

ONTARIO SCIENCE CENTRE

2018-2019 ANNUAL REPORT



**ONTARIO
SCIENCE
CENTRE**

An agency of the
Government of Ontario

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LEADERSHIP MESSAGE

The Ontario Science Centre is pleased to report on successful activities for the 2018–2019 fiscal year, including the launch of our 50th birthday year.

The 2019 year not only marks our Centre's 50th birthday, but also the 50th anniversary of hands-on science centres across the globe. When the Ontario Science Centre opened its doors in 1969, we were at the forefront of a new type of interactive science and technology museum.

In January 2019, we launched our 50th birthday year with a celebration that included the reveal of the *Celebration Way* entrance experience, the opening of *Inventorium 2.0* and a keynote by our 50th birthday Honorary Patron, The Honourable Elizabeth Dowdeswell, Lieutenant Governor of Ontario. We announced an exciting slate of activities and experiences for the year leading up to our official birthday on September 26.

Coinciding with our 50th launch, we began our brand campaign to encourage everyone to think like a scientist and *Ask. Test. Repeat.*—the scientific method in its simplest form. This powerful message resonates with all Canadians, who we urge to question their assumptions, consider new approaches to bigger challenges and to never stop improving and innovating.

We also kicked off our 50th year with the launch of a birthday fundraising campaign, inviting families and corporations to support priority projects, including the development of best-in-class exhibitions and science learning experiences, and projects upgrading our services and access programs. We are grateful for the early and growing support for our work.

Throughout 2018–2019, the Ontario Science Centre worked to fulfill the tenets of its new strategic plan—collaborative experiences, 21st-century learning and youth innovation—and continued to deliver on its mission: *To inspire passion for the human adventure of discovery.* Here are a few of many highlights for 2018–2019:

LEADERSHIP MESSAGE

- The Centre presented three new travelling exhibitions—*POPnology*, *QUANTUM: The Exhibition* and *New Eyes on the Universe*—and four new IMAX® dome films—*Pandas*, *Oceans: Our Blue Planet*, *Journey to Space* and *Great Bear Rainforest*. We launched our in-house developed *Inventorium 2.0* as a community hub, makerspace and integrated STEAM learning experience, hosting ongoing and evolving sci-art installations by the Idea Projects Artists-in-Residence from our partnership with the Museum of Contemporary Art in Toronto.
- Our Ontario Science Centre Science School had its one-of-a-kind Grade 12 Innovation Project credit course accredited by the Ministry of Education—a unique course that is only available here in our Science School. We also continued to encourage public dialogue on important issues about science and society through our Great Conversations speaker series.
- Twenty-first-century learning skills have been integrated into a number of our program offerings. In the Fall of 2018, in partnership with the Ministry of Education, we launched the STEAM Residency Program in two sites in the province—our Centre and the Canadian Science and Technology Museum in Ottawa—for Grade 6, 7 and 8 classes from local underserved school districts. Over the full academic year, we welcomed 24 classes and over 630 students between the two sites. This unique multiple-visit program is tasked with measuring and shifting attitudes about STEAM (Science Technology Engineering Art Math) through an exploration of the intersections between formal and informal learning and connecting learning to innovation in solving real-world problems.
- Youth innovation is another cornerstone of our strategic plan. The Science Centre was delighted to bestow the 2018 Weston Youth Innovation Award to 15-year-old Danish Mahmood for his invention of the Wireless Interconnected Non-Invasive Triage System along with its \$2,000 prize. In November 2018, we were excited to announce a renewed commitment from The W. Garfield Weston Foundation with an increased first place prize of \$15,000, along with a brand-new second place prize (\$8,500) and three finalist prizes (\$3,500 each). To the Foundation, we extend our deepest gratitude in supporting and celebrating youth innovation in Canada.

LEADERSHIP MESSAGE

- Community-Access Programs continue to be a significant offering and are funded largely by our annual RBC Innovators' Ball. Our supporters and leaders helped raise a record \$767,000 net supporting access programs such as Adopt-a-Class and Adopt-a-School. In 2018–2019, we provided access to over 77,000 visitors.

In our national Science Literacy Survey, published in Fall of 2018, we learned that 83 percent of Canadians want to learn more about science and how it affects our world, and 74 percent agree that today's critical challenges will need to be solved by science and technology. Alongside those encouraging facts, we learned that 81 percent of Canadians agree that most people do not understand the impact of science on their everyday lives, and 54 percent believe that society is turning away from science in favour of ideas that lack evidence or data. In short, the survey tells us that Canadians need places like science centres now, more than ever.

Science centres play a vital role in supporting science knowledge at the community level. We believe that our *Ask. Test. Repeat.* campaign will become a rallying cry for the role of science in everyday life. We launched this message for our 50th birthday, but we know its impact will extend far beyond the Centre's milestone year.

We could not serve the community and offer the programming that we do without the support of the Government of Ontario and our partners and supporters. We would also like to thank our donors and sponsors, Board of Trustees and volunteers who are helping to refuel interest in the Science Centre.

