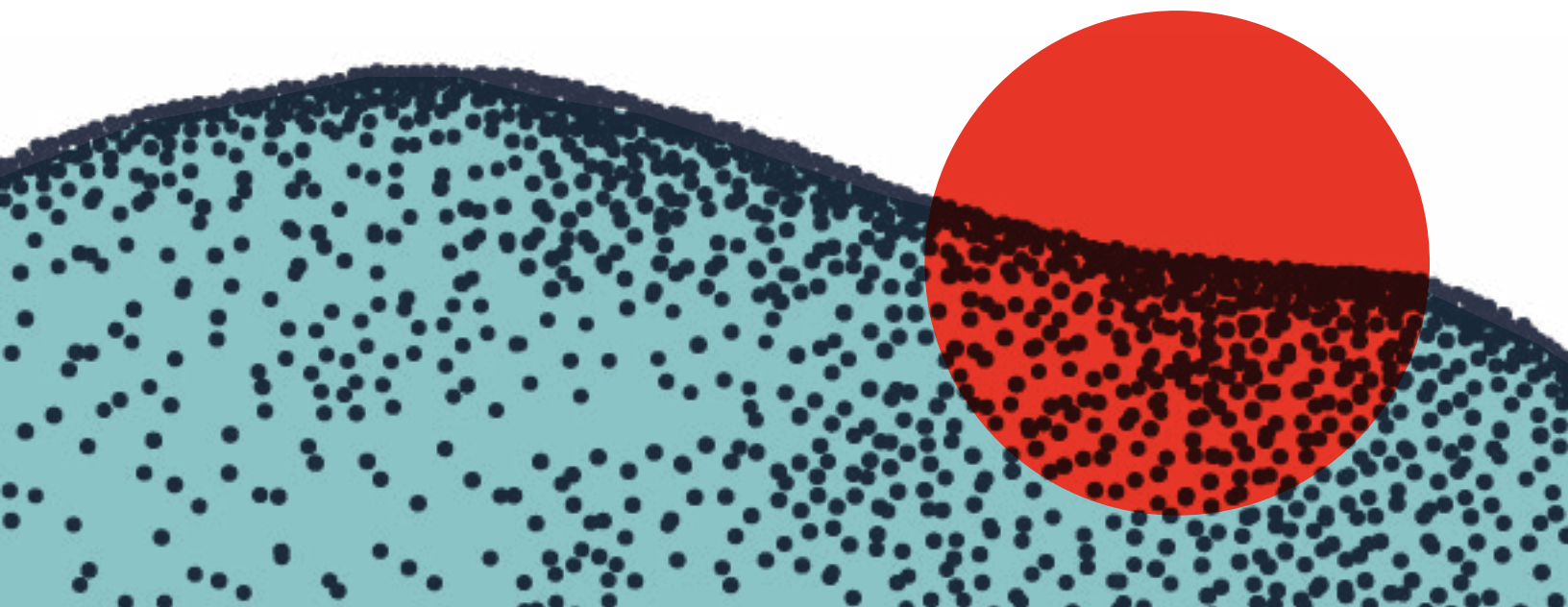
#### *Diversity*

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.



# A galvanizing year for global research

For an organization like ours — motivated by the transformative power of leading-edge research and driven by the understanding that the future of society depends on pushing the boundaries of human knowledge — it has been an extraordinary year.

On April 1, 2020, when our fiscal year began, the world was reeling as the magnitude of the health, economic and social impacts of a once-in-a-century global pandemic was beginning to become apparent.

By the end of our fiscal year, in March 2021, we had adjusted to some aspects of our new reality, and the challenge for the global research community had crystallized: We needed to remain steadfast in seeking solutions to recover and find a new way forward that would leave us stronger and ready to respond to the next crisis.

This year showed us how fragile our societies can be, but also how resilient. From the mapping of the COVID-19 genome to the development of vaccines, ventilators and antibacterial surfaces, to the ergonomics of working at home and the effects of lockdown on mental health, researchers responded with focus and resolve.

To do our part, we fast-tracked two competitions to provide infrastructure support for COVID-19-related research. We looked toward the future by surveying biocontainment labs across Canada to see how we could help them prepare for another health crisis.

We adapted our own operations, keeping our merit-review process on track. This included coordinating hundreds of experts from around the world to participate in virtual review committee meetings for our 2020 Innovation Fund competition. Negotiating multiple time zones and overcoming technical hurdles, we ran the competition on schedule and maintained our high standard for our review process. By November, we awarded \$400 million in research infrastructure support through the Innovation Fund.

The pandemic also demonstrated how important it is for researchers to collaborate across borders. The pressing need to work together to address many global challenges — climate change, food security, clean energy, human health and poverty — will continue.

To that end, we signed a Letter of Understanding with the UK Science and Technology Facilities Council (STFC) that will foster collaboration among researchers from both countries and strengthen the already close relationship between the Canadian and British research communities. It is also the sentiment that went into the planning of the International Conference on Research Infrastructures (ICRI), which will be hosted virtually by the CFI in June 2021.

Over the past year, we strengthened our commitment to the principles of equity, diversity and inclusion by revitalizing our organizational committee charged with reviewing and making recommendations to further integrate these principles in all our activities.

This year's success would not have been possible without the flexibility, professionalism and commitment of our staff who adapted to working remotely, thereby allowing us to provide uninterrupted service to the Canadian research community. Our Board of Directors and our Members provided invaluable support and sound advice throughout this memorable year.

A year ago, we were faced with extraordinary uncertainty. This year, we see our road ahead more clearly. We are assured by the conviction that research and innovation will continue to provide solutions, and that our collective determination, our compassion for one another and our optimism are not weakened or worn, but rather galvanized, by what we have overcome.



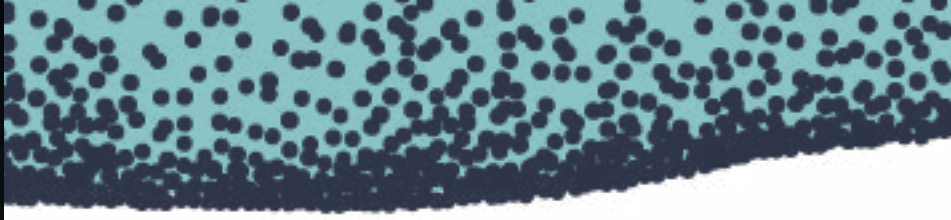
*Ingrid Pickering*

Ingrid Pickering  
Chair of the Board



*Roseann O'Reilly Runte*

Roseann O'Reilly Runte  
President and CEO



### **COVID-19: Research at the ready**

## Testing sewage to see community infection levels

Researchers at the University of Windsor's Great Lakes Institute for Environmental Research (GLIER) are testing wastewater as a way of screening whole communities for the COVID-19 virus and potentially other viruses.

