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INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Quarterly Financial Report

For the period ending
30 June 2017

Canada

Putting research to work

IDRC funds practical research in developing countries to increase prosperity and security, and to foster democracy and the rule of law, in support of Canada's international development efforts. We promote growth and development and encourage sharing knowledge with policymakers, other researchers, and communities around the world. The result is innovative, lasting solutions that aim to bring change to those who need it most.

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Introduction to the Quarterly Financial Report

Governed by the *International Development Research Centre Act* (1970), the International Development Research Centre (the Centre, or IDRC) works "to initiate, encourage, support and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions." IDRC strategically invests in knowledge, innovation, and solutions that can be scaled for impact; builds leaders in government, research, and business in the developing world for today and tomorrow; and ensures that the Centre will be a partner of choice in strengthening developing countries and in maintaining important relationships for Canada.

The Management's Discussion and Analysis (MD&A) outlines the financial results and corporate updates of the Centre for the quarter ended 30 June 2017. This report was prepared as required under section 131.1 of the *Financial Administration Act* and is in compliance with the *Standard on Quarterly Financial Reports for Crown Corporations* issued by the Treasury Board of Canada. There is no requirement for an audit or review of the financial statements included in the quarterly financial report. Therefore, the condensed interim financial statements included in this report have not been audited nor reviewed by the Auditor General.

Management is responsible for the preparation of this report, which was approved on 3 August 2017 by the Finance and Audit Committee of the Board of Governors.

The financial information contained herein, as well as the unaudited condensed interim financial statements, were prepared in accordance with the recognition and measurement standards applicable under International Financial Reporting Standards (IFRS). All monetary amounts are in Canadian dollars. The Centre recommends that this report be read in conjunction with the unaudited condensed interim financial statements (beginning on page 11) and the *MD&A and Financial Statements 2016-2017*. Disclosures and information presented in the *MD&A and Financial Statements 2016-2017* apply to the current quarter unless otherwise indicated.

Management's Discussion and Analysis

Management Highlights

In the last few years, various cost containment measures were implemented to optimize resources. Management continues to monitor these measures to ensure costs remain contained and that the Centre continues to be prudent in the use of its financial resources.

Close attention is paid to project-related variances throughout the year and program teams are aware of the impact of the importance of achieving targets. More specifically, during the reporting period, program teams paid close attention to project reports and payments that had slipped from the last quarter of 2016-2017, with a view of ensuring that the timing differences be resolved as early as possible.

Corporate Developments

During the quarter, the Centre conducted a *Mental Health and Workplace Well-being* employee survey with a strong response rate of 77%. The post-survey process is being managed by an internal working group that includes equal representation from senior management and employee representatives. The working group is supported by the experts who designed the survey and have experience in its interpretation. Currently, the working group is planning activities to share the results with employees, engage them in discussions to enrich the analysis and subsequently produce an action plan to improve the areas the working group identified as priority.

In November 2015, a union was certified to represent certain employees at the Centre. At the end of the quarter, the negotiations towards a collective agreement with the Public Service Alliance of Canada (PSAC) were still ongoing.

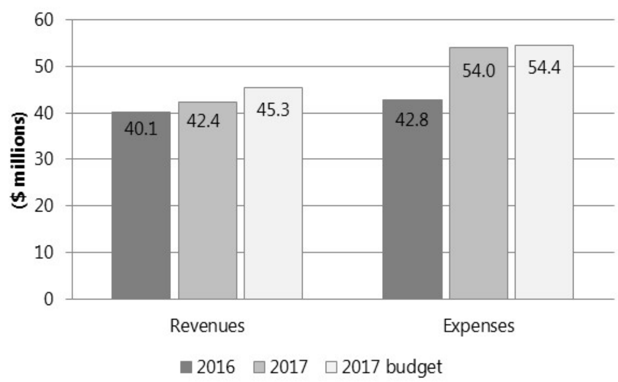
Risk Management

Risk management is a shared responsibility among Centre managers and is integrated into all significant business processes. Management is committed to a continuous, proactive, and systematic approach to risk management, overseen by the Board of Governors. The Centre's risk management processes are designed to identify risks that may affect the achievement of corporate objectives if realized, and to manage these within an agreed-upon range of risk tolerances. Risk management is applied strategically and appropriately to provide reasonable assurance that the Centre will achieve its objectives.

