



# ONTARIO GENOMICS INSTITUTE

## Financial Report 2012–13





# INTRODUCTION

Genomics impacts every aspect of our lives – improving human health, protecting the environment, and increasing the sustainability of our natural resources and agriculture. The Ontario Genomics Institute (OGI) continues to drive our province’s life sciences industry by funding world-class research and translating our wealth of scientific expertise into real-world solutions.

In 2012–13, OGI announced four new research projects with a total investment of \$28 million to support the application of genomics in personalized health. These projects will help address significant health problems, including rare diseases, autism, inflammatory bowel disease, and cancer, which will ultimately increase the effectiveness of health care in Ontario and beyond.

To support the implementation of personalized medicine within our province, OGI launched the Ontario Personalized Medicine Network (OPMN). This group of experts will assess the challenges and opportunities around personalized medicine, to ensure Ontario is well-positioned to capitalize on this exciting and transformative approach.



Continuing our strong record in business development, two new initiatives received funding through the Pre-commercialization Business Development Fund (PBDF), which provides early stage investment to help promising proof-of-concept technologies. This round of PBDF investments will support a team from the University of Toronto who are developing a new technology to improve our understanding of protein interactions, and a private company who will use novel stem cells to treat a variety of medical conditions.

Our work is enabled through our relationships with Genome Canada, the Government of Ontario, researchers and their host institutions, and other public and private partners. Their support and leadership is vital to making new scientific discoveries and translating these into practical applications, which promotes prosperity and job creation within Ontario, and enhances the quality of our lives.



# CURRENT RESEARCH PROJECTS

## **Enhanced CARE for RARE Genetic Diseases in Canada**

Kym Boycott, Alex MacKenzie  
Children's Hospital of Eastern Ontario Research Institute, Ottawa  
April 2013 – March 2017  
\$11.8 million

## **Autism Spectrum Disorders: Genomes to Outcomes**

Stephen Scherer, Peter Szatmari  
The Hospital for Sick Children, Toronto  
April 2013 – March 2017  
\$10 million

## **Early Detection of Patients at High Risk of Esophageal Adenocarcinoma**

Lincoln Stein  
Ontario Institute for Cancer Research, Toronto  
Tony Godfrey  
Boston University (US)  
April 2013 – March 2017  
\$3.2 million

## **The Microbiota at the Intestinal Mucosa-immune Interface: A Gateway for Personalized Health**

Alain Stintzi  
University of Ottawa  
David Mack  
Children's Hospital of Eastern Ontario, Ottawa  
April 2013 – March 2017  
\$3 million

## **Biomonitoring 2.0: A high-throughput Genomics Approach to Comprehensive Biological Assessment of Environmental Change**

Mehrdad Hajibabaei  
University of Guelph  
July 2011 – June 2014  
\$3.1 million

## **NorCOMM2 – In Vivo Models for Human Disease & Drug Discovery**

Colin McKerlie  
Mount Sinai Hospital, Toronto  
Steve Brown  
MRC Harwell (UK)  
July 2011 – June 2014  
\$10.9 million

## **Synthetic Antibody Program: Commercial Reagents and Novel Therapeutics**

Sachdev Sidhu, Charles Boone  
University of Toronto  
July 2011 – June 2014  
\$9.9 million

## **Therapeutic Opportunities to Target Tumor Initiating Cells in Solid Tumors**

Tak Mak  
University Health Network, Toronto  
June 2010 – May 2014  
\$40 million

## **Development of Highly Active Anti-Leukemia Stem Cell Therapy (HALT)**

John Dick, Jean Wang  
University Health Network, Toronto  
April 2010 – March 2014  
\$31.8 million

## **Genomics for Crop Improvement: Agricultural Pest Management**

Miodrag Grbic  
Western University, London  
October 2009 – March 2014  
\$6.3 million

**Bioproducts and Enzymes from Environmental Metagenomes (BEEM)**

Elizabeth Edwards  
University of Toronto

David Major  
Geosyntec Consultants, Guelph

October 2009 – September 2014

\$11 million

**Finding of Rare Disease Genes in Canada (FORGE Canada)**

Kym Boycott  
Children's Hospital of Eastern Ontario Research Institute, Ottawa

April 2011 – June 2013

\$4.1 Million

**The Centre for Applied Genomics (TCAG) Science & Technology Innovation Centre**

Stephen Scherer  
Hospital for Sick Children, Toronto

January 2006 – September 2013

\$15.6 million

**International Barcode of Life (iBOL)**

Paul Hebert  
University of Guelph

July 2008 – June 2013

\$27.4 million

**Structural Genomics Consortium (SGC) – Phase III**

Aled Edwards  
University of Toronto  
University of Oxford (UK)

