

Quarterly Financial Reports of

# **CANADIAN MUSEUM OF IMMIGRATION AT PIER 21**

September 30, 2018

# NARRATIVE DISCUSSION

For the six months ended September 30, 2018

The unaudited quarterly financial statements for the Canadian Museum of Immigration at Pier 21 (“the Museum”) should be read in conjunction with the March 31, 2018 management discussion and analysis and annual audited financial statements.

## OUTLOOK

The second quarter of 2018-19 saw progress in many areas, with key targets exceeded such as fund development, rental revenue and ticket sales.

Museum visitation continues to grow with more than 58,600 people visiting at the end of the second quarter. Included in this total are 4,000 visitors from Asia, a very positive response to targeted outreach to the Chinese bus tour market.

Also included in this total are more than 26,800 visitors to the *Refuge Canada* exhibit. *Refuge Canada* provides the context for Canada’s place in the global refugee crisis and brings to light the challenges faced by refugees in Canada. The exhibition also shares stories of success and contributions made by people who came to Canada as refugees. *Refuge Canada* will be on display at the Museum until November 2018. A travelling version will begin touring in spring 2019 and will be a key tool for national outreach and engagement.

Digital engagement continues to be another strategy for the Museum to reach audiences across the country. A partnership with Tourism Nova Scotia is helping to drive online traffic to the website, with more than 269,000 unique visitors at the end of the second quarter. In addition, a significant project to catalogue the collection and make it available online continues and will attract additional web visitors and enhance access to the collection.

## FINANCIAL RESULTS

### *Operations*

The net result of operations for the six months ended September 30, 2018 was a net income of \$532,000 compared to a net income of \$917,000 for the six months ended September 30, 2017. When combined with the \$3,595,000 in unrestricted net assets at March 31, 2018, this results in unrestricted net assets at September 30, 2018 of \$4,127,000.

For the six months ended September 30, 2018, self-generated revenues decreased \$8,000 from \$1,891,000 in 2017 to \$1,883,000 in 2018. Self-generated revenues include operating revenues, donations, and interest and other revenues. The small decrease in self-generated revenues is the net result of lower donations resulting from the timing of major gift receipts offset primarily by higher ticket sales.

Net income earned on the endowment investments of \$71,000 is included in the Statement of Operations for the six months ended September 30, 2018. Unrealized gains and losses on investments are not recorded as revenue but as accumulated remeasurement gains or losses in the Statement of Financial Position. A net decrease in the accumulated remeasurement gains of \$42,000 was recorded for the six months, which results in an overall positive performance for the endowment investments of \$29,000 for the six months ended September 30, 2018. This compares to an overall negative performance of \$18,000 for the six months ended September 30, 2017.

Expenses for the six months ended September 30, 2018 increased \$269,000, from \$6,241,000 in 2017 to \$6,510,000 in 2018, and were lower than budget. The increase is mainly due to the increase in personnel costs, the recruitment and travel costs for multiple new board members and the increased marketing, promotion and recognition. The increase in marketing, promotion and recognition is mainly due to extra targeted advertising and taking advantage of a number of new partnership opportunities. Offsetting these increases is a decrease in the amortization of capital assets for assets that have reached their useful lives.

#### *Financial Position*

Total assets decreased by \$375,000 at September 30, 2018 to \$27,956,000 primarily due to the decrease in capital assets attributable to the amortization net of acquisitions, offset by the increase in cash.

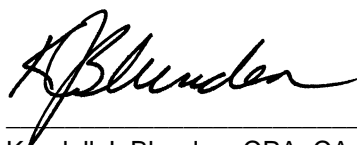
Total liabilities decreased by \$890,000 to \$15,280,000 at September 30, 2018 mainly due to the decrease in deferred contributions related to capital assets attributable to the amortization, offset by the increase in accounts payable and accrued liabilities.

#### **BUSINESS RISKS**

Management has not identified any new business risks to those discussed in the 2017-18 annual Management Discussion and Analysis.



