



Life Sciences Ontario

Annual Report 2016

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Message from the President & CEO



“We have the talent, innovation, and institutions to build and sustain a vibrant provincial life sciences sector.”

2016 was a year of rapid growth and significant impact for LSO. As a result of our advocacy efforts, the Province of Ontario committed to convening an industry-government working group to provide crucial recommendations on how to grow Ontario's life sciences sector.

We consulted on your concerns, and broadcast them strategically for maximum impact, boosting visibility for members' issues and initiatives through an increased thought leadership presence and improved communications reach. You can read about some of these initiatives in our Communications section, on Page 8.

In 2016, LSO added both a Communications Manager and Director of Business Development to its staff, enabling us to offer additional value for members.

LSO also raised the profile of our sector on the international stage, coordinating Ontario's presence at the BIO2016 conference in San Francisco, working closely with the Government of Ontario and a host of partners to ensure Ontario was well-represented at this high-profile event.

Our event programming continued to be a vital networking, learning, and talent hub for our sector. This included educational Breakfast Meetings, our Annual Awards Gala, and Networking Nights. Our mentorship program, hosted on Ten Thousand Coffees, doubled in size. You'll find facts and figures about these initiatives, and their impact, in the infographic on Page 4.

And, last but not least, we closed out the year with a successful Annual Policy Forum (Page 5) – attended by elected representatives from all provincial parties. This is a prime example of the kind of collaborative leadership we're becoming known for.

I would like to take this opportunity to sincerely thank our members, sponsors, and partners for their ongoing support. I would also like to recognize the dedication of our LSO staff, Board of Directors and many volunteers who collectively contribute to our organization's success as the central hub for life sciences in Ontario.

We have the talent, innovation, and institutions to build and sustain a vibrant provincial life sciences sector. In 2017, LSO will continue to be an outspoken advocate for our industry's success. Together, we can build Ontario life sciences into a major economic driver that will fuel the future of innovation in our province and across Canada.

Jason Field

President & CEO, Life Sciences Ontario



Chair's Message



In late 2016, I tendered my resignation from the Board of Life Sciences Ontario. It has truly been a privilege and an honour to Chair this organization for the past five years. I want to thank the Board, the staff of First Stage and LSO, and our President and CEO, Jason Field, for their unwavering support and commitment to developing the life sciences sector in Ontario.

As I am now entering retirement, I have an opportunity to reflect on what we've achieved as an organization. Our impact, particularly as of late, has been substantial. LSO's signature initiative in 2016 involved partnering with the provincial government to create a Life Sciences Working Group, to accelerate and secure our sector's success. The first meeting of this Working Group was held in January 2017. My hope is that the Working Group will make recommendations to unite the industry associations in our ecosystem, which will in turn lead to greater focus, improved efficiency and effectiveness, and a consolidation of resources. If Ontario is to continue its growth – creating more high value jobs and diversifying its economy – government must recognize our sector's value as a key driver of our prosperity. To be successful in this regard, our industry must come together with unity of voice and purpose.

During my tenure at LSO, I have seen the organization grow into a leadership role for our industry, bringing much positive impact to our ecosystem. LSO has successfully established a networking and educational hub for our sector, creating crucial connections and partnerships for private sector, government, and partner organizations.

We've gathered the industry together to tackle pressing challenges and presented them to stakeholders through our Annual Policy Forum, now in its seventh year.

And, most recently, we've cemented our role as a key communications and marketing vehicle for our sector.

As for the future? LSO is a private sector, membership-funded organization. It is one of the only provincial associations that receives no government support for its programs. Our hope is that the Government of Ontario will change that as part of its strategy to further support the industry.

Regardless, I know that LSO will continue to work diligently to create value and impact for its members and our sector. I remain committed to the mission and the importance of LSO, and I leave with confidence that it will achieve its goals in 2017, and beyond.

