

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

December 31, 2021

NARRATIVE DISCUSSION

For the nine months ended December 31, 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

The Museum reopened on April 7, 2021 to the public after completing the renovations to the Contributions zone of the Canadian Immigration Hall with the introduction to 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.

The Museum had to close to the public on April 22, 2021 in accordance with a COVID-19 provincial public health directive 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. Phase 5 started October 4, 2021 with most restrictions lifted for non-essential events and activities where proof of vaccination and masking was mandatory. The Museum’s visitation picked up during the summer and fall 2021. With the arrival of the Omicron variant, the provincial public health put in place in mid-December 2021 new restrictions similar to Phase 4. In 2020-21, due to COVID-19 restrictions, the Museum was closed to the public in the first quarter and upon reopening, outside-province tourism was significantly reduced compared to pre-COVID visitation numbers.

Key initiatives in the third quarter included Kim Thuy delivering both French and English *Canada’s Storytellers* evening for public programming, compelling Holocaust Remembrance week programs delivered digitally, and preparation for the upcoming feature temporary exhibit *The World of Yousuf Karsh: A Private Essence*, which opens in March 2022, 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 \$1.435 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 nine months ended December 31, 2021 was a net income of \$1,075,000 compared to a net income of \$851,000 for the nine months ended December 31, 2020. When combined with the \$5,628,000 in unrestricted net assets at March 31, 2021, this results in unrestricted net assets at December 31, 2021 of \$6,703,000.

For the nine months ended December 31, 2021, self-generated revenues increased \$819,000 from \$368,000 in 2020 to \$1,187,000 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 and special events revenue, although there were increases in all sources of operating revenues. Donations were higher mainly due to increased major gifts and a planned giving gift. The Museum’s main fundraising event, the

California Wine Dinner, was held in October 2021 and did not happen in 2020. The Museum welcomed 16,600 paid visitors in the first nine months of 2021 compared to 1,650 paid visitors for the same period in 2020. The Museum was closed to the public in the first quarter of 2020-21. In October 2021, events were allowed to be held at full capacity with proof of vaccination and masking, which enabled for more hall rentals, but was reduced again in mid-December in accordance with provincial public health directive.

Appropriations decreased \$109,000 for the nine months ended December 31, 2021, from \$8,836,000 in 2020 to \$8,727,000 in 2021 due to the timing. In addition to its ongoing operating appropriations, the Museum received COVID-19 related funding of \$1,435,000 in 2021-22 to support national museums compared to \$2,050,000 in 2020-21 to maintain operations and cover reopening expenses.

Net income earned on the endowment investments of \$126,000 is included in the Statement of Operations for the nine months ended December 31, 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 of \$512,000 was recorded in the accumulated remeasurement gains which resulted in an overall positive performance for the endowment investments of \$638,000 for the nine months ended December 31, 2021, compared to a positive performance of \$1,072,000 for the same period in 2020.

Expenses for the nine months ended December 31, 2021 increased \$415,000, from \$8,619,000 in 2020 to \$9,034,000 in 2021. The increase is mainly due to the increase in personnel costs, rent, cost of goods sold and repairs and maintenance and building operation expenses. Rent increased due to the planned contractual increase, which started in September 2020. Cost of goods sold increased due to the higher gift shop sales and the special event in October 2021.

Financial Position

Total assets at December 31, 2021 were \$25,464,000 compared to \$25,911,000 at March 31, 2021. The \$447,000 decrease is primarily due to the decrease in capital assets offset by the increase in cash and endowment cash and investments. 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. Endowment cash and investments increased due to the endowment net income, the contributions received and the positive change in unrealized remeasurement gains and losses.

Total liabilities decreased by \$2,042,000 to \$8,861,000 at December 31, 2021 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 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 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

December 31, 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
February 10, 2022

