

2017-2018

discovery centre

ANNUAL REPORT





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“

As soon as we left the ground,
I knew I had to fly.

Amelia Earhart

”

Message from the Chair and CEO

The passion and unwavering support from our stakeholders for the Discovery Centre's mission this past year has been a driving force of inspiration for our staff. With record numbers of visitors and outreach across Nova Scotia, the Discovery Centre team has risen to the challenge of delivering innovative and high impact STEAM (*Science, Technology, Engineering, Arts, and Math*) programs at our waterfront location and in every corner of our province.

So, who are our stakeholders? First and foremost, Nova Scotia's youth, their families, and teachers. Time and time again curious visitors and family members of all ages enjoy and learn from our exhibits, our overall Discovery Centre experience and our wonderful staff who bring science to life 360 days a year.

Many private and corporate donors are also recognized in this report. Collectively, their impact is enormous. They are investing in our next generation of talent in Atlantic Canada. The J & W Murphy Foundation is one such organization driving Discovery Centre's evolution with their investment in the Ocean Gallery, Dome and featured exhibits. Emera and Nova Scotia Power, the founding partners of the new Discovery Centre, have gifted us this space for the next 24 years. These partners have positioned their corporate mission around science, technology, innovation, and entrepreneurship in our region. Along with other donors and sponsors listed in this annual report, we are thrilled to be working with them.

The public sector, whether it be the Government of Canada, the Province of Nova Scotia, or the Halifax Regional Municipality has matched the private sector in its zeal and enthusiasm for Discovery Centre. Their unprecedented support for science and technology in Atlantic Canada, and for kids through the Discovery Centre, is already delivering big results. Their contributions have increased innovative thinking and public opinion on the importance of transforming Nova Scotia and the Maritimes into one of the most progressive and competitive regions in the world.

And finally, our volunteers. Students, professionals, subject matter experts, and board members volunteer their time on a regular basis with a clear goal, to inspire kids with the marvels of STEAM. There are hundreds of volunteers to thank and at this moment it's appropriate to thank three outgoing board members who have dedicated countless hours to the Discovery Centre and its cause over the last seven to ten years! Owen Barnhill, Dennis Langille and Chris Moore, THANK YOU! On behalf of our whole community, we have appreciated your advice, your commitment, and your passion for the Discovery Centre. We look forward to working with you again soon!



SRankin
Steve Rankin
Chair of the Board



DBercovici
Dov Bercovici
President & CEO

Our Leadership Team

BOARD OF DIRECTORS

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Steve Rankin
Chair

Dov Bercovici
President & CEO

Owen Barnhill
Treasurer

Pamela Scott Crace
Member

Colin Dodds
Member

Members

Richard Butts

Sheree Conlon

Ava Czapalay

Natasha Fletcher

Myra Freeman

Dennis Langille

Gerald (Jerry) Lawson

Stephanie MacQuarrie

Laurissa Manning

Chris Moore

James Robar

OPERATIONS

Management

Dov Bercovici
President & CEO

Chuck Bridges
*Vice President,
Partnerships*

Helen Dolan
Manager, Partnerships

Andrea Durfee (Leave)
*Manager, Marketing &
Communications*

Candice Ellis
*Manager, Marketing &
Communications*

Ryan Jameson
*Manager Science Experience
and Innovation*

Linda Laurence
Director, Human Resources

Kara MacPhee
*Manager, Science Education
and Programming*

Jeff McCarron
Director of Exhibits

Ruth Munro (Leave)
Visitor Experience Coordinator

Jennifer Punch
Director, Marketing & Sales

Full-Time Staff

Joana Augusta
*Ocean Gallery and
Volunteer Coordinator*

John Eaton
Exhibit Specialist

Natalie Frank
*Partnerships
Coordinator*

Hilary Hamilton
Science Educator

Brenna Hill
*Digital Marketing
Coordinator*

Roger Kent
*Exhibit & Facilities
Specialist*

Amandine Maillard
Ocean Gallery Facilitator

Cat McCluskey
*Front Desk &
Shop Associate*

Chris McDonald
*Exhibit & Digital
Specialist*

Andrew McNeill
*Events & Membership
Coordinator*

Jillian Phillips
Science Educator

Zabrina Prescott
*Visitor Experience
Developer*

Leah Robertson
STEAM Facilitator

Mark Santos
*Graphic Designer &
Photographer*

Japna Sidhu-Brar
Dome Theatre Presenter

Hillary Yuill
*Customer Service
Coordinator*

A special thanks to

Steve Rankin, who has been a major supporter of the Centre by way of sponsorship and volunteerism over 10+ years. Steve will step back from his position as Chair of our Board of Directors to continue on as an integral Board member in the upcoming year.

Introduction

Soaring to New Heights

After a stellar first full-year at its new location on the Halifax Waterfront, the Discovery Centre has accelerated to a new height of success, welcoming almost a ¼ million visitors to date aboard its interactive journey through 40,000 square feet of inspirational fun. With the uplifting support from government, corporate and individual partners, the Centre is not only flying high, but has positioned itself brightly at the centre of STEAM education in Nova Scotia.

