

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

September 30, 2019

NARRATIVE DISCUSSION

For the six months ended September 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 over 100,000 people visiting in the first and second quarters of 2019-20. Included in this total are almost 30,000 visitors to the *Family Bonds and Belonging* exhibition which opened in March 2019 and runs until the beginning of November 2019. 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, continued her residency which complements the *Family Bonds and Belonging* exhibit. Ms. Marinic brings together historical images with contemporary ones – including visitors’ portraits – and animates them into a large-scale video projection. The continually moving display of images represents the long journey made by immigrants.

Refuge Canada, the Museum’s second travelling exhibition, continued its national tour in the second quarter of 2019-20, opening at the Esplanade Museum in Medicine Hat in September. *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 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 260,000 unique web visitors in the first and second quarters. Strong and ongoing coverage by traditional and digital media further supports the Museum’s national and international reach. 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 six months ended September 30, 2019 was a net income of \$729,000 compared to a net income of \$532,000 for the six months ended September 30, 2018. When combined with the \$4,089,000 in unrestricted net assets at March 31, 2019, this results in unrestricted net assets at September 30, 2019 of \$4,818,000.

For the six months ended September 30, 2019, self-generated revenues decreased \$152,000 from \$1,883,000 in 2018 to \$1,731,000 in 2019. Self-generated revenues include operating revenues, donations, and interest and other revenues. The decrease in self-generated revenues is the net result of lower donations

resulting from the timing of major and planned gift receipts combined with lower gift shop and ticket sales. At the beginning of September 2019, during its busy season, the Museum had to close for three days due to a power outage following hurricane Dorian. The Museum did not sustain any significant damage.

The Museum tendered its investment advisory services for its endowment fund. In July 2019, the Museum retained the services of a new investment consultant. Investments are being liquidated and funds transferred to the new investment consultant. At the end of September 2019, the process was approximately 73% complete. Net income earned on the endowment investments of \$115,000 is included in the Statement of Operations for the six months ended September 30, 2019. 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 \$55,000 was recorded for the six months, which results in an overall positive performance for the endowment investments of \$170,000 for the six months ended September 30, 2019. This compares to an overall negative performance of \$29,000 for the six months ended September 30, 2018.

Expenses for the six months ended September 30, 2019 decreased \$150,000, from \$6,510,000 in 2018 to \$6,360,000 in 2019, and were lower than budget. The decrease is mainly due to lower personnel costs and marketing, promotion and recognition expenses. Marketing expenses are planned later during this fiscal year compared to the prior year. Decreased personnel costs are due to the timing of planned personnel increases.

Financial Position

Total assets at September 30, 2019 were \$28,034,000 compared to \$27,357,000 at March 31, 2019. The \$677,000 increase is primarily due to the cash balance being high due to the October 2019 appropriations being received in September 2019 and the net results of operations. This is offset by the decrease in capital assets attributable to the amortization net of acquisitions.

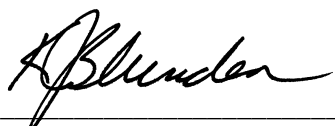
Total liabilities decreased by \$217,000 to \$14,268,000 at September 30, 2019 mainly due to the decrease in deferred contributions related to capital assets attributable to the amortization, offset by the increase in deferred revenue where the October 2019 appropriations were received at the end of September 2019.

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

September 30, 2019

STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

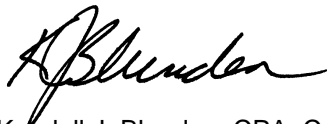
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the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



Kendall J. Blunden, CPA, CA
Chief Financial Officer

Halifax, Canada
November 13, 2019

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

(in thousands of dollars)

	September 30 2019	March 31 2019
Assets		
Current assets		
Cash	\$ 5,958	\$ 4,507
Accounts receivable	158	311
Inventory	151	126
Prepaid expenses	334	269
	6,601	5,213
Endowment cash and investments (note 5)	9,050	8,770
Capital assets	12,382	13,373
Collections	1	1
	\$ 28,034	\$ 27,357
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 658	\$ 686
Deferred revenue	1,157	209
Deferred contributions related to capital assets (note 4)	12,453	13,590
Net assets		
Unrestricted	4,818	4,089
Internally restricted	352	352
Accumulated remeasurement gains	196	141
Endowment	8,400	8,290
	13,766	12,872
	\$ 28,034	\$ 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)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2019	2018	2019	2018
Revenues				
Operating (schedule 1)	\$ 777	\$ 818	\$ 1,426	\$ 1,455
Amortization of deferred contributions related to capital assets received from a related party	23	23	46	46
Donations	88	142	254	391
Interest and other	27	20	51	37
	915	1,003	1,777	1,929
Expenses (schedule 2)				
Visitor experience and connections	951	1,088	2,035	2,205
Accommodation	1,252	1,229	2,477	2,500
Fundraising and commercial activities	323	323	671	674
Internal services	570	479	1,177	1,131
	3,096	3,119	6,360	6,510
Net result of operations before appropriations and endowment investment net income	(2,181)	(2,116)	(4,583)	(4,581)
Appropriations (note 6)	2,677	2,411	5,197	5,042
Endowment investment net income	97	38	115	71
Net result of operations	\$ 593	\$ 333	\$ 729	\$ 532

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 September 30		Six months ended September 30	
	2019	2018	2019	2018
Accumulated remeasurement gains (losses), beginning of period	\$ 246	\$ 191	\$ 141	\$ 215
Realized (gains) losses on endowment investments reclassified to operations	(96)	–	(90)	–
Unrealized gains (losses) on endowment investments	46	(18)	145	(42)
Accumulated remeasurement gains (losses), end of period	\$ 196	\$ 173	\$ 196	\$ 173

