



TOWARDS A VIBRANT FUTURE FOR CANADIANS
2007-08 ANNUAL REPORT



We develop talent. We build knowledge.

THE SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL (SSHRC) IS THE FEDERAL AGENCY THAT PROMOTES AND SUPPORTS UNIVERSITY-BASED RESEARCH AND TRAINING IN THE HUMANITIES AND SOCIAL SCIENCES. THROUGH ITS PROGRAMS AND POLICIES, THE COUNCIL ENABLES THE HIGHEST LEVELS OF RESEARCH EXCELLENCE IN CANADA, AND FACILITATES KNOWLEDGE SHARING AND COLLABORATION ACROSS RESEARCH DISCIPLINES, UNIVERSITIES AND ALL SECTORS OF SOCIETY.

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Social Sciences and
Humanities Research
Council of Canada

Conseil de recherches
en sciences humaines
du Canada

Investing in the Next Frontier

RESEARCHER

CHRIS SOUTHCOTT, SOCIOLOGY,
LAKEHEAD UNIVERSITY AND YUKON COLLEGE

SSHRC SUPPORT

A FIVE-YEAR, \$1.75 MILLION GRANT TO LEAD
THE SOCIAL ECONOMY RESEARCH NETWORK OF
NORTHERN CANADA, WHICH INVESTIGATES THE LINKS
BETWEEN THE ECONOMIC, SOCIAL AND CULTURAL
DEVELOPMENT OF NORTHERN COMMUNITIES.

IMPACT

THIS INVESTMENT HAS GREATLY INCREASED
CANADA'S RESEARCH CAPACITY IN THE NORTH
AND OPENED UP NEW OPPORTUNITIES FOR
PARTNERSHIPS ON ISSUES OF NATIONAL
CONCERN, SUCH AS CLIMATE CHANGE, ARCTIC
SOVEREIGNTY, AND THE HEALTH AND WELL-
BEING OF CANADA'S INDIGENOUS PEOPLE.

“This grant has been a great
advance for Yukon College and
social research in the North.
It serves as a great model of
North-South collaboration, and
provides greater opportunities for
northern involvement in directing
and communicating research
and results. Most importantly, it
provides training for northern
students on northern issues
and needs, which enhances
the development of our future
northern research capacity.”

CLINT SAWICKI, MANAGER

NORTHERN RESEARCH INSTITUTE,
YUKON COLLEGE



MESSAGE FROM THE PRESIDENT

As we prepare to celebrate our 30th anniversary, we look back with pride on how increased resources, innovative programs and the promotion of excellence have enabled the emergence of an internationally recognized humanities and social sciences research community in Canada during the past 30 years. And we look forward to increasing our efforts to help build a successful future for Canada and the world in the 21st century.

In 2007-08, we published a new strategic document entitled, *Framing Our Direction*, which articulated three key ambitions: to increase the quality of, and support for, research in Canada; to foster long-lasting connections among researchers and the wider community; and to increase the positive impact of research on the lives of people in Canada and internationally. These ambitions reflect the evolving research environment and contribute to the implementation of the federal government's new science and technology strategy to make Canada a global economic leader through world-class research, a highly skilled workforce and strong partnerships across business, academic and public sectors.

As well, our strategic ambitions echo our two core objectives in the changing world of research—investing in the development of talented, creative and innovative leaders who can contribute across the public, private and not-for-profit sectors; and investing in the research of outstanding scholars who develop unique insights into our past and present and thereby inform our efforts to construct a blueprint for the future.

These two core objectives are complementary since outstanding scholars also serve as mentors for Canada's

future leaders. We devote one-third of our budget to funding scholarships and fellowships that allow top students to undertake graduate programs in preparation for careers in all sectors of society. As well, SSHRC-funded research projects enhance the quality of the graduate experience by offering students the opportunity to work with Canada's most accomplished scholars—and some of the world's most significant research initiatives.

As we set new and challenging goals for ourselves this past year, we also worked to ensure our business processes and corporate governance structure kept pace with the latest research findings as well as society's changing expectations. For example, we increased the accountability and transparency of our governance structure by developing and implementing a comprehensive management-accountability framework. We also intensified our collaboration with universities, other federal granting agencies and partners across the public, private and not-for-profit sectors both in Canada and beyond.

I am especially proud to welcome talented new members to SSHRC's senior management team, including our Vice-President, Grants and Fellowships; Director, Research and Dissemination Grants; Director, Strategic Programs and Joint Initiatives; and Director, Fellowships and Institutional Grants. With our senior positions now filled, we are moving forward with renewed purpose, knowing we have the breadth of experience and expertise needed to achieve our strategic ambitions of quality, connections and impact.

Our support for outstanding research and research training in the social sciences and humanities is made possible by our partnership and collaboration with institutions and individuals across Canada. In looking back on 2007-08, all of us at SSHRC feel a deep sense of gratitude for the chance to help advance knowledge and build understanding about who we are as a society, where we have been and where we might go in the coming years.



CHAD GAFFIELD
PRESIDENT
SOCIAL SCIENCES AND
HUMANITIES RESEARCH COUNCIL

MESSAGE FROM THE
VICE-PRESIDENT AND
CHAIR OF COUNCIL



THOMAS KIERANS
VICE-PRESIDENT AND CHAIR OF COUNCIL
SOCIAL SCIENCES AND HUMANITIES
RESEARCH COUNCIL



As vice-president and chair of SSHRC's governing council, I am extremely proud to reflect on a year where so much has been accomplished to fulfill the strategic ambitions we established just two years ago. The commitment of our president, Chad Gaffield, and an exceptional governing council has made possible a year of significant progress in increasing the contribution of social sciences and humanities research in Canada.

I am particularly proud of our progress in enhancing corporate accountability, transparency and decision-making. Last year, I wrote about the importance of separating the roles of president and chair to ensure the former could preside over the organization with greater impartiality. In 2007-08, we moved beyond structural accountability and enhanced the composition of the governing council to more efficiently and effectively act on SSHRC's responsibility to support outstanding research and research training.

We refocused the governing council's terms of reference, enabling members to better attend to SSHRC's strategic direction. Specifically, council now focuses on overseeing the stewardship of resources, priority setting and the achievement of research excellence.

While council continues to be guided by experienced members of the academic community, there is now a conscious effort to bring greater diversity to its membership. New appointments this year brought members from the larger society, including several noted business leaders. This new approach will further strengthen SSHRC's commitment to accountability and transparency since greater diversity brings greater depth in governance and decision-making.

Our council members contribute an enormous amount of time and energy to helping steer SSHRC in its work. I want to extend my warmest thanks and best wishes to outgoing council members Mary Crossan, Karen Grant, Greg Halseth, Keren Rice, Jean-Douglas Comeau and Camille Limoges who offered their time on a volunteer basis to guide SSHRC through a period of enormous change.

I also want to welcome our new council members: Paul Bates, Kerry Day, Angela Ferrante, Thomas Jenkins, Christopher Manfredi and Nelson Michaud. We have every confidence that our new governance structure and enthusiastic council members will guide SSHRC through the next exhilarating year of renewal.



Succeeding in a Global Workplace

RESEARCHER

GREGOR MURRAY,
INDUSTRIAL RELATIONS, UNIVERSITÉ DE
MONTRÉAL AND INTERUNIVERSITY RESEARCH
CENTRE ON GLOBALIZATION AND WORK

SSHRC SUPPORT

SEVEN-YEAR, \$2.5 MILLION MAJOR
COLLABORATIVE RESEARCH INITIATIVE GRANT
TO STUDY THE IMPACT OF GLOBALIZATION ON
WORK AND EMPLOYMENT.