This annual report provides a look back at the Discovery Centre's past year as it achieved a new altitude while nurturing existing partnerships; fostering new relationships; delivering dynamic content; offering inspiring programs; featuring engaging exhibits; showcasing a tremendous facility and most importantly elevating the importance of STEAM education. The new Discovery Centre has been recognized by many, not only as an iconic educational and cultural destination within Atlantic Canada, but also on a national and international stage. May this reflection provide a launching pad for the Centre's next flight of exploration and inspire future opportunity for growth.



At a Glance



157,925

Visitors



2,088

Members



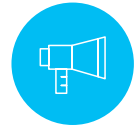
145

Events



11,500

Event Participants



385

Day Campers



374

Summer
Campers



91

Science on the
Road Days



485

Science on the
Road Workshops



11,549

Science on the
Road Students



90

Science in the
Centre Days



231

Science in the
Centre Workshops



11,144

Science in the
Centre Students



54

March Break
Campers



189

Birthday Parties



316

Cadet Visits



585

Scout and Guides



10

Home School
Sessions



28

Discovery
OnDemand
Events



50,471

Discovery on Demand
Participants

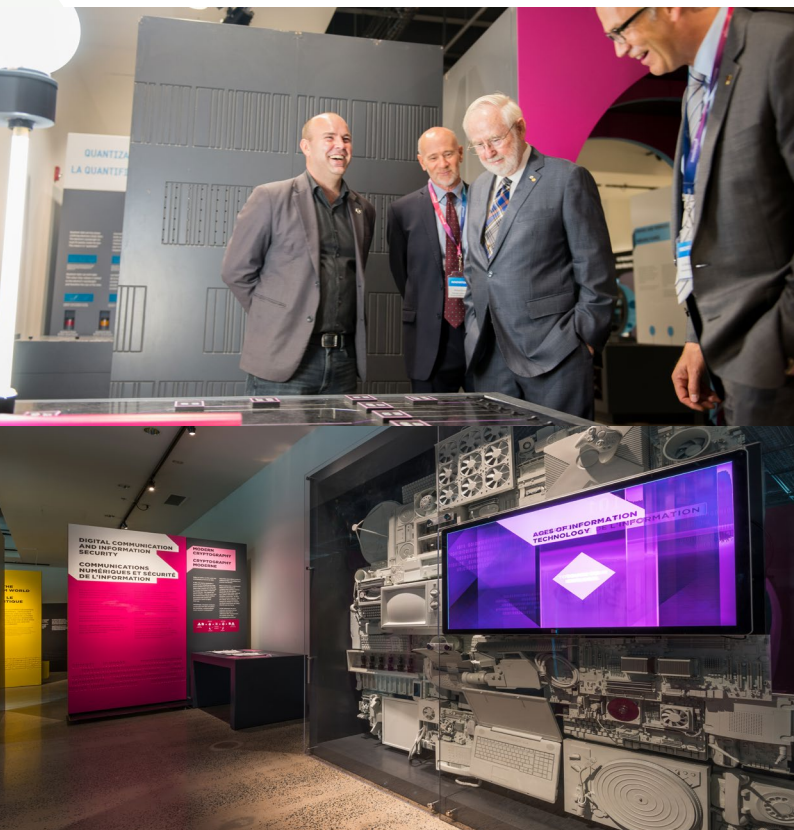
Featured Exhibits

TYRANNOSAURS MEET THE FAMILY

Tyrannosaurus: Meet the Family

May – August 2017

On its premiere tour of North America, this Australian exhibition brought the latest Tyrannosaur discoveries to life. **Tyrannosaurs: Meet the Family** showcased a captivating array of life-size skeletons, including 'Scotty' the Tyrannosaurus rex, Albertosaurus, Dilong and Daspletosaurus and a range of fossils including a Gorgosaurus half skeleton and jaw, tooth, claw, hip and tibia specimens, as well as innovative augmented reality multimedia exhibits.



QUANTUM: THE EXHIBITION

Quantum: The Exhibition

October – November 2017

QUANTUM: The Exhibition took visitors on a journey to discover core concepts of quantum mechanics – from superposition to entanglement – and taught audiences just how this powerful phenomena will revolutionize technology in the future. This exhibit was Canada's first-ever travelling show on quantum information, science, and technology.



Featured Exhibits



Innovation Festival

October 2017

Part of a cross-country tour, the Innovation Festival inspired youth and families through a wide range of exhibits, lectures, programs, and social gatherings. In partnership with Innovation150, the festival was on site for six days and included the Power of Ideas Exhibition, workshops hosted by Actua's Maker Mobile, a lecture by Nobel Laureate Art McDonald (Professor Emeritus at Queen's University and Perimeter Institute board member), and finished with Quantum: The Exhibition.