Marie Chapman  
Chief Executive Officer



Kendall J. Blunden, CPA, CA  
Chief Financial Officer

Unaudited Financial Statements of

**CANADIAN MUSEUM OF IMMIGRATION AT PIER 21**

September 30, 2018

## STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

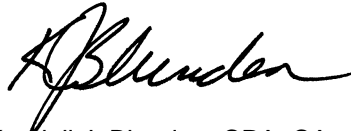
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.

These quarterly financial statements have not been audited or reviewed by an external auditor.



Marie Chapman  
Chief Executive Officer



Kendall J. Blunden, CPA, CA  
Chief Financial Officer

Halifax, Canada  
November 14, 2018

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

(in thousands of dollars)

	September 30 2018	March 31 2018
<b>Assets</b>		
Current assets		
Cash	\$ 4,730	\$ 3,843
Accounts receivable	131	208
Inventory	149	173
Prepaid expenses	137	228
	<b>5,147</b>	4,452
Endowment cash and investments (note 5)	8,607	8,553
Capital assets	14,201	15,325
Collections	1	1
	<b>\$ 27,956</b>	<b>\$ 28,331</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 845	\$ 540
Deferred revenue	135	206
Deferred contributions related to capital assets (note 4)	14,300	15,424
Net assets		
Unrestricted	4,127	3,595
Internally restricted	352	352
Accumulated remeasurement gains	173	215
Endowment	8,024	7,999
	<b>12,676</b>	12,161
	<b>\$ 27,956</b>	<b>\$ 28,331</b>

The accompanying notes and schedules form an integral part of the unaudited financial statements.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

## Statement of Operations (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2018	2017	2018	2017
<b>Revenues</b>				
Operating (schedule 1)	\$ 818	\$ 725	\$ 1,455	\$ 1,372
Amortization of deferred contributions related to capital assets received from a related party	23	23	46	46
Donations	142	128	391	503
Interest and other	20	9	37	16
	1,003	885	1,929	1,937
<b>Expenses (schedule 2) (note 7)</b>				
Visitor experience and connections	1,088	1,009	2,205	2,069
Accommodation	1,229	1,243	2,500	2,500
Fundraising and commercial activities	323	353	674	671
Internal services	479	472	1,131	1,001
	3,119	3,077	6,510	6,241
Net result of operations before appropriations and endowment investment net income	(2,116)	(2,192)	(4,581)	(4,304)
Appropriations (note 6)	2,411	2,678	5,042	5,206
Endowment investment net income	38	–	71	15
Net result of operations	\$ 333	\$ 486	\$ 532	\$ 917

The accompanying notes and schedules form an integral part of the unaudited financial statements.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

## Statement of Remeasurement Gains and Losses (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2018	2017	2018	2017
Accumulated remeasurement gains (losses), beginning of period	\$ 191	\$ 268	\$ 215	\$ 248
Realized (gains) losses on endowment investments reclassified to operations	–	41	–	59
Unrealized gains (losses) on endowment investments	(18)	(94)	(42)	(92)
Accumulated remeasurement gains (losses), end of period	\$ 173	\$ 215	\$ 173	\$ 215

The accompanying notes and schedules form an integral part of the unaudited financial statements.



# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

## Statement of Changes in Net Assets (Unaudited)

(in thousands of dollars)

For the three months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	September 30 2018	September 30 2017
Net assets, beginning of period	\$ 3,794	\$ 352	\$ 191	\$ 8,024	\$ 12,361	\$ 11,834
Net result of operations	333	–	–	–	333	486
Remeasurement gains (losses)	–	–	(18)	–	(18)	(53)
Contributions received for endowment	–	–	–	–	–	1
<b>Net assets, end of period</b>	<b>\$ 4,127</b>	<b>\$ 352</b>	<b>\$ 173</b>	<b>\$ 8,024</b>	<b>\$ 12,676</b>	<b>\$ 12,268</b>