IMPACT

THIS MULTIDISCIPLINARY TEAM OF MORE
THAN 70 CANADIAN AND INTERNATIONAL
RESEARCHERS IS UNCOVERING NEW INSIGHTS
INTO WHAT CANADA NEEDS TO EVOLVE AND
THRIVE IN TODAY'S COMPLEX, GLOBAL WORK
ENVIRONMENT.

“Globalization is rewriting the rules of the workplace. Our international team is rethinking work and employment, developing new tools and capabilities and envisioning new institutions so that policy-makers, business leaders, unions and other players can see current trends as an opportunity to shape the kind of society they want to live in.”

GREGOR MURRAY

CANADA RESEARCH CHAIR ON
GLOBALIZATION AND WORK,
UNIVERSITÉ DE MONTRÉAL

Protecting the Environment and the Economy

RESEARCHER

RATANA CHUENPAGDEE, GEOGRAPHY,
MEMORIAL UNIVERSITY OF NEWFOUNDLAND

SSHRC SUPPORT

A THREE-YEAR STANDARD RESEARCH GRANT TO IMPROVE HOW NATURAL RESOURCES ARE MANAGED IN NEWFOUNDLAND COASTAL COMMUNITIES.

IMPACT

CHUENPAGDEE'S RESEARCH HAS HELPED POLICY-MAKERS REALIZE THE IMPORTANCE OF INCORPORATING THE KNOWLEDGE OF LOCAL PEOPLE, INDUSTRIES AND SCIENTISTS INTO THE MAKING OF EFFECTIVE RESOURCE MANAGEMENT POLICIES. THE RESULT WILL ENABLE COASTAL COMMUNITIES TO THRIVE ECONOMICALLY WHILE PROTECTING THE ENVIRONMENT AND THEIR TRADITIONAL WAYS OF LIFE.

“Nova Scotia faces many of the same challenges as those in Newfoundland. We are using Dr. Chuenpagdee’s research in our own efforts to preserve and protect our coastal communities.”

JENNIFER FORD

ECOLOGY ACTION CENTRE,
NOVA SCOTIA



AT A GLANCE

THROUGH ITS PROGRAMS AND POLICIES, SSHRC ENABLES THE **HIGHEST LEVELS OF RESEARCH EXCELLENCE IN CANADA, AND FACILITATES KNOWLEDGE SHARING AND COLLABORATION ACROSS RESEARCH DISCIPLINES, UNIVERSITIES AND ALL SECTORS OF SOCIETY.**

SSHRC INVESTMENTS	AMOUNT OF FUNDING (In \$ Millions★)	NUMBER OF PROJECTS
ENVIRONMENTAL SCIENCE AND TECHNOLOGY	\$16.8 4.9%	318
NATURAL RESOURCES AND ENERGY	\$3.8 1.1%	28
HEALTH AND RELATED LIFE SCIENCES AND TECHNOLOGIES	\$47.1 13.7%	619
INFORMATION AND COMMUNICATIONS TECHNOLOGY	\$20.1 5.8%	582
MANAGEMENT, BUSINESS AND FINANCE	\$23.9 6.9%	683
ARTS AND CULTURE	\$49.4 14.4%	1,703
ECONOMY, EMPLOYMENT AND MARKETS	\$33.8 9.8%	683
EDUCATION AND LEARNING	\$28.9 8.4%	718
HUMAN DEVELOPMENT	\$18.6 5.4%	553
SOCIAL DEVELOPMENT	\$57.5 16.7%	1,592
GOVERNANCE OF SOCIETY AND INSTITUTIONS	\$33.1 9.6%	970
OTHER AREAS OF RESEARCH	\$11.2 3.2%	289

TOTAL: **\$344.1M** | **8,738**
IN FUNDING | PROJECTS

★ DUE TO ROUNDING, DECIMALS MAY NOT CORRESPOND EXACTLY WITH TOTAL.

CANADA'S RESEARCH COMMUNITY

50,440

FULL-TIME GRADUATE STUDENTS WHO STUDY SOCIAL SCIENCES AND HUMANITIES AT CANADIAN UNIVERSITIES.

20,520

FULL-TIME PROFESSORS WHO TEACH SOCIAL SCIENCES AND HUMANITIES AT CANADIAN UNIVERSITIES.

102

CANADIAN UNIVERSITIES AND COLLEGES WITH SSHRC-SUPPORTED RESEARCHERS AND STUDENTS.

GRANTS, FELLOWSHIPS AND SCHOLARSHIPS

SSHRC awards its grants and fellowships through an independent peer-review process: selection committees recommend which projects to fund based on academic excellence and the importance of the research to the advancement of knowledge. Peer review is universally recognized as the most objective and effective way to allocate public research funds.

12,200

GRANT, SCHOLARSHIP AND FELLOWSHIP APPLICATIONS RECEIVED IN 2007-08.

4,050

NEW GRANTS, FELLOWSHIPS AND SCHOLARSHIPS AWARDED IN 2007-08.

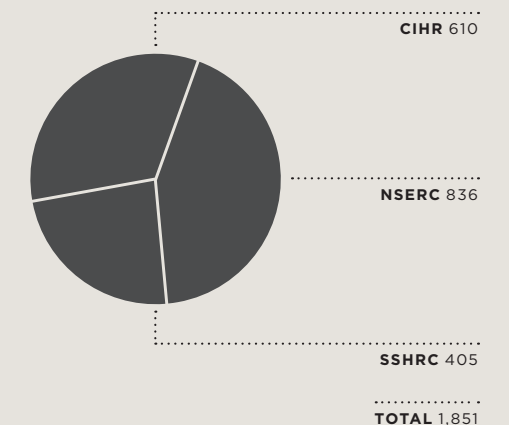
455

COMMITTEE MEMBERS WHO PARTICIPATED IN SSHRC APPLICATION ADJUDICATIONS IN 2007-08.

CANADA RESEARCH CHAIRS PROGRAM

SSHRC administers the Canada Research Chairs Program on behalf of the three federal granting agencies—SSHRC, the Natural Sciences and Engineering Research Council (NSERC), and the Canadian Institutes of Health Research (CIHR). The program is designed to create 2,000 high-profile research professorships for established and up-and-coming researchers at Canadian universities. Attracting internationally renowned scholars, the program helps keep research jobs and expertise in Canada, and increases national research capacity in the social sciences and humanities, engineering, health sciences, and the natural sciences. During 2007-08, SSHRC's president served as chair of the program's steering committee.

RESEARCHERS HOLDING CANADA RESEARCH CHAIRS, BY GRANTING AGENCY



YEAR IN REVIEW

SSHRC FUNDS RESEARCH IN THE SOCIAL SCIENCES AND HUMANITIES, ADVANCES KNOWLEDGE AND BUILDS UNDERSTANDING ABOUT PEOPLE—WHAT WE THINK, HOW WE LIVE AND HOW WE INTERACT WITH EACH OTHER AND THE WORLD AROUND US. THIS KNOWLEDGE ENHANCES OUR UNDERSTANDING OF CRITICAL SOCIAL, CULTURAL, ECONOMIC, TECHNOLOGICAL, ENVIRONMENTAL AND WELLNESS ISSUES AND ACTS AS A FOUNDATION FOR CANADIAN INNOVATION AND PROSPERITY.

Research results are shared with communities, businesses and governments, who use this new knowledge to create positive changes in the lives of Canadians and others around the world.