July 2011 – December 2013

\$18.7 million



# PREVIOUSLY COMPLETED RESEARCH PROJECTS

## **Structural Genomics Consortium (SGC) – Phase II**

Aled Edwards  
University of Toronto  
University of Oxford (UK)  
Karolinska Institute (Sweden)  
July 2007 – June 2011  
\$118.5 million

## **Structural and Functional Annotation of the Human Genome for Disease Study**

Robert Hegele  
Robarts Research Institute, London  
October 2006 – June 2011  
\$21.6 million

## **Identification of Genetic Pathways that Regulate the Survival and Development of Cancer and Cancer Stem Cells**

Cynthia Guidos  
Hospital for Sick Children, Toronto  
January 2006 – March 2011  
\$18.7 million

## **Genome-Environment Interactions in Type I Diabetes**

Jayne Danska  
Hospital for Sick Children, Toronto  
Andrew Macpherson  
McMaster University, Hamilton  
January 2006 – March 2011  
\$15.1 million

## **Autism Genome Project**

Stephen Scherer  
Hospital for Sick Children, Toronto  
January 2006 – March 2011  
\$15.6 million

## **Strengthening the Role of Genomics and Global Health**

Peter Singer, Abdallah Daar  
University of Toronto  
April 2006 – December 2010  
\$10.4 million

## **Quantum Dot Diagnostics: Simultaneous Genomic and Proteomic Profiling of Multiple Pathogens at Point-of-Care**

Kevin Kain  
University Health Network, Toronto  
Michael Greenberg  
Fio Corporation, Toronto  
January 2006 – September 2010  
\$9.9 million

## **Automated Three-dimensional Phenotyping of Mouse Embryos**

Mark Henkelman  
Hospital for Sick Children, Toronto  
April 2008 – September 2010  
\$1.4 million

## **The Dynactome: Mapping Spatio-Temporal Dynamic Systems in Humans**

Anthony Pawson, Jeff Wrana  
Samuel Lunenfeld Research Institute, Mount Sinai Hospital, Toronto  
Shawn Li  
Western University, London  
January 2006 – June 2010  
\$27.6 million

**Software Tools to Simplify Gene Function Prediction**

Gary Bader, Quaid Morris  
University of Toronto

April 2008 – June 2010

\$1.9 million

**Environmental Barcoding through Massively Parallelized Sequencing**

Paul Hebert  
University of Guelph

April 2008 – June 2010

\$1.8 million

**Multiplexed MicroRNA Detection on an Electronic Chip**

Shana Kelley, Ted Sargent  
University of Toronto

April 2008 – June 2010

\$0.9 million

**The Contribution of Genetic Modulators of Disease Severity in Cystic Fibrosis to Other Diseases with Similarities of Clinical Phenotype**

Peter Durie, Julian Zielenski  
Hospital for Sick Children, Toronto

April 2006 – June 2010

\$7.6 million

**Technologies for Methylome Studies**

Arturas Petronis  
Centre for Addiction and Mental Health, Toronto

April 2008 – March 2010

\$0.8 million

**Proteomic Technologies for the Study of Rare Cells**

Daniel Figeys  
University of Ottawa

April 2008 – March 2010

\$1.5 million

**Massively Multiparametric Flow Cytometer Analyzer**

Scott Tanner  
University of Toronto

April 2008 – March 2010

\$2.8 million

**Integrative Biology**

Brenda Andrews  
University of Toronto

January 2006 – December 2009

\$26.8 million

**International Regulome Consortium (IRC)**

Michael Rudnicki  
Ottawa Health Research Institute

January 2008 – June 2009

\$23 million

**Canadian Barcode of Life Network**

Paul Hebert  
University of Guelph

April 2005 – June 2009

\$11 million

**Mass Spectrometer-based Flow Cytometer, Methods and Applications**

John Dick  
University Health Network, Toronto

January 2005 – March 2008

\$7.8 million

**Protein Expression Profiling Platform for Heart Disease Biomarker Discovery**

Peter Liu, Andrew Emili, David MacLennan  
University of Toronto

April 2004 – December 2007

\$6 million

**Assessing Risk for Colorectal Tumours in Canada (ARCTIC)**

Brent Zanke  
Cancer Care Ontario, Toronto

Tom Hudson  
McGill University and Génome Québec Innovation Centre, Montreal

October 2004 – December 2007

\$9.6 million



**Segmental Duplications in Neurodevelopmental, Neurological and Behavioural Disorders**

Stephen Scherer  
Hospital for Sick Children, Toronto

Xavier Estivill  
Centro de Regulació Genòmica (Spain)