Paul Lucas
Chair, LSO Board of Directors

“If Ontario is to continue its growth – creating more high value jobs and diversifying its economy – government must recognize our sector's value as a key driver of our prosperity.”

LSO's Impact in 2016



AMPLIFYING OUR INDUSTRY'S VOICE

We consulted on sector issues, and broadcast them strategically for maximum impact, **boosting visibility** for members' issues and initiatives through an **improved communications reach**.



Grew Twitter presence from 1700 to 2500 followers



Created improved weekly newsletter



Launched communications & PR services offering

CONNECTING THE LIFE SCIENCES SECTOR

We **expanded LSO's role** as a hub for networking and educational events within Ontario's life sciences sector.

600+ attendees at our **Knowledge & Networking Breakfast Meetings** (including **100+** via a new webinar offering)



700+ attendees at our **Networking Nights**



400+ attendees at our **Annual Awards Gala**



MENTORING THE NEXT GENERATION OF LEADERS

We focused on building our **new, online mentorship offering**, through our dedicated Life Sciences hub on the **TENTHOUSANDCOFFEES** platform.

300+ **Conversations** between mentors and students / job seekers



60+ **coffee chats** scheduled



Mentorship hub grew to 400+ members



Advocating for the success of Ontario life sciences by securing a commitment from the Province of Ontario to **convene an industry-government working group**; this initiative will provide critical recommendations on how to grow our sector.

Raising our industry's profile on the international stage, through coordinating Ontario's presence at the **BIO2016 conference in San Francisco**, working closely with the Government of Ontario and a host of partners.

Hosted our 7th Annual Policy Forum, attended by **100+ members** of our sector, including representatives from **all political parties**.

Policy and Government Relations

In 2016, LSO's Policy & GR Committee intensified its focus on the need for a provincial Life Sciences Working Group to guide our sector. This was a key win for 2016, with the first meeting of this Working Group convened in early 2017. This industry-government collaboration will provide critical recommendations on how to further grow our sector.

In March, President and CEO Jason Field participated in Ontario Premier Kathleen Wynne's first trade mission to the Middle East. This was an important opportunity to build relationships with key government stakeholders. The mission was an overwhelming success, generating 44 agreements worth more than \$180 million.

LSO's Policy & GR Committee and LSO board members also met with a broad range of government stakeholders during 2016 to build momentum and support for an Ontario life sciences strategy, keeping the economic and social impact of life sciences across the province squarely in view.

Annual Policy Forum

LSO's Seventh Annual Policy Forum, on Nov. 28, 2016, was attended by 100+ members of our sector, including CEOs and senior executives from LSO's member companies, and elected officials from all political parties. The event, generously hosted by Borden Ladner Gervais, employed expert panels and a formal polling session to discern our sector's critical issues of focus – and potential solutions.

A policy document was created and key recommendations circulated to government stakeholders. The following is a summary.

Barriers to our companies' and sector's growth must be urgently addressed, through:

- Injection of seed capital in the \$2-5 million range.
- Government centralizing more funds toward winning companies, rather than spreading funding thin, via strong scientific advisors in leadership roles.
- A more catalytic role for government in encouraging private sector investment and capital formation in public markets.
- Building an ecosystem that provides the resources to support investment and growth, and prevents them from going elsewhere.
- Increasing our focus on domestic companies and providing funding to them, in addition to attracting foreign direct investment.
- Finding ways to incentivize the long-term viability of companies that have great science; this will also result in spin-off benefits from companies staying and growing in Canada, and help fuel our life sciences ecosystem.
- Communicating clearly and concisely with government about our sector's value and needs.
- Abandoning a competitive attitude within Canada, and adopting a national mindset and creating consensus between regions and subsectors on overarching issues, while respecting the diversity of our sector.
- Collaborating across our sector to build crucial partnerships, strongly tell our success stories, and develop specific, cohesive recommendations that government can deliver on.