"Anyone who is infected will shed virus through their feces," explains Michael McKay, GLIER's executive director. By collecting samples at nine different treatment plants, McKay and his team can detect trends in levels of infection in the communities.

"The beauty of this approach is that it doesn't discriminate; everyone contributes to the wastewater stream and so we refer to this as the community swab."

The GLIER team plans to apply an open array technology to increase its capacity for testing. That will help them examine what's happening week to week similar to some other wastewater research groups, but also perform long-term analysis. "By engaging in a longitudinal study, we can look for trends," says McKay.

Ultimately, McKay sees broader public health application beyond the novel coronavirus. "There are large areas of Canada that rely on municipal wastewater services. This methodology can be adopted to detect all kinds of viruses, and detection in wastewater could become a routine tool for public health."

*Published on Innovation.ca, November 2020*

# Invest

## **Responding to an urgent need**

### Exceptional Opportunities Fund — COVID-19

In addition to the millions of lives lost, the COVID-19 pandemic stretched our healthcare systems and disrupted our economy and lives. To support the research needed to address these challenges, we acted quickly to roll out two special competitions through our Exceptional Opportunities Fund (one for universities and one for colleges). We awarded \$28 million to support 79 COVID-19-related research projects at Canadian universities, research hospitals, colleges, polytechnics and Cégeps.

## **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 with competitive research support packages that include key infrastructure and a portion of operating and maintenance costs. This year, we awarded more than \$73 million to support 386 projects.

## **Supporting business innovation**

### College-Industry Innovation Fund

The College-Industry Innovation Fund helps colleges foster strategic partnerships with the private sector. 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, we awarded more than \$17 million to support 21 projects through both streams.



## Supporting research facilities of national importance

### Major Science Initiatives Fund

Through our Major Science Initiatives Fund, we help make sure that 17 national research facilities of national importance have the support they need to perform optimally.

Whether physical spaces or virtual networks, these facilities serve a critical mass of researchers tackling important issues facing society, and act as hubs to bring researchers together and to foster international scientific collaborations.

We completed the midterm review process we started last year. That process resulted in extended funding until March 31, 2023.

The pandemic meant researchers had limited access to these national research facilities. At the same time, the focus of the research itself was in many cases adapted to respond to COVID-19. To support these changing circumstances, we maintained our oversight but offered the facilities more flexibility in how they used their funding.



### National research facilities tackle COVID-19

When the global pandemic brought urgent challenges, Canada's national research facilities were ready to respond.

- Canada's Genomics Enterprise (CGEn) sequenced the genomes of COVID-19 patients to identify biomarkers that could predict risk of serious illness.
- The Vaccine and Infectious Disease Organization — International Vaccine Centre (VIDO–InterVac) was the first in Canada to isolate, grow and develop an animal model of the disease.
- Both VIDO–InterVac in Saskatoon, Sask. and SNOLAB in Sudbury, Ont., supported medical personnel in their communities by producing and sterilizing personal protective equipment, such as N95 masks.
- SNOLAB engineers, with colleagues from around the world, applied their knowledge of gas-handling and electronic control systems, which they use in their search for dark matter in the universe, to design a ventilator that can be built quickly, anywhere in the world, with off-the-shelf parts. The ventilator was approved by Health Canada in September 2020.

## Big ideas, big impact Innovation Fund

The Innovation Fund gives Canada's researchers the infrastructure they need to keep pushing boundaries; it supports promising and innovative research and technology development in areas where Canada is competitive on the global stage.

We awarded nearly \$400 million to 102 research projects through the 2020 Innovation Fund competition. With matching funds from institutions and their partners, this represents an overall investment of approximately \$1.06 billion in research infrastructure across the country.

The review process for this competition had just begun when the global pandemic forced a stop to travel and face-to-face meetings. This meant we needed to reconfigure 91 Expert Committees involving 351 members from 23 countries and 13 Multidisciplinary Assessment Committees to meet by video- or teleconference. We did so maintaining the integrity of the review process and keeping the competition on schedule.

### Funding announcement

On March 3, 2021, Prime Minister Justin Trudeau (top right), announced the new funding. This was followed by a virtual conversation with the Minister of Innovation, Science and Industry, François-Philippe Champagne (bottom, top left) and three researchers who will work with newly funded infrastructure: Anick Bérard from the Université de Montréal (bottom, top right), George Zhu from York University (bottom, bottom left) and Signe Bray from the University of Calgary (bottom, bottom right). There were also several complementary regional announcements organized with local Members of Parliament to draw attention to the projects funded in their ridings.



Top photo: Prime Minister's Office, Adam Scotti

### Innovation Fund BY THE NUMBERS



**22**

projects involve multiple institutions; one project alone includes 17 collaborating institutions



**40%**

support engineering research



**37%**

support health research



**23%**

support research in natural and social sciences, the humanities and the environment



**16%**

are at small- or medium-sized institutions

## Setting the bar for global leadership in Canadian research

Researchers across Canada are poised to have a transformative impact with new support from our Innovation Fund. Here are a few of the research infrastructure projects that received support in our 2020 Innovation Fund competition:

### ● Weighing risks and benefits of medication use during pregnancy



More than 75 percent of pregnant women take medications for which we have little evidence about whether they are safe for mom and baby. A collaboration among the universities of Manitoba, Alberta, Ottawa and Saskatchewan and Montréal's Centre hospitalier universitaire Sainte-Justine will build a super database to close that gap. The project, called the Canadian Mother-Child Cohort Active Surveillance Program, will compile and validate data from over four million mothers and children with up to 22 years of follow-up. When complete, the database will be unique for its decades' worth of information.

system, and how these interactions can become damaged. The research will be done as a collaboration among Sunnybrook Health Sciences Centre, University of Toronto, Baycrest Centre for Geriatric Care, Centre for Addiction and Mental Health, The Hospital for Sick Children, Unity Health Toronto and University Health Network. The project's new infrastructure includes a super-powered MRI — one of just three in Canada — that can reveal in high-resolution detail the damage wrought by various illnesses.

### ● New digital archive will be a record of Canada's residential school history



A University of Manitoba project will build the digital architecture for an archival repository of material collected by the Truth and Reconciliation Commission of Canada to compile the complete history and legacy of the country's residential school system. More than five million documents, including more than 7,000 witness testimonies from residential school survivors, will enable, among other things, a statistical analysis of the health and welfare legacy of these schools.