The corporate risk section of the management's discussion and analysis (MD&A) in the *MD&A and Financial Statements 2016-2017* outlines the operational, financial and strategic risks. The risks identified in the MD&A remain the key risks for the Centre.

Performance

FIGURE 1: FINANCIAL HIGHLIGHTS
(for the three months ended 30 June)



While the revenues are behind relative to budget, the overall actual expenses are within $0.4 million of what was budgeted. The year-over-year increase in expenses is coming from research projects.

TABLE 1: FINANCIAL HIGHLIGHTS

($000)	For the three months ended 30 June Actual 2016	Actual 2017	Year-over-year % change	Budget 2017-2018
Revenues	16 068	21 362	32.9%	68 348
Expenses	42 794	54 034	26.3%	216 933
Cost of operations	(26 726)	(32 672)	n/a	(148 585)
Parliamentary appropriation*	24 000	21 000	(12.5%)	138 706
Net results of operations	**(2 726)**	**(11 672)**	**n/a**	**(9 879)**

* While this table mirrors the actual presentation in the financial statements, the Parliamentary appropriation is considered as revenue throughout this MD&A.

Consolidated Overview

Revenues

TABLE 2: REVENUES

($000)	For the three months ended 30 June				Budget 2017-2018
	2016 Actual	2017 Budget	2017 Actual	Year-over-year % change	
Parliamentary appropriation	24 000	22 275	21 000	(12.5%)	138 706
Donor contributions	16 295	22 923	21 250	30.4%	67 782
Interest and investment income	44	51	42	(4.5%)	205
Other income (loss)	(271)	91	70	125.8%	361
Total revenues	**40 068**	**45 340**	**42 362**	**5.7%**	**207 054**

The Centre derives its revenues from a Parliamentary appropriation, donor contributions, and other sources.

During the three months ended 30 June 2017, the total **Parliamentary appropriation** received decreased by 12.5% to $21.0 million from $24.0 million for the same period in 2016-2017 (see Table 2). The Centre's **recurring** portion of the Parliamentary appropriation for the three months ended 30 June 2017 decreased by $3.1 million (13.1%) compared to the same period last year (see Table 3). The decrease is due to the variations in funding needs that guide the amount of appropriation drawdown. The year-over-year increase of 12.5% in the actual year-to-date **non-recurring** Parliamentary appropriation is a non-material amount related to the normal cycle of joint program funding with the Canadian Institutes of Health Research.

TABLE 3: PARLIAMENTARY APPROPRIATION

	For the three months ended 30 June			
($000)	**Actual 2016**	**Actual 2017**	**Year-over-year % change**	**Budget 2017-2018**
Recurring portion	23 400	20 325	(13.1%)	136 006
Non-recurring portion	600	675	12.5%	2 700
Appropriation received and recognized	**24 000**	**21 000**	**(12.5%)**	**138 706**
Appropriation available for drawdown	125 206	117 706	(6.0%)	-

Table 4 (top of next page) shows how the Parliamentary appropriation has been used so far in 2017-2018.

For the period ended 30 June 2017, the total funding requirement exceeded the Parliamentary appropriation by $11.7 million or 55.9% (of the appropriation received), in part due to timing differences between receipt and expenses. This difference is being covered by the 31 March 2017 unrestricted equity of $8.8 million (see Condensed Interim Statement of Changes in Equity on page 14) with the remaining shortfall being factored in future drawdown requests. While a significant portion of the projected $11.6 million shortfall for financial year 2017-2018 in Table 4 will be covered by the 31 March 2017 unrestricted equity, the remaining portion will be covered by revenue sources other than the Parliamentary appropriation.