More than this, SSHRC-funded research and training programs foster the development of the talented and creative people Canada needs to thrive in the global knowledge economy. Canada's top researchers receive funding to generate new ideas and apply new thinking to complex issues. They also pass on their wealth of knowledge and expertise to Canadian students in universities and colleges across the country—64 per cent of whom choose to major in the humanities and social sciences. In addition, SSHRC scholarships and fellowships support Canada's best graduate students, young scholars who go on to become leaders across the private, public and not-for-profit sectors.

SUPPORTING FEDERAL PRIORITIES

In 2007-08, the Government of Canada launched a science and technology strategy aimed at using Canadian expertise to create jobs, build a stronger economy and improve our quality of life. Titled *Mobilizing Science and Technology to Canada's Advantage*, the strategy echoed SSHRC's commitment to international research excellence, organizational accountability and encouraging partnerships across the academic, public, private and not-for-profit sectors. In particular, the strategy committed to building upon three distinct Canadian strengths, all of which relate directly to central concerns of the social sciences and humanities: an entrepreneurial advantage that translates research into practical applications; a knowledge advantage that generates new ideas and builds research excellence; and a people advantage that increases and retains the highly skilled individuals that Canada needs to thrive in the global economy.

During the same year, SSHRC released *Framing Our Direction*, a document that laid out SSHRC's strategic priorities until 2010. Based on consultations with the

research community and key partner organizations, *Framing Our Direction* focuses on three overarching strategic objectives:

- Improving the quality of publicly funded research;
- Fostering connections among researchers and research users; and
- Increasing the impact of SSHRC-supported research on society.

SSHRC's strategic vision complements the federal science and technology strategy as SSHRC pursues an enhanced and invigorated role—ensuring Canada's position as a world leader in research excellence and innovation within the globalized 21st century.

IMPROVING THE QUALITY OF RESEARCH

Over the past decade, Canada has made it a priority to support world-class research in the social sciences and humanities that keeps pace with rigorous international standards of excellence and that nurtures Canada's best and brightest minds and ideas. SSHRC is ensuring continuous improvement in the quality of its suite of programs under a governance structure that supports nimble, responsive operations and a visionary strategic direction.

ACCOUNTABLE AND TRANSPARENT

In 2006, SSHRC strengthened its governance structure by separating the functions of the chair and president of SSHRC. This year, SSHRC further implemented its new governance model with respect to accountability, transparency and decision-making. New members appointed to SSHRC's governing council in 2007-08 include representatives from Canada's business and other communities in addition to members of the

research community. This membership profile will contribute to SSHRC's ability to support Canada's diverse, interdisciplinary and rapidly evolving research activities.

To pursue SSHRC's ambitions outlined in *Framing Our Direction*, SSHRC also refocused its governing council's discussions to address key strategic issues. Under this model, SSHRC submitted a new corporate performance measurement framework to the Treasury Board of Canada Secretariat and established a senior management performance and evaluation committee.

NIMBLE AND RESPONSIVE

In 2007-08, SSHRC created a framework for the continuous improvement of its suite of programs. The framework, designed to help assess the coherence and long-term implications of programs, stems from discussions and consultations ongoing since 2004 with members of the research community and key partner organizations. It sets out principles—in line with SSHRC's new strategic ambitions of quality, connections and impact—that will guide the evaluation of SSHRC programs, ensuring they respond to Canada's increasingly complex and interdisciplinary research needs.

RIGOROUS AND ENTERPRISING

Peer review is universally recognized as the most effective and non-partisan way to allocate public research funds. SSHRC's world-class peer-review system ensures that SSHRC supports only the best people and ideas.

In 2007-08, SSHRC adjudication committees included experts from a wide variety of disciplines in the humanities and social sciences. Building on a commitment to increase interdisciplinary and international participation and collaboration, adjudication committees were made up of representatives from academic institutions across Canada, as well as those from countries, such as Ireland, New Zealand, Switzerland, Denmark and the USA.

SUPPORTIVE AND VISIONARY

SSHRC processed 12,200 applications for funding and awarded 4,050 grants and scholarships to researchers in fields that ranged from the environment and Canada's North to business and literature. Each year, SSHRC recognizes researchers whose leadership and original thinking exemplify the very best work in Canadian social sciences and humanities.

The most prestigious award is the SSHRC Gold Medal for Achievement in Research, awarded to Margaret Lock of McGill University. Recognized as one of the most distinguished medical anthropologists of her generation, Lock has dedicated her career to exploring connections between medical and social science disciplines. For example, her current work on the genetic component of Alzheimer's disease raises questions about how individuals and families will manage professional estimations of risk about impending Alzheimer's and other diseases once genome scans become widely available.

Vinh-Kim Nguyen of the Université de Montréal won SSHRC's Aurora prize. Nguyen studies AIDS programs in developing countries by exploring the political and social impact each program has within its host country. He is an expert in the social effects of HIV/AIDS and how health policies and social inequality affect access to drugs, particularly in West Africa.

SSHRC's Postdoctoral Prize was awarded to Richard G. Delisle of the Université de Montréal. Dr. Delisle's work crosses disciplines, combining philosophy of science and paleoanthropology. His first-hand experience on archeological digs and paleontological excavations combined with his expertise in evolutionary anthropology bring a unique scholarly perspective to his work.

Abninder Litt of the University of Waterloo won the prestigious William E. Taylor Fellowship, awarded to the year's most highly rated SSHRC PhD proposal. Quickly establishing himself as a leading interdisciplinary



RECOGNIZED AS ONE OF THE MOST DISTINGUISHED MEDICAL ANTHROPOLOGISTS OF HER GENERATION, MARGARET LOCK HAS DEDICATED HER CAREER TO EXPLORING CONNECTIONS BETWEEN MEDICAL AND SOCIAL SCIENCE DISCIPLINES. HER CURRENT WORK ON THE GENETIC COMPONENT OF ALZHEIMER'S DISEASE RAISES QUESTIONS ABOUT HOW INDIVIDUALS AND FAMILIES WILL MANAGE PROFESSIONAL ESTIMATIONS OF RISK ABOUT IMPENDING ALZHEIMER'S AND OTHER DISEASES ONCE GENOME SCANS BECOME WIDELY AVAILABLE.

researcher, Litt is pursuing doctoral studies in neuroscience, psychology and consumer behaviour. His doctoral work at Stanford University will use findings from neuroscience, psychology and consumer studies to look at how our emotions influence shopping behaviour.

FOSTERING RESEARCH CONNECTIONS

Canadian scholars are increasingly engaging in interdisciplinary research and working with colleagues in complementary research realms to build powerful networks of expertise across diverse fields of study.

Researchers are also turning to research users to help inform project design and implementation and to mobilize knowledge for the benefit of partner communities. As Canadian researchers expand their longstanding tradition of international collaboration, many are becoming more connected than ever with the global wealth of ideas and talent.

SSHRC supports these research networks and encourages new partnerships across the academic, public, private and not-for-profit sectors. Through a variety of programs and policies, the Council helps Canadian researchers develop essential connections while building its own base of partnerships with funding agencies in Canada and around the world.

CONNECTING IDEAS

Since 2004, SSHRC has promoted the development of Strategic Knowledge Clusters—networks of people and research institutions focused on common issues and research topics. Through the Strategic Knowledge Clusters program, SSHRC helps researchers develop full-scale, ongoing research collaborations that engage in unprecedented sharing and application of research knowledge.

In 2007-08, SSHRC held its second full-scale Strategic Knowledge Clusters competition and funded 11 projects for a total investment of \$22 million over seven years. One such project, the Research Network for Business Sustainability led by Pratima Bansal of the University of Western Ontario, comprises 200 researchers from 60 Canadian research institutions, partners from three federal departments, two non-profit organizations, and 10 corporations representing most of the major industries in the Canadian economy.