### ● 3D printing in space could help astronauts and earth-bound humans alike



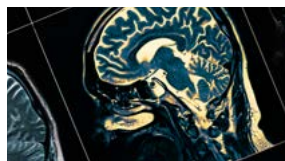
An ambitious partnership between York and Western universities is perfecting artificial intelligence-enhanced methods for 3D printing in space. By determining how to get 3D printing to work under zero gravity and in a vacuum, using recycled space debris or raw materials available on the moon or Mars, researchers could cut costs and emissions for space exploration. Similar methods could also be used to produce skin grafts and organs for medical treatments in space or on Earth.

### ● Probing the North Atlantic for clues to climate change impacts




In the upper 2,000 metres of the northwest North Atlantic Ocean and the Labrador Sea, an array of free-drifting floating sensors will generate detailed data about the effect climate change is having on the region's lucrative fisheries. The project is a partnership between Dalhousie and Memorial universities, and builds on the international Argo network of roughly 2,000 existing floats, equally distributed across the world's oceans.

### ● Changing our approach to brain diseases



Diseases like Parkinson's, Alzheimer's and mental health disorders are not just brain diseases — they are whole body diseases. That is why new research will look not only at brain structure, but also at the underlying cells, genes and proteins within those cells to help researchers better understand how the brain works with other systems in the body, such as the immune

*Find the full stories published on [Innovation.ca](https://www.innovation.ca)*



## COVID-19: Research at the ready

### Taking the fear out of touch with antiviral inks

With the infinite number of things we touch every day — especially our own faces — the possibility of contracting COVID-19 by touching something became a concern.

To combat this, a multidisciplinary team of researchers at the Institute of Graphic Communications and Printability (ICI), which is affiliated with Montreal's Collège Ahuntsic, are working to develop anti-pathogenic inks that will make printed surfaces safer.

"We plan to integrate small amounts of nanoparticles into inks that can be printed onto any printable surface," says Chloé Bois, general manager for ICI.

Nanoparticles have a very high potential to limit the growth of viruses or bacteria thereby making any printed surface less prone to virus transmission.

While the team has already demonstrated that this type of ink application works, they need specific equipment to safely create and test for the right formulation at a large enough quantity to be used at an industrial level.

ICI will obtain a specialized fume hood it needs to develop a mass-market application.

This is a mammoth task when considering how many different types of surfaces there are in packaging alone: cans, boxes, glass, plastic, and more.

"It has huge potential to help in the near future, and with the next threat," says Bois.

*Published on Innovation.ca, November 2020*



# Evaluate

## Examining our overall performance

The Audit and Evaluation Branch at Innovation, Science and Economic Development Canada (ISED) completed the third overall performance evaluation of the CFI since the organization was created. The evaluation found the CFI:

- Is addressing a need for research infrastructure in Canada
- Is achieving its objectives and expected results
- Is efficient and effective in its program design and delivery, as well as its governance and administration.


ISED supports the CFI in its continued effort to improve its programs and processes.

## Optimizing support for colleges

We conducted an evaluation of our College-Industry Innovation Fund to see how well the program meets the needs of Canadian colleges, and to identify any gaps or barriers in the fund's design and delivery. Among other findings, the evaluation determined:

- The fund responds to the needs of colleges
- The design and delivery of the fund are aligned with its original objectives and have delivered strong results within those parameters
- Colleges expressed the need to allow for a greater range of applied research infrastructure opportunities to help them build capacity.

We are developing a plan to address the recommendations.



## Focusing on results

Over the past several years, we have produced a series of reports to demonstrate how the CFI is meeting its objectives. Each “Focusing on results” report looks at one or more outcomes of CFI investments and relies on data from various sources, including the project progress reports we receive from the institutions we fund, administrative data, interviews, focus groups, surveys and data from external sources, such as bibliometrics.

This year, we examined the extent to which the CFI has supported the research infrastructure needs of the most prolific and prominent researchers in Canada. We found that close to 80 percent of these leading researchers received support from the CFI. Of those not associated with successful CFI proposals, most have never sought CFI support mainly due to either not needing infrastructure or having met their infrastructure needs through other means.

## Determining the state of Canadian biosecurity labs

As part of our response to the pandemic, we partnered with Canada’s Chief Science Advisor, Mona Nemer, to conduct a survey at universities, colleges and hospitals. The purpose was to identify the current capacity and future needs of Containment Level 2, 2+ and 3 laboratories at Canadian institutions.

Out of the 71 institutions that completed the survey, 85 percent indicated they had one or more labs of this type. A total of 5,000 labs were reported. These labs serve nearly 28,000 researchers on average including support personnel, graduate students and postdoctoral fellows.

The majority of institutions reported that in order for their CL3 labs to be fully prepared for future pandemics, they would need to acquire specialized equipment or upgrade their facilities to improve their capacity to work with infectious biological agents.

These results identified the need to monitor and reinvest in this type of facility to ensure Canada is ready to respond to future infectious disease outbreaks or pandemics.

## Implementing a common classification system

We collaborated with the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council of Canada, the Social Sciences and Humanities Research Council of Canada and Statistics Canada to create a common approach for researchers, research institutions and funding organizations in Canada to classify research.

The result is the Canadian Research and Development Classification (CRDC) standard. Having one standard will make it easier to assess Canada’s overall contribution to any one field or type of research, or to any particular socioeconomic challenge.

We implemented the CRDC standard into our awards management system (CAMS) in the fall. Applicants can now use this new classification when completing a proposal and when indicating their field of research expertise in their curriculum vitae.



Photo: Michael Dryden, University of Toronto

# Manage

## Financial highlights

(For the year ending March 31, 2021)

### Since the CFI began:

**\$8.8** billion\*

Total amount committed in grants to the CFI by the Government of Canada, of which \$6.4 billion has been received. The balance will be received in future years, based on annual cash requirements

**\$9** billion

Total awards approved by the CFI Board of Directors, of which \$7.7 billion has been disbursed to eligible institutions

**\$21.5** billion

CFI contributions (typically 40 percent of project cost) plus those from institutions and their partners (typically 60 percent)