TABLE 4: USE OF THE PARLIAMENTARY APPROPRIATION

($000)	For the three months ended 30 June Actual 2016	Actual 2017	Budget 2017-2018
Total expenses	**42 794**	**54 034**	**216 933**
Minus:			
Donor-funded expenses	16 295	21 250	67 782
	26 499	32 784	149 151
Replenishment (reduction) of financial reserve	(459)	-	-
Appropriation used for purchase of property, equipment, and intangibles	(254)	(42)	1 200
Total funding requirement	**25 786**	**32 742**	**150 351**
Parliamentary appropriation	24 000	21 000	138 706
Unused (shortfall) appropriation	**(1 786)**	**(11 742)**	**(11 645)**

In the first quarter, **donor contribution revenues** increased 30.4% year-over-year (see Table 2). For the three months ended 30 June 2017, donor contributions increased by $5.0 million from $16.3 million to $21.3 million in the same period in 2016-2017. Donor contributions, always received in advance, are recognized as revenue when the related expenses are incurred. The variance between the year-to-date budget and the actual is in many respects inherent to the budget process. Some of the research project disbursements, especially in large complex multi-year programs, did not occur at the time foreseen when the budget was prepared several months ago. Even though it is inherently difficult to predict the timing of disbursements within the year, the Centre's financial model predicts total annual disbursements fairly accurately.

Expenses

Management tracks expenses under two main headings: development research programming and corporate and administrative services.

TABLE 5: EXPENSES

	For the three months ended 30 June				
	2016	2017		Year-over-year	
($000)	Actual	Budget	Actual	% change	Budget 2017-2018
Development research programming					
Research projects funded by Parliamentary appropriation	14 298	18 230	19 826	38.7%	95 641
Research projects funded by donor contributions	13 519	19 294	17 810	31.7%	55 551
Enhancing research capabilities	10 513	12 135	11 436	8.8%	47 824 [a]
	38 330	**49 659**	**49 072**	**28.0%**	**199 016**
Corporate and administrative services	**4 464**	**4 718**	**4 962**	**11.2%**	**17 917** [a]
Total expenses	**42 794**	**54 377**	**54 034**	**26.3%**	**216 933**

[a] Since the publication of the annual report, there was a minor revision to the 2017-2018 budget to shift $0.1 million from enhancing research capabilities to corporate and administrative services.

The **research project expenses funded by Parliamentary appropriation** for the three months ended 30 June 2017 are higher than targeted by $1.6 million and higher than actuals for the same period last year going from $14.3 to $19.8 million. The year-over-year increase is a result of payments initially planned to be made in the last quarter of 2016-2017 that were made during the first quarter of 2017-2018 instead.

Actual expenses on research projects funded by donor contributions for the three months ended 30 June 2017 are lower than the expected year-to-date budget for the same reasons as described in the donor contribution revenues paragraph (on page 7, just below Table 4). The year-over-year increase was anticipated and is reflected in this year's budget, which is higher than the 2016-2017 actuals for the same period.

The **expenses for enhancing research capabilities** for the three months ended 30 June 2017 compared to the same period last year are greater by $0.9 million due to higher salaries and benefits expenses partly related to having fewer vacant positions. The lower expenses compared to budget are mainly the result of fewer professional services used, less spending on travel, and remaining staffing vacancies.

For the three months ended 30 June 2017, there was an increase in **corporate and administrative services** actual expenses as compared to 2016-2017. This increase was caused by a mandatory one-time employer contribution toward the Public Service Pension Plan, which is established through legislation and sponsored by the Government of Canada. The cumulative variance against the revised budget of 5.2% is related to the timing of ongoing activities and is expected to diminish by year-end (see Table 5).

Financial position

TABLE 6: SUMMARY OF ASSETS AND LIABILITIES

($000)	June 2017	March 2017	% change
Current assets	84 336	82 608	2.1%
Non-current assets	9 431	10 009	(5.8%)
Total assets	**93 767**	**92 617**	**1.2%**
Current liabilities	61 961	51 402	20.5%
Non-current liabilities	17 311	15 048	15.0%
Total liabilities	**79 272**	**66 450**	**19.3%**

Total **assets** at 30 June 2017 increased by 1.2% (from $92.6 to $93.8 million) as compared to 31 March 2017. The increase in assets is mostly resulting from higher accounts receivable and by higher cash received as advances on contributions from donors. These increases were partly reduced by lower investments and a reduction in property and equipment.

