

Discovery Centre

Nova Scotia's Hands-On Science Centre

2011 - 2012 ANNUAL REPORT





2011- 2012
ANNUAL REPORT

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THE DISCOVERY CENTRE STORY

Can you remember that “light bulb” moment when you first figured out how something worked? Or can you recall the feeling you got when you first discovered that most of your body is made up of water?

DISCOVERY CENTRE specializes in creating those light bulb moments for children and young people. We love when children scream “cool” after watching one of our live demonstrations; when their eyes light up during one of our interactive workshops; or when they build the most amazing LEGO® creation with nothing but pure imagination. And nothing gives us more joy than seeing a mother or father trying to drag their screaming child out of the Centre, the refrain “I don’t want to go” blissfully ringing in our ears!

At the Discovery Centre we believe in a hands-on, minds-on philosophy, and it’s the backbone for everything we do - from our exhibits, live science shows, workshops and community outreach to our science busking and summer camp programs. Here, we make it our mission to have fun while we teach kids about science and technology. In fact, it’s so much fun, kids don’t even know they’re learning! That’s why we call the Discovery Centre the smartest place to play.

The Discovery Centre hosts three floors of interactive fun and education through permanent and temporary exhibits, HD movies, live science shows and many special events and outreach activities. We are an invaluable resource for families looking to spend quality time with their children, or for schools and groups looking to provide a quality educational opportunity for their students or members. We’ve been in this experiential education game now for over 26 years, and we’ve won many awards and captured many hearts, and minds, along the way. We’ve also provided tens of thousands of light bulb moments.



JOSH’S STORY

JOSH GUMMETT had his own light-bulb moment when he was 10. During a Grade three class field trip to the Discovery Centre, Josh experienced the *Bed of Nails* demonstration for the first time. He was transformed. “It was magic,” says Josh of the experience.” It made sense when it was explained, but I felt there was more to it. And during the entire walk back to school that’s all we could talk about.”

Josh fell in love with science then and there. Josh returned to the Discovery Centre on many more occasions. Each time there was something new to discover, to explore, to learn. And yet, for Josh, “It never felt like learning.”

That original spark from the *Bed of Nails* set the course for Josh’s life. Now 21, Josh recently finished his fourth year of pre-medicine at Dalhousie University. He is also now back for his second summer term working as an Interpreter at the Discovery Centre. The highlight of which is getting to do the *Bed of Nails* himself.

Josh dreams of his future as a cardiovascular surgeon, and if the opportunity arises, he would jump at the chance to be an astronaut. It’s young people like Josh who are the future of Nova Scotia. That future starts here at the Discovery Centre, with a light bulb moment.

A MESSAGE FROM THE CHAIR AND PRESIDENT

Science is all around us. Technology is continually improving and changing our lives. These advances are transforming our world at a rapid rate, and our future will surely be filled with leaps in innovation we can now only imagine. At the Discovery Centre, we understand that being science literate is a necessity in today's society. The significance of science in our world is prevalent, and this year we showed that science has no boundaries.



We understand the importance of sparking an interest in science and technology at an early age. Our new program, *Little Learners*, was designed especially for three to five-year-olds and their guardians. These sessions encourage little ones to ask questions, take part in hands-on experiments and discover something new about the world around them. Science education is not limited to children and youth. We also brought our unique brand of experiential learning to seniors at Berkeley residences in Halifax.

From the toy of the Century, LEGO®, to art and music – we recognize science is everywhere. When we launched the *Lindsay Building Centre*, we saw beyond mere play and recognized that LEGO® combines science, technology, engineering and math (STEM) together with solution-seeking and critical-thinking processes. Our Science Camp, *Paint with Music*, and our newly expanded *Reel Science Film Competition*, married science and art together to demonstrate how the two are often interchangeable. *Grossology: The (Impolite) Science of the Human Body*, was a science-in-disguise exhibit that showed science is a big part of our own body – inside and out. Examining health, the human body and biology, *Grossology* educated visitors on 'The Nose', 'The Gut' and 'Other Stuff'.

While the current Discovery Centre is breaking boundaries, the momentum of our reDiscovery project is building. The new science centre will provide Nova Scotians with an improved learning space and will challenge visitors to see science through a whole new lens. This is an exciting project that is so vital to the future of our province.

Our intrepid team of board members, staff and volunteers are committed to spreading an enthusiasm for science and technology across our province. We thank all of you who made 2011/2012 an outstanding year. Here's to another a great year ahead!