Annual Awards Gala

LSO's biggest networking and fundraising event of the year, held at Toronto's historic Liberty Grand, was attended by approximately 400 members of Ontario's life sciences sector.

We were humbled to honour our **2016 LSO Award Winners**:

Murray McLaughlin – Lifetime Achievement Award

Dr. Bonnie Schmidt – Community Services Award

Allison Barr – Public Services Award

Jason Locklin – Volunteer of the Year

Profound Medical Inc. – Emerging Life Sciences Company of the Year (represented by Steve Plymale)

David G. P. Allan – Life Sciences Leadership Award

We were pleased to have in attendance **key government stakeholders**, including:

Hon. Michael Chan, Minister of Citizenship, Immigration and International Trade

Hon. Helena Jaczek, Minister of Community & Social Services

Hon. Reza Moridi, Minister of Research and Innovation/Minister of Training, Colleges and Universities

Hon. Bonnie Crombie, Mayor, City of Mississauga

Michael Harris, MPP, Critic, Transportation; Research & Innovation

Peggy Sattler, MPP, Critic, Training, Colleges and Universities; Research & Innovation; Women's Issues

Our **Annual Gala is a key fundraising event** for LSO that supports our advocacy, educational, and networking events. Proceeds from our silent auction support Partners In Research charity, with proceeds going directly to the Sanofi Biogenius Challenge.

We are happy to report that the gala, which is LSO's largest single fundraising event, achieved its financial target, thanks to the outstanding efforts of the Gala Committee and its Chair, Jason Locklin, Awards Committee, and dedicated volunteers and staff.



BIO2016: Showcasing Ontario Innovation

In 2016, LSO again raised our industry's profile on the international stage, working closely with the Government of Ontario and a host of partners to coordinate Ontario's presence at the **BIO Convention, June 6-9 in San Francisco**. With the aim of attracting global trade and investment leads, Ontario's BIO2016 presence **showcased our province's rich life sciences and biotech assets**, demonstrating how Ontario's culture of innovation creates life-changing discoveries and profitable companies.

LSO delivered and supported the Province of Ontario's presence at BIO2016 by promoting our diverse life sciences community to international stakeholders for both economic development opportunities and research and innovation collaboration.

This included:

- Providing leadership necessary to coordinate all stakeholders via one central point of contact.
- Coordinating the design and implementation of the Province of Ontario's pavilion within Canada Place, including booth components, and all logistics.
- Ensuring a cohesive presence co-existing with all Canada Place partners, while featuring Ontario's international economic brand.
- Providing Ontario and Canada Place partners access to meeting tables/spaces, a presentation area, and other common components within Canada Place.
- Managing logistics and promotion for Ontario events, including the Pre-BIO kickoff in April and the Ontario Luncheon at BIO; coordination of marketing/promotion of Canada Place events/initiatives.
- Regular communications to partners leading up to BIO, to ensure a productive and enjoyable experience.
- Managing hoteling for government officials and sponsoring partners to ensure access to appropriate accommodations within close proximity to convention centre.
- Implementing new lead generation system, including training for partners and follow-up.
- Round-the-clock staffing of Ontario Pavilion.
- Post-BIO debrief, including teleconference, survey, and final report.



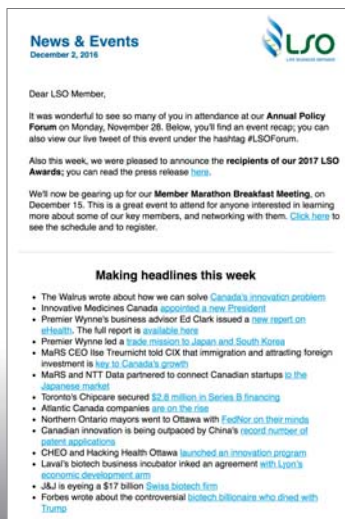
Communications

In 2016, LSO's leadership team made a strategic investment in a full-time communications position, in order to bring our resources in line with other organizations of our scope.

