



# DISCOVERY CENTRE

ANNUAL REPORT

# 2014

**Discovery Centre**   
Nova Scotia's Hands-On Science Centre





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## MESSAGE

### FROM THE PRESIDENT AND CHAIR

Research shows that cities with science centres are more attractive destinations, have higher economic mobility for all citizens and rank higher on Mercer's Quality of Life Index (Destinology, PGAV, 2013). Our New Discovery Centre on the Halifax Waterfront, set to open in early 2016, will be a major resource for Atlantic Canadian families, educators, innovators, entrepreneurs and tourists.

The current Discovery Centre receives minimal public funding as compared to other science centres across Canada, yet our team of talented staff has posted 7 consecutive years of modest surpluses, has doubled its attendance and has raised the public's awareness of its essential role in the community. Nova Scotia's Discovery Centre is now one of the most visited destinations in Atlantic Canada.

2013-14 was another year of outstanding growth for the Discovery Centre and we would like to highlight two key programming milestones. The first was the success of the Discovery Centre *Science on the Road* program. The team had 113 visits to rural areas – a 43% increase from the previous year. The increased focus on technology and communication skills required for jobs of the future was clearly well received in communities across the province. The second milestone was the creation and successful launch of *Brain War*, a unique legacy fundraising event for Discovery Centre that brought

together corporate, high school and university teams to compete in a Battle of the Brains style competition.

A number of new sponsors joined us this past year to support our important mandate. Chief among those was BP, along with The Motorola Foundation, Mobia, NSCC and ADIANS.

A new \$20m science centre on the Halifax waterfront is no small undertaking. In fact, this will be the first project of its kind in Atlantic Canada, and one of the most unique science centres in Canada, if not North America. Our project development approach has always been to ensure all financial commitments are firm before we move to construction. The Discovery Centre's project team is now in a position to begin the final construction drawings and start construction in the Fall based on firm contracts and bankable commitments.

In closing, we would like to express our heartfelt thanks to Discovery Centre's Board of Directors for this past year of service and recognize the dedication and commitment of three long-serving Board Members: Steve Adams, Michele Williams and Wynne Potter. They have certainly made a positive impact on the Centre's past success and their work has also helped Discovery Centre build a bright future.



Dov Bercovici  
President and CEO



Rick Emberley  
Chair of Board of Directors



# Our Leadership Team

## The Board of Directors

### EXECUTIVE:

Rick Emberley  
*Chair*

Steve Rankin  
*Vice Chair*

Wynne Potter  
*Second Vice Chair*

Owen Barnhill  
*Treasurer*

Michele Williams  
*Secretary*

Colleen Keyes  
*Member*

Pamela Scott Crace  
*Member*

Dov Bercovici  
*President and CEO*

### DIRECTORS:

Steve Adams

Dr. Jason Berman

Andrew Boswell

Sheree Conlon

Karen Furneaux

Joan Kean-Howie

Gregg Keating

Patrick Keefe

Dennis Langille

Robert MacKay

Dr. Chris Moore

Steve Rankin

Doug Raphael

Dr. Adam Sarty

Richard Saurette

Marilyn Webster

### MANAGEMENT:

Dov Bercovici  
*President & CEO*

Alex Chiasson  
*Fund Manager*

Renée Fournier  
*Director, Capital Campaign*

Linda Laurence  
*Manager of Operations*

Jeff McCarron  
*Manager of Exhibits*

Steve Thurbide  
*Manager of Science Education*

### STAFF:

Abbie Betts  
*Sales & Bookings Coordinator*

Jim Donovan  
*Project Manager, Capital Campaign*

Sarah Gillis  
*Marketing Coordinator*

Erica Hamm  
*Front Desk Coordinator*

Heidi Harding  
*Aquarist*

Chris MacDonald  
*Exhibit Specialist*

Kara MacPhee  
*Science Educator*

Chris McCain  
*Science Educator*

Ruth Munro  
*Science Educator*

Alisha Perron  
*Aquarist*

Marina Ritchie  
*Science Educator*

Michelle Snook  
*Sales & Bookings Coordinator*



## Introduction

There is an old adage “Tell me and I’ll forget. Show me and I may not remember. Involve me and I’ll understand.” We live this ideal at the Discovery Centre every day with our hands-on, minds-on philosophy that makes science come alive for children and young people. With a captivating blend of travelling and permanent exhibits, films, live science shows, special events and science busking programs, the Discovery Centre has created an exceptional experiential education environment.