SSHRC also funded a wide range of conferences and workshops in 2007-08 that facilitated the transfer of research results within and between disciplines, and among Canadian and international researchers. Conferences—such as Imagining Sustainable Food Systems at Wilfrid Laurier University, Les formes américaines de la poésie at the Université du Québec à Montréal, and Globalization and Labour at the University of Northern British Columbia—brought scholars and students together to discuss important research questions. SSHRC also funded the Aid to Open-Access Research Journals program, which supports the publication of online, open-access, peer-reviewed publications. In 2007-08, SSHRC funded 11 open-access journals in such fields as education, law and religious studies.

COMMUNITY PARTNERSHIPS

SSHRC approved a knowledge mobilization policy and a new knowledge mobilization division in 2007-08. The overall objective is to enable access to social sciences and humanities research results for those who will find them most valuable, such as policy-makers, business leaders, community groups, educators, fellow academics, students and the media.

The Community-University Research Alliances, or CURA program, is a world-renowned example of knowledge mobilization. In 2007-08, this program offered funding over five years to research alliances struck between Canadian community, private sector and post-secondary institutions.

SSHRC awarded 13 CURA grants, including a project to transform inner city communities in Manitoba and a project to revitalize the Huron-Wendat language at the Université Laval.

The CURA program helps communities and universities combine strengths as they grapple with complex issues such as changing employment patterns, poverty, homelessness and transformations in family life. Since 1998, CURA has funded 92 research projects, investing more than \$86 million. In addition, more than 900 non-academic organizations—including associations, hospitals, and government, private sector, aboriginal and charitable organizations—have participated in CURA projects.

In 2007-08, SSHRC and the International Development Research Centre (IDRC) signed an agreement to invest up to \$6.27 million over six years to support a new International Community-University Research Alliances program, based on the CURA model. SSHRC received 102 applications for international community-university collaborative projects to engage professional teams from Canada and developing countries as well as the community members who will directly benefit from the research. The program focuses on a range of issues of shared interest, including environmental and natural resource management, and information and communication technologies.

GLOBAL COLLABORATION

While international collaboration has always been part of the scholarly endeavour, economic globalization and communications technology are accelerating its scope and pace and increasing its impact. For Canada, international collaboration in research is becoming increasingly important—to access the global pool of knowledge, to develop comparative perspectives on key social, cultural and economic issues, and to use knowledge and resources to address complex global issues.

In 2007-08, the International Opportunities Fund (IOF) funded 65 projects to help Canadian researchers initiate and participate in international

research collaborations. Offering funding for workshops, meetings and other activities that offer opportunities for international collaboration, the IOF program has been hugely successful in bringing Canadian talent to the forefront of important international research endeavours.

SSHRC hosted the International Forum of Funding Agencies in September 2007, which included leaders from social sciences and humanities funding agencies in nine countries. These leaders are now working cooperatively, not only to reduce the barriers researchers face as they collaborate across borders, but also to encourage research in the social sciences and humanities as a global enterprise.

AGENCY CONNECTIONS

In 2007-08, SSHRC, the Natural Sciences and Engineering Council (NSERC), the Canadian Institutes of Health Research (CIHR) and the Canada Foundation for Innovation established a tri-council collaboration dubbed TC3+ to increase effectiveness, reduce duplication and enable the support of cross-cutting, multidisciplinary research initiatives. The agency presidents now meet on a regular basis to discuss issues of common concern, to advance collaborative programs—such as the Networks of Centres of Excellence, Canada Research Chairs and Indirect Costs programs—and to better serve the research community.

TC3+ focused on a number of priorities in 2007-08, including the implementation of the Government of Canada's new science and technology strategy. In this context, the agencies worked together to open up programs and promote greater participation across the research community, including SSHRC's recent call for proposals in Management, Business and Finance.

The agencies focused on four key priorities:

- integrating and harmonizing programs, policies and processes where appropriate;
- developing a set of core indicators that enable the collection of and reporting on the impact of publicly funded research;
- strengthening ties to the global supply of ideas, talent and technology, including developing measures to increase the mobility of graduate students and research fellows; and
- advising government on a comprehensive approach to the management of federal support for higher-education research and development.

In addition, the three federal granting agencies — SSHRC, NSERC and CIHR — submitted to the Minister of Industry and the Minister of Health a report on each agency's progress on the implementation of the federal government's new science and technology strategy, and how the tri-council collaborative approach has strengthened each agency's actions.

As well, in 2007-08, SSHRC, NSERC and CIHR worked together with institutions to enhance the Memorandum of Understanding (MOU) on the Roles and Responsibilities in the Management of Federal Grants and Awards. The MOU is an agreement between the agencies and Canada's post-secondary institutions, which sets the framework for administering research funds. The updated MOU harmonizes policies among the federal agencies and strengthens their relationships with institutions, ensuring research is conducted in accordance with the highest administrative and ethical standards.

INCREASING THE IMPACT OF RESEARCH

SSHRC works to increase the impact of research and research training for the benefit of all Canadians by seeking out and supporting social science and humanities scholars whose work meets the highest international standards for research excellence. We accomplish this through a wide range of funding programs designed to support the diverse needs of our evolving research community, and through thematic research on critical issues, such as the success of Canadian businesses in the new economy.

SSHRC also worked energetically in 2007-08 to develop a communications plan and refine the SSHRC brand. The communications plan, developed following extensive internal and external consultation, is founded on a strategy to intensify the impact and results of SSHRC-funded research in collaboration with our partners.

In these ways, SSHRC ensures that social sciences and humanities research plays a pivotal role in Canada's global competitiveness and quality of life.

SUPPORTING CANADA'S BEST

SSHRC's Standard Research Grants (SRG) program funds research projects that cover topics across more than 30 disciplines. The foundation of SSHRC's suite of funding programs, SRGs help Canada develop world-class excellence across the broad spectrum of social sciences and humanities research. In 2007-08, SSHRC awarded 841 SRGs for a total research investment of \$65.6 million over three years.

Building upon the research capacity and expertise nurtured through SRGs, SSHRC's strategic joint initiatives—developed and funded by SSHRC in collaboration with other organizations—and strategic research grants mobilize Canada's best scholars to address issues of social, economic and cultural importance to Canadians. In 2007-08, SSHRC

SSHRC'S STANDARD RESEARCH GRANTS (SRG) PROGRAM FUNDS RESEARCH PROJECTS THAT COVER TOPICS ACROSS MORE THAN 30 DISCIPLINES. THE FOUNDATION OF SSHRC'S SUITE OF FUNDING PROGRAMS, SRGs HELP CANADA DEVELOP WORLD-CLASS EXCELLENCE ACROSS THE BROAD SPECTRUM OF SOCIAL SCIENCES AND HUMANITIES RESEARCH. **IN 2007-08, SSHRC AWARDED 841 SRGs FOR A TOTAL RESEARCH INVESTMENT OF \$65.6M OVER THREE YEARS.**

awarded 116 strategic joint initiative and strategic research grants—a total investment of \$15.7 million—for projects ranging from homelessness to the Canadian North.

In 2007, the federal government increased SSHRC's funding by \$11 million a year for research in management, business and finance. This SSHRC-supported research will help us better understand the human dimension of prosperous economies and successful societies, and will strengthen the day-to-day decision-making of Canadians involved in the management, business and finance sectors.

In all, SSHRC peer-reviewed nearly 500 applications for the new management, business and finance programs and awarded more than 200 grants—some of which extend over several years—for a total investment of \$27.7 million. SSHRC also continued work in 2007-08 with Canadian business school deans and other scholars and partners to explore longer-term strategies for supporting management, business and finance research.