Rick Emberley
Chair of Board of Directors

Dov Bercovici
President & CEO



BOARD

With great vision and singular commitment to the cause, the Discovery Centre's Board of Directors brings together members of the academic, public and corporate communities to share their time and talent. The Board provides strategic direction and support to the Discovery Centre staff and works tirelessly to position the Centre at the forefront of the community.

Executive

Rick Emberley
Chair
Senior Counsel, M5

Steve Rankin
Vice-Chair
Director of External Relations,
Maritimes and Northeast Pipeline

Wynne Potter
Second Vice-Chair
Consultant/Entrepreneur

Owen Barnhill
Treasurer
Director of Corporate Development,
Eastlink

Michele Williams
Managing Partner, Grant Thornton LLP

Colleen Keyes
Partner, McInnes Cooper

Dov Bercovici
President & CEO, Discovery Centre

Directors

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Pediatric Oncologist, IWK Health Centre

Andrew Boswell
President, Nova Communications Inc.

Pamela Scott Crace
Editor, Progress Magazine

Gregg Keating
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Altimax Venture Capital

Joan Kean-Howie
Director General,
Institute of Marine Bioscience

Dennis Langille
Project Manager, MAT/SF
Michelin North America (Canada) Inc.

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Consultant

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Dalhousie University

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Director of External Relations,
Maritimes and Northeast Pipeline

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Construction (RSC Group)

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Professor, Faculty of Science,
Saint Mary's University

Richard Saurette
Branch Manager, TD Canada Trust

Brian Watson (Ex-Officio)
Corporate Strategist, Nova Scotia
Department of Economic and Rural
Development and Tourism

Marilyn Webster (Ex-Officio)
Science Consultant, Nova Scotia
Department of Education

STAFF

The Discovery Centre is fortunate to have a strong, skilled and dedicated management team supported by an incredible roster of talented staff members to support the day to day operations of the Centre.

Management

Dov Bercovici
Renée Fournier
Linda Laurence
Jill Wagner
Jeff McCarron
Steve Thurbide

President & CEO
Director of Business Development
Manager of Operations
Project Director
Manager of Exhibits
Manager of Science Education

Staff

David Birch
Jesse Brydle
Helene Duffy
Nadine Grant
Melissa MacInnis
Chris McCain
Chris McDonald
Ruth Munro
Danielle White

Exhibit Specialist
Science Educator
Project Assistant
Science Educator
Marketing Coordinator
Science Educator
Exhibit Specialist
Science Educator
Front Desk Coordinator

CAMPAIGN CABINET

Dr. Richard B. Goldbloom, O.C.
Honorary Chair

Ian Wilson
Chair
President, Wilsons

Diane Campbell
Vice-Chair
President and CEO,
Berkeley Holdings

Steve Rankin
Family Chair
Director of External Relations,
Maritimes and Northeast Pipeline

Rick Emberley
Member
Senior Counsel, M5

Ian Penny
Member
Vice-President, Atlantic Canada - CIBC



DISCOVERY AWARDS FOR SCIENCE AND TECHNOLOGY

The Annual Discovery Awards for Science and Technology continues to be the most prestigious industry-related event in Nova Scotia, recognizing the outstanding achievements by Nova Scotians in the fields of science and technology. Growth was on the agenda for this year's event with a new, larger venue - The Halifax Marriott Harbourfront Hotel – which hosted more than 500 of the brightest minds in Nova Scotia. With a fascinating array of nominees and winners, the Awards continue to showcase the incredible work that is being done in Nova Scotia.

2011 Discovery Award Winners:

Hall of Fame

Dr. Donald Hebb (posthumous)
Dr. W. Ford Doolittle

Professional of Distinction

Kenneth Lee, Ph.D, Centre for Offshore Oil, Gas and Energy Research

Innovation

Elekta Atlantic

Emerging Professional

Jill Chorney, Ph.D, IWK Health Centre

Science Champion

Daniel Silver, Ph.D, Acadia University

Youth Science

Brandon Fillmore
Megan Smith & Charlotte Donaldson



MAKING THE GRADE

Education comes alive with the Discovery Centre! The Discovery Centre makes science education interesting, informative and interactive with our robust educational programming that is curriculum-connected to the Nova Scotia Department of Education’s standards. As leaders in experiential science education, the Discovery Centre offers an incredible wealth of programs, workshops and shows either at the Centre or on the road.