### This fiscal year:

**\$375** million

Total disbursements to eligible institutions

**\$324** million

Allocations received from the Government of Canada

**\$665.3** million

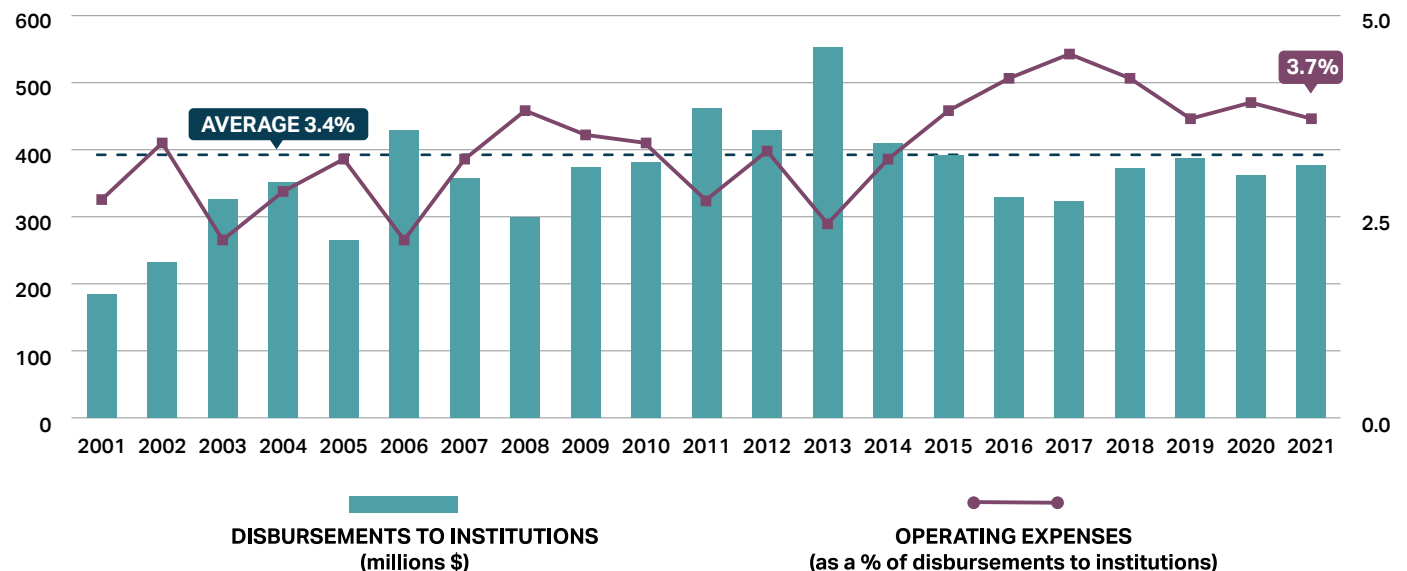
Awards approved

**\$13.8** million

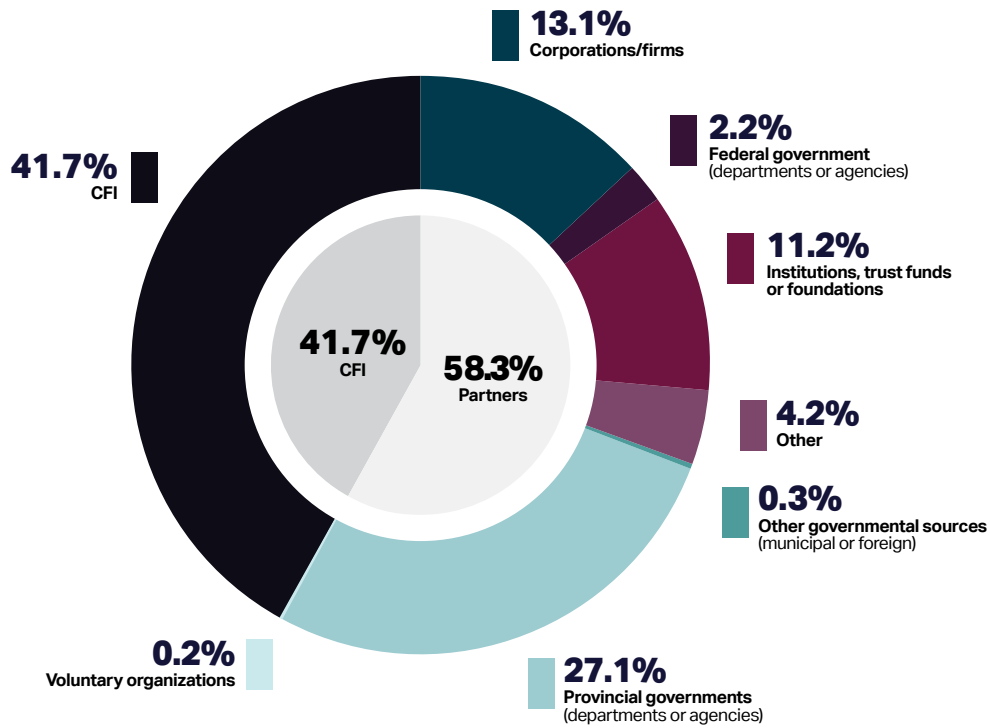
Associated operating expenses

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

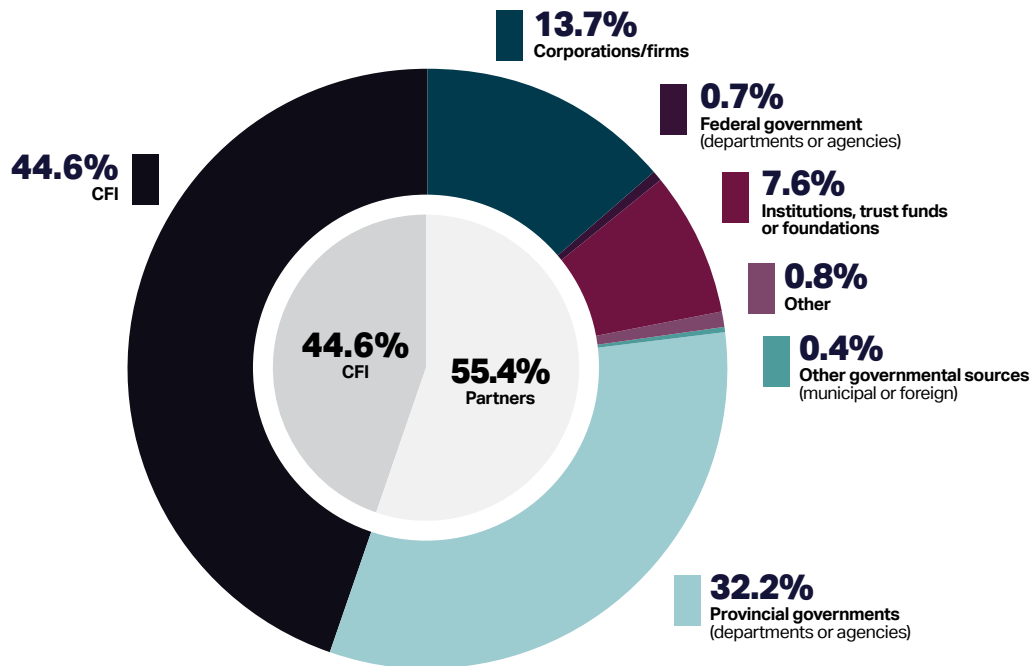
### Annual disbursements to institutions and operating expenses as a percentage of disbursements



**CFI contribution and other funding sources since our inception: Total \$21.5 billion**



**CFI contribution and other funding sources for fiscal year 2020–21: Total \$1.5 billion**





### **COVID-19: Research at the ready**

## Is COVID-19 a vascular disease?

COVID-19 was first understood and treated as a respiratory disease. However, a growing body of evidence shows that it could actually be a vascular disease — that is, one that affects the blood vessels.