CATS & DOGS

Cats & Dogs

January – April 2018

In this Paris-born exhibit, visitors explored the world of our most beloved pets. Guests discovered recent findings by experts in animal behavior that allow humans to see a whole new pet perspective. Visitors jumped, played, tested their agility, and explored the mental and sensory world of their favourite furry friends.

Discovery Awards 2017

It was an evening of inspiration and admiration as we celebrated Nova Scotia's brightest minds at the Discovery Centre's marquee fundraiser and one of the most prestigious industry events of the year– the 2017 Discovery Awards. A full-house of engaged professionals, friends, and family watched as finalists shared the limelight in honour of their exceptional accomplishments in science and technology. Hosted by Cindy Day, the evening's highlights received media attention and for the first time, trended across Canada on Twitter.

Hall of Fame Inductees

Dr. William Howard Feindel
Peter Allen

Profession of Distinction

Dr. Jason Clyburne

Emerging Professional

Dr. Ghada Koleilat

Innovation

Densitas Inc.

Science Champion

Dr. Matthew Lukeman

Youth Award

Janani Venkat
Anisha Rajaselvam

Presenting Sponsor



Gold Sponsors



Reception Sponsor



Media Sponsor



Raffle Sponsor



Friends



5th Annual Brain War



Hosted by CTV News Anchor, Priya Sam, our 5th annual Brain War pitted a record-number 43 Nova Scotian teams against each other to determine the brainiest of the bunch. Hosted at Dalhousie University, the day-long event involved a series of innovative challenges culminating in a final showdown that included VIP “Big Brains” Cyril Lunney (CTV), Karen Furneaux (*Canadian Olympian*), Matt Lukeman (*Acadia University*), and Rebecca Thomas (*Poet Laureate*). MP, Andy Fillmore was also on-site to present team awards for best-dressed and most spirited. The day ended with an exciting, down-to-the-wire finish which resulted in first-time participants CBCL Limited claiming the ultimate title of 2018 Brain War champions.

Presenting Sponsor



Challenge Sponsor



Final Results

1st Place: CBCL

2nd Place: Clearwater Seafoods

3rd Place: Jasco Sound Crew (Applied Sciences)

4th Place: Sacred Heart School - Team 1



Programming

Science in the Centre

The ultimate field trip. Science in the Centre offers provincial schools the opportunity to visit the Discovery Centre for workshops, science shows and a fun-filled frolic through the entire facility. This year, we hosted almost 400 classes throughout the school year!

Science on the Road

Over 485 workshops were presented this year through our award-winning outreach program Science on the Road (SOTR). SOTR reaches thousands of Nova Scotian students across the province from Yarmouth and Tatamagouche to Guysborough and Glace Bay. Programming is exclusively designed by our talented education team and is connected to Department of Education and Early Childhood Development curriculum standards on a grade-by-grade basis.



Camps

March Break 2017: Over 50 campers took part in the STEAM Olympics as part of March Break camps this year. Campers took part in exciting challenges, learned about healthy bodies, and even met Olympic Silver Medalist, Jillian Saulnier. Our featured exhibit, Cats & Dogs, was also a big hit with campers throughout the week.

Summer 2017: Over 374 kids age 6-12 joined us for our first summer camps in the brand new Centre and explored a variety of topics such as Bug's Life; Time Travelers; Me, and Myself & Eye. Campers learned about the different structures and pathways of the human brain, the history of microscopes throughout time and the specialized anatomy of arachnids. Thank you to Pratt and Whitney for helping us inspire and encourage STEAM to the next generation of scientists in Nova Scotia.



Digital Discovery Camps

More than 45 youth ages 9-14 years old were able to take part in the most epic Discovery Centre camp. In partnership with Digital Nova Scotia, this camp goes beyond limits with access to Nova Scotia's most prestigious professionals in Information and Communications Technology (ICT). Campers participated in real hands-on challenges in hardware breakdown, game development, coding and robotics. Thank you to our EPIC gigabyte sponsor and pro-mentors at REDspace who provided incredible insight to a virtual world and even a pizza party for our campers. Additional thanks to ResMed and Atlantic Canada Opportunities Agency (ACOA) for supporting this dynamic camp experience.



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Programming

Ocean Tech Camp

In it's first year, 11 kids aged 11-14 dove deep into all things ocean. Joining forces with the Ocean Technology Council of Nova Scotia, this camp was full of challenges surrounding the latest ocean technology and research, here in NS. With hands-on activities, field trips and special guests, the kids were inspired to go forward, educate others about the ocean, and maybe even become the next generation of ocean engineers, scientists, and technicians.



Discovery on Demand

Visiting communities across the province for special events, after school programs and family days, Discovery on Demand, presented by TD, reached thousands of Nova Scotians and tourists throughout the past year. Featured at events such as Canada Day on the Commons, Michelin Bike Week and Jazz Festival, Discovery on Demand inspired youth with specialized hands-on STEAM programs. Thank you TD!



