

Quarterly Financial Reports of

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

December 31, 2018

# NARRATIVE DISCUSSION

For the nine months ended December 31, 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

During the first three quarters of 2018-19, more than 120,000 people visited the Museum onsite and 379,000 people visited online. Included in this total are more than 52,000 visitors to the *Refuge Canada*. This exhibit attracted the highest visitation per month for a temporary exhibition at the Museum to date. *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* was on display at the Museum from March to mid-November. A travelling version is in development and will begin touring in spring 2019. The travelling exhibit 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 379,000 unique visitors at the end of the third 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 nine months ended December 31, 2018 was a net income of \$1,228,000 compared to a net income of \$1,219,000 for the nine months ended December 31, 2017. When combined with the \$3,595,000 in unrestricted net assets at March 31, 2018, this results in unrestricted net assets at December 31, 2018 of \$4,823,000. The net profit for the nine months ended December 31, 2018 is partially due to timing. Some revenues planned for the last quarter came in earlier than budgeted. Also, some expenses were delayed until the last quarter.

For the nine months ended December 31, 2018, self-generated revenues increased \$264,000 from \$2,640,000 in 2017 to \$2,904,000 in 2018. Self-generated revenues include operating revenues, donations, and interest and other revenues. The increase in self-generated revenues is mainly due to higher operating revenues and donations. Increased operating revenues are mainly due to higher ticket sales and rental revenues offset by lower special events revenues. More than 68,000 paid visitors came to the Museum between April and December 2018, representing 14,000 more visitors than for the nine months ended December 31, 2017. The renovated rental spaces are popular, well received and more versatile, which translates to higher revenues. Special events revenues are dependant on auction items received; the 2017 California Wine Dinner had higher value items than 2018. Donations were higher mainly due to the timing of the receipt of two major gifts.

Net income earned on the endowment investments of \$107,000 is included in the Statement of Operations for the nine months ended December 31, 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 of \$95,000 was recorded in the accumulated remeasurement gains which resulted in an overall positive performance for the endowment investments of \$12,000 for the nine months ended December 31, 2018, compared to a positive performance of \$39,000 for the same period in 2017.

Expenses for the nine months ended December 31, 2018 increased \$198,000, from \$9,301,000 in 2017 to \$9,499,000 in 2018. The increase is mainly due to the planned 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 are decreases in professional fees and amortization of capital assets for assets that have reached their useful lives.

#### *Financial Position*

Total assets decreased by \$533,000 at December 31, 2018 to \$27,798,000 primarily due to the decrease in capital assets offset by the increase in cash. The decrease in capital assets is attributable to the amortization net of acquisitions. The increase in cash is mainly attributable to higher self-generated revenues.

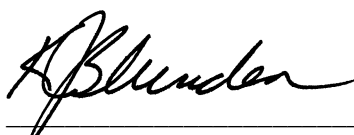
Total liabilities decreased by \$1,700,000 to \$14,470,000 at December 31, 2018 mainly due to the decrease in deferred contributions related to capital assets attributable to the amortization.

### **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**

December 31, 2018

## STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

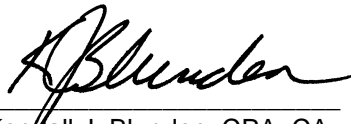
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the 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  
February 13, 2019

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

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

	December 31 2018	March 31 2018
<b>Assets</b>		
Current assets		
Cash	\$ 5,066	\$ 3,843
Accounts receivable	167	208
Inventory	131	173
Prepaid expenses	120	228
	<u>5,484</u>	<u>4,452</u>
Endowment cash and investments (note 5)	8,599	8,553
Capital assets	13,714	15,325
Collections	1	1
	<u>\$ 27,798</u>	<u>\$ 28,331</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 485	\$ 540
Deferred revenue	129	206
Deferred contributions related to capital assets (note 4)	13,856	15,424
Net assets		
Unrestricted	4,823	3,595
Internally restricted	352	352
Accumulated remeasurement gains (losses)	120	215
Endowment	8,033	7,999
	<u>13,328</u>	<u>12,161</u>
	<u>\$ 27,798</u>	<u>\$ 28,331</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	
	2018	2017	2018	2017
<b>Revenues</b>				
Operating (schedule 1)	\$ 380	\$ 350	\$ 1,835	\$ 1,722
Amortization of deferred contributions related to capital assets received from a related party	23	23	69	69
Donations	613	383	1,004	886
Interest and other	28	16	65	32
	<u>1,044</u>	<u>772</u>	<u>2,973</u>	<u>2,709</u>
<b>Expenses (schedule 2)</b>				
Visitor experience and connections	969	1,017	3,174	3,086
Accommodation	1,217	1,215	3,717	3,715
Fundraising and commercial activities	305	276	979	947
Internal services	498	552	1,629	1,553
	<u>2,989</u>	<u>3,060</u>	<u>9,499</u>	<u>9,301</u>
Net result of operations before appropriations and endowment investment net income (loss)	(1,945)	(2,288)	(6,526)	(6,592)
Appropriations (note 6)	2,605	2,547	7,647	7,753
Endowment investment net income (loss)	36	43	107	58
Net result of operations	<u>\$ 696</u>	<u>\$ 302</u>	<u>\$ 1,228</u>	<u>\$ 1,219</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	
	2018	2017	2018	2017
Accumulated remeasurement gains (losses), beginning of period	\$ 173	\$ 215	\$ 215	\$ 248
Realized (gains) losses on endowment investments reclassified to operations	–	–	–	59
Unrealized gains (losses) on endowment investments	(53)	14	(95)	(78)
Accumulated remeasurement gains (losses), end of period	\$ 120	\$ 229	\$ 120	\$ 229