We take great pride in our work in the Centre, but also our work on the road to bring our outreach programs such as *Science on the Road*, *Cool After School* and *Discovery on Demand* to as many nooks and crannies in Nova Scotia as possible. We know that science lives everywhere and that all children, regardless of their location, have a thirst for knowledge and an enthusiasm for discovery.

We have hit a number of milestones this year that demonstrate our continued growth and evolution as a community-based science centre. We invite you to review our Annual Report to learn more about our activities, partnerships and plans.





# At a Glance

**1313 MEMBERS** 

**478 DAY CAMPERS**  
OUR LARGEST NUMBER OF CAMPERS TO DATE

**8** 

**HOME SCHOOL AFTERNOONS**

**8**

**CADET TEAM  
BUILDING  
sessions**

**19**

**Little  
Learners  
classes** 

**30**

**Discovery  
ON Demand events**

**20**

**SCOUT & GUIDE  
SESSIONS**  
*50% increase*

**234**  
Cool After  
School  
Sessions 



**113** SCHOOLS VISITED BY  
SCIENCE ON THE ROAD  
*43% increase from 2012/13*

“We’re building one of the most unique science centres in the world. We are ready for this. Nova Scotia is ready for this.”

Dov Bercovici  
*President and CEO  
Discovery Centre*

## CAPITAL CAMPAIGN TEAM

Ian Wilson	Chair
Diane Campbell	Vice Chair
Dr. Richard Goldbloom	Honourary Chair
Steve Rankin	Family Chair
Andrew Doyle	Community Chair
Ian Penny	Member
Rick Emberly	Member
Ron Mitton	Member
Dov Bercovici	Member
Renée Fournier	Director, Capital Campaign



## The New Discovery Centre

We’re buzzing along! Progress continues on the New Discovery Centre and we’re pleased to report that the reDiscovery Campaign has made significant inroads over this past year. All three levels of government have made major commitment to the Campaign totaling \$11M. We’re also thrilled that the New Centre has resonated with a number of corporate and individual donors who have been inspired to make significant investments in the Campaign. Many of those will be announced soon, so stay tuned.

Now, with over 75% of our \$20M Campaign fundraising goal, we are preparing to enter the final phase of our Campaign. We are working hard on our public launch, which we anticipate in late September, 2014. Our plan is to create a real “buzz” in the city and in the province, and inspire the entire community to get behind this incredible facility.

The final design and construction phase will start in Summer, 2014, and our goal is to open the doors to the New Discovery Centre in Spring, 2016. We believe our new hive will become an iconic attraction on the Halifax Waterfront that will offer an educational and cultural experience unlike anything else in Atlantic Canada. These are exciting times for the Discovery Centre; the buzz is building.

# 2013

## DISCOVERY AWARDS

The 2013 Discovery Awards for Science and Technology celebrated 11 years as the most prestigious industry-related event in Nova Scotia, recognizing the outstanding achievements by Nova Scotians in the fields of science, technology and innovation. By showcasing the brightest minds in the province, the Discovery Awards is an important link to broader attention and understanding of the important work taking place in our own backyard.

### 2013 DISCOVERY AWARD WINNERS

#### Hall of Fame Inductees:

Dr. George Geoffrey Meyerhof and  
Dr. Thomas John (Jock) Murray

#### Professionals of Distinction:

Dr. Noni MacDonald and Dr. Michael  
Graven

#### Emerging Professional:

Dr. Christa Brosseau

#### Innovation:

SENSElab  
(Dr. Manohar Bance,  
Dr. Rob Adamson and  
Dr. Jeremy Brown)

#### Science Champion:

Richard Zurawski

#### Youth Award:

Harishitaa Prithviraj

### SPONSORS

#### Presenting Sponsors:



#### Platinum:



#### Media Sponsor:



#### Gold Sponsors:







## ***Summer Camps***

With registration numbers filled to capacity, our popular Summer Camps offer children an enlightening and hands-on week of science-themed fun. Our skilled team of Science Educators develop creative programming each year that allows campers to learn curriculum-related science in unique and interesting ways. From subjects like *Robo Tech* to *Extreme Locomotion* to *Sub-marine Science*, our Summer Camps, made possible through our valued sponsors Pratt and Whitney, continue to inspire and encourage young Nova Scotians to explore the world of science.