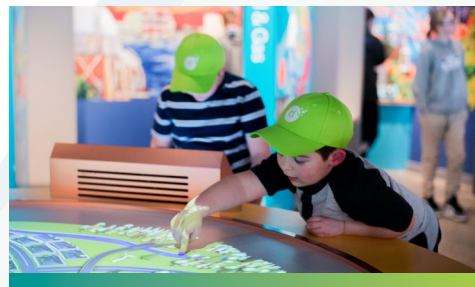
Maker in Residence

Part maker, part mentor, the Maker in Residence is a uniquely creative and motivated innovator who works over three months to complete an inspiring project in the Michelin Corporate Foundation Innovation Lab. This past year, the Centre hosted two dynamic Makers, Kyle Brisebois and Mike McGraw. Kyle designed, laser cut, 3D printed and coded his own telescope, while Mike created and coded an interactive digital fish tank based on creatures inspired by visitors. The Maker in Residence is an initiative of the DC MAKES program, which is made possible through the generous support of Wade K. Dawe.



Scout & Guide Night

Over 580 Scout, Guide and Cadet groups visited the Centre for their own private evenings this year. These educational nights provide an opportunity for organized groups to visit the Centre after hours, explore all four floors and take part in a customized educational program including a star show in the Immersive Dome Theatre.



Little Learners

More than 30 toddlers between the ages of 18 months and 4 years took part in our first Little Learners program. Featuring Symphony Nova Scotia's Classical Munchkin program, the children sang, danced, and learned about different instrument families before having time to engage with Discovery Centre exhibits.



Events

Educator Showcase

Together with BMO, the Discovery Centre hosted three Educator Showcase events throughout the year. During these dedicated sessions, we aim to share with educators cross-curricular STEAM supports and ideas, provide a platform for teachers and educators to network, and display unique features the Discovery Centre has to offer, including our Science on the Road and Science in the Centre workshops.



Solar Eclipse Party

In partnership with the Royal Astronomical Society of Canada (RASC) Halifax Centre, the Discovery Centre offered visitors an incredible opportunity to safely view the August 21st Partial Solar Eclipse with eclipse glasses, telescopes, 'Ask an Astronomer' sessions, a NASA live stream, and a Skype call with RASC Vice President from his location in the American mid-west.

Art MacDonald Lecture

On October 10, 2017 attendees learned how researchers created an ultra-clean lab in an active mine to obtain otherwise-impossible measurements to study fundamental physics, astrophysics, and cosmology when they attended *A Deeper Understanding of the Universe from 2km Underground Journey* with Nobel Laureate Art McDonald (Professor Emeritus at Queen's University and Perimeter Institute Board member).

Bubble Parade

Kids and adults alike celebrated World Oceans Day on June 8, 2017 when they joined the Discovery Centre and the Canadian Sea Turtle Network for the Sea Turtle Bubble Parade on the Halifax Waterfront. There was singing, learning, and lots and lots of bubbles.



Summer Roar

At our first adult-only evening in the new Centre, visitors let their inhibitions go as they explored the Centre kid-free. Everyone got up close and personal with the featured exhibit, *Tyrannosaurs: Meet the Family* and enjoyed additional adult-friendly programming.

Spooktacular

Visitors wore their most spectacular Halloween costume to our 5th Annual Spooktacular Science Halloween Party. With family-friendly experiments, eye-popping demos, costume competitions and Halloween crafts it was a bone chillingly good time.

Science, Spirits & Boos

Our second adult-only event drew a sell-out crowd of 500 visitors. Guests dressed in their most spooktacular costumes as they explored the Centre, including the featured exhibit *Quantum: The Exhibition!* They experienced hands-on experiments, eye-popping demos, costume contests, Halloween crafts, and a special one-night only live star show. Visitors enjoyed live music, a DJ, cash bar and snack stations.



Awards & Recognition

ICE Awards

The ICE Awards is an annual celebration of award winning marketing and advertising creative in the Atlantic Region. In 2017, the Discovery Centre, along with partners M5 Marketing, was awarded the following distinctions:

- **Integrated Campaign - Silver**
- **TV/Cinema Single Under \$30k - Gold**
- **TV/Cinema Single - Gold**
- **Online Film longer than 60s - Gold**
- **Art Direction - Craft Award**

SEGD Global Design Awards

Flight Gallery, Discovery Centre - Merit Award

Held in Minneapolis on June 7-9, 2018 the Society for Experiential Graphic Design (SEGD) Global Design Awards recognized experiential graphic design involving the orchestration of typography, color, imagery, form, technology and, especially, content to create environments that communicate. Designed by AldrichPears Associates, the Discovery Centre's Flight Gallery was recognized with a Merit Award.

Integration Awards

Awarded in Orlando, Florida on June 14, 2017, Backman Vidcom received the Commercial Integrator (CI) Integration Award for their recent project work at the new Discovery Centre. The CI Integration Award recognizes and showcases the most outstanding technology integration projects in North America and Europe.