Thank you for contributing to our vision for a more curious, creative and resilient world, and thank you for celebrating with us on our 50th birthday.



Maurice Bitran, PhD
CEO & Chief Science Officer



Ann Louise Vehovec
Chair, Board of Trustees

OUR MANDATE

The *Centennial Centre of Science and Technology Act* states the following objectives for the Centre:

- (a) to depict to the public and to conduct a program of education in the origins, development and progress of science and technology and their relationship to society;
- (b) to depict the role of Ontario in the furtherance of science and technology;
- (c) to stimulate the interest of the public in matters depicted by the Centre;
- (d) to collect, manufacture, market, exhibit and sell objects and displays; and
- (e) to maintain and operate a science centre and related facilities for the furtherance of the objects set out in clauses (a) to (d) and to provide consulting services in relation to all the matters set out in this section.

GOVERNANCE

As an agency of the Government of Ontario, the Ontario Science Centre is accountable to the Minister of Tourism, Culture and Sport (MTCS), and through the Minister, to the Legislative Assembly of Ontario in fulfilling its mandate; this relationship is detailed in a Memorandum of Understanding. The Centre is governed by a Board of Trustees, appointed by the Lieutenant Governor in Council.

The Centre is committed to fulfilling its corporate strategic objectives and to fostering the broader goals of the provincial government and MTCS. To optimize Ontario's economic, cultural and social vitality, the Centre will do its part by offering dynamic and broadly-appealing science and technology programming that engages diverse audiences from around the Province and beyond. Specifically, by providing a safe and dynamic environment where families can learn and play together, by attracting tourists to the region, by nurturing a culture of innovation, science and entrepreneurship, by supporting student success, by promoting healthier lifestyles and by developing programming inspired by and focused on current science news and topics including the environment and ecology, health and wellness, technology and diversity.

The Centre maintained strong operational performance for 2018–2019 and achieved a modest 2% increase in earned revenue compared to 2017–2018 from \$37.1M to \$37.8M. The 50th birthday fundraising campaign and new media and marketing partnerships launched in the final quarter of 2018–2019 have resulted in increases to earned revenues in early 2019–2020. Significant public and private sector investment remains essential to build on these achievements, maximize business viability and fully implement the Centre's strategic plan.

BOARD OF TRUSTEES

A remarkable number of people go the extra mile to ensure our success. We thank our volunteers for their leadership.
(April 2018 – March 2019)

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RBC Financial Group
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Consultant

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October 26, 2016 – October 25, 2019

Karen Weaver

Consultant

December 5, 2012 – December 4, 2018

Note: The professional titles of Board members reflect their positions during the 2018–2019 fiscal year

OPERATIONAL PERFORMANCE

Strategic Priority	Activity	2018–2019 Achievements
1. TRANSFORM OUR EXPERIENCE AND ORGANIZATION THROUGH INNOVATION	Deliver new experiences	• With external partners, created and presented Inventorium 2.0 experience • Hosted Tech Art Fair 2.0 • Presented Cultural Collisions in partnership with the European Organization for Nuclear Research (CERN), Ministry of Education and Inner Spaces (University of Toronto) • Delivered Coding Maker Weekend workshops for youth in partnership with STEAMLabs • Introduced new Innovation credit course in the Ontario Science Centre Science School • Participated in Nuit Blanche, collaborated on two independent projects and partnered with the Aga Khan Museum for additional programming • Offered Sensory-friendly Saturdays • Developed six new products for the Centre's business-to-business channels • Delivered Celebration Way showcasing scientific highlights from the last five decades with a look to the future
	Increase organizational capacity	• Implemented transformational initiatives to build workforce capacity • Evaluated the Day Camp program to identify efficiencies and cost savings • Consolidated contact centres into one department

Strategic Priority	Activity	2018–2019 Achievements
2. INCREASE RELEVANCE	Develop new feature exhibition	Completed research and design drawings for MindWorks travelling exhibition, commenced prototyping and fabrication and identified knowledge partner
	Renew stakeholder engagement	- Provided access to approximately 70,000 visitors through the Adopt-a-Class program and Community Passes - Welcomed approximately 8,000 visitors at free Community Day event - Launched a new STEAM Residency Program at the Centre and in Ottawa to deliver unique programming to local, underserved school districts
	Marketing and communications	- Refreshed Ontario Science Centre brand to raise awareness, increase profile and reach new audiences - Launched Ask. Test. Repeat. brand marketing campaign - Secured \$3.5M of in-kind media partnerships and developed partnerships for promotions and content awareness - Invested in an initial phase of website redesign, marketing and advertising to promote the upcoming 50th birthday celebration year and its special programs and exhibits - Developed a public relations campaign to run throughout the 50th birthday year to highlight the impact the Science Centre has had on people
	Deliver programs and offerings	- Created and hosted two phases of the Inventorium 2.0 experience - Introduced four new films: Pandas, Oceans: Our Blue Planet, Journey To Space and Great Bear Rainforest. Ongoing films included Amazon Adventure, Dream Big, A Beautiful Planet and Under the Sea - Presented three new temporary exhibitions: POPnology: From Science Fiction to Science Fact, QUANTUM: The Exhibition and New Eyes on the Universe - Offered programming for families within the autism community in our monthly Sensory-friendly Saturdays