Total **liabilities** increased by 19.3% (from $66.5 to $79.3 million) compared to 31 March 2017. This increase is coming from higher deferred revenue liabilities for projects and programs funded by donor contributions (namely advances received or receivable, see note 5 to the financial statements), reduced by fewer accounts payable and lower accrued liabilities resulting in an overall increase in current liabilities.

TABLE 7: EQUITY

	For the three months ended 30 June				
	2016	2017			
($000)	Actual	Budget	Actual	Year-over-year % change	Budget 2017-2018
Unrestricted	(231)	56	(2 304)	n/a	125
Restricted	1 132	1 225	1 228	8.5%	1 214
Net investments in capital assets	9 613	9 709	9 431	(1.9%)	8 809
Reserved	4 598	6 140	6 140	33.5%	6 140
Total equity	**15 112**	**17 130**	**14 495**	**(4.1%)**	**16 288**

The **restricted** equity for special programs and operational initiatives is stable since the beginning of the financial year. Restricted equity represents funds for the John G. Bene Fellowship ($1.1 million) and funds received in 2016 for the David and Ruth Hopper & Ramesh and Pilar Bhatia Canada bursaries ($0.1 million).

The $9.4 million **net investment in capital assets** segregates the portion of the equity representing the Centre's net investments in capital assets. That portion of the accumulated surplus matches the value of property, equipment, and intangible assets as stated in the statement of financial position.

The **reserved** equity at 30 June 2017 is 33.5% higher than at the close of the same period in 2016-2017. The reserved equity sets aside 4% (up from 3%) of the recurring portion of the annual Parliamentary appropriation (of $136.0 million) to buffer fluctuations in program spending beyond budgeted levels. At this time, the reserve also includes $0.7 million for the Enterprise Resources Planning system upgrade that will be undertaken during the year.

The **unrestricted** equity represents the residual balance of equity after the allotments to restricted and reserved equity. This balance reflects all variances described in the previous Revenues and Expenses sections. The planned accumulation under unrestricted equity at year-end is normally less than $1.0 million.

Cash flows

TABLE 8: SUMMARY OF CASH FLOWS

($000)	For the three months ended 30 June Actual 2016	Actual 2017	Year-over-year change
Receipts	25 471	26 125	654
Payments	(50 283)	(54 689)	(4 406)
Cash flows used in operating activities	**(24 812)**	**(28 564)**	**(3 752)**
Maturity of investments	6 004	3 958	(2 046)
Other	(254)	(42)	212
Cash flows from investing activities	**5 750**	**3 916**	**(1 834)**
Decrease in cash and cash equivalents	**(19 062)**	**(24 648)**	**(5 586)**
Cash and cash equivalents, beginning of period	**57 546**	**70 884**	**13 338**
Cash and cash equivalents, end of period	**38 484**	**46 236**	**7 752**

Starting this quarter and for all future sets of financial statements, the statement of cash flows is being presented using the direct method rather than the indirect method used in the past to disclose the operating activities section. The direct method is straightforward and easier to understand. For the three months ended 30 June 2017, **operating activities** decreased cash and cash equivalents by $28.6 million. This decrease in liquidities reflects more significant outflows as compared to the previous year (including a small reduction in accounts payable). Total inflows remained similar but the mix changed with less from Parliament and more from donor contribution advances. Further detail within each category can be found on the Condensed Interim Statement of Cash Flows on page 15.

The cash flows from **investing activities** for the three months ended 30 June 2017 increased by $3.9 million because of the maturity of investments, which can be seen on the Condensed Interim Statement of Cash Flows on page 15. It should be noted that the bulk of the cash and investments held at 30 June 2017 are related to the deferred revenue originating from donor contribution advances received.

