

**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -  
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**

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2008 Summarized Financial Statements

## **Auditors' Report 2008 Summarized Financial Statements**

**To the Board of Directors of  
The Canadian Institute for Advanced Research -  
L'Institut Canadien de Recherches Avancées**

The accompanying summarized statement of financial position and summarized statements of operations, changes in net assets and cash flows are derived from the complete financial statements of The Canadian Institute for Advanced Research - L'Institut Canadien de Recherches Avancées as at June 30, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated August 23, 2008. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

*PKF Hill LLP*

Chartered Accountants, Licensed Public Accountants  
August 23, 2008  
Toronto, Ontario

**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -  
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**

Summarized Statement of Financial Position  
As at June 30

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Cash and short-term deposits	\$ 8,507,437	\$ 3,644,696
Accounts receivable and prepaid expenses	1,341,552	1,407,619
	9,848,989	5,052,315
Investments, including current portion	31,815,188	29,380,660
Equipment and leasehold improvements, at net book value	275,204	161,079
<b>Total assets</b>	<b>\$ 41,939,381</b>	<b>\$ 34,594,054</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 2,458,209	\$ 2,647,338
Deferred income, including current portion	10,401,049	9,782,275
<b>Total liabilities</b>	<b>12,859,258</b>	<b>12,429,613</b>
<b>Net assets</b>		
Invested in equipment and leasehold improvements	275,204	161,079
See Far Fund		
Externally restricted for endowment	500,000	-
Internally restricted	20,324,600	15,271,466
Cumulative unrealized gain on available-for-sale investments	476,100	1,103,934
Unrestricted	7,504,219	5,627,962
<b>Total net assets</b>	<b>29,080,123</b>	<b>22,164,441</b>
<b>Total liabilities and net assets</b>	<b>\$ 41,939,381</b>	<b>\$ 34,594,054</b>

**See accompanying note**

**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -  
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**

Summarized Statement of Operations  
Year ended June 30

	<b>2008</b>	<b>2007</b>
<b>Income</b>		
Program contributions		
Private sector	\$ 2,681,623	\$ 2,912,473
Federal government	5,000,000	5,000,000
Provincial governments	11,268,750	13,090,000
Other contributions	320,000	261,887
Investment income	998,057	705,486
<b>Total income</b>	<b>20,268,430</b>	<b>21,969,846</b>
<b>Expenses</b>		
Program expenses		
Active programs, direct		
Cosmology and Gravity	1,039,003	1,350,386
Earth System Evolution	651,983	552,534
Evolutionary Biology	(97,665)	564,631
Experience-based Brain and Biological Development	511,634	522,887
Genetic Networks	459,246	363,826
Institutions, Organizations and Growth	714,783	775,440
Integrated Microbial Biodiversity	549,815	41,000
Nanoelectronics	980,529	1,043,742
Neural Computation and Adaptive Perception	446,725	402,358
Quantum Information Processing	682,129	720,075
Quantum Materials/Superconductivity	1,039,865	1,009,988
Social Interactions, Identity & Well Being	504,926	381,687
Successful Societies	782,766	799,357
	<b>8,265,739</b>	<b>8,527,911</b>
Active programs, support		
Program Development and Assessment	1,480,760	1,350,207
Program Reviews and Research Council	108,668	299,402
Knowledge Transfer	60,544	29,154
International Reach	17,542	-
Interdisciplinary Study	94,050	-
New Program Development	122,439	125,331
	<b>1,884,003</b>	<b>1,804,094</b>
Other	754,876	355,527
<b>Total program expenses</b>	<b>10,904,618</b>	<b>10,687,532</b>
Advancement and communications	1,827,350	1,482,400
Governance and administration	628,048	524,825
Other	36,116	-
<b>Total expenses</b>	<b>13,396,132</b>	<b>12,694,757</b>
<b>Excess of income over expenses</b>	<b>\$ 6,872,298</b>	<b>\$ 9,275,089</b>
<b>Allocated to:</b>		
Invested in equipment and leasehold improvements	\$ (133,938)	\$ (88,998)
See Far Fund	5,053,100	9,139,500
Unrestricted	1,953,136	224,587
	<b>\$ 6,872,298</b>	<b>\$ 9,275,089</b>

See accompanying note



**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -  
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**

Summarized Statement of Changes in Net Assets  
Year ended June 30

	<b>2008</b>	<b>2007</b>
Balance, beginning of year	\$ 22,164,441	\$ 12,069,689
Excess of income over expenses	6,872,298	9,275,089
Endowment contribution	500,000	-
Unrealized gain on foreign currency	156,184	-
Unrealized gain (loss) on investments	(612,800)	819,663
<b>Balance, end of year</b>	<b>\$ 29,080,123</b>	<b>\$ 22,164,441</b>

**See accompanying note**

**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -  
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**

Summarized Statement of Cash Flows  
Year ended June 30

	<b>2008</b>	<b>2007</b>
Operating activities		
Excess of income over expenses	\$ 6,872,298	\$ 9,275,089
Unrealized loss on investments	-	44,413
Amortization of equipment and leasehold improvements	133,938	118,600
Changes in non-cash working capital	495,712	4,064,357
<b>Cash flows from operating activities</b>	<b>7,501,948</b>	<b>13,502,459</b>
Financing activities		
Endowment contribution and cash flow from financing activities	500,000	-
Investing activities		
Investments	(2,891,144)	(14,612,123)
Equipment and leasehold improvements	(248,063)	(29,602)
<b>Cash flows from investing activities</b>	<b>(3,139,207)</b>	<b>(14,641,725)</b>
Net increase (decrease) in cash position during the year	4,862,741	(1,139,266)
Cash and short-term deposits, beginning of year	3,644,696	4,783,962
<b>Cash and short-term deposits, end of year</b>	<b>\$ 8,507,437</b>	<b>\$ 3,644,696</b>

**See accompanying note**

# **THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH - L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**

Notes to Summarized Financial Statements  
Year ended June 30, 2008

## **1. Nature of Operations and Basis of Financial Statements**

The Canadian Institute for Advanced Research - L'Institut Canadien de Recherches Avancées (the "Institute") is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act (Canada). The primary objective of the Institute is to bring leading researchers together to work on major collaborative advanced-research projects that address scientific, economic and social questions that are of importance to the future of Canada and the world. The Institute funds multi-year projects that bridge institutional, regional, cultural and national boundaries. The funding provided by the Institute contributes to research support and salaries of program members.

In common with other not-for-profit organizations, the Institute is economically dependent on the continued financial support of federal and provincial governments and the private sector to meet its ongoing commitments.