With the assistance of our engaged and committed community partners, the Discovery Centre delivered three signature programs for which we have won awards and captured the hearts and minds of the education community.

Science On the Road

The award-winning *Science on the Road* (SOTR) program is Nova Scotia’s only province-wide science education outreach program. It offers programming for students in primary to Grade six and aims to enrich their science education through dazzling demonstrations and hands-on workshops. SOTR is tied to the science curriculum for the Province of Nova Scotia, and is offered in both French and English. As a result of the incredibly generous support of Encana through a three-year sponsorship commitment, SOTR has visited over 215 schools and reached more than 58,200 educational contacts across the province. Supported by Encana, Michelin and National Science and Engineering Research Council (NSERC), SOTR is a crucial link between experiential science education and students in communities across the province.



Water and Our World

The *Water and Our World* external outreach program, which won the 2011 CASCADE Award for Best Outreach Program by the Canadian Association of Science Centres (CASC), was delivered 85 times to 25 different schools across Nova Scotia, Prince Edward Island and Newfoundland in 2011. A PT Cruiser boldly emblazoned with the program graphics was used to support the program and was a captivating sight on the roads and highways across the Maritimes. The program, which received excellent feedback from both students and teachers, provided students with a solid introduction to water conservation and water procurement locally and globally. As a result of this program, we firmly believe we have helped cultivate our next generation of water stewards in the Maritimes.



Cool After School

Cool After School is an interactive after-school program presented by the Discovery Centre with the exclusive support of TD Canada Trust. The program is currently being delivered to students participating in the Halifax Regional School Board’s EXCEL childcare program. EXCEL provides care for students in Grades primary to six, allowing the Discovery Centre an opportunity to present our programming to a wide age group. In 2011-2012, two *Cool After School* programs – *Can You Dig It?* and *Fly Me to the Moon* - were delivered to over 50 schools throughout HRM, allowing us to reach over 2,500 students with our hands-on, minds-on programming that always receives rave reviews from both students and teachers alike.



The world of science is always evolving, which means the Discovery Centre needs to ensure we are on the cutting edge of new technologies, discoveries and applications. As a result, we continually work with community partners to upgrade our programming to ensure students in Nova Scotia are receiving relevant and timely information and education. Five new programs were developed for the 2011-2012 academic year with a variety of partners and centred around five distinct and interesting topics.

Genes: Unzipping the Future, sponsored by Genome Atlantic, encourages students to do some scientific sleuthing to discover if DNA is just a string of letters or the holy grail of biology. It’s a fascinating look into the world of genomes.

Capture the Wind, sponsored by Natural Forces Technologies, asks whether or not we can farm the weather and if wind is the energy of the future.

Inspiring Discovery, sponsored by Dalhousie University, breaks the mould on what it means to be a scientist today by introducing high-school students to a new generation of scientists and researchers doing things most kids have never dreamed of.

Beneath the Surface, sponsored by Imperial Oil Foundation, allows students to discover what’s beneath their feet in a geology workshop that explores rocks and minerals, and what’s beneath the sea in a marine workshop that does a head dive into the mysteries of the ocean.

CURA H2O, sponsored by Saint Mary’s University, is an innovative new water stewardship program that helps students understand how important water quality and conservation are here at home and around the world.

With thanks also to **WWF** for their support of the science show *Climate in Jeopardy* and to **Halifax Bridges** for their support of the *Bridging the Gap* science workshop, two long-standing and popular internal education programs.



Discovery Centre shoots for the Moon...

Lunar Bots

One of the Discovery Centre’s newest programs is the innovative *Lunar Bots* that allows students to go from the classroom to the moon! Using space robotics as a guide, students are introduced to computer programming using LEGO® NXT technology to control a space robot on an exciting lunar mission. *Lunar Bots* has proven to be a “blast” with students and teachers alike and is on track to be one of our most popular programs ever.



and lands in the stars!

Digital Planetarium


Discovery Centre’s state-of-the-art inflatable planetarium is one of the Centre’s most popular educational tools. In addition to being available at the Centre for weekend programming, the planetarium plays host to *Above and Beyond*, a one-of-a-kind introduction to astronomy and our most popular program ever! With a unique and immersive digital experience, students learn how to identify asterisms, constellations, galaxies and all manner of astronomical phenomenon.