Strategic Priority	Activity	2018–2019 Achievements
3. STRENGTHEN BUSINESS VIABILITY	Maximize operations	• Increased revenue and brand awareness with the sale and installation of the \$760,000 exhibition build for Illusuak Cultural Centre in Nain, Labrador • Secured new beverage partner • Created a science-focused children's book with Annick Press
	Diversify and increase revenue	• Generated a 16% increase in net revenue over the previous year for the RBC Innovators' Ball, to a new high of \$767,000 • Secured \$800,000 in Ministry of Education funding and developed the STEAM Residency Program • Secured Ontario Cultural Attractions Fund (OCAF) grant of \$250,000 to support 50th birthday • Renewed support from The W. Garfield Weston Foundation to increase the value of the Weston Youth Innovation Award, totalling \$180,000 over three years, including \$34,000 per year in cash prizes • Launched 50@\$50K fundraising campaign in recognition of the Centre's 50th birthday in 2019 and secured \$550,000 in future revenues • Introduced photo operations and pop-up retail • Developed two new business model opportunities to market through International Sales
	Stabilize membership program	• Reviewed and refined renewal activities as the transition from the previous membership program is completed • Conducted acquisition campaigns through varied electronic channels and coordinated on-site Flash Sales during key timeframes

Strategic Priority	Activity	2018-2019 Achievements
4. PLAN FOR 50TH ANNIVERSARY IN 2019	Plan celebration initiatives	• Launched 50th birthday with Honorary Patron, the Lieutenant Governor of Ontario • Kicked-off promotions and planning for the International Association of Science – Technology Centres (ASTC) conference to be hosted by the Centre in September 2019 with the program committee and city partners • Established 50th birthday volunteer committee, events, communication and fundraising strategy • Early mainstream media coverage through 16 stories with a reach of 18,009,300
	Complete key facility projects	• Completed repair and rehabilitation projects in OMNIMAX® theatre, restaurant and kitchen, front of house, corporate rental space and exterior grounds • Assessed film technology and planetarium options to refresh and refurbish the OMNIMAX theatre, and explored relevant granting programs and possible fundraising strategy

PERFORMANCE TARGET DISCUSSION

Outcome	Output	2018-2019 Achievements	2018-2019 Target	2017-2018 Achievements	Discussion
INCREASED COLLABORATIVE EXPERIENCES Invite customers to actively participate in interdisciplinary experiences and engage with critical issues that affect society through creative events and collaboration	Percent of new content by partner co-creation activities in a dedicated Science Centre space	Met or exceeded new content target	40% new content by partner co-creation	30% new content by partner co-creation	40% POPnology ; 100% Art & Science; 50% of Sensory-friendly Saturdays; 40% of Nuit Blanche; 100% of Coding Maker Club; 60% of Inventorium 2.0
	Number of new collaborative experiences/products delivered through International Sales	2 products	1 product	Baseline year	Developed two business products for International Sales
	Science-related ticketed events	8 on-site	8 on-site 1 off-site	4 on-site	Delivered six on-site Great Conversation Speaker Series events, one CBC documentary and one astronaut speaker Continuing to explore off-site options and viability
	Customer co-creation opportunities	2 co-creation projects	2 co-creation projects	Baseline year	Two phases of Inventorium 2.0 collaborative experiences delivered with evolving programs and partnerships
LEADERSHIP IN 21ST-CENTURY LEARNING SKILLS Cultivate 21st-century learning skills through the development of essential tools, methodologies and training that focus on problem-solving, creativity, innovation, critical thinking and lifelong learning	Percentage of programs with fully integrated 21st-century learning skills	50% of programs	50% of programs	Baseline year	School and camp programs include 21st-century learning skills New Grade 12 innovation course structured on design thinking
	Professional learning programs for Ontario teachers	4 net new learning programs	3 net new learning programs	Baseline year	Four programs offered, some in partnership with academic institutions and school boards

