

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

December 31, 2022

NARRATIVE DISCUSSION

For the nine months ended December 31, 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

During the first three quarters of 2022-23, more than 61,000 paid visitors came onsite to the Museum. Included in this total are more than 45,000 visitors to the *The World of Yousuf Karsh: A Private Essence*. The temporary exhibition concluded its run on October 16, 2022 as one of the most successful temporary exhibitions in the Museum’s history with the second-highest overall attendance. As the Museum continues its first full year of COVID-19 recovery, the volume and pattern of activity are comfortably familiar. Through its exhibitions, programs and services, the Museum continues to serve Canadians both onsite and digitally.

In November 2022, three new temporary exhibitions opened: *Canada and Germany: Partners from Immigration to Innovation*, which explores historical and immigration links between the two countries; *Weaving Cultural Identities*, which features collaborative weaving projects by artists working in Muslim and Coast Salish communities; and *Kids Celebrate!*, which highlights 12 celebrations throughout the year from different cultural communities. These exhibits were presented until the end of January 2023.

Refuge Canada, the Museum’s second travelling exhibition, opened on October 1, 2022 at the Simcoe County Museum in Minesing, Ontario for three months. The smaller format of the exhibition, the *Refuge Canada Tent*, toured to the Saint John Free Public Library, Jewish Immigrant Aid Service in Toronto and Bibliothèque Champlain at the Université de Moncton. *New Arrivals*, a rotating display of items new to the Museum, was installed on September 12, 2022, in the Canadian Immigration Hall permanent exhibition to highlight cultural diversity in the collection.

Our public programs included film screenings and book presentations as part of our *Canada’s Storytellers* Series. As in past years, The Museum featured a Holocaust survivor testimony. Fishel Goldig spoke to a room of 400 students about his family’s experience during the Second World War. The *Fascinating Canadian* speaker series (fundraising events) were held for the first time since before the pandemic with two events: *Breakfast with a Fascinating Canadian* in Halifax and *Luncheon with a Fascinating Canadian* in Toronto.

The current economic downturn and the effects of high inflation on discretionary income amongst tourists and other visitors may affect the Museum’s ability to return to pre-pandemic norms. Also, 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 are 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 net result of operations for the nine months ended December 31, 2022 was a net income of \$410,000 compared to a net income of \$1,075,000 for the nine months ended December 31, 2021. When combined with the \$6,421,000 in unrestricted net assets at March 31, 2022, this results in unrestricted net assets at December 31, 2022 of \$6,831,000.

For the nine months ended December 31, 2022, self-generated revenue increased \$1,048,000 from \$1,187,000 in 2021 to \$2,235,000 in 2022. Self-generated revenue include operating revenue, donations, and interest and other revenue. The increase in self-generated revenue is primarily due to the increase in operating revenue, which includes ticket sales, hall rentals, gift shop sales, Family history centre sales, programming and the Museum’s fundraising events, offset by lower donations due to the timing of major gift receipts.

Appropriations decreased \$1,199,000 for the nine months ended December 31, 2021, from \$8,727,000 in 2021 to \$7,528,000 in 2022 due to the timing of receipt and lower amortization with leasehold improvements made in 2011-12 and 2012-13 now fully amortized. In addition to its ongoing operating appropriations, the Museum received \$845,000 in 2022-23 in COVID-19 related funding to support national museums compared to \$1,435,000 in 2021-22.

A net loss on the endowment investments of \$143,000 is included in the Statement of Operations for the nine months ended December 31, 2022. 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 of \$438,000 was recorded in the accumulated remeasurement gains which resulted in an overall negative performance for the endowment investments of \$581,000 for the nine months ended December 31, 2022.

Expenses for the nine months ended December 31, 2022 increased \$236,000, from \$9,034,000 in 2021 to \$9,270,000 in 2022. The increase is mainly due to the increase in personnel costs and cost of goods sold offset by lower amortization of capital assets. Cost of goods sold increased due to the higher gift shop sales and the special events. The leasehold improvements made in 2011-12 and 2012-13 are now fully amortized.

Financial Position

Total assets at December 31, 2022 were \$23,405,000 compared to \$24,639,000 at March 31, 2022. The \$1,234,000 decrease is primarily due to the decrease in endowment cash and investments and in capital assets. Endowment cash and investments decreased due to the endowment net loss and the decrease in unrealized remeasurement gains and losses. The decrease in capital assets is attributable to the amortization net of acquisitions.