CASCADE Awards

BEST PROGRAM - SMALL INSTITUTION

Tide to Technology – Discovery Centre

Discovery Centre's Tide to Technology program, awarded Best Program – Small Institution, addresses Nova Scotia's need to raise awareness about oceans and ocean technology-related careers. Through partnership with the Ocean Technology Council of Nova Scotia, the Discovery Centre provides this hands-on technology-based program available to schools anywhere in Nova Scotia free of charge.

OUTSTANDING PROJECT OR PROGRAM LEADERSHIP

Dov Bercovici, President & CEO

President & CEO, Dov Bercovici, was awarded a CASCADE Award for outstanding leadership of a project or program for his vision and passion demonstrated during the construction of the new Discovery Centre in Halifax. His leadership resulted in raising more than \$24 million and forging substantial partnerships with local industry.

Coast Best of Halifax 2017

BEST MUSEUM – GOLD

It feels strange to even call the Discovery Centre a museum, but we are very grateful for this win in the Coast Best of Halifax competition. And what better year to receive this prestigious award voted by Haligonians. Thanks Halifax!



Talk of the Town

Discovery Centre
@DiscoveryCtr

We're getting excited for the **#SolarEclipse** come join our party!



Discovery Centre
@DiscoveryCtr

The rest of the Tyrannosaurs exhibit may be gone, but Scotty and Albert (osaurus) don't want to leave yet! Check these two out today!



Discovery Centre
@DiscoveryCtr

We can't believe it either! Thank you **#Halifax** for voting us **#BestMuseum @TwitCoast** **#BestOfHalifax #Gold**



CSC Atlantic
@CSCAtlantic · Mar 16

Looks like Olympic Silver Medalist **@jill_saulnier** & CSCA Lead Strength & Conditioning Consultant **@SWIFTwillgress** are having an awesome Friday! The two stopped by **@DiscoveryCtr** to talk about the science in sport with the March Break campers! **#AtlanticProud**
pic.twitter.com/yNf2avYaoO



Discovery Centre
Published by @ Andrea Durtée [?] · December 22, 2017 ·

You know your pet is the best, why not make them **#petfamous**. Nominate them for our Pet Hall of Fame, and their picture could be on display in our upcoming featured exhibit Cats & Dogs!
<http://thediscoverycentre.ca/pet-hall-fame/>



Discovery Centre
Published by Brenna Hill [?] · November 20, 2017 ·

We had a great day participating in **#WorldChildrenDay**. Thank you to Premier McNeil, Cheyenne and Kavita for visiting the Centre today!



Discovery Centre
Published by I lootsuite [?] · April 14 ·

This morning is Autism NS Morning in the Centre. We've dimmed our brightest lights, turned down our loudest exhibits and we're shining blue for Autism Awareness and Acceptance month **#ShineBlueNS**



Discovery Centre
@DiscoveryCtr

Terri from **@sobeyes** is here showing kids what it's like to work @ a supermarket! She's got name tags, treats & a gift basket. Come say hi!



Herald Business

PERFORMANCE. IT'S WHAT WE DO. **2017 STEEL JAGUAR**

Home News Weather Options Business Sports Lifestyle What's New Community Careers

COMMENTARY: Innovation, fundamental science are perfect partners

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Beautiful, Affordable and Inside HRM
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Herald More

PERFORMANCE. IT'S WHAT WE DO. **2017 STEEL JAGUAR**

Home News Weather Options Business Sports Lifestyle What's New Community Careers

BUSINESS VOICE HALIFAX'S BUSINESS MAGAZINE

The joy of discovery: New Discovery Centre celebrates science

GOLF LOST CREEK
Beautiful, Affordable and Inside HRM
Lost Creek

Discovery Centre visits Pictou Landing school, seeking Mi'kmaq lore on stars

The News
Published May 16, 2017 at midnight
Updated: Sep 16, 2017 at 10:18 AM

Discovery Centre

NOW!

PERFORMANCE. IT'S WHAT WE DO. **2017 STEEL JAGUAR**

Home News Weather Options Business Sports Lifestyle What's New Community Careers

NOW! CURIOSITY

How bold vision leads the Discovery Centre to a new reality

Laura Whitman **HOW NOW ROCKS**
Published: November 16, 2017 · 5:46pm
Last Update: November 16, 2017 · 3:46pm

"You need passion and you can't put passion on a balance sheet"

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Beautiful, Affordable and Inside HRM
Lost Creek

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RBC Foundation



The McCain Foundation



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The Stevens Family Foundation



The Dr. & Mrs. H.E. Christie Community Foundation



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Hans and Dani Himmelman
Angela and Michael Johnston
Renee Fournier
Steve Ashton
Steve, Jennifer and Maya Ashton

Independent Auditor's Report

June 20, 2018

To the Members of Discovery Centre,

We have audited the accompanying financial statements of Discovery Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2018 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended, and the related notes, which comprise 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.