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 2018	December 31 2017
Net assets, beginning of period	\$ 4,127	\$ 352	\$ 173	\$ 8,024	\$ 12,676	\$ 12,268
Net result of operations	696	–	–	–	696	302
Remeasurement gains (losses)	–	–	(53)	–	(53)	14
Contributions received for endowment	–	–	–	9	9	18
Net assets, end of period	\$ 4,823	\$ 352	\$ 120	\$ 8,033	\$ 13,328	\$ 12,602

For the nine months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	December 31 2018	December 31 2017
Net assets, beginning of period	\$ 3,595	\$ 352	\$ 215	\$ 7,999	\$ 12,161	\$ 11,383
Net result of operations	1,228	–	–	–	1,228	1,219
Remeasurement gains (losses)	–	–	(95)	–	(95)	(19)
Contributions received for endowment	–	–	–	34	34	19
Net assets, end of period	\$ 4,823	\$ 352	\$ 120	\$ 8,033	\$ 13,328	\$ 12,602

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 December 31		Nine months ended December 31	
	2018	2017	2018	2017
<b>Operating activities</b>				
Appropriations received	\$ 2,064	\$ 1,993	\$ 6,028	\$ 6,078
Other cash received	990	735	2,913	2,651
Cash paid to employees and suppliers	(2,795)	(2,752)	(7,761)	(7,910)
Interest received	25	13	62	29
	284	(11)	1,242	848
<b>Capital activities</b>				
Acquisition of capital assets	(32)	–	(32)	(39)
	(32)	–	(32)	(39)
<b>Investing activities</b>				
Acquisition of endowment investments	(51)	(61)	(153)	(4,102)
Disposal of endowment investments	6	–	12	4,025
	(45)	(61)	(141)	(77)
<b>Financing activities</b>				
Appropriations received for the acquisition of capital assets	120	120	120	120
Contributions received for endowment	9	18	34	19
	129	138	154	139
Increase (decrease) in cash	336	66	1,223	871
Cash, beginning of period	4,730	4,390	3,843	3,585
Cash, end of period	\$ 5,066	\$ 4,456	5,066	\$ 4,456

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)

December 31, 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 nine months ended December 31, 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)

December 31, 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	December 31 2018
Balance, beginning of period	\$ 13,404	\$ 896	\$ 14,300
Add:			
Appropriations received to acquire capital assets	120	–	120
Less:			
Amortization of deferred contributions related to capital assets	(541)	(23)	(564)
Balance, end of period	\$ 12,983	\$ 873	\$ 13,856

For the nine months ended	Appropriations	Other contributions	December 31 2018
Balance, beginning of period	\$ 14,482	\$ 942	\$ 15,424
Add:			
Appropriations received to acquire capital assets	120	–	120
Less:			
Amortization of deferred contributions related to capital assets	(1,619)	(69)	(1,688)
Balance, end of period	\$ 12,983	\$ 873	\$ 13,856

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 \$142 at December 31, 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)

December 31, 2018  
(in thousands of dollars)

## 5. Endowment

Endowment cash and investments consist of the following:

	December 31 2018		March 31 2018	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 56	\$ 56	\$ 39	\$ 39
Investment funds				
Fixed income	4,676	4,635	4,599	4,597
Global equity	473	486	431	440
Alternatives	3,274	3,422	3,269	3,477
	8,423	8,543	8,299	8,514
	\$ 8,479	\$ 8,599	\$ 8,338	\$ 8,553

## 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	
	2018	2017	2018	2017
Parliamentary appropriations provided				
Main estimates	\$ 8,215	\$ 7,820	\$ 8,215	\$ 7,820
Supplementary estimates	26	143	26	143
	8,241	7,963	8,241	7,963
Portion of appropriations for capital projects	(420)	(120)	(420)	(120)
Portion of appropriations for future expenses	(1,793)	(1,765)	(1,793)	(1,765)
Amount received in prior quarters	(3,964)	(4,085)	–	–
Appropriations received for operating in the current period	2,064	1,993	6,028	6,078
Amortization of deferred contributions related to capital assets	541	554	1,619	1,675
Appropriations recognized as revenue	\$ 2,605	\$ 2,547	\$ 7,647	7,753

## 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		Nine months ended	
	December 31		December 31	
	2018	2017	2018	2017
Exhibition hall ticket sales	\$ 102	\$ 73	\$ 670	\$ 535
Hall rental	185	151	504	411
Gift shop	73	74	304	318
Special events	(4)	30	192	294
Family history centre	17	16	100	105
Programming	7	6	65	59
	\$ 380	\$ 350	\$ 1,835	\$ 1,722

## Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended		Nine months ended	
	December 31		December 31	
	2018	2017	2018	2017
Personnel costs	\$ 1,414	\$ 1,367	\$ 4,507	\$ 4,273
Amortization of capital assets	564	577	1,688	1,744
Rent and related costs	406	405	1,216	1,215
Repairs and maintenance and building operation	104	81	305	279
Marketing, promotion and recognition	42	37	275	237
Utilities	89	79	270	241
Cost of goods sold	56	53	252	242
Exhibition and programming	95	106	217	228
Travel and hospitality	57	54	198	163
Operating supplies and services	48	77	189	209
Office supplies and administration	51	81	164	187
Payment in lieu of taxes	21	40	131	120
Professional and special services	42	103	87	163
	\$ 2,989	\$ 3,060	\$ 9,499	\$ 9,301