We realized there **was a need to invest in communications to raise our profile**, grow our membership base and sponsorships, educate stakeholders, and influence policy.

Here are some key wins:

- Increased visibility for our sector's issues and concerns, through an expanded thought leadership presence, publishing editorials on key topics in media and through the LSO website.
- Expanded LSO's Twitter reach by 40%, from approximately 1,700 followers to 2,400. In 2016, we began to use Twitter to consistently and proactively promote Ontario life sciences companies, innovations, and advocacy messaging, as well as partner events and initiatives.
- Launched a local-industry-first Communications & PR Services offering, providing high-quality, affordable marketing expertise for members and non-members.
- Created an improved and expanded weekly newsletter, including critical industry news, as well as increased visibility for sector events and initiatives.
- Offered increased communications support to members and partners surrounding BIO and key partner events.



Knowledge & Networking Breakfasts

LSO's Knowledge and Networking Breakfast Meetings **facilitate valuable professional development and networking opportunities.** Issues affecting the industry are discussed and best practices are presented, providing an opportunity for community members to learn from each other.

The meetings are subsidized by a small fee, membership, and sponsorship. The event venue for the majority of these meetings was generously provided by Fasken Martineau DuMoulin LLP; Ernst & Young also provided space for a 2016 Breakfast Meeting. We would also like to acknowledge LSO Board Member Alison Symington, as well as our Breakfast Committee.

In 2016, LSO hosted 10 Breakfast Meetings. **Topics included:**

- Success stories (featuring Cynapsus Therapeutics & Profound Medical)
- Private/public partnership
- Preparing for BIO2016
- Federal/Provincial budget: impact on life sciences
- Access to capital
- Sustainable technologies supporting the bio-economy



Networking Nights

LSO's Networking Nights continue to be a popular hub for members of our sector to connect and socialize in a casual setting.

In 2016, **LSO hosted seven Networking Nights**, with an average of 100 confirmed attendees per event.

Participants represented a broad cross-section of the industry, including SMEs, researchers/students, consultants, lawyers, investors, members of accelerators, multinationals, and government.

LSO acknowledges the volunteers who have helped make the operation of these evenings a smooth, turn-key experience for our attendees and partners.

LSO also appreciates the ongoing partnership with our venue hosts at Marché Brookfield Place.

We would also like to thank Andrew Yoshioka, President of Sanbonki Inc., for helping to make this event an ongoing success.



Annual Golf Classic

On Wednesday, August 17, LSO hosted its **sold-out Annual Golf Classic at Copper Creek**, with 140+ professionals from a diverse array of organizations in attendance.

Golfers were treated to a networking reception and luncheon, including a raffle and silent auction, featuring golf equipment, sports memorabilia, art, gift certificates, electronics, and more up for grabs.

Our Golf Classic is a key fundraiser for LSO, directly supporting our mentorship program, networking nights, and Breakfast Meetings. Proceeds from our Silent Auction benefit the Sanofi Biogenius Challenge.

LSO wishes to express its gratitude for the generous contributions of all our sponsors, donors, and those who help make this event a success through their attendance and volunteer work.

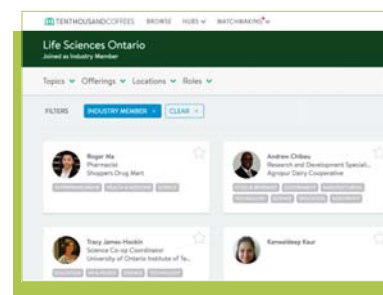


Mentorship

Beginning in 2009, LSO has been a leader in providing opportunities for professional growth through its Mentorship Program.

In 2015, the Mentorship Committee **partnered with Ten Thousand Coffees** to launch an exclusive LSO mentorship hub – a digital platform connecting life sciences experts with novices. This exciting model represents the next generation of mentorship and networking: an online platform that enables students, job seekers, and industry professionals to connect, share advice, and create opportunities, one conversation at a time.

