

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

June 30, 2019

NARRATIVE DISCUSSION

For the three months ended June 30, 2019

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, 2019 management discussion and analysis and annual audited financial statements.

OUTLOOK

Museum visitation continues to grow with almost 28,000 people visiting in the first quarter of 2019-20. Included in this total are almost 9,000 visitors to the *Family Bonds and Belonging* exhibition which opened on March 9th. Originally produced by the Royal BC Museum and adapted by the Canadian Museum of Immigration at Pier 21, *Family Bonds and Belonging* welcomes visitors of all ages to discover together the many different ideas of family: those of biology, choice, association and place.

The Museum’s fourth artist-in-residence, Katarina Marinic, commenced her residency in June where she will bring together historical images with contemporary ones – including visitors’ portraits – and animate them into a large-scale video projection. The continually moving display of images represents the long journey made by immigrants and complements the *Family Bonds and Belonging* exhibition.

Refuge Canada, the Museum’s second travelling exhibition, began its national tour in the first quarter of 2019-20, opening at the Peel Art Gallery, Museum and Archives in May. *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 tour the country through 2024 and is a valuable tool for outreach and engagement, helping to fulfil the Museum’s national mandate.

Digital engagement continues to be another key tool for the Museum to reach audiences across the country with more than 127,000 unique visitors in the first 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 operating results for the quarter ended June 30, 2019 yielded a net income of \$136,000 compared to a net income of \$199,000 for the quarter ended June 30, 2018. When combined with the \$4,089,000 in unrestricted net assets at March 31, 2019, this results in unrestricted net assets at June 30, 2019 of \$4,225,000.

For the quarter ended June 30, 2019, self-generated revenues decreased \$64,000 from \$903,000 in 2018 to \$839,000 in 2019. Self-generated revenues include operating revenues, donations, and interest and other revenues. The decrease in operating revenues is primarily due to lower donations resulting from the timing of major gift and planned giving receipts.

The endowment investments realized a net income of \$18,000, which is included in the Statement of Operations for the quarter ended June 30, 2019, compared to a net income of \$33,000 in 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 increase in the accumulated remeasurement gains of \$105,000 was recorded for the period, which results in an overall positive performance for the endowment investments of \$123,000 for the quarter ended June 30, 2019.

Expenses for the quarter ended June 30, 2019 decreased \$127,000 from \$3,391,000 in 2018 to \$3,264,000 in 2019, and were lower than budget. The decrease is mainly due to the decrease in operating supplies and services; marketing, promotion and recognition; personnel costs; and amortization of capital assets for assets that have reached their useful lives. Operating supplies and services were higher in 2018-19 due to the recruitment of multiple new board members. Marketing expenses are planned later during this fiscal year than the prior year. Offsetting these decreases are planned higher costs for the development of permanent and travelling exhibits.

Financial Position

Total assets at June 30, 2019 were \$27,171,000 compared to \$27,357,000 at March 31, 2019. The \$186,000 decrease is mainly due to the decrease in capital assets net with various smaller increases and decreases in other assets. The decrease in capital assets is attributable to the amortization. The increase in endowment cash and investments is due to contributions received, endowment net income and the increase in remeasurement gains.

Total liabilities decreased by \$527,000 to \$13,958,000 at June 30, 2019 due to the decrease in deferred revenue and deferred contributions related to capital assets offset by the increase in accounts payable and accrued liabilities. The decrease in deferred revenue is mainly due to the timing of events and the decrease in deferred contributions related to capital assets is attributable to the amortization. The increase in accounts payable and accrued liabilities is mainly due to the timing of expenses.

BUSINESS RISKS

Management has not identified any new business risks to those discussed in the 2018-19 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

June 30, 2019

STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

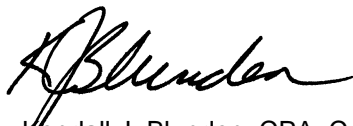
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the 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



Wendall J. Blunden, CPA, CA
Chief Financial Officer

Halifax, Canada
August 14, 2019

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

As at June 30, 2019

(in thousands of dollars)

	June 30 2019	March 31 2019
Assets		
Current assets		
Cash	\$ 4,479	\$ 4,507
Accounts receivable	241	311
Inventory	179	126
Prepaid expenses	420	269
	5,319	5,213
Endowment cash and investments (note 4)	8,993	8,770
Capital assets	12,858	13,373
Collections	1	1
	\$ 27,171	\$ 27,357
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 813	\$ 686
Deferred revenue	122	209
Deferred contributions related to capital assets (note 6)	13,023	13,590
Net assets		
Unrestricted	4,225	4,089
Internally restricted	352	352
Accumulated remeasurement gains (losses)	246	141
Endowment	8,390	8,290
	13,213	12,872
	\$ 27,171	\$ 27,357

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)

For the three months ended June 30, 2019
(in thousands of dollars)