**Pratt & Whitney**

A United Technologies Company



## Social Media

In the new digital reality we live in, social media is *the* way to communicate. Leveraging our supporters has led us to become a social media leader in our sphere with a legion of fans and followers across a broad platform of media. Social media has also allowed us to be more proactive, creative and direct with our audiences and broaden our marketing mix to increase our visibility and make an even larger impact.





## In The Main Gallery

### ENDS OF THE EARTH

#### From Polar Bears to Penguins

*Ends of the Earth* took visitors from one end of our globe to the other to explore the fascinating (and cold!) worlds of the Arctic and Antarctic, through interactive and artifact-based exhibits and multimedia experiences. Through a valued partnership with Telus, *Ends of the Earth* offered visitors the chance to explore the unique nature of the Earth's Polar Regions, the current science being undertaken there, and how these regions act as indicators of climate change on our planet.



Canadian  
Heritage

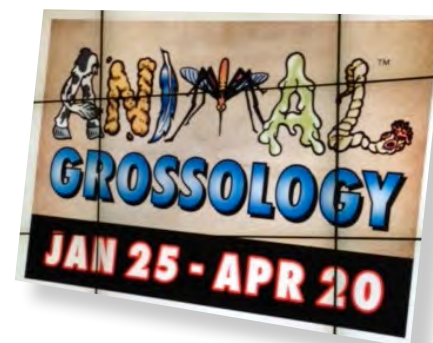
Patrimoine  
canadien



### TANKED!

#### An Atlantic Aquarium Exhibit

For the first time in its history, the Discovery Centre designed, developed and built its own feature exhibit – *TANKED* – which showcased a huge variety of Atlantic Ocean marine life. In addition to four salt-water tanks, kids could get their hands wet at the *Once Upon a Tide* touch tank shows and meet over 40 different Atlantic Ocean invertebrates and other species. There were also digital dissecting microscopes, marine-based films, *Sounds of the Sea* interactives and live science busking and demonstrations. This exhibit was made possible by the visionary support of BP.



### ANIMAL GROSSOLOGY

In another fantastic partnership with BP, Discover Centre hosted the highly popular, interactive exhibit *Animal Grossology*. Oozing with disgusting science and entertaining learning games, *Animal Grossology* explored animal biology using animatronics along with humour and hands-on elements. Featuring interactive stations including *Party Pooper...*, *Who Dooed It*, *Vomit Slurpers* and *Belch a Baby*, *Animal Grossology* presented interesting and important scientific information in a way that made kids laugh.



## In The Schools

Discovery Centre makes science education interesting, informative and interactive! Whether classes come to us or we go to them, our educational outreach programs are a core component of the Centre's operation. Our expert team of Science Educators develops and delivers a broad range of curriculum-connected programs for all grade levels, and across all regional school boards.

### SCIENCE IN THE CENTRE

The Discovery Centre's *Science in the Centre* program is all about hands-on, minds-on learning. The program gives students opportunities to develop new knowledge, gain a sense of accomplishment and feel inspired by the world of science. Classes can choose either a workshop or science show developed for each grade level's specific science curriculum.



### SCIENCE ON THE ROAD

Accessible anywhere in Nova Scotia, our award-winning *Science on the Road* (SOTR) program brings our talented and trained team to the classroom. From Yarmouth to Tatamagouche, from Guysborough to Glace Bay, this program offers 45-60 minute stimulating and interesting science sessions that are all curriculum connected, informative and interactive!

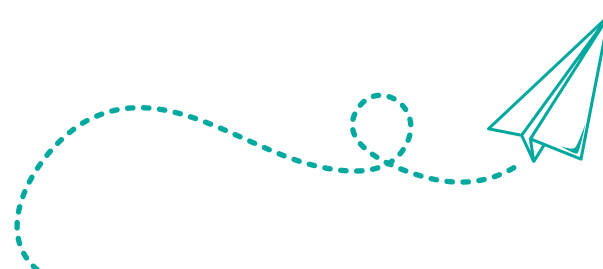
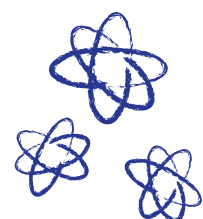


### COOL AFTER SCHOOL

Working with Halifax Regional School Board's Excel program, the Centre's External Education team travels throughout HRM to deliver *Cool After School* (CAS) programs to students in the Excel after school program. Programs are delivered twice per year to each school and HRSB feedback reports *Cool After School* is the most popular program delivered at Excel!