In 2016, LSO's Ten Thousand Coffees hub grew to approximately 400 members, generating more than 300 conversations and more than 60 scheduled coffee chats. Experts represented a variety of sectors (life sciences, pharmaceutical, agricultural, food, biotech, academia) from across Ontario, including Toronto, Ottawa, Hamilton, Mississauga, and London.



About LSO

Vision: Diversity of Members, Unity of Voice

We envision a vibrant life sciences sector that leads Ontario's economic growth and job creation while providing solutions to the biggest social challenges facing the province and the world.

Mission

Our mission is to foster commercial success for the sector through advocacy and education, and promoting the industry locally, nationally, and internationally.

Values

- Consultation & collaboration
- Inclusivity and consensus-building
- An aligned voice on key policy matters
- A hub-based approach
- Data-driven decision making
- The equal social and economic benefits of life sciences



LSO advances our sector's diverse interests by:



Board of Directors



Paul Lucas
Chair



John Kelly
Vice-Chair
Chief Executive Officer, KeliRo
Company Inc.



Jeff Graham
Secretary
Partner, Borden Ladner Gervais
LLP



Mario Piccinin
Treasurer
Partner, Ernst & Young LLP

Directors



David Allan
Principal,
Cresswell Advisors



Nick DiPietro
President & CEO,
Natacor Inc.



Ed Dybka
President & CEO,
AstraZeneca Canada



Lauren Fischer
Vice President, Corporate Affairs,
Eli Lilly Canada Inc.



Raphael Hofstein
President & CEO,
MaRS Innovation



Jason Locklin
Director, Global Government
Affairs, Alexion Pharma Canada
Corp.



Janet Northan
Former Director, Strategic
Partner Relations and Special
Projects, Thunder Bay Regional
Research Institute



Benjamin Rovinski
Managing Director,
Lumira Capital



Mark Smithyes
Head, Government Affairs and
Market Access, Alcon Canada
Inc.



Alison Symington
Principal, Strategic Life Science
Consultant



Scott Tanner
Board Member



Nancy Tout
Head, Regulatory and Biological
Assessment, Syngenta Canada
Inc.



Pat Van Gelder
Head of Sales & Marketing,
Sanofi Pasteur Limited



John van Leeuwen
President,
Technspirations Inc.



Bernard West
President, Westworks Consulting
Limited



Russell Williams
Vice President Government
Relations and Public Policy,
Canadian Diabetes Association



Rebecca Yu
Head of JLABS @ Toronto,
Johnson & Johnson
Innovation

Members and Partners



Committee Members

LSO would like to thank our Board of Directors, many volunteer members and partners, and the staff at First Stage Enterprises for their many contributions to LSO in 2016.

Executive Committee

Ed Dybka
Jason Field
Rafi Hofstein
John Kelly
Jason Locklin
Paul Lucas

Awards Gala Committee

Jason Locklin (Chair)
Christine Beyaert
Carol Culhane
David Greb
Bonnie Kuehl
Magda O'Sullivan
Kira Pejemsky
Alison Symington
Irina Voronin

Policy and Government Relations Committee

Jason Locklin (Co-Chair)
Shanna Brisebois (Co-Chair)
David Allan
Christine Beyaert
Ellen Chin
Seth Chitayat
Jeff Graham
Rafi Hofstein
Pamela Kanellis
Katherine Lal
Susan MacLean
Janet Northan
Mark Smithyes
Alison Symington
Bernard West

Policy Forum Committee

John Kelly (Co-Chair)
Mark Smithyes (Co-Chair)
Christine Beyaert
Melisa Foster
Jeff Graham
Benjamin Rovinski
Ryan Wiley

Knowledge and Networking Breakfast Committee

Alison Symington (Chair)
Tracy Hooey

Golf Classic Committee

John Goudey (Chair)
Martin Kopp
Ron Hosking
John Kelly
Bruno Maruzzo
Louis Parisio
Tim Peters

