

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

September 30, 2021

NARRATIVE DISCUSSION

For the six months ended September 30, 2021

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, 2021 management discussion and analysis and annual audited financial statements.

OUTLOOK

With the completion of the renovations to the Contributions zone of the Canadian Immigration Hall, the Museum reopened on April 7, 2021 introducing its new multimedia experience featuring an immersive 10-minute film showcasing the achievements and contributions of over 100 remarkable first and second generation immigrants to Canada.

In accordance with a COVID-19 provincial public health directive, the Museum had to close again to the public on April 22, 2021 and was able to reopen on June 16, 2021. The pandemic has had a significant impact on all areas of the Museum, especially its ability to generate revenue. Starting July 14, 2021, Phase 4 of the Province’s reopening plan permitted museums to operate at maximum capacity with public health measures in place. The Museum’s visitation picked up in the second quarter of 2021-22 compared to the first quarter. In 2020-21, due to COVID-19 restrictions, the Museum was closed to the public in the first quarter and outside-province tourism was significantly reduced in the second quarter.

Key initiatives in the second quarter included season two of the Museum’s first podcast *Countless Journeys*, an enhanced online presence including online Museum programs, a focus on digital engagement through social media channels, 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.

The COVID-19 outbreak has, and will continue to have, a negative impact on the results of operations. The Museum was allocated \$1.44 million in Budget 2021 to address financial pressures caused by COVID-19. 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, a 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 net result of operations for the six months ended September 30, 2021 was a net income of \$540,000 compared to a net income of \$396,000 for the six months ended September 30, 2020. When combined with the \$5,628,000 in unrestricted net assets at March 31, 2021, this results in unrestricted net assets at September 30, 2021 of \$6,168,000.

For the six months ended September 30, 2021, self-generated revenues increased \$387,000 from \$147,000 in 2020 to \$534,000 in 2021. Self-generated revenues include operating revenues, donations, and interest and other revenues. The increase in self-generated revenues is primarily due to donations revenue as well as increases in ticket and gift shop sales and programming. Donations were higher mainly due to the timing of the receipt of two major gifts and a planned giving gift. The Museum welcomed 11,350 paid visitors in the first six months of 2021 compared to 1,160 paid visitors for the same period in 2020. The Museum was closed to the public in the first quarter of 2020-21.

Net income earned on the endowment investments of \$62,000 is included in the Statement of Operations for the six months ended September 30, 2021. 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 \$274,000 was recorded for the six months, which results in an overall positive performance for the endowment investments of \$336,000 for the six months ended September 30, 2021. This compares to an overall positive performance of \$681,000 for the six months ended September 30, 2020.

Expenses for the six months ended September 30, 2021 increased \$250,000, from \$5,683,000 in 2020 to \$5,933,000 in 2021 but were still under budget. The increase is mainly due to the increase in personnel costs, rent and repairs and maintenance and building operation expenses. Rent increased due to the planned contractual increase, which started in September 2020. Travel for Museum employees and Board members continues to be suspended.

Financial Position

Total assets at September 30, 2021 were \$25,339,000 compared to \$25,911,000 at March 31, 2021. The \$572,000 decrease is mainly due to the 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 increase in unrealized remeasurement gains.

Total liabilities decreased by \$1,386,000 to \$9,517,000 at September 30, 2021 mainly due to the decrease in accounts payable and accrued liabilities and deferred contributions related to capital assets attributable to the amortization.

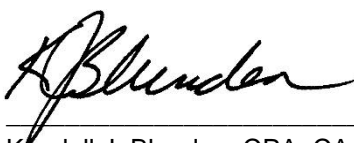
BUSINESS RISKS

Management has not identified any new significant business risks to those discussed in the 2020-21 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, 2021

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
November 18, 2021

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

(in thousands of dollars)

	September 30 2021	March 31 2021
Assets		
Current assets		
Cash	\$ 6,180	\$ 6,078
Accounts receivable	100	162
Inventory	134	136
Prepaid expenses	373	160
	6,787	6,536
Endowment cash and investments (note 5)	10,166	9,830
Capital assets	8,385	9,544
Collections	1	1
	\$ 25,339	\$ 25,911
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 960	\$ 1,259
Deferred revenue	172	100
Deferred contributions related to capital assets (note 4)	8,385	9,544
Net assets		
Unrestricted	6,168	5,628
Internally restricted	352	352
Accumulated remeasurement gains	624	350
Endowment	8,678	8,678
	15,822	15,008
	\$ 25,339	\$ 25,911

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	
	2021	2020	2021	2020
Revenues				
Operating (schedule 1)	\$ 201	\$ 42	\$ 246	\$ 44
Amortization of deferred contributions related to capital assets received from a related party	23	23	46	46
Donations	91	29	271	92
Interest and other	9	5	17	11
	324	99	580	193
Expenses (schedule 2)				
Visitor experience and connections	877	972	1,812	1,869
Accommodation	1,274	1,268	2,575	2,432
Fundraising and commercial activities	250	223	488	487
Internal services	485	421	1,058	895
	2,886	2,884	5,933	5,683
Net result of operations before appropriations and endowment investment net income	(2,562)	(2,785)	(5,353)	(5,490)
Appropriations (note 6)	3,250	3,278	5,831	5,797
Endowment investment net income	20	23	62	89
Net result of operations	\$ 708	\$ 516	540	\$ 396

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	
	2021	2020	2021	2020
Accumulated remeasurement gains (losses), beginning of period	\$ 648	\$ (37)	\$ 350	\$ (452)
Realized (gains) losses on endowment investments reclassified to operations	(5)	(5)	(9)	(32)
Unrealized gains (losses) on endowment investments	(19)	182	283	624
Accumulated remeasurement gains (losses), end of period	\$ 624	\$ 140	\$ 624	\$ 140