BUSINESS RISKS

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

December 31, 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
February 16, 2023

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)
(in thousands of dollars)

	December 31 2022	March 31 2022
Assets		
Current assets		
Cash	\$ 6,758	\$ 6,670
Accounts receivable	216	235
Inventory	125	129
Prepaid expenses	195	184
	<u>7,294</u>	<u>7,218</u>
Endowment cash and investments (note 5)	9,521	9,901
Capital assets	6,589	7,519
Collections	1	1
	<u>\$ 23,405</u>	<u>24,639</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 628	\$ 1,037
Deferred revenue	133	201
Deferred contributions related to capital assets (note 4)	6,589	7,525
Net assets		
Unrestricted	6,831	6,421
Internally restricted	352	352
Accumulated remeasurement gains (losses)	(118)	320
Endowment	8,990	8,783
	<u>16,055</u>	<u>15,876</u>
	<u>\$ 23,405</u>	<u>\$ 24,639</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)
(in thousands of dollars)

	Three months ended December 31		Nine months ended December 31	
	2022	2021	2022	2021
Revenues				
Operating (schedule 1)	\$ 468	\$ 305	\$ 1,818	\$ 551
Amortization of deferred contributions related to capital assets received from a related party	17	23	60	69
Donations	184	338	295	609
Interest and other	66	10	122	27
	<u>735</u>	<u>676</u>	<u>2,295</u>	<u>1,256</u>
Expenses (schedule 2)				
Visitor experience and connections	1,126	1,011	3,329	2,823
Accommodation	1,050	1,318	3,163	3,893
Fundraising and commercial activities	350	296	1,056	784
Internal services	551	476	1,722	1,534
	<u>3,077</u>	<u>3,101</u>	<u>9,270</u>	<u>9,034</u>
Net result of operations before appropriations and endowment investment net income (loss)	(2,432)	(2,425)	(6,975)	(7,778)
Appropriations (note 6)	2,546	2,896	7,528	8,727
Endowment investment net income (loss)	50	64	(143)	126
Net result of operations	<u>\$ 254</u>	<u>\$ 535</u>	<u>\$ 410</u>	<u>\$ 1,075</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)
(in thousands of dollars)

	Three months ended December 31		Nine months ended December 31	
	2022	2021	2022	2021
Accumulated remeasurement gains (losses), beginning of period	\$ (346)	\$ 624	\$ 320	\$ 350
Realized (gains) losses on endowment investments reclassified to operations	7	1	271	(8)
Unrealized gains (losses) on endowment investments	221	237	(709)	520
Accumulated remeasurement gains (losses), end of period	\$ (118)	\$ 862	\$ (118)	\$ 862

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	December 31 2022	December 31 2021
Net assets, beginning of period	\$ 6,577	\$ 352	\$ (346)	\$ 8,883	\$ 15,466	\$ 15,822
Net result of operations	254	–	–	–	254	535
Remeasurement gains (losses)	–	–	228	–	228	238
Contributions received for endowment	–	–	–	107	107	8
Net assets, end of period	\$ 6,831	\$ 352	\$ (118)	\$ 8,990	\$ 16,055	\$ 16,603

For the nine months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	December 31 2022	December 31 2021
Net assets, beginning of period	\$ 6,421	\$ 352	\$ 320	\$ 8,783	\$ 15,876	\$ 15,008
Net result of operations	410	–	–	–	410	1,075
Remeasurement gains (losses)	–	–	(438)	–	(438)	512
Contributions received for endowment	–	–	–	207	207	8
Net assets, end of period	\$ 6,831	\$ 352	\$ (118)	\$ 8,990	\$ 16,055	\$ 16,603

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		Nine months ended	
	December 31		December 31	
	2022	2021	2022	2021
Operating activities				
Appropriations received	\$ 2,248	\$ 2,335	\$ 6,634	\$ 7,053
Cash received from clients and donors	487	615	2,066	1,331
Cash paid to suppliers	(1,239)	(1,102)	(3,853)	(3,452)
Payments related to salary and benefits	(1,447)	(1,272)	(4,905)	(4,132)
Interest received	64	8	120	22
	113	584	62	822
Capital activities				
Acquisition of capital assets	–	–	(142)	(74)
	–	–	(142)	(74)
Investing activities				
Acquisition of endowment investments	(850)	(367)	(2,795)	(1,228)
Disposal of endowment investments	695	295	2,738	1,094
	(155)	(72)	(57)	(134)
Financing activities				
Appropriations received for the acquisition of capital assets	7	–	18	–
Contributions received for endowment	107	8	207	8
	114	8	225	8
Increase (decrease) in cash	72	520	88	622
Cash, beginning of period	6,686	6,180	6,670	6,078
Cash, end of period	\$ 6,758	\$ 6,700	6,758	\$ 6,700