April 2004 – September 2007

\$5.2 million

**Structural Genomics Consortium (SGC) – Phase I**

Aled Edwards  
University of Toronto  
University of Oxford (UK)  
Karolinska Institute (Sweden)

July 2003 – June 2007

\$105 million

**Genetic Determinants of Human Health and Disease**

Katherine Siminovitch  
Samuel Lunenfeld Research Institute,  
Mount Sinai Hospital, Toronto

January 2003 – June 2006

\$11 million

**Genomic Analysis of Soil Microorganisms**

Turlough Finan, Brian Golding  
McMaster University, Hamilton

January 2003 – March 2006

\$5.9 million

**Genomics of the Spruce Budworm and its Viral Pathogens**

Arthur Retnakaran, Basil Arif  
Great Lakes Forestry Centre – NRC, Sault Ste. Marie

January 2003 – March 2006

\$4.6 million

**Bridging the Emerging Genomics Divide**

Peter Singer, Abdallah Daar  
University of Toronto

January 2003 – March 2006

\$2.8 million

**Mapping and Isolation of Genes Influencing Severity of Disease in Cystic Fibrosis**

Peter Durie, Lap-Chee Tsui  
Hospital for Sick Children, Toronto

October 2002 – March 2006

\$6.4 million

**Functional Genomics of Type 1 Diabetes**

Jayne Danska  
Hospital for Sick Children, Toronto

January 2003 – March 2006

\$8.5 million

**The Stem Cell Genomics Project**

Michael Rudnicki  
Ottawa Health Research Institute

July 2002 – March 2006

\$11.1 million

**Proteomics and Functional Genomics – An Integrated Approach**

Brenda Andrews, Cheryl Arrowsmith  
University of Toronto

July 2002 – March 2006

\$15 million

**Functional Genomics and Proteomics of Model Organisms**

Jack Greenblatt, Andrew Spence, Brenda Andrews  
University of Toronto

October 2001 – March 2006

\$26.5 million

**Development and Applications of Functional Genomics Technologies**

James Woodgett  
University Health Network, Toronto

October 2002 – December 2005

\$8.8 million

**The Biomolecular Interaction Network Database (BIND)**

Christopher Hogue  
Samuel Lunenfeld Research Institute, Mount Sinai  
Hospital, Toronto

April 2002 – December 2005

\$23.1 million



#### **Genomic Resource Core Facility**

Stephen Scherer, Lap-Chee Tsui  
Hospital for Sick Children, Toronto

October 2001 – December 2005

\$18 million

#### **Proteomics Technology Core Facility (PTCF)**

Jack Greenblatt  
University of Toronto

Gilles Lajoie  
Western University, London

October 2001 – December 2005

\$8.6 million

#### **Genetic Determinants of Human Health and Disease – Annotation of Chromosome 7**

Stephen Scherer  
Hospital for Sick Children, Toronto

October 2001 – September 2005

\$1.8 million

#### **Canadian Program on Genomics and Global Health**

Peter Singer, Abdallah Daar  
University of Toronto

October 2001 – September 2005

\$6.2 million

#### **Functional Genomics and Proteomics of Model Organisms**

Janet Rossant, Anthony Pawson  
Samuel Lunenfeld Research Institute, Mount Sinai  
Hospital, Toronto

October 2001 – September 2005

#### **Functional Genomics of Arabidopsis**

John Coleman  
University of Toronto

July 2002 – September 2005

\$1.8 million

#### **Fiber Optic Nucleic Acid (FONA) Biosensor-based Gene Profiling: Proof of Principle by Screening for Drug Leads for Orphan Neurodegenerative Disorders and SNP Analysis**

