

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

2010 Summarized Financial Statements

Auditors' Report 2010 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, 2010 and for the year then ended on which we expressed an opinion without reservation in our report dated August 12, 2010. 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 12, 2010

**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**
Summarized Statement of Financial Position
As at June 30

	2010	2009
ASSETS		
Cash and short-term deposits	\$ 3,623,429	\$ 4,193,948
Accounts receivable and prepaid expenses	1,537,478	1,445,668
	5,160,907	5,639,616
Investments, including current portion	29,306,080	31,695,859
Equipment and leasehold improvements, at net book value	198,351	277,964
Total assets	\$ 34,665,338	\$ 37,613,439
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 3,220,349	\$ 2,913,940
Deferred income, including current portion	3,744,392	7,012,593
Total liabilities	6,964,741	9,926,533
Net assets		
Invested in equipment and leasehold improvements	198,351	277,964
See Far Fund		
Externally restricted for endowment	474,000	500,000
Internally restricted	18,781,094	20,348,700
Cumulative unrealized loss on available-for-sale investments	-	(2,332,600)
Unrestricted	8,247,152	8,892,842
Total net assets	27,700,597	27,686,906
Total liabilities and net assets	\$ 34,665,338	\$ 37,613,439

See accompanying note

**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**
Summarized Statement of Operations
Year ended June 30

	2010	2009
Income		
Program contributions		
Private sector	\$ 2,670,238	\$ 2,609,653
Federal government	5,000,000	5,000,000
Provincial governments	6,555,000	6,700,000
Other contributions	206,000	22,000
Investment income	(781,866)	1,048,984
Total income	13,649,372	15,380,637
Expenses		
Program expenses		
Active programs, direct		
Cosmology and Gravity	1,152,714	1,022,065
Earth System Evolution	618,203	786,377
Experience-based Brain and Biological Development	640,583	608,970
Genetic Networks	528,230	525,110
Institutions, Organizations and Growth	691,590	847,626
Integrated Microbial Biodiversity	585,143	551,338
Nanoelectronics	1,012,768	1,051,893
Neural Computation and Adaptive Perception	509,745	497,445
Quantum Information Processing	833,608	732,636
Quantum Materials	989,613	1,151,781
Social Interactions, Identity & Well Being	604,084	684,579
Successful Societies	821,253	836,768
Junior Fellow Academy	950,453	304,525
	9,937,987	9,601,113
Active programs, support		
Program Development and Assessment	2,041,054	1,666,781
Program Reviews and Research Council	4,303	85,635
Knowledge Transfer	46,612	69,165
International Reach	38,816	47,709
Interdisciplinary Study	55,033	123,000
New Program Development	359,281	117,481
	2,545,099	2,109,771
Other		
Special events	58,775	-
Total program expenses	12,541,861	11,710,884
Advancement and communications	1,976,552	2,098,153
Governance and administration	804,038	690,365
Special events	257,657	14,431
Other	157,832	10,194
Total expenses	15,737,940	14,524,027
Excess (deficiency) of income over expenses	\$ (2,088,568)	\$ 856,610
Allocated to:		
Invested in equipment and leasehold improvements	\$ (102,543)	\$ (115,108)
See Far Fund		
Externally restricted for endowment	(101,400)	-
Internally restricted	(1,490,500)	-
Unrestricted	(394,125)	971,718
	\$ (2,088,568)	\$ 856,610

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

	2010	2009
Balance, beginning of year	\$ 27,686,906	\$ 29,080,123
Excess (deficiency) of income over expenses	(2,088,568)	856,610
Allocation of prior year unrealized loss recognized on available-for-sale investments sold during the year	2,332,600	-
Endowment bequests	75,000	-
Unrealized gain (loss) on foreign currency	(323,169)	343,425
Unrealized gain (loss) on investments	17,828	(2,593,252)
Balance, end of year	\$ 27,700,597	\$ 27,686,906

See accompanying note

**THE CANADIAN INSTITUTE FOR ADVANCED RESEARCH -
L'INSTITUT CANADIEN DE RECHERCHES AVANCÉES**
Summarized Statement of Cash Flows
Year ended June 30

	2010	2009
Operating activities		
Excess (deficiency) of income over expenses	\$ (2,088,568)	\$ 856,610
Amortization of equipment and leasehold improvements	102,543	115,108
Realized loss on investments	1,591,900	-
Amortization of deferred income	(3,670,206)	221,111
Changes in non-cash working capital	616,604	(3,257,952)
Cash flows from operating activities	(3,447,727)	(2,065,123)
Financing activity		
Endowment contribution and cash flow from financing activity	75,000	-
Investing activities		
Investments	2,825,138	(2,130,498)
Investment in equipment and leasehold improvements	(22,930)	(117,868)
Cash flows from investing activities	2,802,208	(2,248,366)
Net change in cash during the year	(570,519)	(4,313,489)
Cash and short-term deposits, beginning of year	4,193,948	8,507,437
Cash and short-term deposits, end of year	\$ 3,623,429	\$ 4,193,948

See accompanying note

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

**Note to Summarized Financial Statements
Year ended June 30, 2010**

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.