

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

June 30, 2022

NARRATIVE DISCUSSION

For the three months ended June 30, 2022

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, 2022 management discussion and analysis and annual audited financial statements.

OUTLOOK

Museum visitation exceeded projections for the first quarter of 2022-23, with especially strong visitation in the month of May with the help of the temporary exhibition, *The World of Yousuf Karsh: A Private Essence*, which opened March 12, 2022. The exhibition, organized by the Montreal Museum of Fine Arts in collaboration with the Canadian Museum of Immigration at Pier 21, features over 100 portraits of major figures of the 20th century captured by the famed photographer.

The Museum’s new artist-in-residence, Tamara Abdul Hadi, began her residency in June. Her project is inspired by Yousuf Karsh’s Maclean’s magazine cross-country assignment in the 1950s which showcased regular Canadians. For this residency, Abdul Hadi will make collaborative portraits with first-generation Canadians and their families in Montreal and they will be projected outside *The World of Yousuf Karsh: A Private Essence* exhibition throughout the summer and appear in a virtual gallery at the end of the project.

Refuge Canada, the Museum’s second travelling exhibition, opened at the Western Development Museum in North Battleford, Saskatchewan in May 2022. *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 continue to help to fulfil the Museum’s national mandate. A smaller edition of the exhibition, the *Refuge Canada Tent*, is currently touring Nova Scotia.

Digital engagement continues to be a key tool for the Museum to reach audiences. In the first quarter of 2022-23, there were over 147,000 unique visitors to the Museum’s website. Additionally, season three of each of the Museum’s podcasts (*Countless Journeys* in English and *D’innombrables voyages* in French) launched in May 2022 and had over 8,500 downloads by the end of the quarter. This season focuses on immigrants in the visual and performing arts, the struggles and successes they have made and their contribution to Canadian culture and society.

On April 28, 2022, the Museum signed its first collective bargaining agreement with the Service Employees International Union Local 2, Brewery, General and Professional Workers’ Union. The agreement covers full-time and part-time Museum employees with the exception of 17 who are managerial exclusions.

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, 2022 yielded a net loss of \$202,000 compared to a net loss of \$168,000 for the quarter ended June 30, 2021. When combined with the \$6,421,000 in unrestricted net assets at March 31, 2022, this results in unrestricted net assets at June 30, 2022 of \$6,219,000.

For the quarter ended June 30, 2022, self-generated revenues increased \$412,000 from \$233,000 in 2021 to \$645,000 in 2022. Self-generated revenues include operating revenues, donations, and interest and other revenues. The increase in self-generated revenues is primarily due to the increase in operating revenues which includes the Museum's main fundraising event, the California Wine Dinner, offset by lower donations due to the timing of major gift receipts. The Museum was closed to the public most of the first quarter of 2020-21 in accordance with a COVID-19 provincial public health directive.

The endowment investments realized a net loss of \$50,000, which is included in the Statement of Operations for the quarter ended June 30, 2022, compared to a net income of \$42,000 in 2021. Unrealized gains and losses on investments are not recorded as revenue but as accumulated remeasurement gains (losses) in the Statement of Financial Position. A net decrease in the accumulated remeasurement gains (losses) of \$768,000 was recorded for the period, which results in an overall negative performance for the endowment investments of \$818,000 for the quarter ended June 30, 2022.

Expenses for the quarter ended June 30, 2022 increased \$103,000 from \$3,047,000 in 2021 to \$3,150,000 in 2022. The increase is mainly due to the increase in cost of goods sold, professional services and travel and hospitality offset by lower amortization of capital assets. Cost of goods sold increased due to the higher gift shop sales and the special event held in May 2022. Professional services increased mainly due to higher legal services offset by lower web services. Travel for Museum employees and Board members was suspended in Q1 2021-22 due to COVID-19. The leaseholds improvements made in 2011-12 and 2012-13 are now fully amortized.


Financial Position

Total assets at June 30, 2022 were \$23,159,000 compared to \$24,639,000 at March 31, 2022. The \$1,480,000 decrease is mainly due to the decrease in cash and in endowment cash and investments. The decrease in cash is attributable to the net loss for the quarter, the increase in prepaid expenses and the decrease in accounts payable and accrued liabilities. Endowment cash and investments decreased due to the endowment net loss and the decrease in unrealized remeasurement gains (losses).

BUSINESS RISKS

Management has not identified any new business risks to those discussed in the 2021-22 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, 2022


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 18, 2022

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

As at June 30, 2022

(in thousands of dollars)

	June 30	March 31
	2022	2022
Assets		
Current assets		
Cash	\$ 6,091	\$ 6,670
Accounts receivable	220	235
Inventory	137	129
Prepaid expenses	333	184
	<hr/>	<hr/>
	6,781	7,218
Endowment cash and investments (note 4)	9,183	9,901
Capital assets	7,194	7,519
Collections	1	1
	<hr/>	<hr/>
	\$ 23,159	\$ 24,639
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 796	\$ 1,037
Deferred revenue	157	201
Deferred contributions related to capital assets (note 6)	7,200	7,525
Net assets		
Unrestricted	6,219	6,421
Internally restricted	352	352
Accumulated remeasurement gains (losses)	(448)	320
Endowment	8,883	8,783
	<hr/>	<hr/>
	15,006	15,876
	<hr/>	<hr/>
	\$ 23,159	\$ 24,639