PERFORMANCE TARGET DISCUSSION

Outcome	Output	2018-2019 Achievements	2018-2019 Target	2017-2018 Achievements	Discussion
STRENGTHENED YOUTH INNOVATION Empower nascent innovators to address important local, national and global challenges by providing opportunities for scientific exploration, discovery and creativity	Youth Innovation programs, platforms and activities, with partners to develop, mentor and celebrate youth innovation	5 partner-based events	3+ partner-based events	Baseline year	Toronto District Catholic School Board Student-led Environmental Conference, Weston Youth Innovation Award, Visions of Science year-end celebration, Cisco Connected North program, Zero to Startup maker workshop with STEAMLabs
ENHANCED CUSTOMER EXPERIENCE	TOTAL ATTENDANCE	884,837	943,000	900,225	Attendance was 6% and 2% percent below stretch target and last year respectively, in part due to insufficient funds for marketing Construction on Eglinton Avenue continues to adversely affect access to the Centre, particularly for school groups Strategies to increase attendance include adjustments to programmatic offerings and marketing
	MEMBER HOUSEHOLDS	14,564	15,000	14,610	3% below stretch target Member households were stabilized, and ongoing marketing efforts have been undertaken to increase attendance and membership
	ACCESS PROGRAMS (% of visitors from targeted groups through the Centre's access programs)	9% of total attendance	10% of total attendance	9% of total attendance	Welcomed 77,762 visitors through donor-supported access programs; this was 1% below plan and consistent with the previous year due to increased rigour in community access initiatives to ensure that access programs have the highest impact
	VISITOR SATISFACTION (% satisfied + very satisfied)/(% very satisfied)	93%/58%	91%/60%	93%/57%	Delivered customer service training to visitor services and food services staff Customer service survey ongoing and new perception study implemented

PERFORMANCE TARGET DISCUSSION

Outcome	Output	2018-2019 Achievements	2018-2019 Target	2017-2018 Achievements	Discussion
ENHANCED CUSTOMER EXPERIENCE (continued)	WEBSITE TRAFFIC (page views)	5,386,013 page views	5,650,000 page views	N/A	Measure will be reset following completion of website redesign in 2019-2020
	SOCIAL MEDIA REACH	94,409	96,830	84,200	Social media campaigns linked to exhibitions and early promotion of 50th birthday Reach was up 12% over previous year. Organic growth on social media channels slowed; budget limited our ability to boost posts and amplify reach
INCREASED FINANCIAL SUSTAINABILITY	EARNED REVENUE	\$18,120,000	\$16,215,000	\$17,700,000	12% above target; 2% above 2017-2018 revenue of \$17,700,000 Increased revenue from international sales, rentals, interest and other program support
	ADMISSIONS	\$4,148,000	\$4,317,000	\$4,469,000	4% below target; 7% below 2017-2018 revenue of \$4,469,000 in part due to insufficient funds for marketing Summer group sales and promotions, e.g., FunPass, CityPASS, Honda Indy
	INNOVATIVE RETAIL PARTNERSHIPS	N/A	\$100,000	N/A	Annual targets not applicable due inability to secure large scale third-party retailer In 2018-2019, the Centre pursued and established an alternate smaller-scale approach to retail and 2019-2020 target will reflect the new model
	GRANTS (minimum)	\$800,000	\$500,000	\$540,000 (includes Ontario150)	Ministry of Education grant for STEAM Residency Program
ORGANIZATIONAL EFFECTIVENESS	Ontario Science Centre Employee Engagement Index relative to OPS Employee Engagement Index	0.97	0.96	0.93	Held staff solution sessions and facilitated management review of results through diversity and inclusion lens to identify tactics and areas of focus

FINANCIAL PERFORMANCE

The Ontario Science Centre welcomed 884,837 visitors in 2018–2019. The Centre earned total revenues of \$37.8M compared to \$37.1M in the previous year, representing an increase of two percent. The Centre surpassed earned and contributed (development plus project grants) revenue targets.

The Province provides over 50 percent of the Centre's revenue: Province of Ontario Operating Grant \$15.8M and Occupancy Grant \$3.9M. The Centre generates the balance from its business centres to support operations: \$17.5M comprised of General Admission and Parking \$5.3M and Revenue from Ancillary Operations \$12.2M. For 2019–2020, the Centre has an aggressive revenue target to support its strategic plan.

For 2018–2019, total expenditures of \$36.0M increased by \$1.2M compared to \$34.9M in the previous year, representing an increase of 3%. The increase is primarily attributed to costs of the provincial voluntary employee exit programs.

As a result, the Centre's overall income (before amortization) of \$1.7M decreased by \$0.5M from the previous year.

MAJOR ANNUAL SPONSORS & DONORS SPONSORS & DONORS

In addition to provincial grants, the Ontario Science Centre relies on private sector and philanthropic support to deliver its mandate.

We gratefully acknowledge the investment and generosity of our sponsors and donors. These supporters add to our knowledge, introduce us to new ideas and other partners and help sustain the vision and activities of the Ontario Science Centre.
(April 1, 2018 – March 31, 2019)

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PROGRAM AND EXHIBITION SUPPORTERS

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INNOVATORS CIRCLE DONORS

The Innovators Circle is a group of community-minded supporters who recognize that science is the most powerful tool we have to understand and address the challenges of our ever-changing world. Members of the Innovators Circle have provided generous cumulative support of \$25,000 or more to help the Centre develop new programs and exhibitions, bring in travelling exhibitions and extend our reach.