Paul Kubes and his research team at the University of Calgary plan to apply their expertise in lung infections and use their state-of-the-art lab — the only one in Canada that can look into lung blood vessels and see viruses and individual immune cells — to determine if that hypothesis is true.

He and his team will use highly specialized microscopes to “visualize what is actually happening inside the body, bloodstream, organs and cells. We will see where the virus is infecting. To my knowledge, nobody is doing this in living, breathing animals.”

By uncovering whether COVID-19 affects blood vessels, new lifesaving approaches can then be taken to treat it. If verified, Kubes believes existing therapies could go straight to clinical trial to treat vascular COVID-19 complications.

*Published on Innovation.ca, November 2020*

## 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 2020.

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, especially in the context of the current pandemic. As a result, we did not conduct any onsite monitoring visits.

### **Contribution audits**

We also 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 performed contribution audits or other cost reviews on six projects in 2020–21. 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 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

### *Executive team*

#### **Roseann O'Reilly Runte**

President and CEO

\$225,800 to \$316,300

#### **Isabelle Henrie**

Vice-President, Finance and Corporate Services

\$149,700 to \$207,200

#### **Pierre Normand**

Vice-President, External Relations and Communications

\$149,700 to \$207,200

#### **Claire Samson**

Vice-President, Programs and Planning

\$149,700 to \$207,200

### *Employees*

#### **Director, Programs**

\$124,000 to \$165,400

#### **Director, Communications**

#### **Director, Corporate Services**

#### **Director, Finance**

#### **Director, Performance, Analytics and Evaluation**

#### **Director, Policy and Strategic Engagement**

\$108,000 to \$144,100

#### **Manager, Information Management/ Information Technology**

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

#### **Senior Analyst, Financial Awards Administration**

#### **Senior Financial Monitoring Officer**

#### **Senior Programs Officers**

#### **Senior Project Manager**

\$98,200 to \$130,700

#### **Manager, Administration**

#### **Manager, Creative Services**

#### **Manager, Human Resources**

#### **Senior Analyst, Corporate Finance**

\$88,200 to \$117,300

#### **Microsoft Dynamics Developer**

#### **Senior Business Intelligence Developer**

#### **Senior Evaluation Analysts, Performance, Analytics and Evaluation**

#### **Senior Writer/Editor (English)**

\$78,200 to \$104,300

## 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.

#### **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

#### **Micheline Bouchard**

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

#### **Leslie MacLaren**

Audit and Finance Committee, Investment Committee

#### **Cecilia Moloney**

Governance and Nominating Committee

#### **Christopher Mushquash**

Governance and Nominating Committee

#### **Marc Ouellette**

Governance and Nominating Committee

#### **Ian Seymour**

Chair, Audit and Finance Committee

Chair, Investment Committee

#### **Mamdouh Shoukri\***

Governance and Nominating 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

### **Louise Proulx**

Co-Chair

### **Lorne Babiuk**

Members Governance  
and Nominating Committee

### **Sophie Bouffard**

### **Carrie Bourassa**

### **Jean-Paul Deveau**

### **Elizabeth Douville**

### **Joanne Gassman**

### **Jack Gauldie**

Chair, Members Governance  
and Nominating Committee

### **Ronald Morrison**

### **Pierre Richard**

Members Governance  
and Nominating Committee

### **Vianne Timmons**

Members Governance  
and Nominating Committee

### **Luc Vinet**

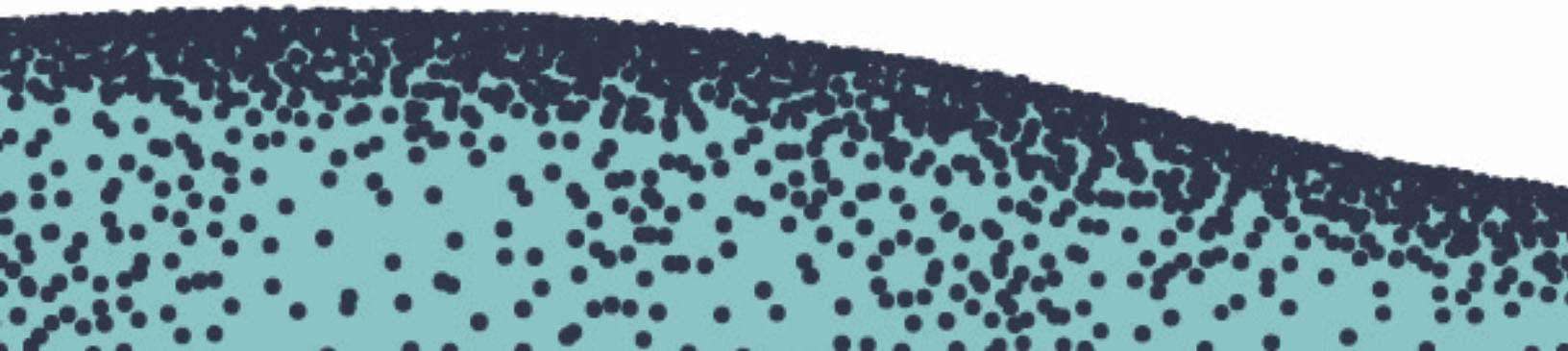
## Remuneration

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 2020–21, the remuneration of Board Directors ranged from \$8,000 to \$16,750.



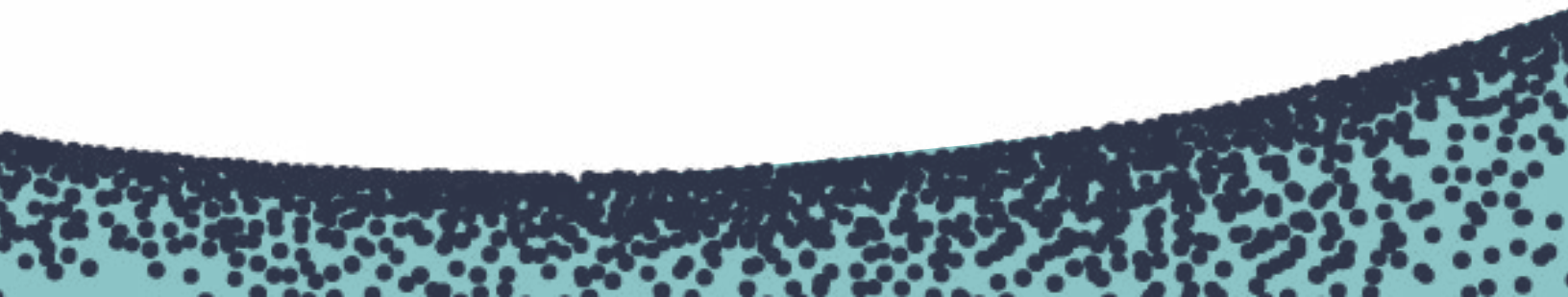
# Collaborate globally

We undertook several initiatives this year in line with our strategic direction to support global research:

