

Quarterly Financial Reports of

**CANADIAN MUSEUM OF IMMIGRATION AT PIER 21**

September 30, 2020

# NARRATIVE DISCUSSION

For the six months ended September 30, 2020

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, 2020 management discussion and analysis and annual audited financial statements.

## OUTLOOK

In response to the COVID-19 pandemic, the Museum closed its doors to the public on March 14, 2020 and reopened on July 7, 2020. During the closure, most operations continued behind the scenes or adapted to digital delivery during the period of closure. Museum visitation resumed in the second quarter but at very low levels, representing 2.7% of the visitation for the same period in 2019-20.

Key initiatives in the second quarter included an enhanced online presence including the launch of online Museum programs, the completion of the Museum’s book on the history of Pier 21, and the continuation of the national tour of the *Refuge Canada* travelling exhibition. These projects support the national mandate and will help ensure the Museum continues to collect, share and pay tribute to Canada’s immigration stories.

On June 18, 2020, the Honourable Steven Guilbeault, Minister of Canadian Heritage, announced \$25.7 million in funding for national museums and the National Battlefields Commission to help maintain essential services and assist in reopening costs. The Museum received \$2.05 million in funding to support its operations and reopening expenses. This statutory funding will help offset lost revenues from ticket sales, fund development and facility rentals and ensures financial stability for the current year.

The COVID-19 outbreak has, and will continue to have, a negative impact on the results of operations. Given the uncertainty around the extent and duration of COVID-19, the full impact on the future results of operations and financial position of the Museum cannot be estimated. 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.

## FINANCIAL RESULTS

### *Operations*

The net result of operations for the six months ended September 30, 2020 was a net income of \$396,000 compared to a net income of \$729,000 for the six months ended September 30, 2019. When combined with the \$5,013,000 in unrestricted net assets at March 31, 2020, this results in unrestricted net assets at September 30, 2020 of \$5,409,000. The net income for the six months ended September 30, 2020 is primarily due to the timing of expenses.

For the six months ended September 30, 2020, self-generated revenues decreased \$1,584,000 from \$1,731,000 in 2019 to \$147,000 in 2020. Self-generated revenues include operating revenues, donations, and interest and other revenues. The decrease in self-generated revenues is due to the closure of the Museum to the public in Q1 and due to COVID-19 related provincial restrictions once the Museum reopened in Q2. The number of visitors and rental events in Q2 were significantly reduced.

Net income earned on the endowment investments of \$89,000 is included in the Statement of Operations for the six months ended September 30, 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 decrease in the accumulated remeasurement losses of \$592,000 was recorded for the six months, which results in an overall positive performance for the endowment investments of \$681,000 for the six months ended September 30, 2020. This compares to an overall positive performance of \$170,000 for the six months ended September 30, 2019.

Expenses for the six months ended September 30, 2020 decreased \$677,000, from \$6,360,000 in 2019 to \$5,683,000 in 2020. The decrease is mainly due to the decrease in personnel costs, cost of goods sold and travel and hospitality expenses. With the Museum closed to the public in Q1 and reduced hours and visitation numbers in Q2, hourly staff was kept to a minimum. With lower gift shop sales and the California Wine Dinner fundraising event postponed, the cost of goods sold was significantly reduced for the six month ended September 30, 2020. Travel for Museum employees and Board members was suspended until further notice due to COVID-19 restrictions, which also reduced the professional development and training costs as well as hospitality.

#### *Financial Position*

Total assets at September 30, 2020 were \$25,255,000 compared to \$25,681,000 at March 31, 2020. The \$426,000 decrease is mainly due to the net decrease in capital assets offset by the increase in endowment cash and investments. The decrease in capital assets is mainly attributable to the amortization. Endowment cash and investments increased due to the endowment net income and the decrease in unrealized remeasurement losses.

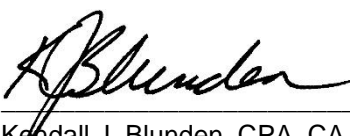
Total liabilities decreased by \$1,415,000 to \$10,946,000 at September 30, 2020 mainly due to the decrease in accounts payable and accrued liabilities and deferred contributions related to capital assets. The decrease in accounts payable and accrued liabilities is mainly due to the reduction and timing of expenses. The decrease in deferred contributions related to capital assets is attributable to the amortization.