\$15,000,000+

The W. Garfield Weston Foundation

\$250,000 – \$999,999

The Murray Frum Foundation/Nancy Lockhart
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Karen Weaver and H. Douglas Good

Beth and Brent Wilson

Anonymous

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Every year, our annual donors and their families support our goal to nurture wonder and excitement. We thank them for helping us achieve this. (Gifts and pledges received April 2018 – March 2019)

\$10,000+

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* Adopt-a-Class donors provide access to students who may otherwise be unable to visit the Ontario Science Centre

+ Galactic and Cosmic Members include a donation as part of their Science Centre Membership

◇ Perennial donors provide long-term support through multi-year commitments

2018 RBC INNOVATORS' BALL SPONSORS & SUPPORTERS

This event celebrates curiosity as a way to innovate for the future. Proceeds from the event help keep the Ontario Science Centre affordable and accessible to all who wish to visit. Thank you to our 2018 RBC Innovators' Ball sponsors and supporters.

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RBC INNOVATORS' BALL COMMITTEE

The RBC Innovators' Ball Committee is a dynamic group of volunteers who made our 2018 fundraiser a thought-provoking and captivating night to remember.
(As of November 15, 2018)

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Samuel L. Duboc, MindBeacon Group
Catherine Dyer, Air Canada
Benjamin Smith, Air Canada
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Event Committee

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Brett Marchand, Vision7 International and Cossette
Rima Ramchandani, Torys LLP
Peter Sinclair, Barrick Gold Corporation
Chris Tambakis, Adgar Investments and Development Inc.

June 12, 2019

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION



Management and the Board of Trustees of The Centennial Centre of Science and Technology (the Centre) are responsible for the financial statements and all other information presented in the Annual Report. The financial statements have been prepared by Management in accordance with the Canadian public sector accounting standards, and, where appropriate, include amounts based on Management's best estimates and judgments.

The Centre is dedicated to the highest standards of integrity in its business. To safeguard assets, the Centre has a sound set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information.

The Finance and Operations Committee and the Board of Trustees meet quarterly to oversee the financial activities of the Centre, including an annual review of the financial statements and the Auditor General's report. The Finance and Operations Committee recommends the financial statements to the Board of Trustees for approval. The financial statements have been approved by the Board of Trustees.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditor's examination and opinion.

Maurice Bitran, Ph.D.
CEO

Terri Lang
COO, VP Corporate Services and Operations

INDEPENDENT AUDITOR'S REPORT



Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

To the Board of Trustees of the Centennial Centre of Science and Technology And to the Minister of Tourism, Culture and Sport

Opinion

I have audited the financial statements of The Centennial Centre of Science and Technology (the Centre), which comprise the statement of financial position as at March 31, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Centre in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting

standards, 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Centre either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Centre's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Susan Klein, CPA, CA, LPA
Assistant Auditor General

Toronto, Ontario
June 12, 2019

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

	2019 (\$ 000)	2018 (\$ 000)
ASSETS		
Current		
Cash	12,348	13,674
Cash - Internally Restricted Reserve Fund (Note 6)	3,103	3,047
Accounts receivable (Note 4(B))	944	940
Prepaid expenses	537	603
Inventory of general stores	104	107
	17,036	18,371
Capital Assets (Note 8)	9,948	9,417
	26,984	27,788
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	4,056	2,041
Deferred revenue	3,692	4,382
Due to Ontario Infrastructure and Lands Corporation	835	2,186
Due to the Province of Ontario	1,304	1,209
	9,887	9,818
Long-Term Liabilities		
Accrued legislated employee benefit obligation (Note 13(C))	2,450	2,821
Deferred Capital Contributions (Note 9)	6,822	8,326
	9,272	11,147
	19,159	20,965
Net Assets		
Invested in capital assets (Note 10)	3,126	1,091
Accumulated surplus	1,596	2,685
Internally Restricted Reserve Fund (Note 6)	3,103	3,047
	7,825	6,823
	26,984	27,788

Commitments and Contingencies (Note 15)

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

Approved on behalf of the Centre:



Ann Louise Vehovec
Chair, Board of Trustees



Julian DiBattista
Trustee

STATEMENT OF OPERATIONS

For the Year Ended March 31, 2019

	2019 (\$ 000)	2018 (\$ 000)
Revenue		
Province of Ontario		
Operating grant	15,771	15,476
Occupancy grant (Note 15(A))	3,888	3,888
Other grants	652	722
General Admission and Parking Fees	5,320	5,556
Revenue from Ancillary Operations (Schedule 1)	12,148	11,422
	37,779	37,064
Expenses		
General Operations		
Exhibits and Programs	2,369	2,556
Marketing and Advertising	2,232	1,755
Visitor Services	2,924	3,291
Facility Operations	5,364	5,261
Program Management	3,404	3,464
Administration	5,216	3,916
Occupancy Costs (Note 15(A))	5,223	5,474
Expenses from Ancillary Operations (Schedule 1)	9,329	9,172
	36,061	34,889
Income before amortization	1,718	2,175
Less:		
Amortization of Deferred Capital Contributions (Note 9)	1,504	1,699
Amortization Expense	(2,220)	(2,721)
	(716)	(1,022)
Net income for the year	1,002	1,153