Alex MacKenzie  
Children's Hospital of Eastern Ontario, Ottawa

Paul Piuino, Ulrich Krull  
University of Toronto at Mississauga

July 2002 – June 2005

\$2.8 million

#### **Viral Proteomics**

Lori Frappier, Christian Burks  
Affinium Pharmaceuticals, Toronto

July 2002 – December 2004

\$6.3 million

Dollar amounts are total approved project costs as of March 31, 2013



# ONTARIO GENOMICS INSTITUTE

## CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2013 and 2012

Independent Auditors' Report	10
Consolidated Statements of Financial Position	12
Consolidated Statements of Operations	13
Consolidated Statements of Changes in Net Assets	13
Consolidated Statements of Cash Flows	14
Notes to Consolidated Financial Statements	15 – 22



# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Ontario Genomics Institute

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ontario Genomics Institute, which comprise the consolidated statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, the consolidated statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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





### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ontario Genomics Institute as at March 31, 2013, March 31, 2012 and April 1, 2011, and its consolidated results of operations and its consolidated cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

### Report on Other Legal and Regulatory Requirements

As required by the Canada Corporations Act, we report that, in our opinion, the accounting policies applied in preparing and presenting the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied, after giving retrospective effect to the change in accounting policy as explained in the notes to the financial statements, on a basis consistent with that of the preceding year.

Chartered Accountants, Licensed Public Accountants

June 25, 2013  
Toronto, Canada

# ONTARIO GENOMICS INSTITUTE

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

March 31, 2013, March 31, 2012 and April 1, 2011

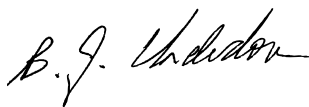
	March 31, 2013	March 31, 2012	April 1, 2011
<b>Assets</b>			
Current assets:			
Cash	\$ 2,849,621	\$ 3,890,422	\$ 4,819,079
Accounts receivable (note 2)	270,900	60,951	172,698
Advances to research projects	–	1,946,461	42,297
Deposits and prepaid expenses	80,048	87,315	92,115
	3,200,569	5,985,149	5,126,189
Long-term advances (note 3)	–	275,000	450,000
Capital assets (note 4)	42,734	17,400	15,914
	\$ 3,243,303	\$ 6,277,549	\$ 5,592,103
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable and accrued liabilities (note 5)	\$ 273,545	\$ 261,080	\$ 255,302
Amounts due to research projects	380,895	–	–
	654,440	261,080	255,302
Deferred contributions (note 6)	1,097,223	4,524,829	3,842,144
Net assets:			
Internally restricted (note 7)	42,734	17,400	15,914
Unrestricted	1,448,906	1,474,240	1,478,743
	1,491,640	1,491,640	1,494,657
Commitments (note 10)			
Subsequent event (note 10)			
	\$ 3,243,303	\$ 6,277,549	\$ 5,592,103

See accompanying notes to consolidated financial statements.

On behalf of the Board:



Dr. Mark Poznansky  
Director



Dr. Brian Underdown  
Director





## ONTARIO GENOMICS INSTITUTE CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended March 31, 2013 and 2012

	2013	2012
Revenue:		
Amortization of deferred contributions (note 6)	\$ 17,627,632	\$ 19,480,520
Interest and other revenue	117,220	150,754
	17,744,852	19,631,274
Expenses:		
Research projects	14,089,091	16,220,837
Business development (note 3)	1,168,036	869,030
General and administrative	1,033,422	1,217,097
Research programs management	963,739	757,320
Outreach and communications	474,668	552,801
Amortization of capital assets	15,896	17,206
	17,744,852	19,634,291
Deficiency of revenue over expenses	\$ –	\$ (3,017)

See accompanying notes to consolidated financial statements.

## ONTARIO GENOMICS INSTITUTE CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended March 31, 2013 and 2012

2013	Internally restricted (note 7)	Unrestricted	Total
Net assets, beginning of year	\$ 17,400	\$ 1,474,240	\$ 1,491,640
Excess (deficiency) of revenue over expenses	25,334	(25,334)	–
Net assets, end of year	\$ 42,734	\$ 1,448,906	\$ 1,491,640

2012	Internally restricted (note 7)	Unrestricted	Total
Net assets, beginning of year	\$ 15,914	\$ 1,478,743	\$ 1,494,657
Excess (deficiency) of revenue over expenses	1,486	(4,503)	(3,017)
Net assets, end of year	\$ 17,400	\$ 1,474,240	\$ 1,491,640

See accompanying notes to consolidated financial statements.