For the six months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	September 30 2018	September 30 2017
Net assets, beginning of period	\$ 3,595	\$ 352	\$ 215	\$ 7,999	\$ 12,161	\$ 11,383
Net result of operations	532	–	–	–	532	917
Remeasurement gains (losses)	–	–	(42)	–	(42)	(33)
Contributions received for endowment	–	–	–	25	25	1
<b>Net assets, end of period</b>	<b>\$ 4,127</b>	<b>\$ 352</b>	<b>\$ 173</b>	<b>\$ 8,024</b>	<b>\$ 12,676</b>	<b>\$ 12,268</b>

The accompanying notes and schedules form an integral part of the unaudited financial statements.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Cash Flows (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2018	2017	2018	2017
<b>Operating activities</b>				
Appropriations received	\$ 1,910	\$ 2,130	\$ 3,964	\$ 4,085
Other cash received	1,033	919	1,923	1,916
Cash paid to employees and suppliers	(2,396)	(2,479)	(4,966)	(5,158)
Interest received	20	9	37	16
	567	579	958	859
<b>Capital activities</b>				
Acquisition of capital assets	–	–	–	(39)
	–	–	–	(39)
<b>Investing activities</b>				
Acquisition of endowment investments	(44)	(4,026)	(102)	(4,041)
Disposal of endowment investments	6	4,025	6	4,025
	(38)	(1)	(96)	(16)
<b>Financing activities</b>				
Appropriations received for the acquisition of capital assets	–	–	–	–
Contributions received for endowment	–	1	25	1
	–	1	25	1
Increase in cash	529	579	887	805
Cash, beginning of period	4,201	3,811	3,843	3,585
Cash, end of period	\$ 4,730	\$ 4,390	4,730	\$ 4,390

The accompanying notes and schedules form an integral part of the unaudited financial statements.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the six months ended September 30, 2018  
(in thousands of dollars)

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## 1. Authority and objectives

The Canadian Museum of Immigration at Pier 21 (the "Museum") was established on November 25, 2010 under the *Museums Act*. The transfer and assignment of assets, contracts and records from the Pier 21 Society and Pier 21 Foundation occurred on February 3, 2011. The Museum is an agent Crown corporation named in Part I of Schedule III of the *Financial Administration Act* and is not subject to the provisions of the *Income Tax Act*.

The Museum's mandate is to explore the theme of immigration to Canada in order to enhance public understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada and the contributions of immigrants to Canada's culture, economy and way of life.

Consistent with the Government of Canada's Policy on Results (July 1, 2016), the Museum has adopted three core responsibilities, as well as internal services, replacing the Program Alignment Architecture previously established. Reporting on these core responsibilities starts in 2018-19.

- 1) Visitor experience and connections: Canadians have access to – and are engaged in building – museum content and programming that reflects the diverse experiences and contributions of immigrants throughout Canada's history.
- 2) Accommodation: The Museum's facilities contribute to a rich, welcoming and engaging visitor experience; are safe and accessible for visitors, staff and volunteers; and are maintained in a cost-effective manner.
- 3) Fundraising and commercial activities: The Museum's fundraising and commercial activities provide essential financial support.
- 4) Internal services: Sound governance practices are in place and resources are effectively managed to support the achievement of the Museum's mandate.

## 2. Accounting policies

These unaudited financial statements follow the same accounting policies and methods of computation as the Museum's annual audited financial statements as at and for the year ended March 31, 2018.