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

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended March 31, 2019

	2019 (\$ 000)			2018 (\$ 000)	
	Internally Restricted Reserve Fund (Note 6)	Invested in Capital Assets	Accumulated Surplus from Operations	Total	Total
Balance, beginning of year	3,047	1,091	2,685	6,823	5,670
Investment in capital assets	-	2,751	(2,751)	-	-
Transfer to Internally restricted reserve fund	56	-	(56)	-	-
Net income (loss) for the year	-	(716)	1,718	1,002	1,153
Balance, end of year	3,103	3,126	1,596	7,825	6,823

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

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2019

	2019 (\$ 000)	2018 (\$ 000)
Cash Flows from Operating Activities		
Net income for the year	1,002	1,153
Adjustments for items not requiring an outlay of cash		
• Amortization of capital assets	2,220	2,721
• Amortization of deferred capital contributions	(1,504)	(1,699)
• Gain on of accrued employee benefit obligation	-	(5)
	1,718	2,170
Changes in non-cash working capital (Note 7)	134	712
Reduction of accrued legislated employee benefit obligation	(371)	(235)
Curtailment of accrued legislated employee benefit obligation	-	5
	(237)	482
Net cash provided by operating activities	1,481	2,652
Cash Flows used in Capital Activity		
Capital Assets acquisitions	(2,751)	(1,988)
Cash Flows from Financing Activity		
Deferred capital contributions	-	1,264
Net change in cash for the year	(1,270)	1,928
Cash, beginning of year	16,721	14,793
Cash, end of year	15,451	16,721
Cash Consists of:		
Cash	12,348	13,674
Cash - Internally Restricted Reserve Fund	3,103	3,047
	15,451	16,721

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

SCHEDULE OF REVENUE AND EXPENSES FROM ANCILLARY OPERATIONS

For the Year Ended March 31, 2019

Schedule 1

	2019 (\$ 000)			2018 (\$ 000)		
	Revenue	Expenses	Net	Revenue	Expenses	Net
OMNIMAX® Theatre	1,360	1,370	(10)	1,248	1,214	34
International Sales and Rentals (Note 5)	1,744	1,728	16	1,268	1,203	65
Educational Programs & Admission	1,758	2,412	(654)	1,284	2,173	(889)
Recreation & Family Learning Experiences	1,170	883	287	1,199	871	328
Memberships	1,795	498	1,297	1,919	497	1,422
Ontario150	-	-	-	420	805	(385)
Concessions	433	80	353	360	100	260
Interest	381	-	381	287	-	287
Adult & Corporate Learning Experiences	562	362	200	470	335	135
Development (Note 16)	3,393	1,705	1,688	3,510	1,616	1,894
Program Support and Other Revenue	204	65	139	144	136	8
Bank & Service Fees	-	226	(226)	-	222	(222)
	12,800	9,329	3,471	12,109	9,172	2,937
Less: Province of Ontario - Other Grants	(652)	-	(652)	(687)	-	(687)
Totals	12,148	9,329	2,819	11,422	9,172	2,250

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

1. NATURE OF THE BUSINESS

The Centennial Centre of Science and Technology, commonly known as the Ontario Science Centre (the Centre), a government agency of the Province of Ontario, was incorporated without share capital pursuant to the *Centennial Centre of Science and Technology Act*. The objectives of the Centre are to:

- a) maintain and operate a science centre and related facilities that will stimulate the interest of the public;
- b) conduct a program of education in the origins, development and progress of science and technology, and their relationship to society;
- c) depict the role of Ontario in the furtherance of science and technology; and
- d) collect, manufacture, market, exhibit and sell objects and displays.

Under the *Centennial Centre of Science and Technology Act*, the Centre is exempted from federal and provincial income taxes.

2. BASIS OF PRESENTATION

These financial statements are prepared in accordance with the Public Sector Accounting Standards for government not-for-profit organizations that include the 4200 series of the Public Sector Accounting Standards.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed to prepare these financial statements are summarized below:

(A) REVENUE RECOGNITION

The Centre follows the deferral method of accounting for restricted operating grants from the Province which are recognized in revenue in the year the related expenses are incurred.

Provincial grants restricted for the purchase of capital assets are deferred and amortized into revenue over the same period as the related asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from exhibits manufactured for sale is recognized on a percentage-of-completion basis.

Revenues from general admissions, parking and other ancillary operations are recognized when the services are provided.

Membership fees are deferred and recognized as revenue over the term covered by the fees.

Donations are recognized when funds are received. Sponsorship revenue is deferred and recognized over the term of the agreement.

(B) ALLOCATION OF EXPENSES

Expenses are reported in the Statement of Operations on a functional basis. The costs of each function include the salaries and benefits, supplies and other expenses that are directly related to the function. The Centre also incurs general support expenses in the variety of activities it undertakes. These expenses are considered a function in their own right and are reported as Administration expenses.

(C) DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the amount of donations and government grants received and used, or to be used to acquire capital assets. Revenue is recognized over the same period as the expected life of the capital assets to which they relate.