REACHING NEW HEIGHTS

Sci on the Fly

Thanks to a unique collaboration with Research In Motion (RIM), Discovery Centre was able to launch its newest outreach program *Sci on the Fly*. This program travels across the region to large festivals and events in an attempt to reach as many children and young people as possible to introduce them to our popular hands-on activities and demonstrations. By reaching out to children who don't have the chance to get to the Discovery Centre we can still create that spark of interest in science. Using RIM's technology, we can also stay connected with fans of the program. 




Lindsay Building Centre


The first LEGO® space of its kind in Atlantic Canada, the *Lindsay Building Centre* was unveiled this year thanks to a creative new partnership with one of the region's premiere building companies – Lindsay Construction. *The Lindsay Building Centre*, on the second floor of the Discovery Centre, houses thousands of LEGO® and DUPLO® blocks for creative building and free play. And because LEGO® is such a rich system of learning – one that combines science, technology, engineering and math (STEM) together with solution-seeking and critical-thinking processes – it is the perfect union of fun and education that makes it the quintessential opportunity for the Discovery Centre. 



Reel Science

Building on a solid foundation established over the years, the Discovery Centre this year took our film program to a whole new level thanks to the support of Saint Mary's University. We were able to expand our popular Science Film Competition to all grade four to six classes in the province. Saint Mary's University was also one of the sponsors of the ViewFinders Open House, an educational and entertaining behind the scenes event for film buffs of all ages, that kick-off the ViewFinders Film Festival. 

The Seniors Program

In what may well be the first of its kind in Canada, the Discovery Centre developed a unique, multi-faceted new program in conjunction with The Berkeley that targets seniors directly. In addition to offering a new Grandparent's Membership and a special Senior's Admission Rate as a result of this partnership, the Discovery Centre's educational staff created and delivered hands-on programming for residents of the various Berkeley facilities throughout HRM. 



ILLUMINATING THE UNKNOWN

As a core part of our mandate, the Discovery Centre continues to bring in innovative and engaging travelling exhibits that shed light on science-related matters of interest and relevance to our visitors. This year, three diverse and interesting exhibits brought visitors through the doors of the Discovery Centre in record numbers.

Too Small To See

Too Small to See proved that small was the new BIG! This hands-on exhibition, which visited Discovery Centre from May 2011 to January 2012, showed how scientists see and make things that are too small to see. It also showcased how the world of nanotechnology is changing our lives. Visitors built and stretched molecules, walked through a silicon crystal, manipulated atoms on a vibrating table and magnified a computer chip up to 100,000 times!



Grossology

The most popular exhibit ever at the Discovery Centre, *Grossology: The (Impolite) Science of the Human Body* explored all things gross about the human body! This colourful exhibit covered a variety of "impolite" topics dealing with the human body like barf, boogers and body odour. *Grossology* used humour to teach kids about health, the body and biology and was definitely an exhibit not to be missed!



Let's Go! Animals in Motion

In this exhibit teeming with life, young visitors were able to run, jump, crawl, climb, "swim" and "fly" like animals do. *Let's Go! Animals in Motion* introduced children to the world of animal biodiversity through animal "instructors" like the fish, snake, lizard, snail, squirrel, duck and bat. In addition to dressing up like animals, educational displays and panels helped round out this informative experience.



Discovery Centre On-line

As the Discovery Centre continues to grow, so too does our on-line presence and the way we communicate with our constituents. Our revamped website is now more user-friendly, allowing for a richer and more satisfying experience for visitors. As well, we have jumped on the social media band wagon in a big way with a fantastic and engaged base of followers on both Facebook and Twitter. And, with a devoted YouTube channel, we continue to explore ways in which we can use video to tell our story. Stay tuned!



CONNECTING THE COMMUNITY

As an important community-based organization, collaboration with partners of all sizes and stripes is incredibly important to the Discovery Centre. We are fortunate to have had the opportunity this year to work with a number of organizations that share our mandate and values, as well as a number of national organizations who have joined the Discovery Centre for special events.

National Partners

The Discovery Centre was honoured to host **Dr. Jane Goodall** during her inaugural visit to the Maritimes. During her visit, she spoke to approximately 60 local high school students about her Institute's global youth action program - Roots & Shoots. In addition to telling her remarkable story on how she became the world's foremost primatologist, Jane also shared her insight into why she has hope for the planet's future. Dr. Goodall also encouraged students to get involved in their own community by initiating projects which benefit people, animals and the environment.