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	September 30 2019	September 30 2018
Net assets, beginning of period	\$ 4,225	\$ 352	\$ 246	\$ 8,390	\$ 13,213	\$ 12,361
Net result of operations	593	–	–	–	593	333
Remeasurement gains (losses)	–	–	(50)	–	(50)	(18)
Contributions received for endowment	–	–	–	10	10	–
Net assets, end of period	\$ 4,818	\$ 352	\$ 196	\$ 8,400	\$ 13,766	\$ 12,676

For the six months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	September 30 2019	September 30 2018
Net assets, beginning of period	\$ 4,089	\$ 352	\$ 141	\$ 8,290	\$ 12,872	\$ 12,161
Net result of operations	729	–	–	–	729	532
Remeasurement gains (losses)	–	–	55	–	55	(42)
Contributions received for endowment	–	–	–	110	110	25
Net assets, end of period	\$ 4,818	\$ 352	\$ 196	\$ 8,400	\$ 13,766	\$ 12,676

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 September 30		Six months ended September 30	
	2019	2018	2019	2018
Operating activities				
Appropriations received	\$ 3,110	\$ 1,910	\$ 5,086	\$ 3,964
Other cash received	1,100	1,033	1,916	1,923
Cash paid to employees and suppliers	(2,568)	(2,396)	(5,247)	(4,966)
Interest received	26	20	50	37
	1,668	567	1,805	958
Capital activities				
Acquisition of capital assets	(92)	–	(239)	–
	(92)	–	(239)	–
Investing activities				
Acquisition of endowment investments	(6,548)	(44)	(6,666)	(102)
Disposal of endowment investments	6,441	6	6,441	6
	(107)	(38)	(225)	(96)
Financing activities				
Appropriations received for the acquisition of capital assets	–	–	–	–
Contributions received for endowment	10	–	110	25
	10	–	110	25
Increase (decrease) in cash	1,479	529	1,451	887
Cash, beginning of period	4,479	4,201	4,507	3,843
Cash, end of period	\$ 5,958	\$ 4,730	5,958	\$ 4,730

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 six months ended September 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 six months ended September 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 six months ended September 30, 2019
(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	September 30 2019
Balance, beginning of period	\$ 12,197	\$ 826	\$ 13,023
Less:			
Amortization of deferred contributions related to capital assets	(547)	(23)	(570)
Balance, end of period	\$ 11,650	\$ 803	\$ 12,453

For the six months ended	Appropriations	Other contributions	September 30 2019
Balance, beginning of period	\$ 12,741	\$ 849	\$ 13,590
Less:			
Amortization of deferred contributions related to capital assets	(1,091)	(46)	(1,137)
Balance, end of period	\$ 11,650	\$ 803	\$ 12,453

For the year ended	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 \$71 at September 30, 2019 (March 31, 2019 – \$217). 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)

For the six months ended September 30, 2019
(in thousands of dollars)

5. Endowment cash and investments

Endowment cash and investments consist of the following:

	September 30 2019		March 31 2019	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 6,581	\$ 6,593	\$ 138	\$ 138
Investment funds				
Fixed income	74	79	4,702	4,756
Global equity	346	367	441	440
Alternatives	1,853	2,011	3,348	3,436
	2,273	2,457	8,491	8,632
	\$ 8,854	\$ 9,050	\$ 8,629	\$ 8,770

6. Appropriations

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

	Three months ended September 30		Six months ended September 30	
	2019	2018	2019	2018
Parliamentary appropriations provided				
Main estimates	\$ 8,215	\$ 8,215	\$ 8,215	\$ 8,215
Portion of appropriations for capital projects	(100)	(420)	(100)	(420)
Portion of appropriation for future expenses	(4,009)	(3,831)	(4,009)	(3,831)
Amount received in prior quarter	(1,976)	(2,054)	–	–
Appropriations received for operating in the current period	2,130	1,910	4,106	3,964
Amortization of deferred contributions related to capital assets	547	501	1,091	1,078
Appropriations recognized as revenue	\$ 2,677	\$ 2,411	\$ 5,197	\$ 5,042

At September 30, 2019, \$980 in appropriations were recorded as deferred revenue since they were received for the operations of the quarter ending December 31, 2019 (2018 – nil).

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Schedule 1 – Operating Revenue (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2019	2018	2019	2018
Exhibition hall ticket sales	\$ 407	\$ 429	\$ 551	\$ 568
Hall rental	151	148	310	319
Special events	–	–	211	196
Gift shop	134	161	205	231
Family history centre	62	60	83	83
Programming	23	20	66	58
	\$ 777	\$ 818	\$ 1,426	\$ 1,455

Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2019	2018	2019	2018
Personnel costs	\$ 1,482	\$ 1,474	\$ 3,049	\$ 3,093
Amortization of capital assets	570	524	1,137	1,124
Rent and related costs	405	405	810	810
Utilities	99	98	190	181
Repairs and maintenance and building operation	99	111	181	201
Cost of goods sold	75	89	179	196
Operating supplies and services	131	33	177	141
Marketing, promotion and recognition	80	108	143	233
Exhibition and programming	–	80	138	122
Travel and hospitality	37	60	117	141
Office supplies and administration	50	53	114	113
Payment in lieu of taxes	43	55	87	110
Professional and special services	25	29	38	45
	\$ 3,096	\$ 3,119	\$ 6,360	\$ 6,510