Outlook

There were no significant changes in the operating environment since the last annual report published on the Centre's website. As a reminder, in 2017-2018, the non-recurring portion of the appropriation will be $11 million lower than it was the previous year, due to the end of the Development Innovation Fund program piloted by the Centre for the Government of Canada.

Unaudited Condensed Interim Financial Statements

Statement of Management Responsibility

Management is responsible for the preparation and fair presentation of these condensed quarterly financial statements, which, we confirm, have been prepared in accordance with the International Accounting Standard 34 (Interim Financial Reporting) and the Standard on Quarterly Financial Reports for Crown Corporations issued by the Treasury Board of Canada.

Management has implemented internal controls that aim to keep condensed quarterly financial statements free from material misstatements. Management is also responsible for ensuring that all other information in the condensed quarterly financial report for the period ending 30 June 2017 is consistent, where appropriate, with the condensed quarterly financial statements that follow.

Based on our knowledge, these unaudited condensed quarterly financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Centre, as at the date of, and for the periods presented in, the condensed quarterly financial statements.

Jean Lebel, PhD
President

Sylvain Dufour, Eng., CPA, CMA, MSc
Vice-President, Resources, and CFO

Ottawa, Canada
3 August 2017

Condensed Interim Statement of Financial Position

(in thousands of Canadian dollars)
as at

	30 June 2017	31 March 2017
Assets		
Current		
Cash and cash equivalents	46 236	70 884
Investments	—	3 958
Accounts receivable and prepaid expenses	38 100	7 766
	84 336	82 608
Non-current		
Property and equipment	6 262	6 630
Intangible assets	3 169	3 379
	93 767	**92 617**
Liabilities		
Current		
Accounts payable and accrued liabilities	17 048	18 315
Deferred revenue (Note 5)	44 913	33 087
	61 961	51 402
Non-current		
Deferred revenue (Note 5)	15 053	12 733
Employee benefits	2 258	2 315
	79 272	66 450
Equity		
Unrestricted	(2 304)	8 793
Restricted	1 228	1 225
Net investments in capital assets	9 431	10 009
Reserved	6 140	6 140
	14 495	26 167
	93 767	**92 617**

Commitments (Note 8)
Contingencies (Note 9)

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

Condensed Interim Statement of Comprehensive Income *(unaudited)*

(in thousands of Canadian dollars)
for the three months ended 30 June

	2017	2016
Revenues		
Donor contributions (Note 6)	21 250	16 295
Interest and investment income	42	44
Other income (loss)	70	(271)
	21 362	16 068
Expenses		
Development research programming (Note 10)		
Research projects funded by Parliamentary appropriation	19 826	14 298
Research projects funded by donor contributions	17 810	13 519
Enhancing research capabilities	11 436	10 513
	49 072	38 330
Corporate and administrative services (Note 10)		
Corporate services	4 660	4 206
Regional office administration	302	258
	4 962	4 464
Total expenses	**54 034**	**42 794**
Cost of operations before Parliamentary appropriation	(32 672)	(26 726)
Parliamentary appropriation (Note 7)	21 000	24 000
Net results of operations	**(11 672)**	**(2 726)**

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

Condensed Interim Statement of Changes in Equity

(unaudited)

(in thousands of Canadian dollars)
for the three months ended 30 June

	2017	2016
Unrestricted equity		
Beginning of period	8 793	1 843
Net results of operations	(11 672)	(2 726)
Net transfers from other classes of equity	575	652
Balance end of period	(2 304)	(231)
Restricted equity		
Beginning of period	1 225	1 129
Net increase	3	3
Balance end of period	1 228	1 132
Net investments in capital assets		
Beginning of period	10 009	9 810
Net decrease	(578)	(197)
Balance end of period	9 431	9 613
Reserved equity		
Beginning of period	6 140	5 057
Net decrease	—	(459)
Balance end of period	6 140	4 598
Equity, end of period	**14 495**	**15 112**

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

Condensed Interim Statement of Cash Flows

(unaudited)