Auditor's 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 qualified audit opinion.

Basis for qualified opinion

In common with many charitable organizations, the Centre derives revenues from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre. In addition, funding and contributions from government and private donors relating to the construction of the Centre's facility and its exhibits have been recorded as unrestricted revenues. We were unable to obtain sufficient appropriate audit evidence to determine the amount of contributions that are restricted exclusively for property, plant and equipment additions and that should be recorded as a deferred capital contributions and amortized to revenue over the life of the related asset. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures and cash flows from operations for the years ended March 31, 2018 and March 31, 2017 and current assets, deferred capital contributions and net assets as at the beginning and the end of the years ended March 31, 2018 and March 31, 2017. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2018, 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.

(Signed) "PricewaterhouseCoopers LLP"

**Chartered Professional Accountants, Licensed
Public Accountants**



Financial Statements

STATEMENT OF FINANCIAL POSITION

as of March 31, 2018

	2018 \$	2017 \$
Assets		
Current assets		
Cash and short-term investments (notes 9 and 10)	4,382,058	1,767,271
Accounts receivable	865,473	472,414
Government contributions receivable	305,513	2,389,620
HST refund receivable - net	2,323	133,069
Prepaid expenses and deposits	112,505	44,065
Inventories	28,389	26,243
	5,696,261	4,832,682
Property, plant and equipment (note 4)	22,475,372	22,383,324
	28,171,633	27,216,006
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 15)	647,595	3,181,518
Deferred revenue and deferred contributions (note 11)	2,885,470	2,253,853
Construction loan (note 5)	8,304,794	8,554,794
Total liabilities	11,837,859	13,990,165
Net assets (note 12)		
Investment in property, plant and equipment	12,477,626	11,511,541
Internally restricted reserve (note 9)	100,000	100,000
Endowment fund (note 10)	72,000	72,000
Unrestricted	3,684,148	1,542,300
Total net assets	16,333,774	13,225,841
	28,171,633	27,216,006
Commitments (note 14)		

Approved by the Board of Directors

Director

Director

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

as of March 31, 2018

	Investment in property, plant and equipment \$	Internally restricted reserve \$ (note 9)	Endowment fund \$ (note 10)	Unrestricted \$	2017 Total \$	2016 Total \$
Net assets - Beginning of year	11,511,541	100,000	72,000	1,542,300	13,225,841	5,616,907
Transfers	2,689,958	-	744	(2,690,702)	-	-
Excess of revenue over expenditures for the year	(1,723,873)	-	(744)	4,832,550	3,107,933	7,608,934
Net assets - End of year	12,477,626	100,000	72,000	3,684,148	16,333,774	13,225,841

STATEMENT OF REVENUE & EXPENDITURES

For the year ended March 31, 2018

	2018 \$	2017 \$		2018 \$	2017 \$
Revenue			Cash provided by (used in)		
Campaign funding (note 8)	4,799,196	8,355,576	Operating activities		
Admissions, memberships and workshops	1,430,710	851,934	Excess of revenue over expenditures for the year	3,107,933	7,608,934
Government contributions (note 7)	386,156	393,345	Charges (credits) to excess of revenue over expenditures not involving cash		
Fundraising and donations	928,290	407,372	Amortization of property, plant and equipment	1,418,799	180,006
Retail income	167,188	83,552		4,526,732	7,788,940
Special events (note 6)	199,174	236,037	Net change in non-cash working capital items related to operations		
Other	195,319	21,779	Decrease (increase) in accounts receivable	(393,059)	(232,610)
Investment income earned on endowment fund	(744)	653	Decrease (increase) in government contributions receivable	2,084,107	(1,784,662)
	8,105,289	10,350,248	Decrease (increase) in HST refund receivable	130,746	167,383
Expenditures			Decrease (increase) in prepaid expenses and deposits	(68,440)	32,705
Salaries and benefits	1,569,585	921,656	Decrease (increase) in inventories	(2,146)	(1,371)
Exhibits, programs and administration	1,341,505	567,523	Increase (decrease) in accounts payable and accrued liabilities	(192,675)	406,016
Campaign costs (note 8)	–	615,799	Increase (decrease) in deferred revenue and deferred contributions	631,617	2,238,107
Rent and common area charges	158,022	262,119		6,716,882	8,614,508
Retail cost of goods sold	97,799	57,893	Financing activities		
Special events (note 6)	106,572	113,818	Increase (decrease) in bank indebtedness	–	(120,000)
	3,273,483	2,538,808	Increase in construction loan	(250,000)	6,998,601
Excess of revenue over expenditures for the year before the following expenses	4,831,806	7,811,440		(250,000)	6,878,601
Amortization of property, plant and equipment	(1,418,799)	(180,006)	Investing activities		
Interest on long-term debt	(305,074)	(22,500)	Investment in property, plant and equipment	(3,852,095)	(14,024,463)
	(1,723,873)	(202,506)	Net change in cash and short-term investments during the year	2,614,787	(1,468,646)
Excess of revenue over expenditures for the year	3,107,933	7,608,934	Cash and short-term investments – Beginning of year	1,767,271	298,625
			Cash and short-term investments – End of year	4,382,058	1,767,271
			Non-cash transactions (note 4)		