These grants included those that contribute to fields of research the federal government identified as priorities in its science and technology strategy. The energy, natural resources, environment and sustainability community received \$7.7 million, health research received \$1.1 million and information and communication technologies scholars received \$2.1 million.

SSHRC's funding in management, business and finance also included \$1.1 million to international research collaborations, which will investigate critical issues of innovation, industrial and technological development, commercialization and competitiveness, information technologies, globalization, productivity, environment and sustainability, and financial and monetary systems.

DEVELOPING TALENT

SSHRC supports researchers who, through teaching and research assistantships, pass on their wealth of knowledge and expertise to Canadian students in universities and colleges across the country. SSHRC scholarships and fellowships also support the next generation of Canadian researchers as well as graduate students who go on to become leaders across the private, public and not-for-profit sectors. Training the highly skilled workforce Canada needs in the global economy remains one of the SSHRC's most important priorities. The availability of funding to support the direct cost of research is key to attracting and keeping the very best researchers in Canada and providing the best post-secondary environment in which to train students.

In 2007-08, SSHRC continued to support the development of Canada's future leaders. Canada Graduate Scholarships provided funding to 400 doctoral candidates and 1,289 master's candidates pursuing their studies at a Canadian university. Recipients will study a diverse range of issues, including climate change, long-term care for the elderly, and secondary school retention and completion in First Nations settings.

In addition, SSHRC also awarded 650 SSHRC doctoral fellowships to Canadian students pursuing a PhD in the social sciences and humanities in Canada or abroad, and awarded postdoctoral fellowships to 144 promising new scholars in the social sciences and humanities.

SSHRC also supported the Parliamentary Internship Programme in which Canadian graduates take work placements in the House of Commons. The program enables graduates to experience the political process first hand and offers learning opportunities, such as seminars and comparative study tours.

MEASURING IMPACT

SSHRC recognizes the importance of demonstrating to Canadians how research in the social sciences and humanities has a major impact on society and advances knowledge and builds understanding on important issues. In 2007-08, SSHRC continued to engage the Canadian research community in exploring new approaches to capturing the social, economic and cultural impacts of publicly funded research.

SSHRC funded 14 new research projects in 2007-08 on the topic of measuring, assessing, evaluating and communicating the outcomes and impacts of social sciences and humanities research. These projects range from University of Toronto deputy provost Cheryl Misak's work to develop standardized measures for evaluating the quality and impact of humanities research to École Polytechnique de Montréal assistant professor Catherine Beaudry's examination of the impact of publicly funded social sciences and humanities research in nano and biotechnology innovation networks.

SSHRC partnered with the Canadian Society for the Study of Higher Education to organize an open panel discussion on measuring impact at the 2007 Congress of the Humanities and Social Sciences in Saskatoon. The panel featured prominent thinkers on the issue, including Peter Nicholson of the Council of Canadian Academies and Norman Bradburn of the American Academy of Arts and Sciences Humanities Indicators Project. SSHRC also organized a workshop that brought key stakeholders together to discuss the Council's approach to the issue.

ABOUT THE COUNCIL

GOVERNANCE

SSHRC IS GOVERNED BY A COUNCIL COMPRISED OF MEMBERS FROM ACADEMIA AND THE LARGER SOCIETY. MEMBERS MEET REGULARLY TO PROVIDE STRATEGIC DIRECTION ON POLICY AND PROGRAM PRIORITIES, AND TO MONITOR SSHRC'S PERFORMANCE AND ACHIEVEMENTS IN THE INTEREST OF ENABLING A STRONG, VIBRANT CANADIAN RESEARCH COMMUNITY IN THE SOCIAL SCIENCES AND HUMANITIES.

MEMBERS OF THE COUNCIL

FROM APRIL 1ST 2007 TO MARCH 31ST 2008Vice-President
and Chair of Council

THOMAS KIERANS
TORONTO, ONTARIO

President

CHAD GAFFIELD
SSHRC

Members

PAUL BATES
DEAN, DEGROOTE SCHOOL OF BUSINESS
MCMASTER UNIVERSITY

SEAN CAULFIELD
CANADA RESEARCH
CHAIR IN PRINTMAKING
UNIVERSITY OF ALBERTA

KERRY DAY
VICE-PRESIDENT, LEGAL AND
CORPORATE COMPLIANCE
ATB FINANCIAL

ANGELA FERRANTE
TORONTO, ONTARIO

KEN HIGGINBOTHAM
VICE-PRESIDENT, FORESTRY
AND ENVIRONMENT
CANFOR CORPORATION

LINDA HUGHES
EDMONTON, ALBERTA

THOMAS JENKINS
EXECUTIVE CHAIRMAN AND
CHIEF STRATEGY OFFICER
OPENTEXT

GREGORY KEALEY
PROVOST AND VICE-PRESIDENT, RESEARCH
UNIVERSITY OF NEW BRUNSWICK

DANIELLE LABERGE
ADMINISTRATOR AND ASSOCIATE PROFESSOR
UNIVERSITÉ DU QUÉBEC À MONTRÉAL

CAMILLE LIMOGES
INDEPENDENT SCHOLAR
AND CONSULTANT
MONTRÉAL, QUÉBEC

CHRISTOPHER MANFREDI
DEAN, FACULTY OF ARTS
MCGILL UNIVERSITY

STEPHEN MCCLATCHIE
VICE-PRESIDENT, ACADEMIC
AND RESEARCH
MOUNT ALLISON UNIVERSITY

NELSON MICHAUD
DIRECTOR, TEACHING AND RESEARCH
ÉCOLE NATIONALE D'ADMINISTRATION
PUBLIQUE

LESLIE MONKMAN
J. R. STRATHY PROFESSOR OF ENGLISH
LANGUAGE AND LITERATURE
QUEEN'S UNIVERSITY

BARBARA NEIS
PROFESSOR, SOCIOLOGY
MEMORIAL UNIVERSITY
OF NEWFOUNDLAND

SUROMITRA SANATANI
VICTORIA, BRITISH COLUMBIA

STAN SHAPSON
VICE-PRESIDENT, RESEARCH
AND INNOVATION
YORK UNIVERSITY

MICHÈLE THIBODEAU-DEGUIRE
PRESIDENT AND EXECUTIVE DIRECTOR
CENTRAIDE OF GREATER MONTRÉAL

VIANNE TIMMONS
PRESIDENT
UNIVERSITY OF REGINA

STEPHEN TOOPE
PRESIDENT
THE UNIVERSITY OF BRITISH COLUMBIA

Associate Members

ALAN BERNSTEIN
PRESIDENT
CANADIAN INSTITUTES
OF HEALTH RESEARCH

PIERRE CHARTRAND
ACTING PRESIDENT
CANADIAN INSTITUTES
OF HEALTH RESEARCH

SUZANNE FORTIER
PRESIDENT
NATURAL SCIENCES AND
ENGINEERING RESEARCH COUNCIL



Rebuilding Aboriginal Communities

RESEARCHER

EVIE PLAICE, ANTHROPOLOGY,
UNIVERSITY OF NEW BRUNSWICK

SSHRC SUPPORT

ABORIGINAL RESEARCH GRANT PARTNERING
UNIVERSITY-BASED RESEARCHERS WITH
ABORIGINAL SCHOLARS TO PRESERVE
THE MALISEET LANGUAGE BY RECORDING
CONVERSATIONS WITH FLUENT SPEAKERS.

IMPACT

WORKING WITH COMMUNITY ELDERS, PLAICE IS
HELPING PRESERVE THE SPIRITUAL BELIEFS AND
CULTURAL TRADITIONS INHERENT WITHIN THE
MALISEET LANGUAGE, AS WELL AS REVIVING
COMMUNITY INTEREST AND PRIDE IN ITS
LANGUAGE AND HISTORY.