$E=MC^2$





## New And Noteworthy

The Discovery Centre is always looking for ways to evolve, be more relevant and find new ways to inspire our visitors. As a result, we launched a number of new events and programs that we anticipate will become permanent additions to our content roster.

### BRAIN WAR

Brain War is a unique, new legacy fundraising event for the Discovery Centre that we couldn't be more excited about.

Backed by Extreme Group's impressive brand for the event, *Brain War* had an immediate impact in the marketplace and captured the imagination of the sponsors, volunteers and participating teams; more than one quarter of whom have already registered for *Brain War* 2015. This ambitious, multi-dimensional event pitted 40 teams of four members from high school, university/college and the corporate community against one another in a brain-busting series of

tasks related to science, engineering, math, technology, art and music.

After a grueling, take-no-prisoners, six-hour marathon, the top five teams moved on to the Event Final. JASCO Applied Science emerged victorious with Dalhousie Industrial Engineering placing second and Horton High School rounding out the top three.

Huge thanks to our event sponsors for their faith in and visionary support of this inaugural event!

#### CO-PRESENTING SPONSORS:



#### MAJOR SPONSOR:

**nsc**



## New and Noteworthy



### DC P.O.W.E.R

This new camp, developed exclusively for girls, builds practical skills and experiences related to engineering and research. The program also breaks down gender stereotypes associated with engineering, and uses real-world mentors to identify educational and career opportunities that match the interests of those participating in the camp. Initial reviews for this fantastic new program were overwhelmingly positive.



### DIGITAL DISCOVERY

Discovery Centre's newest camp, in partnership with Digital Nova Scotia, is perfect for budding tech enthusiasts, coders and video gamers. Catering to youth ages 10-15, *Digital Discovery* Camp encourages curiosity in technology and innovation, all while increasing confidence in technology skills and supporting collaboration with peers. *Digital Discovery* provides campers with an opportunity to learn from local mentors in the IT industry and an understanding of career opportunities available right here in Nova Scotia.



### DISCOVER LOVE

This year saw us launch a new, adult-themed Valentine's Day event – *Discover Love*. This love-laced evening welcomed singles and couples alike to enjoy an evening under the planetarium stars and included wine tasting, special guest-speakers and live science shows. Visitors also had the chance to get up close and personal with the love-beating muscle responsible for it all - a real cow heart. With over 150 visitors that night, *Discover Love* was a great opportunity for the Discovery Centre to extend its reach by broadening its target demographic. And while programming with an adult-twist was new, the mission to make science fun, interesting and entertaining remained at the heart (pun intended) of the event.

### Efficiency Days

Working in conjunction with one of our most valued partners Efficiency Nova Scotia, we were pleased to present a topical weekend of energy efficiency programs. These programs not only offered visitors practical tips on how to reduce their energy expenses, but also provided suggestions and real-world examples on how to adopt an eco-friendly lifestyle - a vital behavioural change both we and Efficiency Nova Scotia are pleased to encourage.





# The Fun Stuff



## THE REEL SCIENCE FILM COMPETITION

*The Reel Science Film Competition* invites students from grades 4-6 to enter a short film that creatively demonstrates a topic from their science curriculum. This program is not only a great example of hands-on learning, but also encompasses elements of their language arts and social studies programs. Finalists are invited to enjoy red carpet treatment at the Science Film Showdown in the Centre.

### 2014 WINNERS:

Bridgewater Elementary, Grade 6



One University. One World. Yours.

## BUBBLE BIKE

The Discovery Centre's new *Bubble Bike* is the talk of the town! Not your typical bicycle, our bright yellow *Bubble Bike*, designed and built by Discovery Centre collaborator Allan Carver, creates giant bubbles from the back of the bike. Using a custom-tailored bicycle, robotics and a special bubble solution, the *Bubble Bike* moves the magic of our indoor Bubble Room to the outdoors! The *Bubble Bike* delights children of all ages and gives us a creative and entertaining presence wherever we go. [#DiscoverBubbles](#)

## CHRIS HADFIELD LINK UP DAY

Over 200 HRM students gathered at the Discovery Centre for a once-in-a-lifetime live video chat from space with celebrity astronaut Colonel Chris Hadfield. Discovery Centre was thrilled to be the host as these awe-struck students were given the chance to learn from, connect to, and most importantly, be inspired by this incredible Canadian who has made astronauts and astronomy supremely cool.