(in thousands of Canadian dollars)
for the three months ended 30 June

	2017	2016
Operating activities		
Receipts from Parliamentary appropriation	10 000	20 000
Receipts from donor contributions	15 671	5 080
Receipts from other sources	454	391
Payments to grant recipients	(35 582)	(33 140)
Payments to employees	(13 094)	(12 101)
Payments to suppliers and others	(6 013)	(5 042)
Cash flows used in operating activities	**(28 564)**	**(24 812)**
Investing activities		
Maturity of investments	3 958	6 004
Acquisition of property and equipment and intangible assets	(42)	(254)
Cash flows from investing activities	**3 916**	**5 750**
Decrease in cash and cash equivalents	**(24 648)**	**(19 062)**
Cash and cash equivalents, beginning of period	**70 884**	**57 546**
Cash and cash equivalents, end of period	**46 236**	**38 484**
Composition of cash and cash equivalents		
Cash	46 236	38 484
Cash equivalents	—	—
	46 236	**38 484**

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

Notes to the Condensed Interim Financial Statements *(unaudited)*

For the period ended 30 June 2017
(in thousands of Canadian dollars unless otherwise stated)

1. Corporate information

The International Development Research Centre (the Centre or IDRC), a Canadian Crown corporation without share capital, was established as a registered charity in 1970 by the Parliament of Canada through the International Development Research Centre Act. The Centre is exempt under section 149 of the Income Tax Act from the payment of income tax.

2. Authority and objective

The Centre is funded primarily through an annual appropriation received from the Parliament of Canada. In accordance with section 85(1.1) of the *Financial Administration Act*, the Centre is exempt from Divisions I to IV of Part X of the Act, except for sections 89.8 to 89.92, subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.

The objective of the Centre is to initiate, encourage, support, and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions.

3. Basis of preparation

The condensed interim financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($000) except when otherwise indicated.

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* based on recognition and measurement standards applicable under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB. These statements have not been audited or reviewed by the Centre's external auditors.

The condensed interim financial statements were prepared on the basis of historical cost unless otherwise indicated and do not include all the information and disclosures required for full annual financial statements. The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Centre's annual financial statements as at 31 March 2017. The present interim statements should be read in conjunction with the Centre's audited financial statements as at 31 March 2017.

The Centre's operations consist of building the capacity for self-reliance in research in the developing regions of the world. Parliamentary revenue is recognized when it is received or receivable, whereas donor contributions are recognized when expended for their intended purpose. Most of the development research programming expenses are driven by several different cycles (academic, climatic, and agricultural) and tend not to be evenly distributed during the year.

4. New and revised accounting standards

Standards, amendments and interpretations not yet in effect
The following standards and amendments issued by the IASB have not been early adopted and have been assessed as having a possible effect on the Centre in the future.

IFRS 9 – Financial Instruments – The final version of this new standard was issued by the IASB in July 2014. This standard largely retains the classification and measurement requirements and new hedge accounting model included in earlier versions, while introducing a single forward-looking expected credit loss impairment model. This version is effective for reporting periods beginning on or after 1 January 2018 and is to be applied retrospectively. Early application is permitted. The adoption of this new standard is not expected to have a material impact on IDRC's financial statements.

IFRS 15 – Revenue from Contracts with Customers – This new standard, issued by the IASB in May 2014, establishes a comprehensive framework for the recognition, measurement and disclosure of revenue. This new framework will replace existing revenue recognition guidance in IFRS. IFRS 15 is to be applied for annual periods beginning on or after 1 January 2018, using one of the following methods: retrospective or modified retrospective with the cumulative effect of initially applying the standard as an adjustment to opening equity at the date of initial application. Early application is permitted. The Centre is currently assessing the impact of this standard on its financial statements, therefore, the impact is not known at this time.

IFRS 16 – Leases – This new standard issued by the IASB in January 2016 will replace IAS 17 – Leases, For lessees, IFRS 16 eliminates the classification of leases as either operating or financing leases that exist under IAS 17, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. This standard is effective for reporting periods beginning on or after 1 January 2019. IFRS 16 is to be applied retrospectively, using either a full retrospective approach or a modified retrospective approach. Early application is permitted, but only if IFRS 15 has also been adopted. The Centre is currently assessing the impact of this standard on its financial statements, therefore, the impact is not known at this time.

