

Quarterly Financial Reports of

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

June 30, 2021

# NARRATIVE DISCUSSION

For the three months ended June 30, 2021

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, 2021 management discussion and analysis and annual audited financial statements.

## OUTLOOK

The Museum reopened on April 7, 2021 following the completion of the renovations to the Contributions zone of the Canadian Immigration Hall. The new multimedia experience features an immersive 10-minute film that showcases the achievements and contributions of over 100 remarkable first and second generation immigrants to Canada.

In accordance with a COVID-19 provincial public health directive, the Museum had to close again to the public on April 22, 2021 and was able to reopen on June 16, 2021. The pandemic has had a significant impact on all areas of the Museum, especially its ability to generate revenue. The Museum’s visitation for the first quarter was very low, approximately 1% of the visitation for the same period in 2019-20, and there was no facility rentals during the period the Museum was open. Last year, the Museum was closed to the public in Q1 2020-21 due to COVID restrictions.

Key initiatives in the first quarter included the launch of season two of the Museum’s first podcast *Countless Journeys*, an enhanced online presence including online Museum programs, a focus on digital engagement through social media channels, and the continuation of the national tour of the *Refuge Canada* travelling exhibition. The exhibition opened at the PumpHouse museum in Kingston, Ontario in April 2021 and will be on display until November 2021. These projects support the national mandate and will help ensure the Museum continues to collect, share and pay tribute to Canada’s immigration stories.

The COVID-19 outbreak has, and will continue to have, a negative impact on the results of operations. The Museum was allocated \$1.44 million in Budget 2021 to address financial pressures caused by COVID-19 and program integrity issues. Given the uncertainty around the extent and duration of COVID-19, we cannot estimate the full impact on our future results of operations and financial position. An enhanced digital presence, strong financial position, and innovative and engaged employees will be significant assets as the Museum continues to navigate these uncertain times. The Museum has a history of, and commitment to, fiscal prudence.

## FINANCIAL RESULTS

### *Operations*

The operating results for the quarter ended June 30, 2021 yielded a net loss of \$168,000 compared to a net loss of \$120,000 for the quarter ended June 30, 2020. When combined with the \$5,628,000 in unrestricted net assets at March 31, 2021, this results in unrestricted net assets at June 30, 2021 of \$5,460,000.

For the quarter ended June 30, 2021, self-generated revenues increased \$162,000 from \$71,000 in 2020 to \$233,000 in 2021. Self-generated revenues include operating revenues, donations, and interest and other revenues. The increase in self-generated revenues is primarily due to programming and donations revenues. Donations were higher mainly due to the timing of the receipt of two major gifts and a planned giving gift. The Museum was closed to the public in Q1 2020-21.

The endowment investments realized a net income of \$42,000, which is included in the Statement of Operations for the quarter ended June 30, 2021, compared to a net income of \$66,000 in 2020. 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 \$298,000 was recorded for the period, which results in an overall positive performance for the endowment investments of \$340,000 for the quarter ended June 30, 2021.

Expenses for the quarter ended June 30, 2021 increased \$248,000 from \$2,799,000 in 2020 to \$3,047,000 in 2021. The increase is mainly due to the increase in repairs, maintenance and building operations, personnel costs and rent. Actual costs were still under the budgeted costs. Travel for Museum employees and Board members is still suspended until further notice.

#### *Financial Position*

Total assets at June 30, 2021 were \$25,155,000 compared to \$25,911,000 at March 31, 2021. The \$756,000 decrease is mainly due to the decrease in cash offset by the increase in endowment cash and investments and the decrease in accounts payable and accrued liabilities. The decrease in cash is primarily attributable to the net loss for the quarter. Endowment cash and investments increased due to the endowment net income and the increase in unrealized remeasurement gains. The decrease 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 2020-21 annual Management Discussion and Analysis.

The Museum is actively monitoring the COVID-19 situation and is committed to take the action necessary to mitigate risks.

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, 2021

## **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's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, 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  
August 12, 2021

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

As at June 30, 2021

(in thousands of dollars)

	June 30 2021	March 31 2021
<b>Assets</b>		
Current assets		
Cash	\$ 5,460	\$ 6,078
Accounts receivable	104	162
Inventory	144	136
Prepaid expenses	308	160
	<u>6,016</u>	<u>6,536</u>
Endowment cash and investments (note 4)	10,170	9,830
Capital assets	8,968	9,544
Collections	1	1
	<u>\$ 25,155</u>	<u>\$ 25,911</u>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 953	\$ 1,259
Deferred revenue	96	100
Deferred contributions related to capital assets (note 6)	8,968	9,544
Net assets		
Unrestricted	5,460	5,628
Internally restricted	352	352
Accumulated remeasurement gains (losses)	648	350
Endowment	8,678	8,678
	<u>15,138</u>	<u>15,008</u>
	<u>\$ 25,155</u>	<u>\$ 25,911</u>

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, 2021  
(in thousands of dollars)