# Donors

## Government

Government of Canada  
Halifax Regional Municipality  
Province of Nova Scotia

## \$30,001 +

BP  
Dalhousie University  
Efficiency Nova Scotia  
Motorola  
Saint Mary's University

## \$20,001 - \$30,000

CTV  
J.W. Lindsay Enterprises Ltd.  
NSCC  
TD Financial Group

## \$15,001 - \$20,000

Johnson Inc.  
Pratt & Whitney Canada Inc.  
Maritime Northeast

## \$10,001 - \$15,000

ExxonMobil Canada Limited  
NSERC  
Premiere Van Lines

## \$5,001 - \$10,000

Dalhousie University – Faculty of Science  
Imperial Oil Foundation  
Mobia  
The Dr. & Mrs. H.E. Christie Community Foundation

## \$1,001 - \$5,000

C100  
Clearwater Seafoods Limited  
Desjardins Financial  
DSM  
Encana Corporation  
Genome Atlantic  
Halifax Youth Foundation  
Natural Forces Technologies Inc.  
Nova Communications  
Price Waterhouse Cooper  
Rx&D  
Stantec

## \$501 - \$1,000

Engineers Nova Scotia  
Equinox Controllers and Accounting Services  
Michele Williams

## \$100 - \$500

Encana Cares  
Richard Brown  
Joan Kean Howie  
Bob MacKay  
Sherry Niven  
Wynne Potter  
Balakrishnin Prithiviraj  
Pamela Scott Crace  
Gerhard Stroink

“An investment in  
knowledge pays  
the best interest.”

- Benjamin Franklin



# Sponsors

The Discovery Centre is privileged to work with an incredible roster of partners who enthusiastically support our mission and who are allies in developing and nurturing our next generation of scientists, leaders, researchers, innovators and educators. We can't thank each of these organizations enough – without their support we would not exist.

We would like to take this opportunity to welcome our newest partners: BP, Mobia, NSCC, ADIANS, Motorola Foundation.

**Thank you** for sharing our vision.



MOTOROLA SOLUTIONS  
FOUNDATION



DALHOUSIE  
UNIVERSITY  
*Inspiring Minds*



Canada Trust

nscc



Pratt & Whitney Canada  
A United Technologies Company



Maritimes  
& Northeast  
Pipeline

JOHNSON



ExxonMobil



# Financial Statements

June 16, 2014

## Independent Auditor's Report

To the Members of Discovery Centre

We have audited the accompanying financial statements of Discovery Centre (the "Centre"), which comprise the statements of financial position as at March 31, 2014 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. Therefore, we were not able to determine whether any adjustments might be necessary to receipts and excess of receipts over disbursements and cash flows from operations for the year ended March 31, 2014 and current assets and net assets as at March 31, 2014.

### Qualified opinion

In our opinion, except for the possible effects of the matter 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, 2014, and the results of their operations and their cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

(signed) "PricewaterhouseCoopers"

**Chartered Accountants**

*PricewaterhouseCoopers LLP*





**Discovery Centre**

## Statement of Financial Position

As at March 31, 2014

	2014	2013
<b>Assets (note 3)</b>		
<b>Current assets</b>		
Cash and short-term investments (notes 9, 10 and 11)	1,144,095	126,080
Accounts receivable	97,751	383,779
Government contributions receivable	–	70,880
Inventories	28,133	30,727
Prepaid expenses and deposits	18,205	31,093
	1,288,184	642,559
Property, plant and equipment (note 4)	465,134	84,875
	1,753,318	727,434
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank indebtedness (note 3)	233,000	–
Accounts payable and accrued liabilities (note 16)	104,916	145,048
Deferred revenue and deferred contributions (note 12)	551,791	84,874
Current portion of long-term debt (note 5)	2,617	5,084
	892,324	235,006
<b>Long-term debt (note 5)</b>	–	2,617
	892,324	237,623
<b>Net assets</b>		
Investment in property, plant and equipment	436,246	24,634
Internally restricted reserve (note 9)	100,000	100,000
Internally restricted fund (note 10)	–	538
Endowment fund (note 11)	72,000	72,000
Unrestricted	252,748	292,639
	860,994	489,811
	1,753,318	727,434
<b>Commitments (note 15)</b>		