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, 2022
(in thousands of dollars)

	June 30 2022	June 30 2021
Revenues		
Operating (schedule 1)	\$ 592	\$ 45
Amortization of deferred contributions related to capital assets received from a related party	26	23
Donations	36	180
Interest and other	17	8
	<u>671</u>	<u>256</u>
Expenses (schedule 2)		
Visitor experience and connections	1,054	935
Accommodation	1,067	1,301
Fundraising and commercial activities	360	238
Internal services	669	573
	<u>3,150</u>	<u>3,047</u>
Net result of operations before appropriations and endowment investment net income	<u>(2,479)</u>	<u>(2,791)</u>
Appropriations (note 5)	2,327	2,581
Endowment investment net income (loss)	(50)	42
Net result of operations	<u>\$ (202)</u>	<u>\$ (168)</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, 2022

(in thousands of dollars)

	June 30 2022	June 30 2021
Accumulated remeasurement gains (losses), beginning of period	\$ 320	\$ 350
Realized (gains) losses on endowment investments reclassified to operations	100	(4)
Unrealized gains (losses) on endowment investments	(868)	302
Accumulated remeasurement gains (losses), end of period	\$ (448)	\$ 648

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, 2022

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	June 30 2022	June 30 2021
Net assets, beginning of period	\$ 6,421	\$ 352	\$ 320	\$ 8,783	\$ 15,876	\$ 15,008
Net result of operations	(202)	–	–	–	(202)	(168)
Remeasurement gains (losses)	–	–	(768)	–	(768)	298
Contributions received for endowment	–	–	–	100	100	–
Net assets, end of period	\$ 6,219	\$ 352	\$ (448)	\$ 8,883	\$ 15,006	\$ 15,138

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, 2022
(in thousands of dollars)

	June 30 2022	June 30 2021
Operating activities		
Appropriations received	\$ 2,028	\$ 2,028
Cash received from clients and donors	599	321
Cash paid to suppliers	(1,437)	(1,507)
Payments related to salary and benefits	(1,711)	(1,352)
Interest received	17	8
	(504)	(502)
Capital activities		
Acquisition of capital assets	(125)	(74)
	(125)	(74)
Investing activities		
Acquisition of endowment investments	(808)	(245)
Disposal of endowment investments	758	203
	(50)	(42)
Financing activities		
Contributions to endowment	100	–
	100	–
Increase (decrease) in cash	(579)	(618)
Cash, beginning of period	6,670	6,078
Cash, end of period	\$ 6,091	\$ 5,460

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, 2022
(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.

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, 2022.

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, 2022 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2022.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2022
(in thousands of dollars)

4. Endowment

Endowment cash and investments consist of the following:

	June 30 2022		March 31 2022	
	Cost	Fair Value	Cost	Fair value
Cash and short-term investments	\$ 400	\$ 400	\$ 271	\$ 271
Investments				
Fixed income	4,134	3,681	4,229	3,953
Global equity	4,105	4,157	4,105	4,643
Alternatives	992	945	976	1,034
	9,231	8,783	9,310	9,630
	\$ 9,631	\$ 9,183	\$ 9,581	\$ 9,901

5. Appropriations

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

For the three months ended	June 30 2022	June 30 2021
Parliamentary appropriations provided		
Main estimates	\$ 8,112	\$ 8,112
Portion of appropriations for capital projects	–	–
Portion of appropriation for future expenses	(6,084)	(6,084)
Appropriations received for operating in the current period	2,028	2,028
Amortization of deferred contributions related to capital assets	299	553
Appropriations recognized as revenue	\$ 2,327	\$ 2,581

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2022
(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 2022
Balance, beginning of period	\$ 6,955	\$ 570	\$ 7,525
Less:			
Amortization of deferred contributions related to capital assets	(299)	(26)	(325)
Balance, end of period	\$ 6,656	\$ 544	\$ 7,200

	Appropriations	Other contributions	March 31 2022
Balance, beginning of year	\$ 8,881	\$ 663	\$ 9,544
Add:			
Appropriations received to acquire capital assets	311	–	311
Less:			
Amortization of deferred contributions related to capital assets	(2,237)	(93)	(2,330)
Balance, end of year	\$ 6,955	\$ 570	\$ 7,525

The unused portion of deferred contributions related to capital assets was \$6 at June 30, 2022 (March 31, 2022 – \$6). 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 2022	June 30 2021
Special events	\$ 176	\$ –
Exhibition hall ticket sales	153	2
Hall rental	141	–
Gift shop	74	3
Programming	30	38
Family history centre	18	2
	\$ 592	\$ 45

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

For the three months ended	June 30 2022	June 30 2021
Personnel costs	\$ 1,568	\$ 1,568
Rent and related costs	426	425
Amortization of capital assets	325	576
Professional and special services	137	40
Repairs and maintenance and building operation	127	137
Cost of goods sold	111	2
Utilities	88	61
Office supplies and administration	76	74
Operating supplies and services	75	53
Marketing, promotion and recognition	69	30
Travel and hospitality	56	–
Payment in lieu of taxes	50	50
Exhibition and programming	42	31
	\$ 3,150	\$ 3,047