Pioneering Canadian astronaut **Chris Hadfield** made a special visit to the Discovery Centre courtesy of the Nova Scotia Department of Education and the Canadian Space Agency. Hadfield was on hand to speak about his preparations for Expedition 34/35, his mission to the International Space Station aboard the Russian spacecraft Soyuz, which will launch in December, 2012. Hadfield made a fascinating and insightful presentation and answered many questions from the assembled crowd made up exclusively of Discovery Centre members.

Community Partners

Connecting with local community groups has allowed the Discovery Centre to bring new, exciting ideas and information to our visitors and has provided an outlet for other not-for-profit organizations in the community to promote their good work. A number of local community groups have made presentations at the Discovery Centre over the year including Hope for Wildlife Society, Dalhousie Satellite Design Team and the Canadian Diabetes Association.

Media Partners

The Discovery Centre is also very fortunate to work with local media partners who have invested significant time and resources into helping us share our good news and promote our good work. Chief among them is CTV Atlantic, which has provided over \$50,000 of value in free advertising, programming and sponsorship support to the Discovery Centre and the Discovery Awards. With the enthusiastic support of its news programs including CTV Morning Live and Live at 5, CTV Atlantic has provided phenomenal coverage and support to the Discovery Centre. Bell Media's C100 FM is another of the Discovery Centre's media partners, and has been with us for over 11 years. An engaged community partner, C100 provides bonus advertising for the Discovery Centre's many campaigns. As well, the radio station has provided live remotes and cut-ins from various Centre events and activities over the years. And as our newest media partner, we were pleased this year to bring The Chronicle Herald on line as a supporter. In addition to excellent advertising support, The Chronicle Herald was a Gold sponsor of the 2011 Discovery Awards.



SHARING THE VISION

Dedicated support of our vision is a crucial component of the Discovery Centre's success. A number of committed corporate partners have been with the Discovery Centre for many years and make enormous contributions to our success.

Pratt & Whitney - For more than 15 years, Pratt & Whitney has proudly championed science education for children by supporting a number of special events and programs at the Discovery Centre. For many years, Pratt & Whitney has taken on the presenting sponsorship of the Centre's Summer Camp program, one of the core programming pieces in the Discovery Centre's annual calendar. Encouraging scientific-learning and making science more accessible and enjoyable for Nova Scotia children is a passion shared by both Pratt & Whitney and the Discovery Centre.

ExxonMobil - With a full appreciation for educating young people in STEM (Science, Technology, Engineering and Math), ExxonMobil has been a long-time sponsor of the Third Floor ExxonMobil Gallery. As a result of their generous, on-going commitment, the ExxonMobil Gallery is home to a suite of permanent exhibits including the *Race Against Time* Running Track and the prestigious Nova Scotia Science Hall of Fame. This Gallery also plays host to many of our featured exhibits. It is here that children and young people have come for years to learn, discover, explore and play.

RIM - In 2007, Research In Motion (RIM) joined the Discovery Centre's roster of corporate partners through their support of the RIM Bursary Program. RIM Bursaries are granted twice per year and are given to deserving schools and community groups who would otherwise not be in a position to visit the Discovery Centre. As a Gold Sponsor of the Discovery Awards, the Presenting Sponsor of *Sci on the Fly* and a provider of important technology for the Centre and classrooms, RIM is the Centre's most prolific supporter. As a result of their generosity, the Discovery Centre is able to bring our unique brand of educational programming to more young people across Nova Scotia.

Halifax Water - As part of a three-year commitment to the Discovery Centre, Halifax Water is an important partner in one of the Centre's newest exhibits – *Water and our World*. This permanent exhibit on the second floor of Discovery Centre educates the general public about water consumption using dynamic, interactive and thought-provoking examples of everyday water uses. It also includes an interactive quiz and a map that illustrates where our local water sources are, an important component in helping children understand what a finite resource it is.

Michelin - First as a sponsor of the Theatre and now as a supporter of one of our most important educational programs *Science on the Road* (SOTR) and a Gold Sponsor of the Discovery Awards, Michelin is another of our partners that truly shares our vision. As a result of their outstanding and ongoing support, the Discovery Centre continues to reach more and more Nova Scotians with the message the science education is crucial to our province's future success.