## 3. Basis of presentation

The note disclosures in these unaudited financial statements do not conform in all respects to the requirements of Canadian Public Sector Accounting Standards for government not-for-profit organizations for annual audited financial statements. These unaudited financial statements should be read in conjunction with the Narrative Discussion for the six months ended September 30, 2018 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2018.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the six months ended September 30, 2018  
(in thousands of dollars)

## 4. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions for the acquisition of capital assets. Deferred contributions are amortized to income on the same basis as the related capital assets are amortized. The changes in the deferred contributions balance for the periods are as follows:

For the three months ended	Appropriations	Other contributions	September 30 2018
Balance, beginning of period	\$ 13,905	\$ 919	\$ 14,824
Less:			
Amortization of deferred contributions related to capital assets	(501)	(23)	(524)
Balance, end of period	\$ 13,404	\$ 896	\$ 14,300

For the six months ended	Appropriations	Other contributions	September 30 2018
Balance, beginning of period	\$ 14,482	\$ 942	\$ 15,424
Less:			
Amortization of deferred contributions related to capital assets	(1,078)	(46)	(1,124)
Balance, end of period	\$ 13,404	\$ 896	\$ 14,300

For the year ended	Appropriations	Other contributions	March 31 2018
Balance, beginning of year	\$ 16,578	\$ 1,035	\$ 17,613
Add:			
Appropriations received to acquire capital assets	120	–	120
Less:			
Amortization of deferred contributions related to capital assets	(2,216)	(93)	(2,309)
Balance, end of year	\$ 14,482	\$ 942	\$ 15,424

The unused portion of deferred contributions related to capital assets was \$99 at September 30, 2018 (March 31, 2018 – \$99). Other contributions received from a related party were received from the Halifax Port Authority as per the lease of the Pier 21 premises for leasehold improvements to the premises.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the six months ended September 30, 2018  
(in thousands of dollars)

## 5. Endowment

Endowment cash and investments consist of the following:

	September 30 2018		March 31 2018	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 52	\$ 52	\$ 39	\$ 39
Investment funds				
Fixed income	4,652	4,592	4,599	4,597
Global equity	473	493	431	440
Alternatives	3,257	3,470	3,269	3,477
	8,382	8,555	8,299	8,514
	\$ 8,434	\$ 8,607	\$ 8,338	\$ 8,553

## 6. Appropriations

To achieve its mandate, the Museum relies on government funding comprised of the following:

	Three months ended September 30		Six months ended September 30	
	2018	2017	2018	2017
Parliamentary appropriations provided				
Main estimates	\$ 8,215	\$ 7,820	\$ 8,215	\$ 7,820
Portion of appropriations for capital projects	(420)	(120)	(420)	(120)
Portion of appropriation for future expenses	(3,831)	(3,615)	(3,831)	(3,615)
Amount received in prior quarter	(2,054)	(1,955)	–	–
Appropriations received for operating in the current period	1,910	2,130	3,964	4,085
Amortization of deferred contributions related to capital assets	501	548	1,078	1,121
Appropriations recognized as revenue	\$ 2,411	\$ 2,678	\$ 5,042	\$ 5,206

## 7. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

## Schedule 1 – Operating Revenue (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2018	2017	2018	2017
Exhibition hall ticket sales	\$ 429	\$ 348	\$ 568	\$ 462
Hall rental	148	134	319	260
Gift shop	161	172	231	244
Special events	–	–	196	264
Family history centre	60	64	83	89
Programming	20	7	58	53
	\$ 818	\$ 725	\$ 1,455	\$ 1,372

## Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2018	2017	2018	2017
Personnel costs	\$ 1,474	\$ 1,487	\$ 3,093	\$ 2,906
Amortization of capital assets	524	571	1,124	1,167
Rent and related costs	405	405	810	810
Marketing, promotion and recognition	108	80	233	200
Repairs and maintenance and building operation	111	114	201	198
Cost of goods sold	89	95	196	189
Utilities	98	88	181	162
Operating supplies and services	33	62	141	132
Travel and hospitality	60	38	141	109
Exhibition and programming	80	35	122	122
Office supplies and administration	53	48	113	106
Payment in lieu of taxes	55	25	110	80
Professional and special services	29	29	45	60
	\$ 3,119	\$ 3,077	\$ 6,510	\$ 6,241