- We signed a Letter of Understanding with the UK Science and Technology Facilities Council to cooperate in areas of mutual interest, including on our respective online infrastructure portals: the CFI's Research Facilities Navigator and the UK Research and Innovation (UKRI) Infrastructure Portal. The five-year agreement will foster international research and innovation by giving researchers and institutions from both countries more opportunities to collaborate. It will also strengthen the close relationship between the research communities in Canada and the UK.
- We worked with researchers across Canada to develop a framework to guide international engagement activities for the agency members of the Canada Research Coordinating Committee. The framework enumerates the benefits of international partnerships, proposes basic principles and considerations for identifying potential collaborations and outlines criteria for selecting successful projects.
- The CFI collaborated with several members of Canada's research community to showcase Canada as a great place to study and work in research in this year's virtual annual meeting of the American Association for the Advancement of Science (AAAS).
- We continued to prepare for the 2021 International Conference on Research Infrastructures, adapting it from its original in-person format planned for September 2020 in Ottawa to a virtual meeting in June 2021 because of the pandemic. A virtual format allowed us to expand our invitation list, engaging more of the global community in the important discussions on how we support researchers and facilities working not only on infectious diseases, but also on other global issues such as climate change, food security, clean energy, human health and poverty.



Photo: UVic Photo Services



# Communicate

## A conversation with women in research

To celebrate the International Day of Women and Girls in Science on February 11, we partnered with the Social Sciences and Humanities Research Council to host a virtual conversation during the annual meeting of the American Association for the Advancement of Science (AAAS). The CFI's Vice-President of Programs and Planning, Claire Samson (middle), and SSHRC's Vice President, Research, Dominique Bérubé (bottom left), hosted the discussion with Irina Rish, Canada Excellence Research Chair in Autonomous Artificial Intelligence at Université de Montréal (right) and Helen Zhang, Canada Research Chair in Coastal Environmental Engineering at Memorial University in St. John's (top left). They talked about what it was like to move to Canada for work, how they have excelled in typically male-dominated fields and what paths they took to become leaders in their fields.



## In our opinion

Our President and CEO, Roseann O'Reilly Runte, published editorials in *The Globe and Mail*, *The Hill Times* and *University Affairs*, among others, on subjects such as losing a generation of scientists due to the pandemic, fostering collaboration to build our communities back better after the pandemic, and focusing our future planning on the environment, health and economic development.

She also published several pieces in the newsletter of the Network for Advancing and Evaluating the Societal Impact of Science (AESIS Network).

## Annual public meeting

The CFI's Roseann O'Reilly Runte (top) moderated a discussion between Catherine Girard, Professor of Microbiology at Université du Québec à Chicoutimi (bottom left) and the Right Honourable David Johnston, Canada's 28th Governor General (bottom right), at our first virtual annual public meeting. The panel focused on Canada's tradition of innovation and how inclusivity, which encourages participation of different people with varied backgrounds and perspectives, is a crucial element to advancing science and research. "The idea," said Johnston, "is to get people to draw upon their own traditions to create a synthesis of cultures."





## #GoResearch

When CFI-funded labs across the country stepped up to help during the COVID-19 pandemic, we stepped up to tell their stories. To showcase their work, we launched the #GoResearch social media campaign which invited researchers to submit short videos explaining their COVID-19-related research. Twenty-six research teams participated, exploring subjects including how we use public spaces like sidewalks in a socially distanced world, to how we figure out if COVID-19 harms our memory or cognition, and how we develop more effective hand sanitizers.

*Published on our YouTube channel*



### COVID-19: Research at the ready

## Virtual reality offers students mental health support

Access to mental health support can be a challenge for many post-secondary students, particularly those studying away from home, a situation exacerbated by COVID-19.

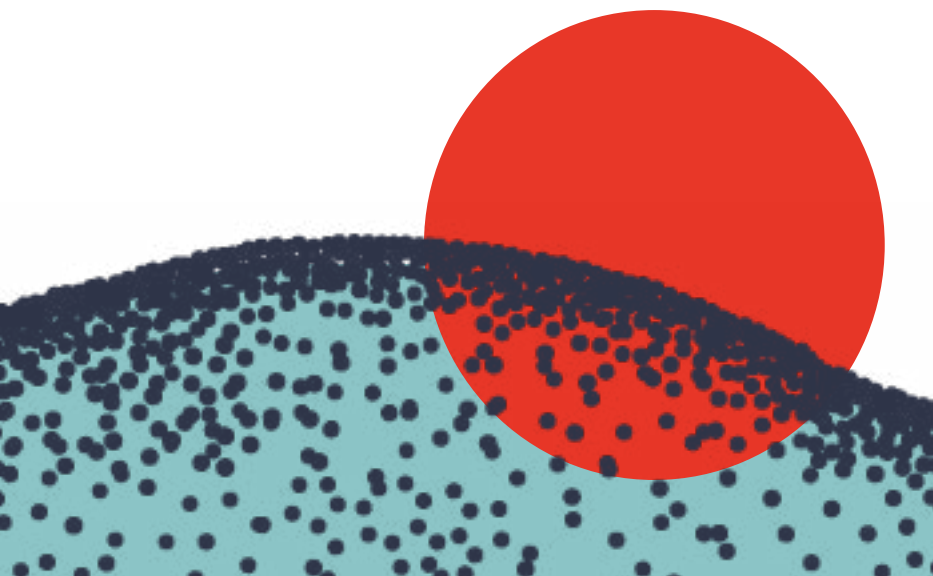
Researchers at the College of New Caledonia in Prince George, B.C., are developing a virtual reality (VR) experience as a tool to help students build resilience and learn coping mechanisms for stress and anxiety.

VR has not been widely available as a treatment because of cost and technical limitations. But the rise of relatively affordable VR headsets now makes it a viable way to intervene faster and more effectively, and ease pressure on existing services while meeting COVID-19 safety protocols.

"We knew we had to find more meaningful and timely services for students to alleviate stress and promote wellness," says lead researcher Romana Pasca, an expert in international education. International students, in particular, have added pressures that come with adjusting to living, studying and working in a new country, and the pandemic has compounded those problems.

"VR offers a new way of reaching out in a non-invasive, modern way," says Pasca. "We hope it will speak more to students."