STRENGTHENING THE FUTURE

reDiscovery Celebrating Science in Atlantic Canada

The Discovery Centre continues to plan for its new Centre in the recently opened Nova Scotia Power Complex on the Halifax waterfront. This exciting new space will allow for intriguing permanent exhibits and collections that will focus on issues and industries that are vital to the region, such as water, energy and health. As well, the Centre will be home to a new 5,000 sq. ft. gallery for blockbuster travelling exhibits. User-friendly amenities, lab space and an incredible immersive dome theatre will provide an optimal visitor experience for people of all ages from Nova Scotia and around the world.

The project is being supported by an outstanding group of volunteers who are lending their time and expertise to various committees including Fundraising, Facilities and Government Relations.

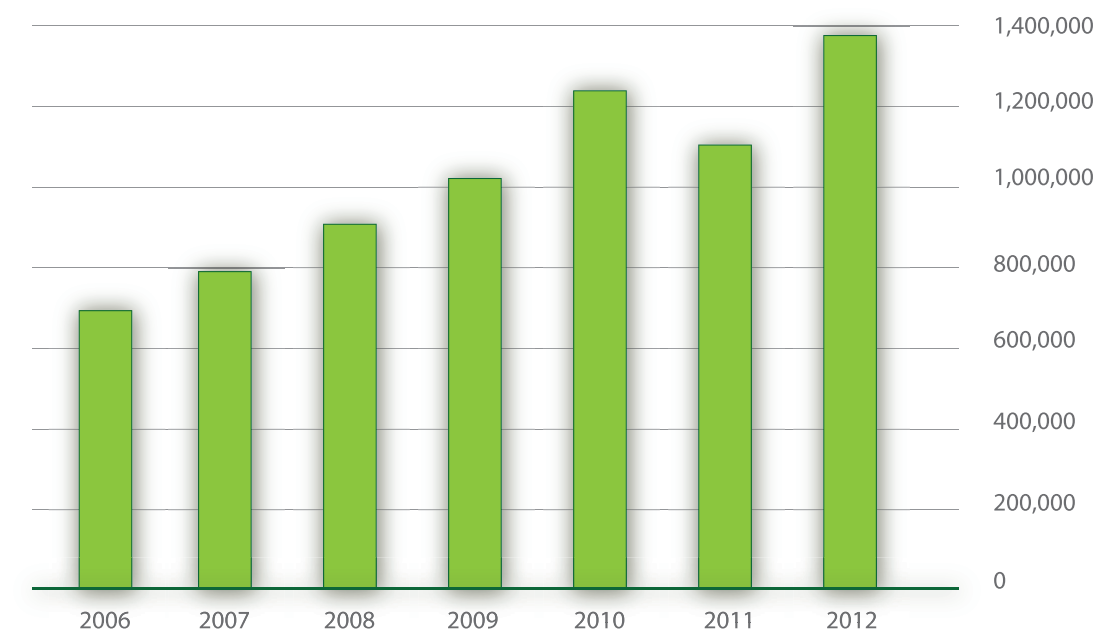
The new Centre is targeted to open in 2014.



BUILDING THE FOUNDATION

Over the past six years, Earned Revenue has continued on an impressive trajectory clearly demonstrating the Centre's growth and sustainability. Consecutive surpluses have been re-invested into its facility, exhibits and programming.

Discovery Centre Total Earned Revenue 2006-2012



A Record-Setting March Break

We smashed records during the 2012 Spring Break period this year at the Discovery Centre. During the Break, we attracted close to 12,500 visitors, an increase of 20% from the previous year. And, the Centre set a single-day attendance record on March 16 with 2,241 visitors through the doors. Now that's a traffic jam!

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

June 8, 2012

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, 2012 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 generally accepted accounting principles, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

In common with many charitable organizations, the Centre derives revenues from the general public, 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 and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenue over expenditures and cash flows from operations for the year ended March 31, 2012 and net assets as at March 31, 2012.