5. Deferred revenue

Deferred revenue includes the unspent portion of funds received or receivable on donor contribution activities.

	30 June 2017	31 March 2017
Donor contribution funding for development research programs		
Current	44 913	33 087
Non-current	15 053	12 733
	59 966	**45 820**

6. Donor contributions

Donor contribution funding for development research programs relates specifically to research projects conducted or managed by the Centre on behalf of other organizations. A breakdown of the revenue and expense recognition for donor contributions is provided below.

	30 June 2017	30 June 2016
Department for International Development (UK)	11 403	7 355
Global Affairs Canada	4 439	2 568
The William and Flora Hewlett Foundation	4 100	4 448
Bill & Melinda Gates Foundation	734	705
Norwegian Agency for Development Cooperation	188	392
Australian Centre for International Agriculture Research	88	667
The World Bank	53	25
Other donor agencies	245	135
	21 250	**16 295**

7. Parliamentary appropriation

	30 June 2017	30 June 2016
Annual Parliamentary appropriation	138 706	149 206
Appropriation recognized in the statement of comprehensive income	(21 000)	(24 000)
Appropriation available for the remainder of the year	**117 706**	**125 206**

8. Commitments

a. Research project-related

The Centre is committed to making payments of up to $199.2 million (31 March 2017: $210.1 million) during the next five years, subject to funds being provided by Parliament or donors and to compliance by recipients with the terms and conditions of their grant agreements. Of this amount, $133.9 million (31 March 2017: $134.1 million) is expected to be funded from future Parliamentary appropriations and the balance of $65.3 million (31 March 2017: $76.0 million) from donor contribution agreements.

	30 June 2017	31 March 2017
Within one year	115 448	103 485
After one year, but not more than five	83 789	106 605
Total future payments	**199 237**	**210 090**

b. Other

The Centre has entered into various agreements for leases of office premises and contractual obligations for goods and services in Canada and abroad. Agreements expire at different dates up to 2023. Future payments related to these commitments as at 30 June 2017 are as follows:

	30 June 2017	31 March 2017
Within one year	10 042	9 266
After one year, but not more than five	27 064	27 592
More than five years	2 268	3 908
Total future payments	**39 374**	**40 766**

9. Contingencies

Various claims have been asserted or instituted against the Centre. Based on the advice of legal counsel, management does not expect the outcome of any of these proceedings to have a material effect on the statement of financial position or on the statement of comprehensive income.

10. Schedule of expenses

	30 June 2017	30 June 2016
Development research programming		
Contributions to research projects	36 663	27 461
Core salaries and benefits	6 581	6 044
Co-funded project salaries and benefits[a]	1 817	1 545
Accommodations	917	941
Professional services	846	437
Travel	764	927
Co-funded project expenses[a]	625	487
Amortization and depreciation	436	303
Meetings and conferences	40	46
Other	383	139
	49 072	**38 330**
Corporate and administrative services		
Salaries and benefits	3 422	2 975
Accommodations	411	549
Office supplies and expenses	234	417
Professional services	221	104
Amortization and depreciation	184	148
Travel	126	73
Furniture, equipment, and maintenance	78	62
Other	286	136
	4 962	**4 464**
Total expenses	**54 034**	**42 794**

[a] Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses for the quarter of $2 442 (30 June 2016: $2 032).

11. Comparative Figures

The Centre changed the method of presentation of the Statement of Cash Flows from the indirect method to the direct method, which resulted in a reclassification of descriptions and balances in the operating activities section of the Statement of Cash Flows. Certain comparative figures for 2016 were also reclassified to conform to the 2017 presentation. There was no impact on the total amounts nor was there any impact on any other statements or note disclosures.

This change was made to provide more precise details for readers of financial statements because the adjustments for cash flows from operating activities are made to each item in the income statement to change from the accrual to the cash basis, rather than adjusting net income.

How to reach us

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