## **BUSINESS RISKS**

Management has not identified any new significant business risks to those discussed in the 2019-20 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**

September 30, 2020

## 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 12, 2020

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

(in thousands of dollars)

	September 30 2020	March 31 2020
<b>Assets</b>		
Current assets		
Cash	\$ 4,848	\$ 4,831
Accounts receivable	122	225
Inventory	145	136
Prepaid expenses	214	271
	<b>5,329</b>	<b>5,463</b>
Endowment cash and investments (note 5)	<b>9,439</b>	<b>8,753</b>
Capital assets	<b>10,486</b>	<b>11,464</b>
Collections	1	1
	<b>\$ 25,255</b>	<b>\$ 25,681</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 550	\$ 775
Deferred revenue	120	175
Deferred contributions related to capital assets (note 4)	<b>10,276</b>	<b>11,411</b>
Net assets		
Unrestricted	<b>5,409</b>	<b>5,013</b>
Internally restricted	<b>352</b>	<b>352</b>
Accumulated remeasurement gains	<b>140</b>	<b>(452)</b>
Endowment	<b>8,408</b>	<b>8,407</b>
	<b>14,309</b>	<b>13,320</b>
	<b>\$ 25,255</b>	<b>\$ 25,681</b>

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	
	2020	2019	2020	2019
<b>Revenues</b>				
Operating (schedule 1)	\$ 42	\$ 777	\$ 44	\$ 1,426
Amortization of deferred contributions related to capital assets received from a related party	23	23	46	46
Donations	29	88	92	254
Interest and other	5	27	11	51
	99	915	193	1,777
<b>Expenses (schedule 2)</b>				
Visitor experience and connections	972	951	1,869	2,035
Accommodation	1,268	1,252	2,432	2,477
Fundraising and commercial activities	223	323	487	671
Internal services	421	570	895	1,177
	2,884	3,096	5,683	6,360
Net result of operations before appropriations and endowment investment net income	(2,785)	(2,181)	(5,490)	(4,583)
Appropriations (note 6)	3,278	2,677	5,797	5,197
Endowment investment net income	23	97	89	115
Net result of operations	\$ 516	\$ 593	396	\$ 729

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	
	2020	2019	2020	2019
Accumulated remeasurement gains (losses), beginning of period	\$ (37)	\$ 246	\$ (452)	\$ 141
Realized (gains) losses on endowment investments reclassified to operations	(5)	(96)	(32)	(90)
Unrealized gains (losses) on endowment investments	182	46	624	145
Accumulated remeasurement gains (losses), end of period	\$ 140	\$ 196	\$ 140	\$ 196

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 2020	September 30 2019
Net assets, beginning of period	\$ 4,893	\$ 352	\$ (37)	\$ 8,407	\$ 13,615	\$ 13,213
Net result of operations	516	–	–	–	516	593
Remeasurement gains (losses)	–	–	177	–	177	(50)
Contributions received for endowment	–	–	–	1	1	10
Net assets, end of period	\$ 5,409	\$ 352	\$ 140	\$ 8,408	\$ 14,309	\$ 13,766

For the six months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	September 30 2020	September 30 2019
Net assets, beginning of period	\$ 5,013	\$ 352	\$ (452)	\$ 8,407	\$ 13,320	\$ 12,872
Net result of operations	396	–	–	–	396	729
Remeasurement gains (losses)	–	–	592	–	592	55
Contributions received for endowment	–	–	–	1	1	110
Net assets, end of period	\$ 5,409	\$ 352	\$ 140	\$ 8,408	\$ 14,309	\$ 13,766