1. Description of operations

Discovery Centre (the "Centre") is a non-profit organization, which operates a hands-on science and technology centre. The Centre is a registered charity under the Income Tax Act and therefore, is not required to pay income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with and reflect the following policies and practices:

a) Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as issued by the Canadian Accounting Standards Board.

b) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

There was no provision or reversal of provision against inventory during the year.

c) Property, plant and equipment and amortization

Leasehold improvements, equipment and fixtures and exhibits are recorded at cost or in the case of donated assets, at estimated fair market value where determinable with reasonable certainty. Salaries, materials and other costs directly attributable to the construction of exhibits are capitalized.

Amortization of property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets once put into commercial use at the following rates:

Exhibits	10 years
Equipment and fixtures	3 - 5 years
Vehicle	3 years
Computer equipment	2 years
Leasehold improvements	(Lease term) 25 years

All donations, government grants and funding of capital additions out of revenue related to the purchase or construction of property, plant and equipment increase the investment in property, plant and equipment.

Direct expenditures for the purchase of fixed assets and direct allocations of operating and maintenance expenditures are capitalized.

Interest paid on the construction loan related to the construction of the leaseholds and exhibits is capitalized during the term of construction.

d) Revenue recognition

The Centre follows the deferral method of accounting for contributions, which include government grants. Contributions and income related to future periods are recorded as deferred revenue and are only recognized as revenue when earned.

Restricted contributions for the purchase of property, plant and equipment are deferred and amortized to revenue on the same basis as the amortization on the purchased property, plant and equipment. A restricted contribution may be provided for a certain area of activity, for example the capital campaign for the new Centre, without the contributor specifying which portion is to be used to acquire property, plant and equipment. In order for a contribution to be accounted for as a contribution restricted for the purchase of a property, plant and equipment, the contributor must specify the portion of the contribution that is to be used to purchase property, plant and equipment. If the contributor does not so specify, then the contribution would be recognized as revenue when spent for the particular purpose covered by the restriction, regardless of the fact that some of the expenditures may relate to the purchase of property, plant and equipment.

Unrestricted contributions are recognized as revenue when received or receivable to the extent that amounts to be received can be reasonably estimated and collection is reasonably assured.

e) Donated and volunteer services

Donated services by corporate contributors, where the value of the services can be estimated, are recorded as revenue in the period in which the services are provided.

Due to the difficulty in determining the value of volunteer services, these donated services are not recorded in the financial statements.

f) Pledges

A pledge is recorded as revenue if collection is reasonably assured.

g) Management estimates

The presentation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those reported.

h) Financial instruments

The Centre has evaluated the fair value of its financial instruments based on the current interest rate environment, market values and the actual prices of financial instruments with similar terms. The carrying value of financial instruments is considered to approximate fair value. Financial instruments consist of accounts receivable, which will result in future cash receipts, as well as accounts payable and accrued liabilities, bank indebtedness and construction loan, which will result in future cash outlays.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of judgment and, therefore, cannot be determined with precision. Changes in assumptions could affect the estimates.

Financial instruments are to be recognized depending on their classification and the Centre has implemented the following classifications:

- Cash and short-term investments are classified as "Financial Assets Held-for-Trading". These financial assets are marked-to-market through the statement of changes in net assets at each year-end.
- Accounts receivable are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest method.
- Accounts payable and accrued liabilities, bank indebtedness and construction loan are classified as "Other Financial Liabilities". After their initial fair value measurement, they are measured at amortized cost, net of transaction costs, using the effective interest method.

3. Bank indebtedness

The Centre has an authorized revolving demand facility in the amount of \$250,000 which bears interest at prime plus 2% and the Centre has provided a general security agreement over all assets as security for the operating line facility.

4. Property, plant and equipment

	Cost \$	Accumulated amortization \$	2018 Net \$	2017 Net \$
Exhibits	6,767,748	735,305	6,032,443	6,755,419
Leasehold improvements	15,094,421	665,714	14,428,707	15,011,778
Equipment and fixtures	287,320	58,505	228,815	226,530
Vehicle	33,344	33,344	–	–
Computer equipment	183,289	90,834	92,455	147,897
Assets under construction	1,692,952	–	1,692,952	241,700
	<u>24,059,074</u>	<u>1,583,702</u>	<u>22,475,372</u>	<u>22,383,324</u>

Of the additions to property, plant and equipment during the year, \$181,506 (2017 - \$2,522,754) had not been paid at year-end and was included in accounts payable and accrued liabilities. These amounts were excluded from the statement of cash flow.