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 nine months ended December 31, 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. They are prepared in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports. These unaudited financial statements should be read in conjunction with the Narrative Discussion for the nine months ended December 31, 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 nine months ended December 31, 2022

(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	December 31 2022
Balance, beginning of period	\$ 6,370	\$ 527	\$ 6,897
Add:			
Appropriations received to acquire capital assets	7	–	7
Less:			
Amortization of deferred contributions related to capital assets	(298)	(17)	(315)
Balance, end of period	\$ 6,079	\$ 510	\$ 6,589

For the nine months ended	Appropriations	Other contributions	December 31 2022
Balance, beginning of period	\$ 6,955	\$ 570	\$ 7,525
Add:			
Appropriations received to acquire capital assets	18	–	18
Less:			
Amortization of deferred contributions related to capital assets	(894)	(60)	(954)
Balance, end of period	\$ 6,079	\$ 510	\$ 6,589

For the year ended	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 nil at December 31, 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

Notes to the Financial Statements (Unaudited)

For the nine months ended December 31, 2022

(in thousands of dollars)

5. Endowment

Endowment cash and investments consist of the following:

	December 31 2022		March 31 2022	
	Cost	Fair Value	Cost	Fair value
Cash and short-term investments	\$ 527	\$ 529	\$ 271	\$ 271
Investment funds				
Fixed income	3,051	2,761	4,229	3,953
Global equity	4,565	4,779	4,105	4,643
Alternatives	1,496	1,452	976	1,034
	9,112	8,992	9,310	9,630
	\$ 9,639	\$ 9,521	\$ 9,581	\$ 9,901

6. Appropriations

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

	Three months ended December 31		Nine months ended December 31	
	2022	2021	2022	2021
Parliamentary appropriations provided				
Main estimates	\$ 8,112	\$ 8,112	\$ 8,112	\$ 8,112
Supplementary estimates	845	1,435	845	1,435
	8,957	\$ 9,547	\$ 8,957	\$ 9,547
Portion of appropriations for capital projects	(7)	–	(18)	–
Portion of appropriations for future expenses	(2,305)	(2,494)	(2,305)	(2,494)
Amount received in prior quarters	(4,397)	(4,718)	–	–
Appropriations received for operating in the current period	2,248	2,335	6,634	7,053
Amortization of deferred contributions related to capital assets	298	561	894	1,674
Appropriations recognized as revenue	\$ 2,546	\$ 2,896	\$ 7,528	8,727

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Schedule 1 – Operating Revenue (Unaudited)

(in thousands of dollars)

	Three months ended		Nine months ended	
	December 31		December 31	
	2022	2021	2022	2021
Exhibition hall ticket sales	101	49	654	164
Hall rental	164	45	468	67
Special events	\$ 118	\$ 170	\$ 289	\$ 170
Gift shop	51	30	280	84
Family history centre	12	9	70	24
Programming	22	2	57	42
	\$ 468	\$ 305	\$ 1,818	\$ 551

Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended		Nine months ended	
	December 31		December 31	
	2022	2021	2022	2021
Personnel costs	\$ 1,582	\$ 1,397	\$ 4,772	\$ 4,364
Rent and related costs	426	429	1,277	1,280
Amortization of capital assets	315	584	954	1,743
Repairs and maintenance and building operation	102	141	325	372
Utilities	106	80	294	220
Cost of goods sold	89	65	287	96
Operating supplies and services	96	90	258	217
Marketing, promotion and recognition	74	100	244	164
Professional and special services	44	83	233	184
Office supplies and administration	51	52	180	176
Exhibition and programming	74	37	161	79
Payment in lieu of taxes	46	35	146	131
Travel and hospitality	72	8	139	8
	\$ 3,077	\$ 3,101	\$ 9,270	\$ 9,034