**Discovery Centre**

## Statement of Changes in Net Assets

For the year ended March 31, 2014

	Investment in property, plant and equipment	Internally restricted reserve	Internally restricted fund	Endowment fund	Unrestricted	2014 Total	2013 Total
	\$	\$	\$	\$	\$	\$	\$
		(note 9)	(note 10)	(note 11)			
<b>Net assets – Beginning of year</b>	24,634	100,000	538	72,000	292,639	489,811	237,032
Transfers	463,689	–	–	–	(463,689)	–	–
Excess of revenue over expenditures for the year	(52,077)	–	–	–	423,798	371,721	254,210
Internally imposed restrictions	–	–	(538)	–	–	(538)	(1,431)
<b>Net assets – End of year</b>	436,246	100,000	–	72,000	252,748	860,994	489,811



**Discovery Centre**

Statement of Revenue and Expenditures  
For the year ended March 31, 2014

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Campaign funding (note 8)	1,031,877	891,254
Admissions, memberships and workshops	758,120	714,534
Government contributions (note 7)	408,902	626,956
Fundraising and donations	238,358	360,671
Retail income	169,269	151,972
Special events (note 6)	246,128	127,195
Other	28,660	29,127
Investment income earned on endowment fund	1,613	1,762
	<u>2,882,927</u>	<u>2,903,471</u>
<b>Expenditures</b>		
Salaries and benefits	626,058	777,526
Exhibits, programs and administration	528,073	635,886
Campaign costs (note 8)	690,877	624,706
Rent and common area charges	383,087	412,360
Retail – cost of goods sold	109,226	101,307
Special events (note 6)	121,808	68,678
	<u>2,459,129</u>	<u>2,620,463</u>
<b>Excess of revenue over expenditures for the year before the following income (expense)</b>	<u>423,798</u>	<u>283,008</u>
Amortization of property, plant and equipment	(78,133)	(54,656)
Amortization of deferred capital contributions	26,271	26,271
Interest on long-term debt	(215)	(413)
	<u>(52,077)</u>	<u>(28,798)</u>
<b>Excess of revenue over expenditures for the year</b>	<u>371,721</u>	<u>254,210</u>

**Discovery Centre**

## Statement of Cash Flows

For the year ended March 31, 2014

	2014 \$	2013 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	371,721	254,210
Charges (credits) to excess of revenue over expenditures not involving cash		
Amortization of property, plant and equipment, not affecting cash	78,133	54,656
Amortization of deferred capital contributions	(26,271)	(26,271)
	423,583	282,595
<b>Net change in non-cash working capital items related to operations</b>		
Decrease (increase) in accounts receivable	286,028	(247,119)
Decrease (increase) in government contributions receivable	70,880	87,739
Decrease (increase) in inventories	2,594	(6,333)
Decrease (increase) in prepaid expenses and deposits	12,888	32,008
Increase (decrease) in accounts payable and accrued liabilities	(40,132)	9,634
Increase (decrease) in deferred revenue and deferred contributions	493,188	(8,350)
	1,249,029	150,174
<b>Financing activities</b>		
Increase (decrease) in bank indebtedness	233,000	(61,000)
Long-term debt repayments	(5,084)	(4,884)
	227,916	(65,884)
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(458,392)	(2,106)
Decrease in internally restricted fund	(538)	(1,431)
	(458,930)	(3,537)
Net change in cash and short-term investments during the year	1,018,015	80,753
Cash and short-term investments – Beginning of year	126,080	45,327
Cash and short-term investments – End of year	1,144,095	126,080



**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	5 years
Leasehold improvements	10 years
Equipment and fixtures	3 - 5 years
Vehicle	3 years
Computer equipment	2 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.

**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 is 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.

## Discovery Centre

Notes to Financial Statements

For the year ended March 31, 2014

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 long-term debt, 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 long-term debt 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

	2014		2013	
	Cost Accumulated \$	Accumulated amortization \$	Net \$	Net \$
Exhibits	772,168	651,984	120,184	52,542
Leasehold improvements	67,101	67,101	–	–
Equipment and fixtures	160,791	158,791	2,000	10,316
Vehicle	33,344	31,394	1,950	8,619
Computer equipment	310,817	310,817	–	13,398
Assets under construction	341,000	–	341,000	–
	1,685,221	1,220,087	465,134	84,875



**Discovery Centre**

Notes to Financial Statements

For the year ended March 31, 2014

**5. LONG-TERM DEBT**

Bank of Nova Scotia loan, bearing interest at 3.99%, due September 2014, secured by a vehicle, repayable in monthly blended instalments of \$441

Less: Current portion

<b>2014</b>	<b>2013</b>
<b>\$</b>	<b>\$</b>
2,617	7,701
2,617	5,084
—	2,617

**6. SPECIAL EVENTS**

During the year, the Centre held two special events. The events resulted in a net excess of revenue over expenditures of \$124,320 (2013 - \$58,517).