	June 30 2019	June 30 2018
Revenues		
Operating (schedule 1)	\$ 649	\$ 637
Amortization of deferred contributions related to capital assets received from a related party	23	23
Donations	166	249
Interest and other	24	17
	<u>862</u>	<u>926</u>
Expenses (schedule 2)		
Visitor experience and connections	1,084	1,117
Accommodation	1,225	1,271
Fundraising and commercial activities	348	351
Internal services	607	652
	<u>3,264</u>	<u>3,391</u>
Net result of operations before appropriations and endowment investment net income	<u>(2,402)</u>	<u>(2,465)</u>
Appropriations (note 5)	2,520	2,631
Endowment investment net income (loss)	18	33
Net result of operations	<u>\$ 136</u>	<u>\$ 199</u>

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)

For the three months ended June 30, 2019

(in thousands of dollars)

	June 30 2019	June 30 2018
Accumulated remeasurement gains (losses), beginning of period	\$ 141	\$ 215
Realized (gains) losses on endowment investments reclassified to operations	–	–
Unrealized gains (losses) on endowment investments	105	(24)
Accumulated remeasurement gains (losses), end of period	\$ 246	\$ 191

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)

For the three months ended June 30, 2019

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	June 30 2019	June 30 2018
Net assets, beginning of period	\$ 4,089	\$ 352	\$ 141	\$ 8,290	\$ 12,872	\$ 12,161
Net result of operations	136	–	–	–	136	199
Remeasurement gains (losses)	–	–	105	–	105	(24)
Contributions received for endowment	–	–	–	100	100	25
Net assets, end of period	\$ 4,225	\$ 352	\$ 246	\$ 8,390	\$ 13,213	\$ 12,361

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)

For the three months ended June 30, 2019
(in thousands of dollars)

	June 30 2019	June 30 2018
Operating activities		
Appropriations received	\$ 1,976	\$ 2,054
Other cash received	816	890
Cash paid to employees and suppliers	(2,679)	(2,570)
Interest received	24	17
	137	391
Capital activities		
Acquisition of capital assets	(147)	–
	(147)	–
Investing activities		
Acquisition of endowment investments	(118)	(58)
Disposal of endowment investments	–	–
	(118)	(58)
Financing activities		
Contributions to endowment	100	25
	100	25
Increase (decrease) in cash	(28)	358
Cash, beginning of period	4,507	3,843
Cash, end of period	\$ 4,479	\$ 4,201

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 three months ended June 30, 2019
(in thousands of dollars)

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 started 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, 2019.

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 three months ended June 30, 2019 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2019.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2019

(in thousands of dollars)

4. Endowment

Endowment cash and investments consist of the following:

	June 30 2019		March 31 2019	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 232	\$ 234	\$ 138	\$ 138
Investment funds				
Fixed income	4,729	4,808	4,702	4,756
Global equity	441	458	441	440
Alternatives	3,345	3,493	3,348	3,436
	8,515	8,759	8,491	8,632
	\$ 8,747	\$ 8,993	\$ 8,629	\$ 8,770

5. Appropriations

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

For the three months ended	June 30 2019	June 30 2018
Parliamentary appropriations provided		
Main estimates	\$ 7,905	\$ 8,215
Portion of appropriations for capital projects	(100)	(420)
Portion of appropriation for future expenses	(5,829)	(5,741)
Appropriations received for operating in the current period	1,976	2,054
Amortization of deferred contributions related to capital assets	544	577
Appropriations recognized as revenue	\$ 2,520	\$ 2,631

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2019
(in thousands of dollars)

6. 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	June 30 2019
Balance, beginning of period	\$ 12,741	\$ 849	\$ 13,590
Less:			
Amortization of deferred contributions related to capital assets	(544)	(23)	(567)
Balance, end of period	\$ 12,197	\$ 826	\$ 13,023

	Appropriations	Other contributions	March 31 2019
Balance, beginning of year	\$ 14,482	\$ 942	\$ 15,424
Add:			
Appropriations received to acquire capital assets	420	–	420
Less:			
Amortization of deferred contributions related to capital assets	(2,161)	(93)	(2,254)
Balance, end of year	\$ 12,741	\$ 849	\$ 13,590

The unused portion of deferred contributions related to capital assets was \$165 at June 30, 2019 (March 31, 2019 – \$217). Other contributions were received from a related party, 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

Schedule 1 – Operating Revenue (Unaudited)

(in thousands of dollars)

For the three months ended	June 30 2019	June 30 2018
Special events	\$ 211	\$ 196
Hall rental	159	171
Exhibition hall ticket sales	144	139
Gift shop	71	70
Programming	43	38
Family history centre	21	23
	\$ 649	\$ 637

Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

For the three months ended	June 30 2019	June 30 2018
Personnel costs	\$ 1,567	\$ 1,619
Amortization of capital assets	567	600
Rent and related costs	405	405
Exhibition and programming	138	42
Cost of goods sold	104	107
Utilities	91	83
Repairs and maintenance and building operation	82	90
Travel and hospitality	80	81
Office supplies and administration	64	60
Marketing, promotion and recognition	63	125
Operating supplies and services	46	108
Payment in lieu of taxes	44	55
Professional and special services	13	16
	\$ 3,264	\$ 3,391