# ONTARIO GENOMICS INSTITUTE

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2013 and 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ –	\$ (3,017)
Items not involving cash:		
Amortization of deferred contributions	(17,627,632)	(19,480,520)
Write down of long-term advances (note 3)	275,000	300,000
Amortization of capital assets	15,896	17,206
	(17,336,736)	(19,166,331)
Change in non-cash assets and liabilities:		
Accounts receivable	(209,949)	111,747
Advances to research projects	1,946,461	(1,904,164)
Amounts due to research projects	380,895	–
Deposits and prepaid expenses	7,267	4,800
Accounts payable and accrued liabilities	12,465	5,778
Deferred contributions	14,200,026	20,163,205
	(999,571)	(784,965)
Investments:		
Increase in long-term advances	–	(175,000)
Proceeds from long-term advances (note 3)	–	50,000
Purchase of capital assets	(41,230)	(18,692)
	(41,230)	(143,692)
Decrease in cash	(1,040,801)	(928,657)
Cash, beginning of year	3,890,422	4,819,079
Cash, end of year	\$ 2,849,621	\$ 3,890,422

See accompanying notes to consolidated financial statements.





## ONTARIO GENOMICS INSTITUTE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2013 and 2012

The Ontario Genomics Institute (the “Corporation” or “OGI”) was incorporated without share capital on October 18, 2000 under the Canada Corporations Act as a not-for-profit organization. OGI’s role is to drive the life sciences industry in Ontario through the use of genomics to increase the quality of life for all Ontarians through better health outcomes, a healthier environment and sustainable agriculture. This is accomplished by concentrating on three strategic areas:

- (a) through Business Development, to catalyze access to and the impact of research outcomes, helping scientists market their discoveries and the resulting products, and also work to ensure that access to leading-edge technologies makes genomics research in Ontario more competitive;
- (b) through Research Programs Management, to identify and cultivate emerging Ontario-led, pioneering research projects in genomics and related fields, and work with them to identify, attract, and support funding; and
- (c) through Outreach and Communications, to establish initiatives that increase awareness of genomics research and facilitate informed public dialogue about genomics and its impact on society.

On April 1, 2012, OGI adopted Canadian accounting standards for not-for-profit organizations. These are the first consolidated financial statements prepared in accordance with accounting standards for not-for-profit organizations.

In accordance with transitional provisions in Canadian accounting standards for not-for-profit organizations, OGI has adopted the changes retrospectively, subject to certain exemptions allowed under these standards.

The transition date is April 1, 2011 and all comparative information has been presented by applying Canadian accounting standards for not-for-profit organizations.

There were no adjustments to net assets as at April 1, 2011 or excess (deficiency) of revenue over expenses for the year ended March 31, 2012 as a result of transition to Canadian accounting standards for not-for-profit organizations.

### 1. Significant accounting policies:

#### (a) Basis of presentation:

These consolidated financial statements include the results of OGI with those of the Corporation’s wholly owned subsidiary, Genomics Ontario Inc. All significant intercompany accounts and transactions have been eliminated upon consolidation.



**(b) Revenue recognition:**

The Corporation follows the deferral method of accounting for contributions, which include funds from Genome Canada and the Government of Ontario through the Ministry of Research and Innovation/Ministry of Economic Development, Trade and Employment. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Investment income earned on unspent externally restricted contributions is recognized in the year in which it is earned.

**(c) Advances to/amounts due to research projects:**

Advances to research projects comprise of amounts provided by the Corporation to approved research projects which have not been expensed. Amounts due to research projects comprise amounts payable by the Corporation to projects for expenses already approved and incurred.

**(d) Financial instruments:**

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.





**(e) Capital assets:**

Capital assets are recorded at cost less accumulated amortization. Leasehold improvements are amortized on a straight-line basis over the lesser of estimated useful life or the term of the lease. Furniture and fixtures are amortized on a straight-line basis over five years. Computer equipment is amortized on a straight-line basis over three years.

**(f) Use of estimates:**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Amounts subject to significant estimates and assumptions include the carrying value of capital assets, fair value of long term advances and accrued liabilities. Actual results could differ from those estimates.