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	
	2020	2019	2020	2019
<b>Operating activities</b>				
Appropriations received	\$ 2,734	\$ 3,110	\$ 4,708	\$ 5,086
Cash received from clients and donors	101	1,101	273	1,917
Cash paid to suppliers	(933)	(1,127)	(1,602)	(2,287)
Payments related to salary and benefits	(1,496)	(1,442)	(2,987)	(2,961)
Interest received	5	26	11	50
	411	1,668	403	1,805
<b>Capital activities</b>				
Acquisition of capital assets	(108)	(92)	(293)	(239)
	(108)	(92)	(293)	(239)
<b>Investing activities</b>				
Acquisition of endowment investments	(165)	(6,548)	(987)	(6,666)
Disposal of endowment investments	142	6,441	893	6,441
	(23)	(107)	(94)	(225)
<b>Financing activities</b>				
Appropriations received for the acquisition of capital assets	—	—	—	—
Contributions received for endowment	1	10	1	110
	1	10	1	110
Increase (decrease) in cash	281	1,479	17	1,451
Cash, beginning of period	4,567	4,479	4,831	4,507
Cash, end of period	\$ 4,848	\$ 5,958	4,848	\$ 5,958

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, 2020  
(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, 2020.

## 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, 2020 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2020.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the six months ended September 30, 2020  
(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 2020
Balance, beginning of period	\$ 10,110	\$ 733	\$ 10,843
Less:			
Amortization of deferred contributions related to capital assets	(544)	(23)	(567)
Balance, end of period	\$ 9,566	\$ 710	\$ 10,276

For the six months ended	Appropriations	Other contributions	September 30 2020
Balance, beginning of period	\$ 10,655	\$ 756	\$ 11,411
Less:			
Amortization of deferred contributions related to capital assets	(1,089)	(46)	(1,135)
Balance, end of period	\$ 9,566	\$ 710	\$ 10,276

For the year ended	Appropriations	Other contributions	March 31 2020
Balance, beginning of year	\$ 12,741	\$ 849	\$ 13,590
Add:			
Appropriations received to acquire capital assets	100	–	100
Less:			
Amortization of deferred contributions related to capital assets	(2,186)	(93)	(2,279)
Balance, end of year	\$ 10,655	\$ 756	\$ 11,411

The unused portion of deferred contributions related to capital assets was nil at September 30, 2020 (March 31, 2020 – nil). 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, 2020  
(in thousands of dollars)

## 5. Endowment cash and investments

Endowment cash and investments consist of the following:

	September 30 2020		March 31 2020	
	Cost	Fair Value	Cost	Fair value
Cash and short-term investments	\$ 621	\$ 620	\$ 623	\$ 623
Investment funds				
Fixed income	4,064	4,266	3,997	4,075
Global equity	3,671	3,785	3,671	3,359
Alternatives	943	768	914	696
	8,678	8,819	8,582	8,130
	\$ 9,299	\$ 9,439	\$ 9,205	\$ 8,753

## 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	
	2020	2019	2020	2019
Parliamentary appropriations provided				
Main estimates	\$ 7,895	\$ 7,905	\$ 7,895	\$ 7,905
Statutory appropriations	2,050	–	2,050	–
Portion of appropriations for capital projects	(90)	(100)	(90)	(100)
Portion of appropriation for future expenses	(5,147)	(3,699)	(5,147)	(3,699)
Amount received in prior quarter	(1,974)	(1,976)	–	–
Appropriations received for operating in the current period	2,734	2,130	4,708	4,106
Amortization of deferred contributions related to capital assets	544	547	1,089	1,091
Appropriations recognized as revenue	\$ 3,278	\$ 2,677	\$ 5,797	\$ 5,197

# 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	
	2020	2019	2020	2019
Programming	\$ 16	\$ 23	\$ 16	\$ 66
Exhibition hall ticket sales	11	407	11	551
Gift shop	10	134	10	205
Family history centre	3	62	5	83
Hall rental	2	151	2	310
Special events	–	–	–	211
	\$ 42	\$ 777	\$ 44	\$ 1,426

## Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2020	2019	2020	2019
Personnel costs	\$ 1,344	\$ 1,482	\$ 2,814	\$ 3,049
Amortization of capital assets	567	570	1,135	1,137
Rent and related costs	412	405	801	810
Repairs and maintenance and building operation	116	99	182	181
Utilities	75	99	135	190
Payment in lieu of taxes	64	43	114	87
Operating supplies and services	41	131	110	177
Exhibition and programming	90	–	108	138
Marketing, promotion and recognition	68	80	99	143
Office supplies and administration	45	50	95	114
Professional and special services	55	25	83	38
Cost of goods sold	7	75	7	179
Travel and hospitality	–	37	–	117
	\$ 2,884	\$ 3,096	\$ 5,683	\$ 6,360