“It’s not a dying language.
My belief is that as long as I can
name everything in my language,
then my language, and culture,
are very much alive.”

IMELDA PERLEY

MALISEET FIRST LANGUAGE SPEAKER AND
INSTRUCTOR, MI’KMAQ-MALISEET INSTITUTE

Showcasing Canadian Innovation to the World

RESEARCHER

TIM ANTONIUK, ART AND DESIGN,
UNIVERSITY OF ALBERTA

SSHRC SUPPORT

RESEARCH/CREATION IN FINE ARTS GRANT TO
STUDY SUSTAINABILITY IN FURNITURE DESIGN.

IMPACT

ANTONIUK'S WORK IS SHOWCASED AT MAJOR
INDUSTRY EVENTS IN NEW YORK, MILAN AND
SHANGHAI. STUDENTS ALSO BENEFIT FROM
ANTONIUK'S GROWING REPUTATION AS AN
INNOVATIVE AND ECO-FRIENDLY DESIGNER
WITH OPPORTUNITIES TO SHOWCASE THEIR
OWN WORK ON THE INTERNATIONAL STAGE.

“Thanks to this research, the
University of Alberta’s school of
industrial design became the first
Canadian school to be invited
to exhibit at the International
Contemporary Furniture Fair in
New York in 2007 and one of the
few Canadian design schools to
exhibit at the Milan Furniture Fair
in 2008. It’s a huge opportunity
for Canada and for Canadian
students.”

TIM ANTONIUK

UNIVERSITY OF ALBERTA



FINANCIAL STATEMENTSFor the Year Ended March 31ST, 2008

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Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

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

I have audited the statement of financial position of the Social Sciences and Humanities Research Council as at March 31, 2008 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Nancy Y. Cheng, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 23, 2008

STATEMENT OF MANAGEMENT RESPONSIBILITY

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008 and all information contained in these statements rests with the management of the Social Sciences and Humanities Research Council. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector, and year-end instructions issued by the Office of the Comptroller General.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil these accounting and reporting responsibilities, management maintains a set of accounts which provides a centralized record of the Council's financial transactions. Financial information submitted to the Public Accounts of Canada and included in the Council's Departmental Performance Report is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the Financial Administration Act, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Council.

The Audit Committee appointed by the Social Sciences and Humanities Research Council reviews these financial statements with the management and the auditors, and reports to the Council.

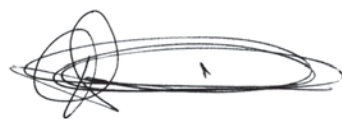
The financial statements of the Council have been audited by the Auditor General of Canada.

APPROVED BY:



CHAD GAFFIELD, PH.D., FRSC
PRESIDENT

MAY 23, 2008



MICHEL CAVALLIN
VICE-PRESIDENT
COMMON ADMINISTRATIVE SERVICES DIRECTORATE
(SENIOR FINANCIAL OFFICER)

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31
(THOUSANDS OF DOLLARS)

	2008	2007
EXPENSES <small>[NOTE 4]</small>		
INDIRECT COSTS OF RESEARCH	313,893	298,450
FELLOWSHIPS, SCHOLARSHIPS AND PRIZES	100,073	96,522
INVESTIGATOR-FRAMED RESEARCH	91,463	99,175
RESEARCH COMMUNICATION AND INTERACTION	61,125	23,418
CANADA RESEARCH CHAIRS	58,710	56,775
STRATEGIC RESEARCH DEVELOPMENT	29,521	23,355
TARGETED RESEARCH AND TRAINING INITIATIVES	28,157	29,045
TOTAL EXPENSES	682,942	626,740
REVENUES		
INVESTIGATOR-FRAMED RESEARCH	2	2
TOTAL REVENUES	2	2
NET COST OF OPERATIONS	682,940	626,738

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31
(THOUSANDS OF DOLLARS)

	2008	2007
ASSETS		
FINANCIAL ASSETS		
DUE FROM THE CONSOLIDATED REVENUE FUND	3,457	2,620
ACCOUNTS RECEIVABLE [NOTE 5]	1,323	1,535
ADVANCES	5	4
TOTAL FINANCIAL ASSETS	4,785	4,159
NON-FINANCIAL ASSETS		
PREPAID EXPENSES	154	127
TANGIBLE CAPITAL ASSETS [NOTE 6]	2,154	1,788
TOTAL NON-FINANCIAL ASSETS	2,308	1,915
TOTAL	7,093	6,074
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES [NOTE 7]	3,534	2,761
VACATION PAY AND COMPENSATION LEAVE	762	702
DEFERRED REVENUE [NOTE 8]	495	483
OTHER LIABILITIES [NOTE 9]	-	2
EMPLOYEE SEVERENCE BENEFITS [NOTE 10b]	2,636	2,416
TOTAL LIABILITIES	7,427	6,364
EQUITY OF CANADA [NOTE 11]	(334)	(290)
TOTAL	7,093	6,074

CONTRACTUAL OBLIGATIONS (NOTE 12)

CONTINGENT LIABILITIES (NOTE 13)

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF EQUITY OF CANADA

FOR THE YEAR ENDED MARCH 31
(THOUSANDS OF DOLLARS)

	2008	2007
EQUITY OF CANADA		
EQUITY OF CANADA, BEGINNING OF YEAR	(290)	(727)
NET COST OF OPERATIONS	(682,940)	(626,738)
NET CASH PROVIDED BY GOVERNMENT [NOTE 3C]	678,707	623,606
CHANGE IN DUE FROM THE CONSOLIDATED REVENUE FUND	837	326
SERVICES PROVIDED WITHOUT CHARGE FROM OTHER GOVERNMENT DEPARTMENTS [NOTE 14A]	3,352	3,243
EQUITY OF CANADA, END OF YEAR	(334)	(290)

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF CASH FLOW

AS AT MARCH 31ST 2008
(THOUSANDS OF DOLLARS)

	2008	2007
OPERATING ACTIVITIES		
NET COST OF OPERATIONS	682,940	626,738
NON-CASH ITEMS INCLUDED IN NET COST OF OPERATIONS:		
AMORTIZATION OF TANGIBLE CAPITAL ASSETS [NOTE 6]	(887)	(799)
SERVICES PROVIDED WITHOUT CHARGE FROM OTHER GOVERNMENT DEPARTMENTS [NOTE 14A]	(3,352)	(3,243)
LOSS ON DISPOSALS OF TANGIBLE CAPITAL ASSETS	-	(3)
VARIATIONS IN STATEMENT OF FINANCIAL POSITION		
(DECREASE) INCREASE IN ACCOUNTS RECEIVABLE	(212)	391
INCREASE (DECREASE) IN ADVANCES	1	(5)
INCREASE IN PREPAID EXPENSES	27	99
INCREASE IN ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	(773)	(368)
(INCREASE) DECREASE IN VACATION PAY AND COMENSATORY LEAVE	(60)	23
INCREASE IN DEFERRED REVENUE	(12)	(11)
DECREASE IN OTHER LIABILITIES	2	71
INCREASE IN EMPLOYEE SEVERANCE BENEFITS	(220)	(65)
CASH USED BY OPERATING ACTIVITIES	677,454	622,828
CAPITAL ACTIVITIES		
ACQUISITIONS OF TANGIBLE CAPITAL ASSETS	1,253	778
CASH USED BY CAPITAL ACTIVITIES	1,253	778
FINANCING ACTIVITIES		
NET CASH PROVIDED BY GOVERNMENT	(678,707)	(623,606)

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTES TO THE FINANCIAL STATEMENTS

01.