**(g) Foreign exchange:**

The Corporation’s assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates in effect at the consolidated statement of financial position dates. Revenue and expense items are translated at the rate of exchange prevailing on the date of the transaction.

**2. Accounts receivable:**

	March 31, 2013	March 31, 2012	April 1, 2011
Grants receivable – Genome Canada	\$ 216,041	\$ –	\$ 102,399
Harmonized sales tax	42,079	43,419	63,849
Interest and other	12,780	17,532	6,450
	\$ 270,900	\$ 60,951	\$ 172,698

**3. Long-term advances:**

Pursuant to its translation and commercialization policy, the Corporation advances funds for certain projects or opportunities in genomics-related research where traditional sources of financing are unavailable and the Corporation believes the technology may be of commercial interest in the future.

Given the uncertainty in the future performance and viability of these projects or opportunities, three advances were written off, reducing the carrying amount by \$275,000 (2012 – three – \$300,000).

No previous advance was repaid (2012 – one – \$50,000). The write off is included in business development expenses for the current year.

#### 4. Capital assets:

<b>March 31, 2013</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Leasehold improvements	\$ 305,465	\$ 305,465	\$ –
Furniture and fixtures	72,166	66,039	6,127
Computer equipment	52,713	16,106	36,607
	<b>\$ 430,344</b>	<b>\$ 387,610</b>	<b>\$ 42,734</b>

<b>March 31, 2012</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Leasehold improvements	\$ 305,465	\$ 305,465	\$ –
Furniture and fixtures	64,957	63,133	1,824
Computer equipment	18,692	3,116	15,576
	<b>\$ 389,114</b>	<b>\$ 371,714</b>	<b>\$ 17,400</b>

<b>April 1, 2011</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Leasehold improvements	\$ 305,465	\$ 305,465	\$ –
Furniture and fixtures	64,957	54,814	10,143
Computer equipment	34,626	28,855	5,771
	<b>\$ 405,048</b>	<b>\$ 389,134</b>	<b>\$ 15,914</b>

#### 5. Accounts payable and accrued liabilities:

	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>April 1, 2011</b>
Accrued liabilities	\$ 141,927	\$ 187,067	\$ 199,872
Accounts payable	120,500	62,895	44,312
Interest and other	11,118	11,118	11,118
	<b>\$ 273,545</b>	<b>\$ 261,080</b>	<b>\$ 255,302</b>

Deferred rent represents a rent-free period provided annually to the Corporation by its lessor. The amount is deferred and is recorded as a decrease in rent expense on a straight-line basis.

Included in accounts payable and accrued liabilities are government remittances payable of \$32,177 (March 31, 2012 – \$14,070; April 1, 2011 – \$6,406), which includes amounts payable for payroll-related taxes and harmonized sales taxes.





**6. Deferred contributions:**

The Corporation receives funding from Genome Canada, the Government of Ontario through the Ministry of Research and Innovation/Ministry of Economic Development, Trade and Employment and other parties to be administrated and distributed in accordance with the related funding agreements.

Deferred contributions related to expenses of future periods represent unspent externally restricted funding to be used for the purposes of providing funds to eligible recipients and the payment of operating and capital expenditures in future periods.

The changes in the deferred contributions balances are as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Opening balance	\$ 287,524,736	\$ 267,259,132	\$ 247,836,239
Contributions received or receivable during the year:			
Genome Canada – Research	11,845,602	17,799,372	17,899,259
Genome Canada – Operations	1,354,424	1,381,396	1,278,983
Government of Ontario	1,000,000	1,000,000	–
Other	–	84,836	244,651
	301,724,762	287,524,736	267,259,132
Amount amortized to revenue	(300,627,539)	(282,999,907)	(263,416,988)
	\$ 1,097,223	\$ 4,524,829	\$ 3,842,144

**7. Internally restricted net assets:**

Internally restricted net assets represent net assets invested in capital assets.

**8. Related party transactions and balances:**

In October 2003, the Corporation acquired the common shares of Genomics Ontario Inc., a for-profit entity which provides an investment vehicle for certain commercialization activities. During the year, an intercompany loan of nil (2012 – \$2,970) was provided to Genomics Ontario Inc. to fund operations. The loan is non-interest bearing, unsecured and payable on demand. Genomics Ontario Inc. also repaid nil (2012 – \$52,664) to the Corporation. These transactions have been eliminated upon consolidation.