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, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



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Statement of Financial Position

As at March 31, 2012

	2012	2011		2012	2011
	\$	\$		\$	\$
Assets (note 3)			Liabilities		
Current assets			Current liabilities		
Cash and short-term investments (notes 9, 10 and 11)	45,327	66,857	Bank indebtedness (note 3)	61,000	39,000
Accounts receivable	136,660	241,188	Accounts payable and accrued liabilities	135,414	215,021
Government contributions receivable	158,619	212,537	Deferred revenue and deferred contributions (note 12)	119,495	259,854
Inventory	24,394	15,306	Current portion of long-term debt (note 5)	4,884	4,693
Prepaid expenses and deposits	63,101	66,035		320,793	518,568
	428,101	601,923	Long-term debt (note 5)	7,701	12,585
Property, plant and equipment (note 4)	137,425	180,105		328,494	531,153
	565,526	782,028			
			Net assets		
			Investment in property, plant and equipment	21,334	57,743
			Internally restricted reserve (note 9)	100,000	100,000
			Internally restricted fund (note 10)	1,969	1,219
			Endowment fund (note 11)	72,000	72,000
			Unrestricted	41,729	19,913
				237,032	250,875
				565,526	782,028
			Commitments (note 15)		

Statement of Changes in Net Assets

Year ended March 31, 2012

	Investment in property, plant and equipment	Internally restricted reserve (note 9)	Internally restricted fund (note 10)	Endowment fund (note 11)	Unrestricted	2012 Total	2011 Total
	\$	\$	\$	\$	\$	\$	\$
Net assets – Beginning of year	57,743	100,000	1,219	72,000	19,913	250,875	240,613
Transfers for the year	17,645	–	5,000	–	(22,645)	–	–
Excess (deficiency) of revenue over expenditures for the year	(54,054)	–	–	–	44,461	(9,593)	15,227
Internally imposed restrictions	–	–	(4,250)	–	–	(4,250)	(4,965)
Net assets – End of year	21,334	100,000	1,969	72,000	41,729	237,032	250,875

Statement of Revenue and Expenditures

For the year ended March 31, 2012

	2012 \$	2011 \$
Revenue		
Admissions, memberships and workshops	651,307	535,028
Fundraising and donations	509,924	405,082
Special event ^(note 6)	52,461	47,086
Investment income earned on endowment fund	2,251	2,197
Government contributions ^(note 7)	606,553	670,891
Other	23,930	37,428
Retail income	129,957	122,908
Transitional funding ^(note 8)	417,401	220,662
	<u>2,393,784</u>	<u>2,041,282</u>
Expenditures		
Exhibits, programs and administration	604,336	538,886
Rent and common area charges	417,036	380,500
Retail – cost of goods sold	83,266	74,874
Salaries and benefits	839,631	794,465
Transitional costs	405,054	195,441
	<u>2,349,323</u>	<u>1,984,166</u>
Excess of revenue over expenditures for the year before the following income (expense)	<u>44,461</u>	<u>57,116</u>
Amortization of property, plant and equipment	(79,720)	(67,373)
Amortization of deferred capital contributions	26,271	26,271
Interest on long-term debt	(605)	(787)
	<u>(54,054)</u>	<u>(41,889)</u>
Excess (deficiency) of revenue over expenditures for the year	<u>(9,593)</u>	<u>15,227</u>

Statement of Cash Flows

For the year ended March 31, 2012

	2012 \$	2011 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures for the year	(9,593)	15,227
Amortization of property, plant and equipment, not affecting cash	79,720	67,373
Amortization of deferred capital contributions	(26,271)	(26,271)
	<u>43,856</u>	<u>56,329</u>
Net change in non-cash working capital items related to operations		
Decrease (increase) in accounts receivable	104,528	(114,106)
Decrease (increase) in government contributions receivable	53,918	(167,537)
Decrease (increase) in prepaid expenses and deposits	2,934	(19,316)
Increase in inventory	(9,088)	(368)
Increase (decrease) in accounts payable and accrued liabilities	(79,607)	111,926
Increase (decrease) in deferred revenue and deferred contributions	(114,088)	22,825
	<u>2,453</u>	<u>(110,247)</u>
Financing activities		
Long-term debt repayments	(4,693)	(4,510)
Increase in funds from bank indebtedness	22,000	39,000
Capital contributions received	–	100,000
	<u>17,307</u>	<u>134,490</u>
Investing activities		
Acquisition of property, plant and equipment	(37,040)	(140,014)
Decrease in internally restricted fund	(4,250)	(4,965)
	<u>(41,290)</u>	<u>(144,979)</u>
Net change in cash and short-term investments during the year	<u>(21,530)</u>	<u>(120,736)</u>
Cash and short-term investments – Beginning of year	<u>66,857</u>	<u>187,593</u>
Cash and short-term investments – End of year	<u>45,327</u>	<u>66,857</u>

Supplementary cash flow information

Interest paid on bank indebtedness and long-term debt	3,394	1,611
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Notes to Financial Statements

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. Significant accounting policies

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 finished goods inventory during the year.