AUTHORITY AND OBJECTIVE

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

[a] Indirect Costs of Research:

The key objective of the Indirect Costs program is to help eligible universities, colleges and affiliated research hospitals and research institutes pay a portion of the costs associated with conducting academic research in institutions receiving research funds from any of the three federal granting agencies.

[b] Investigator-Framed Research:

SSHRC research grants support individual and team projects and programs of research for which the applicant(s) proposes/propose the research topic and methodology.

[c] Fellowships, Scholarships and Prizes:

SSHRC offers several award programs for advanced study and research in the social sciences and humanities at the master's, doctoral and postdoctoral level. These programs help train Canada's researchers and the leaders of tomorrow.

[d] Canada Research Chairs:

The Canada Research Chairs Program supports 2,000 research professorships in all disciplines at universities across the country. The program's key objective is to enable Canadian universities, together with their affiliated research institutes and hospitals, to achieve the highest levels of excellence and to become world-class research centres in the global, knowledge-based economy.

[e] Targeted Research and Training Initiatives:

SSHRC's targeted programs support strategic research and training to address specific knowledge needs and gaps for Canadians identified in consultations with its community or defined in partnership with other funders (including government, private and community organizations).

[f] Research Communication and Interaction:

SSHRC supports the communication and dissemination of research results to both academic and broader audiences through both traditional and innovative mechanisms.

[g] Strategic Research Development:

SSHRC's strategic grants are available to faculty, post-secondary institutions and not-for-profit organizations to explore, develop and define new perspectives, challenges, and priorities in conducting research, in disseminating research results, and in training new researchers.

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

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector, and year-end instructions issued by the Office of the Comptroller General. The most significant accounting policies are as follows:

[a] Parliamentary appropriations

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

[b] Net cash provided by Government

The Council operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by the Council is deposited to the CRF and all cash disbursements made by the Council are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions with departments of the federal government.

[c] Due from the Consolidated Revenue Fund

Due from the Consolidated Revenue Fund represents the amount of cash that the Council is entitled to draw from the CRF, without further appropriations, in order to discharge its liabilities.

[d] Revenues

- Revenues consist of interest on overdue accounts receivable and are accounted for as earned.
- Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. These revenues are recognized in the period in which the specified purpose has occurred and netted against the related expenses.

[e] Expenses

Expenses are recorded on the accrual basis:

- Grants and scholarships are recognized in the year in which the entitlement of the recipient has been established, when the recipient has met the eligibility criteria, the commitment has been approved, and the payment is due before the end of the fiscal year.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments and agencies are recorded as operating expenses at their estimated cost.

[f] Employee future benefits

- Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Council's contributions to the Plan are charged to expenses in the year incurred and represent the total Council's obligation to the Plan. Current legislation does not require the Council to make contributions for any actuarial deficiencies of the Plan.
- Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

[g] Accounts receivable

Accounts receivable are stated at amounts expected to be ultimately realized. A provision is made for receivables from external parties where the recovery is considered uncertain.

[h] Tangible capital assets

All tangible capital assets and leasehold improvements with an acquisition cost of \$2,500 or more are capitalized at cost as well as the standard furniture, equipment and desktop personal computer assigned to each employee due to the material number of such items. Tangible capital assets are amortized over their estimated useful life on a straight-line basis as follows:

ASSET CLASS	AMORTIZATION PERIOD
INFORMATICS EQUIPMENT, INCLUDING STANDARD SOFTWARE ISSUED ON DESKTOP COMPUTERS	3 years
PURCHASED NETWORK SOFTWARE AND IN-HOUSE DEVELOPED SOFTWARE	5 years
OTHER EQUIPMENT	5 years
FURNITURE	7 years
MOTOR VEHICLES	7 years
LEASEHOLD IMPROVEMENTS	Lesser of their useful life or the term of the lease

02.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[i] Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

[j] Measurement uncertainty

The preparation of financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector, and year-end instructions issued by the Office of the Comptroller General requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The allowance for employee severance benefits and the estimated useful lives of capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

The operations of the Council are funded through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Council has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

03.

PARLIAMENTARY
APPROPRIATIONS**[a] Reconciliation of net cost of operations to current year appropriations used**

(Thousands of Dollars)	2008	2007
NET COST OF OPERATIONS	682,940	626,738
ADJUSTMENTS FOR ITEMS AFFECTING NET COST OF OPERATIONS BUT NOT AFFECTING APPROPRIATIONS:		
ADD (LESS):		
INTEREST ON OVERDUE ACCOUNTS RECEIVABLE	2	2
REFUNDS OF PREVIOUS YEARS' EXPENSES	1,697	1,717
VACATION PAY AND COMPENSATORY LEAVE	(60)	23
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	(887)	(799)
SERVICES PROVIDED WITHOUT CHARGE BY OTHER GOVERNMENT		
DEPARTMENTS AND AGENCIES	(3,352)	(3,243)
EMPLOYEE SEVERANCE BENEFITS	(220)	(65)
OTHER ADJUSTMENTS	(353)	(1)
ADJUSTMENTS FOR ITEMS NOT AFFECTING NET COST OF OPERATIONS BUT AFFECTING APPROPRIATIONS:		
ADD (LESS):		
ACQUISITIONS OF TANGIBLE CAPITAL ASSETS	1,253	778
PREPAID EXPENSES	27	99
CURRENT YEAR APPROPRIATIONS USED	681,047	625,249

[b] Appropriations provided and used

(Thousands of Dollars)	2008	2007
GRANTS AND SCHOLARSHIPS		
VOTE 85	658,688	604,410
LESS: LAPSE/FROZEN ALLOTMENT	(1,371)	(1,293)
GRANTS AND SCHOLARSHIPS EXPENDITURES	657,317	603,117
OPERATING EXPENDITURES		
VOTE 80	22,607	20,824
LESS: OPERATING LAPSE	1,122	(863)
OPERATING EXPENDITURES	21,485	19,961
STATUTORY CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	2,245	2,171
CURRENT YEAR APPROPRIATIONS USED	681,047	625,249

[c] Reconciliation of net cash provided by Government to current year appropriations used

(Thousands of Dollars)	2008	2007
NET CASH PROVIDED BY GOVERNMENT	678,707	623,606
REFUNDS OF PREVIOUS YEARS' EXPENSES	1,697	1,717
VARIATION IN ACCOUNTS RECEIVABLE	212	(391)
VARIATION IN ADVANCES	(1)	5
VARIATION IN ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	773	368
VARIATION IN DEFERRED REVENUE	12	11
VARIATION IN OTHER LIABILITIES	(2)	(71)
OTHER ADJUSTMENTS	(351)	4
CURRENT YEAR APPROPRIATIONS USED	681,047	625,249

04.

EXPENSES

The following table presents details of expenses by category:

(Thousands of Dollars)	2008	2007
GRANTS AND SCHOLARSHIPS - SOCIAL SCIENCES AND HUMANITIES		
FELLOWSHIPS, SCHOLARSHIPS AND PRIZES	97,243	93,811
INVESTIGATOR-FRAMED RESEARCH	84,492	92,805
RESEARCH COMMUNICATION AND INTERACTION	58,405	20,950
CANADA RESEARCH CHAIRS	55,589	53,682
STRATEGIC RESEARCH DEVELOPMENT	24,738	19,130
TARGETED RESEARCH AND TRAINING INITIATIVES	22,030	23,314
	342,497	303,692
GRANTS - INDIRECT COSTS OF RESEARCH PROGRAM	313,260	297,847
OPERATIONS		
SALARIES AND EMPLOYEE BENEFITS	17,026	16,247
PROFESSIONAL AND SPECIAL SERVICES	4,132	3,110
ACCOMMODATIONS AND RENTALS	2,457	2,395
TRANSPORTATION AND COMMUNICATIONS	1,594	1,404
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	887	799
INFORMATION	517	587
UTILITIES, MATERIALS AND SUPPLIES	306	208
REPAIR AND MAINTENANCE	266	448
LOSS ON DISPOSALS OF TANGIBLE CAPITAL ASSETS	0	3
	27,185	25,201
TOTAL EXPENSES	682,942	626,740

05.