(D) DEFERRED REVENUE

Deferred revenue is comprised mainly of deferred sponsorships, the unexpired portion of annual membership fees and deposits for future exhibit rentals.

(E) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization begins when capital assets are ready for use. Amortization is

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Leasehold Improvements	10 years
Exhibits	10 years
OMNIMAX® Theatre Leasehold Improvements	20 years
Exhibits – Rentals	4 or 5 years
Furniture, Fixtures and Equipment	5 years
Computers	3 years

The land on which the Centre is located is leased from the City of Toronto for \$1 per annum on a 99-year lease, which commenced July 1, 1965. The Province owns the buildings, which house the Centre. For details of occupancy costs see note 15(A).

(F) INVENTORY

General stores inventory is valued at cost using the first-in, first-out (FIFO) method.

(G) FINANCIAL INSTRUMENTS

The Centre’s financial instruments, which include cash, restricted cash, accounts receivable and accounts payable and accrued liabilities, due to Ontario Infrastructure and Lands Corporation and due to the Province of Ontario, are all valued at cost less any amount for valuation allowance.

(H) USE OF ESTIMATES

The preparation of financial statements in accordance with the Public Sector Accounting Standards requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions may change over time as new information is obtained or subsequent developments occur. Actual amounts could differ from these estimates. The items subject to the most significant estimates are amortization of capital assets, accrued liabilities and accrued employee benefit obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) EMPLOYEE BENEFITS

The costs of severance entitlements under the *Public Service of Ontario Act* and unused vacation entitlements earned by employees during the year are accrued for in the financial statements. The costs of any legislated severance are recognized when earned by eligible employees.

(J) GOVERNMENT PARTNERSHIP

The Centre uses the proportionate consolidation method to account for its interest in a government partnership.

4. CASH AVAILABILITY AND RISKS RELATED TO FINANCIAL INSTRUMENTS

The risks related to the Centre's financial instruments are as follows:

(A) CASH AVAILABILITY AND LIQUIDITY RISK

The Centre has unrestricted cash of \$12,348,000 (2018 - \$13,674,000) to settle current liabilities of \$9,887,000 and a legislated employee benefit obligation of \$2,450,000 totalling \$12,337,000 (2018 - \$12,639,000) leaving a cash balance for operations of \$11,000 (2018 - \$1,035,000). During the year, due to the seasonal nature of the business, cash balances fluctuate requiring a modest cash balance to meet ongoing payroll and other supplier obligations.

(B) CREDIT RISK

The Centre's exposure to credit risk is minimal. The Centre determines on a continuing basis, the probable credit losses and sets up a provision for losses, if necessary, based on the estimated realizable value.

Below the accounts receivable aging is summarized:

				(\$ 000)
	Current	+60 Days	+90 Days	Total
General Accounts Receivable	662	-	-	662
Admissions	75	-	-	75
Facility Rental	5	-	-	5
International Sales	187	-	15	202
Totals	929	-	15	944

4. CASH AVAILABILITY AND RISKS RELATED TO FINANCIAL INSTRUMENTS

(CONTINUED)

(C) CURRENCY RISK

The Centre realizes approximately 1.9% (2018, 1.4%) of its total revenue in foreign currency. Consequently, some assets and revenues are exposed to foreign exchange fluctuations. Cash, accounts receivable and deferred revenue in US dollars are converted into Canadian dollars at year-end.

5. GOVERNMENT PARTNERSHIP

Capital assets include the Centre's partnership interest in rental exhibits of \$842,000 (2018 - \$984,000). The exhibits are managed by another government agency. The Centre recognized \$98,000 (2018 - \$118,000) of revenue in International Sales and Rentals in Schedule 1 as a result of this partnership.

6. INTERNALLY RESTRICTED RESERVE FUND

The Board approved an increase to the internally restricted reserve fund of \$56,000 (2018 - \$47,000) from accumulated surplus. The reserve fund was established to provide funding for various capital and operating projects at the Centre.

7. CHANGE IN NON-CASH WORKING CAPITAL

	2019 (\$ 000)	2018 (\$ 000)
Cash provided by (used in):		
Increase in accounts receivable	(4)	(408)
Decrease in prepaid expenses	66	210
Decrease (increase) in inventory	3	(7)
Increase (decrease) in accounts payable and accrued liabilities	2,015	(235)
(Decrease) increase in deferred revenue	(690)	859
(Decrease) increase in Due to Ontario Infrastructure and Lands Corporation	(1,351)	298
Increase (decrease) in Due to the Province of Ontario	95	(5)
	134	712

8. CAPITAL ASSETS

Capital assets consist of the following:

	2019 (\$ 000)			2018 (\$ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold Improvements	37,476	33,517	3,959	3,092
Exhibits	28,528	25,070	3,458	4,210
OMNIMAX® Theatre Leasehold Improvements	15,331	15,331	-	-
Exhibits – Rentals	2,995	1,614	1,381	985
Furniture, Fixtures and Equipment	2,815	1,922	893	744
Computers	2,994	2,737	257	386
Total	90,139	80,191	9,948	9,417