Additional Supporting Volunteers

Stefanie Mak (Breakfast)
Jill Osborne (Mentorship)
Yuan Thompson (Mentorship)
Andrew Yoshioka (Networking Nights)

Thank You to Our Corporate Sponsors

Platinum



Gold



Silver



Thank You to our Event Sponsors



LIFE SCIENCES ONTARIO

FINANCIAL STATEMENTS

DECEMBER 31, 2016

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	2. Statement of Financial Position
	3. Statement of Operations and Changes in Net Assets
	4. Statement of Cash Flows
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9.	Schedule of Revenues and Expenses

INDEPENDENT AUDITORS' REPORT

To the Members and Board of Directors
Life Sciences Ontario
TORONTO
Ontario

Report on the Financial Statements

We have audited the accompanying financial statements of Life Sciences Ontario which comprise the statement of financial position as at December 31, 2016 and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Life Sciences Ontario as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Norton McMullen LLP

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
March 3, 2017

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LIFE SCIENCES ONTARIO
STATEMENT OF FINANCIAL POSITION

As at December 31,	2016	2015
ASSETS		
Current		
Cash	\$ 139,681	\$ 154,776
Accounts receivable	12,523	45,071
HST refundable	25,587	36,126
Prepaid expenses	24,628	28,859
	<u>\$ 202,419</u>	<u>\$ 264,832</u>
Capital Assets (Note 2)	<u>1,968</u>	<u>1,596</u>
	<u><u>\$ 204,387</u></u>	<u><u>\$ 266,428</u></u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 57,744	\$ 66,690
Deferred revenue	34,629	51,996
	<u>\$ 92,373</u>	<u>\$ 118,686</u>
NET ASSETS	<u>112,014</u>	<u>147,742</u>
	<u><u>\$ 204,387</u></u>	<u><u>\$ 266,428</u></u>

Approved by the Board:

Director

Director

LIFE SCIENCES ONTARIO
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31,	2016	2015
REVENUES		
Events and meetings (Page 8)	\$ 262,990	\$ 280,409
Government project funding (Note 3)	243,036	64,555
Membership and general sponsorship	219,063	220,634
Special projects (Note 4)	15,422	25,788
	<u>\$ 740,511</u>	<u>\$ 591,386</u>
EXPENSES		
Office, general and projects	\$ 555,941	\$ 319,248
Events and meetings (Page 8)	145,958	155,211
Communications	63,234	61,602
Bank charges	10,477	11,654
Depreciation	629	684
	<u>\$ 776,239</u>	<u>\$ 548,399</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (35,728)</u>	<u>\$ 42,987</u>
NET ASSETS - Beginning	<u>147,742</u>	<u>104,755</u>
NET ASSETS - Ending	<u><u>\$ 112,014</u></u>	<u><u>\$ 147,742</u></u>

See accompanying notes

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CHARTERED PROFESSIONAL ACCOUNTANTS + LLP

See accompanying notes

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NORTONMcMULLEN
CHARTERED PROFESSIONAL ACCOUNTANTS + LLP

LIFE SCIENCES ONTARIO
STATEMENT OF CASH FLOWS

For the year ended December 31, 2016 2015

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$	(35,728)	\$	42,987
Items not affecting cash:				
Depreciation		629		684
	\$	(35,099)	\$	43,671
Net change in non-cash working capital balances:				
Accounts receivable		32,548		(23,578)
HST refundable		10,539		4,615
Prepaid expenses		4,231		1,956
Accounts payable and accrued liabilities		(8,946)		28,621
Deferred revenue		(17,367)		(32,222)
	\$	(14,094)	\$	23,063

INVESTING ACTIVITIES

Purchases of capital assets		(1,001)		-
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INCREASE (DECREASE) IN CASH \$ (15,095) 23,063

CASH - Beginning 154,776 131,713

CASH - Ending \$ 139,681 \$ 154,776

LIFE SCIENCES ONTARIO
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NATURE OF OPERATIONS

Life Sciences Ontario (the "Organization" or "LSO") was incorporated on December 13, 1989 under the provisions of the Canada Corporations Act and commenced operations shortly thereafter. The Organization is a not-for-profit corporation and is therefore exempt from income taxes.