ACCOUNTS RECEIVABLE

(Thousands of Dollars)	2008	2007
OTHER FEDERAL GOVERNMENT DEPARTMENTS AND AGENCIES	569	589
EXTERNAL PARTIES	765	957
LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	(11)	(11)
TOTAL	1,323	1,535

06.

TANGIBLE CAPITAL ASSETS

(Thousands of Dollars)

CAPITAL ASSET CLASS	Costs				Accumulated amortization				Net book value	
	OPENING BALANCE	ACQUISITIONS	DISPOSALS AND WRITE-OFFS	CLOSING BALANCE	OPENING BALANCE	AMORTIZATION	DISPOSALS AND WRITE-OFFS	CLOSING BALANCE	2008	2007
INFORMATICS	2,382	348	151	2,579	1,856	422	151	2,127	452	526
SOFTWARE	1,020	79	-	1,099	677	132	-	809	290	343
OTHER EQUIPMENT	207	2	1	208	146	26	1	171	37	61
FURNITURE	1,623	451	10	2,064	1,096	162	10	1,248	816	527
LEASEHOLD IMPROVEMENTS	594	373	-	967	291	141	-	432	535	303
MOTOR VEHICLE	31	-	-	31	3	4	-	7	24	28
TOTAL	5,857	1,253	162	6,948	4,069	887	162	4,794	2,154	1,788

Amortization expense for the year ended March 31, 2008 is \$887. (\$799 in 2007).

07.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(Thousands of Dollars)	2008	2007
EXTERNAL PARTIES	1,874	1,108
OTHER FEDERAL GOVERNMENT DEPARTMENTS AND AGENCIES	1,660	1,653
TOTAL	3,534	2,761

08.

DEFERRED REVENUE

Deferred revenue represents the balance, at year-end, of restricted and earmarked funds that have been received for a specified purpose.

[a] Queen's Fellowship Endowment Fund

The Queen's Fellowship Endowment Fund consists of a \$250,000 endowment which is internally restricted for specific purposes in the Equity of Canada (see Note 11). The interest generated on the endowment is used to fund scholarships to graduate students in certain fields of Canadian studies. Details of the transactions related to the endowment are as follows:

(Thousands of Dollars)	2008	2007
BALANCE, BEGINNING OF YEAR	86	74
INTEREST RECEIVED	12	12
BALANCE, END OF YEAR	98	86

[b] Restricted gifts, donations and bequests

Private restricted gifts, donations and bequests consist of funds received for special projects in the field of social sciences and humanities research activities. These funds and interest generated thereon are earmarked for these projects. Details of the operations related to the restricted gifts, donations and bequests are as follows:

(Thousands of Dollars)	2008	2007
BALANCE, BEGINNING OF YEAR	397	398
FUNDS RECEIVED	41	-
INTEREST RECEIVED	9	9
FELLOWSHIPS PAID	(50)	(10)
BALANCE, END OF YEAR	397	397

09.

OTHER LIABILITIES

Other liabilities represent earmarked funds held for the European Research Area on Societal Aspects of Genomics (ERA-SAGE). These funds must be used for the purposes for which they were received and represent a liability. The transactions related to this specified purpose account are not included in the Council's statement of operations but represent a charge to this account as the Council has simply acted as a facilitator on behalf of ERA-SAGE. Details of changes in the account are as follows:

(Thousands of Dollars)	2008	2007
BALANCE, BEGINNING OF YEAR	2	73
FUNDS RECEIVED	-	-
DISBURSEMENTS	(2)	(71)
BALANCE, END OF YEAR	0	2

10.

EMPLOYEE BENEFITS

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

[a] Pension benefits

The Council's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Council contribute to the cost of the Plan. The 2007-08 expense amounts to \$1,636,552 (\$1,599,709 in 2006-07), which represents approximately 2.1 times the contributions by employees.

The Council's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

[b] Severance benefits

The Council provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

(Thousands of Dollars)	2008	2007
ACCRUED BENEFIT OBLIGATION, BEGINNING OF YEAR	2,416	2,351
EXPENSE FOR THE YEAR	368	329
BENEFITS PAID DURING THE YEAR	(148)	(264)
ACCRUED BENEFIT OBLIGATION, END OF YEAR	2,636	2,416

11.

EQUITY OF CANADA

The Queen's Fellowship Endowment Fund is an endowment of \$250,000 established by Parliament by Vote 45a, Appropriation Act No. 5, in 1973-74. The interest generated from the endowment is included in deferred revenue (see Note 8a). The endowment itself does not represent a liability to third parties but is internally restricted for special purposes. The details of the Equity of Canada are as follows:

(Thousands of Dollars)	2008	2007
QUEEN'S FELLOWSHIP ENDOWMENT FUND	250	250
EQUITY OF CANADA EXCLUDING ENDOWMENT FUND	(584)	(540)
EQUITY OF CANADA	(334)	(290)

12.

CONTRACTUAL OBLIGATIONS

Payments of grants and scholarships extending in future years are subject to the provision of funds by Parliament. As of March 31, 2008, the commitments for future years' awards, including \$313,255,475 in 2008-09 for the Indirect Costs Program, are payable as follows:

	(Thousands of Dollars)
2008-2009	601,483
2009-2010	177,717
2010-2011	98,721
2011-2012	40,007
2012-2013 AND SUBSEQUENT YEARS	40,987
TOTAL	958,915

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

	(Thousands of Dollars)
2008-2009	29
2009-2010	25
2010-2011	10
2011-2012	3
2012-2013 AND SUBSEQUENT YEARS	2
TOTAL	69

13.

CONTINGENT LIABILITIES

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

14.

RELATED PARTY TRANSACTIONS

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

During the year, the Council received services which were obtained without charge from other Government departments as presented in part (a):

[a] Services provided without charge

(Thousands of Dollars)	2008	2007
ACCOMMODATIONS PROVIDED BY PUBLIC WORKS AND GOVERNMENT SERVICES CANADA	2,286	2,172
CONTRIBUTIONS COVERING THE EMPLOYER'S SHARE OF EMPLOYEES' MEDICAL AND DENTAL INSURANCE PREMIUMS PROVIDED BY TREASURY BOARD SECRETARIAT	999	1,007
OTHER SERVICES PROVIDED WITHOUT CHARGE	67	64
TOTAL SERVICES PROVIDED WITHOUT CHARGE	3,352	3,243

[b] Administration of programs on behalf of other government departments

The Council administers funds received from other federal government departments and agencies to issue grants, scholarships and related payments on their behalf. During the year, the Council administered \$ 206,114,194 (\$194,134,487 in 2007) in funds for grants and scholarships. These expenses are not reflected in the Council's Statement of Operations but rather are recorded in the financial statements of the departments or agencies that provided the funds.

The Council also recovers administrative fees in some circumstances where a significant administrative burden is incurred by the Council for the administration of certain funds on behalf of other federal government departments and agencies. These amounted to \$38,640 during the year (\$152,810 in 2007) and were netted against the Council's operating expenses.