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 additions to property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets 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.

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.

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 capital assets.

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.

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 these financial statements.

Pledges

A pledge is recorded as revenue in the year the donation is received.

Management estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles (“GAAP”) 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.

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, 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.

Future accounting changes

In December 2010, the Canadian Accounting Standards Board issued a comprehensive set of accounting standards applicable to not-for-profit organizations. The standards are effective for fiscal years beginning on or after January 1, 2012 and require retrospective application, except for certain exemptions and exceptions contained within the standards. Early adoption of the standards is permitted. The Centre is currently considering the impact on the adoption of these standards.

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

	2012		2011	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Exhibits	654,777	575,964	78,813	105,084
Leasehold improvements	67,101	67,101	–	22,633
Equipment and fixtures	160,791	142,160	18,631	26,947
Vehicle	33,344	18,056	15,288	21,956
Computer equipment	308,710	284,017	24,693	3,485
	1,224,723	1,087,298	137,425	180,105

5. Long-term debt

	2012 \$	2011 \$
Bank of Nova Scotia loan, bearing interest at 3.99%, due September 2014, secured by a vehicle, repayable in monthly blended instalments of \$441	12,585	17,278
Less: Current portion	4,884	4,693
	7,701	12,585

The aggregate amount of principal payments required in each of the next three years to meet retirement provisions is as follows:

	\$
Year ending March 31, 2013	4,884
2014	5,084
2015	2,617

6. Special event

During the year, the Centre held an awards dinner. The event resulted in a net excess of revenue over expenditures of \$52,461 (2011 - \$47,086) and has been presented on the financial statements as a “net” item.

	2012 \$	2011 \$
Sponsorships and registration revenue	123,600	113,921
Expenditures	71,139	66,835
	52,461	47,086

7. Government contributions

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

	2012 \$	2011 \$
Government of Nova Scotia	220,000	220,000
ACOA Business Development Program	200,000	250,000
Halifax Regional Municipality	145,000	145,000
Employment grants	23,932	25,392
Natural Sciences and Engineering Research Council of Canada	15,000	9,000
Canadian Association of Science Centres	2,621	–
Canadian Space Agency – operating	–	21,499
	606,553	670,891

8. Transitional funding

During the year, the Centre has received funding to support the move to the Halifax waterfront. Contributions received were as follows:

	2012 \$	2011 \$
Government of Nova Scotia	403,926	145,000
ACOA Business Development Program	5,625	50,662
	409,551	195,662
Private donors – unrestricted	5,000	25,000
Board donations	2,850	–
	417,401	220,662

9. Internally restricted reserve

In 2005, the Board approved the creation of an internally restricted reserve which can only be used for specific expenditures approved by the Board of Directors. No transfers were approved through fiscal 2012. As a result, \$100,000 (2011 - \$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, \$1,969 (2011 - \$1,219) 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, \$5,000 (2011 - \$2,500) was provided by Research in Motion and \$4,250 (2011 - \$4,965) was spent on qualifying expenditures. As a result, \$1,969 (2011 - \$1,219) 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 into 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

	2012 \$	2011 \$
Deferred revenue	15,989	154,770
Deferred capital contributions, net of accumulated amortization of \$64,889 (2011 - \$26,271)	103,506	105,084
	119,495	259,854

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 and government contributions receivable	295,279	295,279
Accounts payable and accrued liabilities	135,414	135,414
Bank indebtedness	61,000	61,000
Long-term debt	12,585	12,585

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. No provision for doubtful accounts receivable has been made in these statements.

Management believes 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 highly liquid in nature.

15. Commitments

The Centre is in a lease agreement with 1595 Visitors Centre Limited, with a monthly rent of \$25,917 plus HST, which expired on April 30, 2012. Subsequent to year-end the Centre signed a lease extension agreement with the annual payments during the next three years as follows:

	\$
Year ending March 31, 2013	328,967
2014	352,160
2015	29,510

The minimum annual lease payments for exhibits, equipment and a vehicle lease during the next year is as follows:

	\$
Year ending March 31, 2013	129,769

16. Changes in presentation of comparative financial statements

Certain comparative figures have been reclassified to conform with current years financial statements presentation.

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