*Published on Innovation.ca, November 2020*



## Research Facilities Navigator

The CFI's Research Facilities Navigator, an online directory that connects innovators with research experts in publicly funded labs across Canada, marked a few milestones this year:

- The CFI and the U15 Group of Canadian Research Universities entered into a partnership that will bring greater profile to Navigator's facilities through Cognit.ca, a new platform launched March 31, 2020, that allows users to search for experts, facilities and intellectual property that exists on campuses across Canada.
- In July, the Navigator published a listing for its first institution and research facility north of the 60th parallel with Aurora College's Arts, Crafts and Technology Micro-Manufacturing Center in Inuvik, NWT.
- A new partnership with le Réseau des centres collégiaux de transfert Synchronex provides more college centres for technology transfer the opportunity to add their facilities. Similar arrangements with Tech Access Canada and the Government of Canada have resulted in 37 technology access centres and 80 federal facilities listed to date.
- The Navigator was a central feature of CFI exhibits and sponsorships at several conferences and events this year, including the Research Money Conference, the Canadian Chamber of Commerce Annual Meeting, and the Canadian Science Policy Conference.
- We used social media to bring attention to the research equipment and expertise offered at Navigator-listed labs that could support businesses looking for ways to adapt to the pandemic.
- We launched a new stories page to highlight the success of the Navigator in facilitating research collaborations, and the diversity of research partnerships it can support.

## Business succeeds with the help of the Navigator

Anton Toutov, CEO of Fuzionaire Diagnostics, worked with experts from the Navigator-listed Sherbrooke Molecular Imaging Centre to develop new medical imaging technology that will be used to detect and diagnose disease in the body more accurately.

"We wanted a lab that had capabilities throughout the entire clinical pipeline. So coming upon Sherbrooke was quite a find."

– Anton Toutov, CEO of Fuzionaire Diagnostics



**By the end of March 2021, the Navigator, which averaged 4,200 monthly web visits, included:**



**767**

facilities from across Canada



**113**

participating institutions



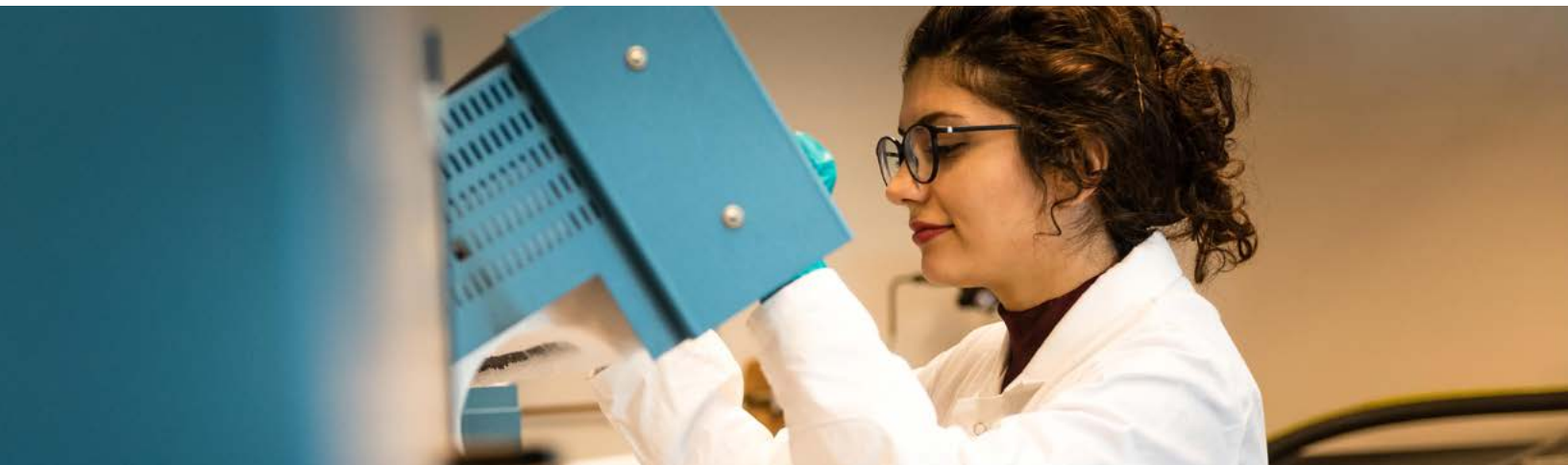
**28**

research sectors covered

# Looking toward the future

## What we are working on for 2021–22:

- Hosting hundreds of experts from around the world at the first virtual International Conference on Research Infrastructures in June 2021 under the theme “The role of research infrastructures in building bridges to a sustainable world”
- Relaunching our website Innovation.ca with a new look and refined content for a better user experience
- Celebrating the CFI’s 25th anniversary while looking toward the future
- Working with ISED and the other federal funding agencies to consult the research community and develop programs to support infrastructure in bio-sciences. This will help bridge research with industrial applications and provide training opportunities for the next generation of technicians and researchers
- Consulting nationally to begin to develop the CFI’s next strategic plan
- Deploying a new set of questions for self-identification related to equity, diversity and inclusion to harmonize data collection efforts across the CFI and other federal funders
- Incorporating equity, diversity and inclusion into every unit at the CFI under the leadership of a revitalized committee which establishes goals, brings together and informs efforts, and educates staff on new initiatives
- Launching the next competitions for the MSI Fund, the Innovation Fund and a renewed fund for college research
- Launching the Northern Research Infrastructure Fund, the first CFI program specifically targeting postsecondary institutions in Canada’s North



*Photo: Paul H. Joseph / UBC Brand & Marketing*

# 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, 2021, 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, 2021 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.

*Ernst + Young LLP*

Ottawa, Canada  
June 15, 2021

Chartered Professional Accountants  
Licensed Public Accountant

# Statement of financial position

As at March 31

	2021 \$	2020 \$
<b>ASSETS</b>		
Cash and cash equivalents [note 4]	189,178,797	250,541,634
Interest and other receivables	820,631	1,546,530
Prepaid expenses	312,760	368,664
Capital assets, net [note 5]	2,153,960	3,068,020
	<b>192,466,148</b>	<b>255,524,848</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,278,281	1,028,393
Deferred lease inducement [note 6]	555,600	625,781
International Conference on Research Infrastructures project deposits	486,590	553,279
	<b>2,320,471</b>	<b>2,207,453</b>
Deferred contributions [note 7]		
Expenses of future years	187,991,717	250,249,375
Capital assets	2,153,960	3,068,020
<b>Total liabilities</b>	<b>192,466,148</b>	<b>255,524,848</b>
Commitments (note 8)		
<b>Net assets</b> (note 9)	—	—
	<b>192,466,148</b>	<b>255,524,848</b>