Of the additions to property, plant and equipment during the year, \$177,408 (2017 - \$nil) were operating expenditures directly related to the construction of exhibits.

5. Construction loan

	2018 \$	2017 \$
RBC 1-year revolving term loan with an authorized amount of \$9,000,000, bearing interest at the bank prime interest rate (2018 – 3.45%) plus 0.50%, secured by a general security agreement constituting a first ranking security interest in all personal property of the Centre and landlord consent granting the bank access rights to the leased space.	<u>8,304,794</u>	<u>8,554,794</u>

6. Special events

During the year, the Centre held two special events. The events resulted in a net excess of revenue over expenditures of \$92,602 (2017 - \$122,219).

	2018 \$	2017 \$
Sponsorships and registration revenue	199,174	236,037
Expenditures	<u>106,572</u>	<u>113,818</u>
	<u>92,602</u>	<u>122,219</u>

7. Government contributions

During the year, the Centre recorded government contributions for the operations of the Centre as follows:

	2018 \$	2017 \$
Government of Nova Scotia	220,000	220,000
Halifax Regional Municipality	145,000	145,000
Employment grants	<u>21,156</u>	<u>28,345</u>
	<u>386,156</u>	<u>393,345</u>

8. Campaign funding and costs

During the year, the Centre received funding from government and private donors and recorded expenditures to support the construction of the new Centre as follows:

	2018 \$	2017 \$
Revenue		
Government of Canada	1,190,250	3,583,858
Government of Nova Scotia	1,200,000	1,200,000
Halifax Regional Municipality	–	2,000,000
Private donors	2,408,946	1,571,212
Investment income	<u>–</u>	<u>506</u>
	<u>4,799,196</u>	<u>8,355,576</u>
Expenditures		
Campaign costs		
Staffing	–	237,788
Administrative and marketing activities	<u>–</u>	<u>378,011</u>
	<u>–</u>	<u>615,799</u>
Excess campaign revenue over expenditures	<u>4,799,196</u>	<u>7,739,777</u>

9. Internally restricted reserve

In 2005, the Board approved the creation of an internally restricted reserve, which can only be used for specific expenditures. No transfers were approved through fiscal 2018. As a result, \$100,000 (2017 - \$100,000) of cash in the operating fund is restricted from general use by the Centre.

10. Endowment fund

During 2009, a \$252,000 grant was received from Democracy 250, of which \$72,000 was specifically identified to be maintained as an Endowment fund to be invested in a GIC or other secure investment vehicle approved by the donor. Annual income derived from the investment will support youth to participate in the Science on the Road Program.

11. Deferred revenue and deferred contributions

	2018 \$	2017 \$
Deferred revenue	60,470	53,853
Deferred Capital Project contributions received	–	2,200,000
Deferred private sector contributions received	2,825,000	–
	<u>2,885,470</u>	<u>2,253,853</u>

12. Capital management

The Centre defines capital as net assets. Currently, the Centre has no defined targets for net assets and operates under the culture of a balanced budget with goals of modest surplus to build capital. Management intends to formalize its capital management targets in the near future. There are currently no external restrictions on capital for the Centre.

13. Financial instruments and risk management

Senior management of the Centre are responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

i. Fair value of financial instruments

The following table sets out the approximate fair values of financial instruments as at the financial position date:

	Carrying value \$	Fair value \$
Accounts receivable (trade, government and HST)	1,173,309	1,173,309
Accounts payable and accrued liabilities	647,595	647,595
Construction loan	8,304,794	8,304,794

Fair value of items, which are short-term in nature or are variable instruments, have been deemed to approximate their carrying value.

ii. Risk management

The Centre, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk and liquidity risk. Management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

Management believes the Centre is exposed to normal credit risk with respect to its accounts receivable. Provisions are maintained for potential credit losses and no such losses have been recognized to date. Management believes the Centre is not subject to significant credit concentration or other credit risk.

Management believes that the Centre has no significant interest rate risk as the only financial instrument that has a variable interest rate is the revolving demand facility, as outlined in note 3 and the construction loan, as outlined in note 5. Fluctuations in the prime lending interest rate will have a moderate impact on the Centre's results of operations.

Management believes the Centre has no significant liquidity risk as its assets are liquid in nature.

14. Commitments

The Centre is in a twenty year lease agreement with Nova Scotia Power Inc. for the premises at 1215 Lower Water Street, Halifax, Nova Scotia. The Centre will pay a nominal minimum base rent of one dollar per year during the term of the lease agreement.

The minimum annual lease payments for a photocopier and vehicle during the next four years are as follows:

Year ending March 31, 2019	\$7,712
2020	\$7,712
2021	\$7,712

15. Government remittances

Government remittances consist of amounts (such as sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, the Centre had a net payable amount of \$nil at the statement of financial position date (2017 - \$nil).



This year would not have been possible without the amazing support of our members, visitors, donors, and the community who collectively enable us to fulfill our STEAM mission.

A sky-high thank you.