<b>2014</b>	<b>2013</b>
<b>\$</b>	<b>\$</b>
246,128	127,195
121,808	68,678
124,320	58,517

**7. GOVERNMENT CONTRIBUTIONS**

During the year, the Centre recorded government contributions as follows:

<b>2014</b>	<b>2013</b>
<b>\$</b>	<b>\$</b>
220,000	220,000
—	208,800
145,000	145,000
28,902	30,656
15,000	15,000
—	7,500
408,902	626,956

Government of Nova Scotia

ACOA

Halifax Regional Municipality

Employment grants

Natural Sciences and Engineering Research Council of Canada

Museum Assistance Program

**Discovery Centre**

## Notes to Financial Statements

For the year ended March 31, 2014

**8. CAMPAIGN FUNDING AND COSTS**

During the year, the Centre received restricted funding from government and private donors and recorded expenditures to support the move to the Halifax waterfront as follows:

	2014 \$	2013 \$
<b>Revenue</b>		
Government of Nova Scotia	1,200,000	151,074
Private donors	313,559	737,318
Board donations and other	–	2,862
Less amounts deferred for expenditures in future periods	(481,682)	–
	1,031,877	891,254
<b>Expenditures</b>		
Campaign costs		
Staffing	407,046	218,435
Professional fees	104,201	351,151
Administrative and marketing activities	179,630	55,120
	690,877	624,706
<b>Excess campaign revenue over expenditures</b>	341,000	266,548

During the year, the Centre entered into a funding agreement with the Province of Nova Scotia (the "Province") whereby the Province committed \$6,000,000 to be provided in support of a campaign to plan, design, construct and move the Centre's operations to a new location on the Halifax Waterfront. The funding is to be provided by way of an annual contribution of \$1,200,000 over 5 years. The current year's contribution of \$1,200,000 was unspecified as to whether the funds were for capital expenditures or general campaign expenses. The remaining contributions in each of the next four years will be subject to an annual budget which will be submitted by the Centre to the Province for review and acceptance.

**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 2014. As a result, \$100,000 (2013 - \$100,000) of cash in the operating fund is restricted from general use by the Centre.

**10. INTERNALLY RESTRICTED FUND**

Of the total net assets, \$nil (2013 - \$538) is subject to internally imposed restrictions stipulating that the resources be used as a scholarship fund to subsidize schools or youth groups who may not otherwise be able to access the programs at the Centre. During the year, \$538 (2013 - \$1,431) was spent on qualifying expenditures. As a result, \$nil (2013 - \$538) of cash in the operating fund is restricted from general use by the Centre.

**11. 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.

**12. DEFERRED REVENUE AND DEFERRED CONTRIBUTIONS**

	2014 \$	2013 \$
Deferred revenue	43,838	32,332
Deferred capital contributions, net of accumulated amortization of \$105,084 (2013 - \$78,813)	26,271	52,542
Deferred Capital Project contributions received	481,682	–
	551,791	84,874



13. 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.

14. 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	97,751	97,751
Bank indebtedness	233,000	233,000
Accounts payable and accrued liabilities	104,916	104,916
Long-term debt	2,617	2,617

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. The Centre has

provided \$3,466 for doubtful accounts receivable in these financial statements.

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. 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.

15. COMMITMENTS

The Centre is in a lease agreement with 3258146 Nova Scotia Limited. The lease expired on April 30, 2014 and the Centre is presently occupying the premises as it negotiates a new lease. The monthly lease payments are presently \$32,436. The minimum annual lease payments for exhibits, equipment and a vehicle lease during the next three years are as follows:

	\$
Year ending March 31, 2015	6,633
2016	6,633
2017	4,915

16. 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 \$1,331 at the statement of financial position date (2013 – \$10,334).

# Discovery Centre

Nova Scotia's Hands-On Science Centre

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