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 2021	September 30 2020
Net assets, beginning of period	\$ 5,460	\$ 352	\$ 648	\$ 8,678	\$ 15,138	\$ 13,615
Net result of operations	708	–	–	–	708	516
Remeasurement gains (losses)	–	–	(24)	–	(24)	177
Contributions received for endowment	–	–	–	–	–	1
Net assets, end of period	\$ 6,168	\$ 352	\$ 624	\$ 8,678	\$ 15,822	\$ 14,309

For the six months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	September 30 2021	September 30 2020
Net assets, beginning of period	\$ 5,628	\$ 352	\$ 350	\$ 8,678	\$ 15,008	\$ 13,320
Net result of operations	540	–	–	–	540	396
Remeasurement gains (losses)	–	–	274	–	274	592
Contributions received for endowment	–	–	–	–	–	1
Net assets, end of period	\$ 6,168	\$ 352	\$ 624	\$ 8,678	\$ 15,822	\$ 14,309

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	
	2021	2020	2021	2020
Operating activities				
Appropriations received	\$ 2,690	\$ 2,734	\$ 4,718	\$ 4,708
Cash received from clients and donors	395	101	716	273
Cash paid to suppliers	(843)	(933)	(2,350)	(1,602)
Payments related to salary and benefits	(1,508)	(1,496)	(2,860)	(2,987)
Interest received	6	5	14	11
	740	411	238	403
Capital activities				
Acquisition of capital assets	–	(108)	(74)	(293)
	–	(108)	(74)	(293)
Investing activities				
Acquisition of endowment investments	(616)	(165)	(861)	(987)
Disposal of endowment investments	596	142	799	893
	(20)	(23)	(62)	(94)
Financing activities				
Appropriations received for the acquisition of capital assets	–	–	–	–
Contributions received for endowment	–	1	–	1
	–	1	–	1
Increase (decrease) in cash	720	281	102	17
Cash, beginning of period	5,460	4,567	6,078	4,831
Cash, end of period	\$ 6,180	\$ 4,848	6,180	\$ 4,848

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, 2021
(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, 2021.

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, 2021 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2021.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the six months ended September 30, 2021
(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 2021
Balance, beginning of period	\$ 8,328	\$ 640	\$ 8,968
Less:			
Amortization of deferred contributions related to capital assets	(560)	(23)	(583)
Balance, end of period	\$ 7,768	\$ 617	\$ 8,385

For the six months ended	Appropriations	Other contributions	September 30 2021
Balance, beginning of period	\$ 8,881	\$ 663	\$ 9,544
Less:			
Amortization of deferred contributions related to capital assets	(1,113)	(46)	(1,159)
Balance, end of period	\$ 7,768	\$ 617	\$ 8,385

For the year ended	Appropriations	Other contributions	March 31 2021
Balance, beginning of year	\$ 10,655	\$ 756	\$ 11,411
Add:			
Appropriations received to acquire capital assets	403	–	403
Less:			
Amortization of deferred contributions related to capital assets	(2,177)	(93)	(2,270)
Balance, end of year	\$ 8,881	\$ 663	\$ 9,544

The unused portion of deferred contributions related to capital assets was nil at September 30, 2021 (March 31, 2021 – nil). 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 six months ended September 30, 2021
(in thousands of dollars)

5. Endowment cash and investments

Endowment cash and investments consist of the following:

	September 30 2021		March 31 2021	
	Cost	Fair Value	Cost	Fair value
Cash and short-term investments	\$ 425	\$ 420	\$ 399	\$ 400
Investment				
Fixed income	4,062	4,031	4,058	4,031
Global equity	4,083	4,752	4,083	4,490
Alternatives	972	963	940	909
	9,117	9,746	9,081	9,430
	\$ 9,542	\$ 10,166	\$ 9,480	\$ 9,830

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	
	2021	2020	2021	2020
Parliamentary appropriations provided				
Main estimates	\$ 8,112	\$ 7,895	\$ 8,112	\$ 7,895
Statutory appropriations	–	2,050	–	2,050
Portion of appropriations for capital projects	–	(90)	–	(90)
Portion of appropriation for future expenses	(3,394)	(5,147)	(3,394)	(5,147)
Amount received in prior quarter	(2,028)	(1,974)	–	–
Appropriations received for operating in the current period	2,690	2,734	4,718	4,708
Amortization of deferred contributions related to capital assets	560	544	1,113	1,089
Appropriations recognized as revenue	\$ 3,250	\$ 3,278	\$ 5,831	\$ 5,797

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	
	2021	2020	2021	2020
Exhibition hall ticket sales	\$ 113	\$ 11	\$ 115	\$ 11
Gift shop	51	10	54	10
Programming	2	16	40	16
Hall rental	22	2	22	2
Family history centre	13	3	15	5
Special events	–	–	–	–
	\$ 201	\$ 42	\$ 246	\$ 44

Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2021	2020	2021	2020
Personnel costs	\$ 1,399	\$ 1,344	\$ 2,967	\$ 2,814
Amortization of capital assets	583	567	1,159	1,135
Rent and related costs	426	412	851	801
Repairs and maintenance and building operation	94	116	231	182
Utilities	79	75	140	135
Operating supplies and services	74	41	127	110
Office supplies and administration	50	45	124	95
Professional and special services	61	55	101	83
Payment in lieu of taxes	46	64	96	114
Marketing, promotion and recognition	34	68	64	99
Exhibition and programming	11	90	42	108
Cost of goods sold	29	7	31	7
Travel and hospitality	–	–	–	–
	\$ 2,886	\$ 2,884	\$ 5,933	\$ 5,683