	June 30 2021	June 30 2020
<b>Revenues</b>		
Operating (schedule 1)	\$ 45	\$ 2
Amortization of deferred contributions related to capital assets received from a related party	23	23
Donations	180	63
Interest and other	8	6
	<u>256</u>	<u>94</u>
<b>Expenses</b> (schedule 2)		
Visitor experience and connections	935	897
Accommodation	1,301	1,164
Fundraising and commercial activities	238	264
Internal services	573	474
	<u>3,047</u>	<u>2,799</u>
Net result of operations before appropriations and endowment investment net income	<u>(2,791)</u>	<u>(2,705)</u>
Appropriations (note 5)	2,581	2,519
Endowment investment net income (loss)	42	66
Net result of operations	<u>\$ (168)</u>	<u>\$ (120)</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, 2021

*(in thousands of dollars)*

	June 30 2021	June 30 2020
Accumulated remeasurement gains (losses), beginning of period	\$ 350	\$ (452)
Realized (gains) losses on endowment investments reclassified to operations	(4)	(27)
Unrealized gains (losses) on endowment investments	302	442
Accumulated remeasurement gains (losses), end of period	\$ 648	\$ (37)

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, 2021

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	June 30 2021	June 30 2020
Net assets, beginning of period	\$ 5,628	\$ 352	\$ 350	\$ 8,678	\$ 15,008	\$ 13,320
Net result of operations	(168)	–	–	–	(168)	(120)
Remeasurement gains (losses )	–	–	298	–	298	415
Contributions received for endowment	–	–	–	–	–	–
Net assets, end of period	\$ 5,460	\$ 352	\$ 648	\$ 8,678	\$ 15,138	\$ 13,615

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, 2021  
(in thousands of dollars)

	June 30 2021	June 30 2020
<b>Operating activities</b>		
Appropriations received	\$ 2,028	\$ 1,974
Cash received from clients and donors	321	172
Cash paid to suppliers	(1,507)	(669)
Payments related to salary and benefits	(1,352)	(1,491)
Interest received	8	6
	(502)	(8)
<b>Capital activities</b>		
Acquisition of capital assets	(74)	(185)
	(74)	(185)
<b>Investing activities</b>		
Acquisition of endowment investments	(245)	(822)
Disposal of endowment investments	203	751
	(42)	(71)
<b>Financing activities</b>		
Contributions to endowment	–	–
	–	–
Increase (decrease) in cash	(618)	(264)
Cash, beginning of period	6,078	4,831
Cash, end of period	\$ 5,460	\$ 4,567

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, 2021  
(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.

The Museum's operations are divided into three core responsibilities, as well as internal services, to support the overall strategic outcome derived from its mandate. These responsibilities are:

- 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, 2021.

## 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, 2021 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2021.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2021

(in thousands of dollars)

## 4. Endowment

Endowment cash and investments consist of the following:

	June 30 2021		March 31 2021	
	Cost	Fair Value	Cost	Fair value
Cash and short-term investments	\$ 424	\$ 424	\$ 399	\$ 400
Investments				
Fixed income	4,059	4,061	4,058	4,031
Global equity	4,083	4,722	4,083	4,490
Alternatives	956	963	940	909
	9,098	9,746	9,081	9,430
	\$ 9,522	\$ 10,170	\$ 9,480	\$ 9,830

## 5. Appropriations

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

For the three months ended	June 30 2021	June 30 2020
Parliamentary appropriations provided		
Main estimates	\$ 8,112	\$ 7,895
Portion of appropriations for capital projects	–	(90)
Portion of appropriation for future expenses	(6,084)	(5,831)
Appropriations received for operating in the current period	2,028	1,974
Amortization of deferred contributions related to capital assets	553	545
Appropriations recognized as revenue	\$ 2,581	\$ 2,519

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2021  
(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 2021
Balance, beginning of period	\$ 8,881	\$ 663	\$ 9,544
Less:			
Amortization of deferred contributions related to capital assets	(553)	(23)	(576)
Balance, end of period	\$ 8,328	\$ 640	\$ 8,968

  

	Appropriations	Other contributions	March 31 2021
Balance, beginning of year	\$ 10,655	\$ 756	\$ 11,411
Add:			
Appropriations received to acquire capital assets	403	–	403
Less:			
Amortization of deferred contributions related to capital assets	(2,177)	(93)	(2,270)
Balance, end of year	\$ 8,881	\$ 663	\$ 9,544

The unused portion of deferred contributions related to capital assets was nil at June 30, 2021 (March 31, 2021 – nil). Other contributions were received from a related party, the Halifax Port Authority, for leasehold improvements as per the lease of the Pier 21 premises.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

## Schedule 1 – Operating Revenue (Unaudited) (in thousands of dollars)

For the three months ended	June 30 2021	June 30 2020
Programming	\$ 38	\$ –
Gift shop	3	–
Exhibition hall ticket sales	2	–
Family history centre	2	2
Hall rental	–	–
Special events	–	–
	\$ 45	\$ 2

## Schedule 2 – Expenses (Unaudited) (in thousands of dollars)

For the three months ended	June 30 2021	June 30 2020
Personnel costs	\$ 1,568	\$ 1,470
Amortization of capital assets	576	568
Rent and related costs	425	389
Repairs and maintenance and building operation	137	66
Office supplies and administration	74	50
Utilities	61	60
Operating supplies and services	53	69
Payment in lieu of taxes	50	50
Professional and special services	40	28
Exhibition and programming	31	18
Marketing, promotion and recognition	30	31
Cost of goods sold	2	–
Travel and hospitality	–	–
	\$ 3,047	\$ 2,799