The Organization represents and promotes Ontario's vibrant and diverse life sciences sector. The Organization collaborates with governments, academia, industry and other life science organizations in Ontario, across Canada, and globally to promote and encourage commercial success throughout this diverse sector.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates include the estimated useful life of capital assets.

b) Cash and Cash Equivalents

Cash and cash equivalents consists of cash held in a bank account only.

c) Capital Assets

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the following annual rate and method:

	<u>Rate</u>	<u>Method</u>
Computer	30%	declining balance

d) Revenue Recognition - Deferral Method

Special project revenue consists of funding to undertake specific projects. Special projects revenue is recognized as expenses are incurred. Membership fees, sponsorships, events and meetings and government support are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership fees received pertaining to the subsequent period are deferred and recognized as revenue in the appropriate period.

See accompanying notes

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LIFE SCIENCES ONTARIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

e) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess or deficiency of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversals is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. CAPITAL ASSETS

Capital assets consist of the following:

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer	\$ 5,232	\$ 3,264	\$ 1,968	\$ 1,596

3. GOVERNMENT PROJECT FUNDING

During the year, the Organization received project funding from the Province of Ontario to represent Ontario's life sciences sector at the BIO2016 International Convention. The costs incurred for this project are included in office, general and project expense. Included in accounts payable and accrued liabilities is \$24,000 (2015 - \$Nil) repayable to the government related to this project.

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LIFE SCIENCES ONTARIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

4. SPECIAL PROJECTS

Special projects undertaken by the Organization including adhoc events, projects and reports are described in the LSO Annual Report and include member discount programs with partners as follows:

	2016	2015
Benefits Sharing Programs	\$ 5,394	\$ 4,638
Other	5,028	150
Reports & Advocacy	5,000	-
Queen's Park Day	-	11,000
BIO Proposal Bid	-	10,000
	<u>\$ 15,422</u>	<u>\$ 25,788</u>

5. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at December 31, 2016:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization provides credit to its members and clients in the normal course of operations. There were no concentrations of credit risk as at December 31, 2016. Actual exposure to credit losses has been minimal in prior years. There is no allowance for doubtful accounts. There has been no change in the assessment of credit risk from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization expects to meet its obligations by managing its working capital and by generating sufficient cash flows from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Organization is not significantly exposed to market risk.

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LIFE SCIENCES ONTARIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

6. COMPARATIVE FIGURES

Certain of the comparative figures have been restated in order to conform with the presentation adopted in the current year.

LIFE SCIENCES ONTARIO
SCHEDULE OF REVENUES AND EXPENSES

For the year ended December 31,	2016	2015
REVENUES		
EVENTS AND MEETINGS		
Annual awards gala	\$ 140,035	\$ 137,613
Golf tournament	68,373	66,260
Fall event	40,259	57,144
Breakfast meetings	7,005	6,130
Silent auctions	5,318	8,802
Networking nights and mentorship	2,000	4,460
	<u>\$ 262,990</u>	<u>\$ 280,409</u>
EXPENSES		
EVENTS AND MEETINGS		
Annual awards gala	\$ 74,929	\$ 68,585
Golf tournament	38,027	35,555
Fall event	16,039	22,531
Education awards and programs	5,318	13,802
Breakfast meetings	4,760	4,243
Networking nights and mentorship	6,885	10,495
	<u>\$ 145,958</u>	<u>\$ 155,211</u>
EXCESS OF EVENTS AND MEETINGS		
REVENUES OVER EXPENSES	<u>\$ 117,032</u>	<u>\$ 125,198</u>



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