## 9. Financial risks and risk management:

The Corporation considers its total assets to be its capital. The Corporation's objectives in managing capital are to safeguard the assets and maintain liquidity.

### (a) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations in a timely basis or at a reasonable cost.

The Corporation manages its liquidity risk by monitoring actual and projected cash disbursements against funding received or to be received from operations. The Corporation prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

### (b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The Corporation is exposed to credit risk with respect to the accounts receivable.

The Corporation manages its credit risk by assessing accounts receivable on a continuous basis. The Corporation deals with creditworthy counterparties and seldom has doubtful accounts.

### (c) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Corporation is exposed to interest rate risk through the interest income it derives from the cash balance.

The effect of the excess/deficiency of revenue over expenses of an increase or decrease in interest rates is not significant.

The Corporation believes that it is not exposed to significant liquidity risk, credit risk or interest rate risk arising from its financial instruments. There has been no significant change in exposures from 2012.





**10. Commitments:**

**(a) Funding:**

The Corporation has committed to the following:

	Commitments	Less amount paid for expenses incurred		Residual commitments
			advances (due to)	
		(000's)		
Applied Genomics Research in Bioproducts or Crops Competition	\$ 7,881	\$ 6,118	\$ 575	\$ 1,188
Advancing Technology Innovation through Discovery Competition	1,680	1,282	298	100
2010 Large-Scale Applied Research Project Competition	11,327	4,552	99	6,676
2012 Large-Scale Applied Research Project Competition	6,417	–	–	6,417
International Barcode of Life Project	11,044	9,798	(1,199)	2,445
Science and Technology Innovation Centres	6,330	5,128	(104)	1,306
International Consortium Initiatives (“ICI”)	46,286	37,263	–	9,023
	<b>\$ 90,965</b>	<b>\$ 64,141</b>	<b>\$ (331)</b>	<b>\$ 27,155</b>

Subsequent to year end, the Corporation has entered into agreements with various institutions regarding financial commitments totalling \$2,119,257 for the 2012 Bioinformatics and Computational Biology Competition.

Genome Canada has entered into an agreement with the Corporation regarding financial commitments totalling \$7,880,929 for the Applied Genomics Research in Bioproducts or Crops Competition, \$1,679,948 for the Advancing Technology Innovation through Discovery Competition, \$11,327,125 for the 2010 Large-Scale Applied Research Project Competition, \$6,416,631 for the 2012 Large-Scale Applied Research Project Competition, \$2,119,257 for the 2012 Bioinformatics and Computational Biology Competition, and \$11,044,200 for the International Barcode of Life project. Under the agreement, the Corporation agreed, among other things, to obtain financial support from other parties.

Genome Canada has entered into an agreement with the Corporation regarding financial commitments totalling \$6,329,566 for the Science and Technology Innovation Centres.

Genome Canada has entered into an agreement with the Corporation, under which Genome Canada agreed to provide the Corporation with financial contributions up to \$33,219,858 for disbursement to the Structural Genomics Consortium and \$13,066,518 to the Cancer Stem Cell Consortium, collectively referred to as the ICI. Under the agreement, the Corporation disburses funds to the projects but expenditures are reported directly to Genome Canada; therefore, the Corporation treats these funds as unrestricted and expenses when they are disbursed.

Subsequent to year end, Genome Canada has entered into an agreement with the Corporation, under which Genome Canada agreed to provide the Corporation with financial contributions up to \$880,000 for operations.

In fiscal 2012, OGI entered into an agreement with the Government of Ontario regarding the development of several translation projects. The Government of Ontario has agreed to provide up to \$5,500,000 to fund the development of these projects. The funding proceeds are to be paid out to OGI in installments, which are based upon the achievement of specific project milestones as defined in the agreement. As of March 31, 2013, OGI has received \$2,000,000 from the Government of Ontario under this agreement.

**(b) Operating lease:**

The Corporation is committed under a five-year operating lease expiring December 31, 2015.

Minimum payments for the next three fiscal years are as follows:

2014	\$	193,539
2015		193,539
2016		156,272
	\$	543,350

**(c) Management services:**

In December 2012, OGI entered into a 16-month agreement for the provision of management services, at a cost of \$280,000 (plus harmonized sales tax) per year.

**11. Comparative figures:**

Certain 2012 figures have been reclassified to conform with the consolidated financial statement presentation adopted in 2013.