See accompanying notes

## ON BEHALF OF THE BOARD



**Ingrid Pickering**  
Director



**Ian Seymour**  
Director

# Statement of operations

Year ended March 31

	<b>2021</b>	2020
	<b>\$</b>	\$
<b>REVENUE</b> (note 7)		
Recognition of deferred contributions related to amounts granted to eligible recipients	375,031,454	359,593,581
Recognition of deferred contributions related to current-year operations	12,874,556	12,842,624
Amortization of deferred contributions related to capital assets	958,656	1,078,201
	<b>388,864,666</b>	373,514,406
<b>EXPENSES</b>		
Grants to eligible recipients	375,031,454	359,593,581
General and administration	12,874,556	12,842,624
Amortization of capital assets	958,656	1,078,201
	<b>388,864,666</b>	373,514,406
<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

	2021 \$	2020 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	—	—
Add (deduct) items not involving cash		
Amortization of capital assets	958,656	1,078,201
Amortization of deferred contributions related to capital assets	(958,656)	(1,078,201)
Net decrease in amortization of discount/premium on investments	—	(251,429)
Net decrease in deferred contributions related to expenses of future years	(386,257,658)	(365,967,283)
	<b>(386,257,658)</b>	(366,218,712)
Net change in non-cash working capital balances related to operations [note 11]	894,821	548,172
<b>Cash used in operating activities</b>	<b>(385,362,837)</b>	(365,670,540)
<b>Capital activities</b>		
Purchase of capital assets	(44,596)	(149,853)
Increase in deferred contributions related to capital assets	44,596	149,853
<b>Cash used in capital activities</b>	<b>—</b>	—
<b>Cash used in operating and capital activities</b>	<b>(385,362,837)</b>	(365,670,540)
<b>FINANCING ACTIVITIES</b>		
Grants received [note 7]	324,000,000	391,300,000
<b>Cash provided by financing activities</b>	<b>324,000,000</b>	391,300,000
<b>Net increase (decrease) in cash and cash equivalents during the year</b>	<b>(61,362,837)</b>	209,211,524
Cash and cash equivalents, beginning of year	250,541,634	41,330,110
<b>Cash and cash equivalents, end of year</b>	<b>189,178,797</b>	250,541,634

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:

### 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 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.

### 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

The awards management system became fully amortized on March 31, 2021. Ongoing 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 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, 2021, the CFI has met its objective of having sufficient liquid resources to meet its current obligations.

## 4. Cash and cash equivalents

Cash and cash equivalents comprise the following financial instruments:

	2021		2020	
	Fair value \$	Carrying value \$	Fair value \$	Carrying value \$
<b>Cash</b>	149,182,117	149,182,117	198,207,469	198,207,469
<b>Cash equivalents</b>	39,997,261	39,996,680	52,352,006	52,334,165
	<b>189,179,378</b>	<b>189,178,797</b>	250,559,475	250,541,634

## MARKET RISK

### *Interest rate risk*

Interest rate risk arises when the value of an investment 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, 2021, 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 1.433% [2020 – 1.45% to 2.35%].

**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 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.

The maturities of money market securities range between April 2021 and May 2021.

**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% [2020 – 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:

	<b>2021</b>			2020
	<b>Cost</b> \$	<b>Accumulated amortization</b> \$	<b>Net book value</b> \$	Net book value \$
<b>Leasehold improvements</b>	2,306,907	581,563	1,725,344	1,943,282
<b>Furniture and other equipment</b>	804,768	515,113	289,655	414,177
<b>Computers and software</b>	1,325,606	1,186,645	138,961	214,981
<b>Awards management system</b>	6,629,688	6,629,688	—	495,580
	<b>11,066,969</b>	<b>8,913,009</b>	<b>2,153,960</b>	<b>3,068,020</b>

Total cost and accumulated amortization related to capital assets held as at March 31, 2020, were \$11,022,373 and \$7,954,353, 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, 2021, the unamortized balance is \$555,600.

## 7. Deferred contributions

The CFI operates under two active Funding Agreements and three Contribution Agreements with the Government of Canada. As at March 31, 2021, the Government of Canada had committed \$8.83 billion in grants to the CFI under these agreements, of which \$6.44 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 \$324.0 million [2020 – \$391.3 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.

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
<b>BALANCE, BEGINNING OF YEAR</b>	250,249,375	224,916,658
<b>Add grants received</b>	324,000,000	391,300,000
<b>Add restricted investment revenue earned</b>	1,692,948	6,618,775
<b>Less amount recognized as revenue</b>	(387,906,010)	(372,436,205)
<b>Less amount applied toward capital assets acquired</b>	(44,596)	(149,853)
<b>BALANCE, END OF YEAR</b>	<b>187,991,717</b>	250,249,375

### 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.

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
<b>BALANCE, BEGINNING OF YEAR</b>	3,068,020	3,996,368
<b>Restricted grants applied towards the purchase of capital assets</b>	44,596	149,853
<b>Less amount amortized to revenue</b>	(958,656)	(1,078,201)
<b>BALANCE, END OF YEAR</b>	<b>2,153,960</b>	3,068,020

## 8. Commitments

During the year, the CFI approved grants for a maximum amount of \$665.3 million [2020 – \$380.0 million]. Total disbursements to eligible recipients during the fiscal year were \$375.0 million [2020 – \$359.6 million]. As at March 31, 2021, the CFI has approved grants for a maximum amount of \$8,950.1 million, of which \$7,697.4 million had been disbursed. To date, the CFI has award agreements in place related to these approved grants in the amount of \$8,318.3 million and, therefore, has outstanding contractual obligations of \$620.9 million as at March 31, 2021.



The CFI estimates these obligations to be disbursed as follows:

	<b>in millions of \$</b>
<b>2022</b>	223.5
<b>2023</b>	142.8
<b>2024</b>	118.0
<b>2025</b>	55.9
<b>2026 onwards</b>	80.7
<b>TOTAL ESTIMATED DISBURSEMENTS</b>	<b>620.9</b>

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, 2021, amounted to \$815,728 [2020 – \$766,907].

## 11. Statement of cash flows

	<b>2021 \$</b>	2020 \$
<b>Interest and other receivables</b>	725,899	(182,300)
<b>Prepaid expenses</b>	55,904	(180,624)
<b>Accounts payable and accrued liabilities</b>	249,888	522,824
<b>Deferred lease inducement</b>	(70,181)	(70,181)
<b>International Conference on Research Infrastructures project deposits</b>	(66,689)	458,453
	<b>894,821</b>	548,172

## 12. Comparative figures

The March 31, 2020 investment balance of \$202,018,544 was reclassified to cash and cash equivalents in order to conform to the current year's presentation.