Net carrying amounts of Capital Assets (work-in-progress) not being amortized as at March 31:

	2019 (\$ 000)	2018 (\$ 000)
Leasehold Improvements	-	96
Exhibits – Rentals	558	558
Total	558	654

9. DEFERRED CAPITAL CONTRIBUTIONS

The changes in the deferred capital contributions balance are as follows:

	2019 (\$ 000)	2018 (\$ 000)
Balance, beginning of year	8,326	8,761
Net additions/transfers during year	-	1,264
Amortization of deferred capital contributions	(1,504)	(1,699)
	6,822	8,326

9. DEFERRED CAPITAL CONTRIBUTIONS (CONTINUED)

The ending balance of deferred capital contributions consists of the following:

	2019 (\$ 000)	2018 (\$ 000)
Health and Safety Initiatives	5,996	7,287
Exhibits	826	1,039
	6,822	8,326

10. INVESTED IN CAPITAL ASSETS

Invested in capital assets represents the following:

	2019 (\$ 000)	2018 (\$ 000)
Capital assets, net	9,948	9,417
Less amount financed by deferred capital contributions	(6,822)	(8,326)
	3,126	1,091

11. PROPERTY MAINTENANCE AND REPAIRS

Certain major maintenance and repair expenses of the Centre are absorbed by the Province of Ontario, through Ontario Infrastructure and Lands Corporation, and are not included in the Statement of Operations.

12. ECONOMIC DEPENDENCE

The Centre is dependent on the Province of Ontario for financial assistance to cover some of the costs of operations.

13. EMPLOYEE BENEFITS

(A) PENSION BENEFITS

The Centre's full-time employees participate in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU-PF), which are defined benefit pension plans for employees of the Province and many provincial agencies. The Province of Ontario, which is

13. EMPLOYEE BENEFITS (CONTINUED)

the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Centre's annual payments to the funds. As the sponsors are responsible for ensuring that the pension funds are financially viable, any surpluses or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of the Centre.

The Centre's annual payment of \$1,412,000 for the current year (2018 - \$1,334,000), is included in salaries and employee benefit costs allocated to various expense categories in the Statement of Operations. See also note 14.

(B) POST-EMPLOYMENT NON-PENSION BENEFITS

The cost of post-employment non-pension benefits are paid by the Province of Ontario and are not included in the Statement of Operations.

(C) ACCRUED LEGISLATED EMPLOYEE BENEFIT OBLIGATION

The accrued legislated employee benefit obligation includes accrued severance entitlements. The total costs for the year of \$223,000 (2018 - \$80,000) are included in salaries and benefits, disclosed in note 14. During the year, the Province approved enhanced severances for qualified employees. In December 2018, the Province extended and expanded a voluntary early departure program that provides enhanced severance to qualified employees. The additional severance costs relating to this program for the year of \$1,057,000 (2018 - \$Nil) are also included in salaries and benefits, disclosed in note 14. Additional costs of \$295,000, relating to positions that will be eliminated when the current employee leaves, is recoverable from the Province and is included in the general accounts receivable balance in note 4(B).

14. BREAKDOWN OF EXPENSES

Expenses are reported in the Statement of Operations on a functional basis. Total expenses by type are as follows:

	2019 (\$ 000)	2018 (\$ 000)
Salaries and Benefits	21,665	19,953
Other Direct Operating Expenses	14,396	14,936
	36,061	34,889

15. COMMITMENTS AND CONTINGENCIES

(A) OCCUPANCY COSTS

The Province, through Ontario Infrastructure and Lands Corporation, charges the Centre an accommodation fee for occupying its facilities. The fee covers rent, taxes, maintenance and certain operating costs. The lease is being renewed on a year-to-year basis until a new agreement is reached between the Centre and the Province. The minimum lease payment for the coming year is \$4,786,000. The Centre received a grant of \$3,888,000 from the Ministry of Tourism, Culture and Sport in the current year towards occupancy costs.

(B) EXHIBITS AND SERVICES

The Centre has entered into contracts for various promotional, maintenance and utility services spanning several years.

Total committed costs relating to these contracts for the next four fiscal years are as follows:

	(\$ 000)
2019/20	2,995
2020/21	1,340
2021/22	262
2022/23	53
	4,650

16. DEVELOPMENT REVENUE

The Centre is active in obtaining sponsorships and donations from the private sector to support new projects, experiences and operations. Development revenue for the year includes the final payment of \$480,000 from a long-term sponsorship for the Agents of Change campaign. Amounts pledged and agreed to but not yet received have not been recognized as revenue, deferred revenue or deferred capital contributions as of March 31, 2019 and are as follows:

	(\$ 000)
2019/20	676
2020/21	273
2021/22	60
2022/23	68
2023/24	68
	1,145

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the basis of the financial statement presentation adopted in the current year.



Ontario Science Centre

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