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

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

	December 31 2021	March 31 2021
Assets		
Current assets		
Cash	\$ 6,700	\$ 6,078
Accounts receivable	130	162
Inventory	135	136
Prepaid expenses	219	160
	<u>7,184</u>	<u>6,536</u>
Endowment cash and investments (note 5)	10,476	9,830
Capital assets	7,803	9,544
Collections	1	1
	<u>\$ 25,464</u>	<u>25,911</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 952	\$ 1,259
Deferred revenue	108	100
Deferred contributions related to capital assets (note 4)	7,801	9,544
Net assets		
Unrestricted	6,703	5,628
Internally restricted	352	352
Accumulated remeasurement gains (losses)	862	350
Endowment	8,686	8,678
	<u>16,603</u>	<u>15,008</u>
	<u>\$ 25,464</u>	<u>\$ 25,911</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	
	2021	2020	2021	2020
Revenues				
Operating (schedule 1)	\$ 305	\$ 24	\$ 551	\$ 68
Amortization of deferred contributions related to capital assets received from a related party	23	24	69	70
Donations	338	189	609	281
Interest and other	10	8	27	19
	<u>676</u>	<u>245</u>	<u>1,256</u>	<u>438</u>
Expenses (schedule 2)				
Visitor experience and connections	1,011	949	2,823	2,818
Accommodation	1,318	1,246	3,893	3,678
Fundraising and commercial activities	296	237	784	724
Internal services	476	504	1,534	1,399
	<u>3,101</u>	<u>2,936</u>	<u>9,034</u>	<u>8,619</u>
Net result of operations before appropriations and endowment investment net income (loss)	(2,425)	(2,691)	(7,778)	(8,181)
Appropriations (note 6)	2,896	3,039	8,727	8,836
Endowment investment net income (loss)	64	107	126	196
Net result of operations	<u>\$ 535</u>	<u>\$ 455</u>	<u>\$ 1,075</u>	<u>\$ 851</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	
	2021	2020	2021	2020
Accumulated remeasurement gains (losses), beginning of period	\$ 624	\$ 140	\$ 350	\$ (452)
Realized (gains) losses on endowment investments reclassified to operations	1	(7)	(8)	(38)
Unrealized gains (losses) on endowment investments	237	291	520	914
Accumulated remeasurement gains (losses), end of period	\$ 862	\$ 424	\$ 862	\$ 424

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 2021	December 31 2020
Net assets, beginning of period	\$ 6,168	\$ 352	\$ 624	\$ 8,678	\$ 15,822	\$ 14,309
Net result of operations	535	–	–	–	535	455
Remeasurement gains (losses)	–	–	238	–	238	284
Contributions received for endowment	–	–	–	8	8	107
Net assets, end of period	\$ 6,703	\$ 352	\$ 862	\$ 8,686	\$ 16,603	\$ 15,155

For the nine months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	December 31 2021	December 31 2020
Net assets, beginning of period	\$ 5,628	\$ 352	\$ 350	\$ 8,678	\$ 15,008	\$ 13,320
Net result of operations	1,075	–	–	–	1,075	851
Remeasurement gains (losses)	–	–	512	–	512	876
Contributions received for endowment	–	–	–	8	8	108
Net assets, end of period	\$ 6,703	\$ 352	\$ 862	\$ 8,686	\$ 16,603	\$ 15,155

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	
	2021	2020	2021	2020
Operating activities				
Appropriations received	\$ 2,335	\$ 2,495	\$ 7,053	\$ 7,203
Cash received from clients and donors	615	327	1,331	600
Cash paid to suppliers	(1,102)	(1,132)	(3,452)	(2,734)
Payments related to salary and benefits	(1,272)	(1,290)	(4,132)	(4,277)
Interest received	8	6	22	17
	584	406	822	809
Capital activities				
Acquisition of capital assets	–	(98)	(74)	(391)
	–	(98)	(74)	(391)
Investing activities				
Acquisition of endowment investments	(367)	(397)	(1,228)	(1,384)
Disposal of endowment investments	295	184	1,094	1,077
	(72)	(213)	(134)	(307)
Financing activities				
Appropriations received for the acquisition of capital assets	–	–	–	–
Contributions received for endowment	8	107	8	108
	8	107	8	108
Increase (decrease) in cash	520	202	622	219
Cash, beginning of period	6,180	4,848	6,078	4,831
Cash, end of period	\$ 6,700	\$ 5,050	6,700	\$ 5,050

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, 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. 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, 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 nine months ended December 31, 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	December 31 2021
Balance, beginning of period	\$ 7,768	\$ 617	\$ 8,385
Less:			
Amortization of deferred contributions related to capital assets	(561)	(23)	(584)
Balance, end of period	\$ 7,207	\$ 594	\$ 7,801

For the nine months ended	Appropriations	Other contributions	December 31 2021
Balance, beginning of period	\$ 8,881	\$ 663	\$ 9,544
Less:			
Amortization of deferred contributions related to capital assets	(1,674)	(69)	(1,743)
Balance, end of period	\$ 7,207	\$ 594	\$ 7,801

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 December 31, 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 nine months ended December 31, 2021

(in thousands of dollars)

5. Endowment

Endowment cash and investments consist of the following:

	December 31 2021		March 31 2021	
	Cost	Fair Value	Cost	Fair value
Cash and short-term investments	\$ 273	\$ 273	\$ 399	\$ 400
Investment funds				
Fixed income	4,248	4,237	4,058	4,031
Global equity	4,105	4,937	4,083	4,490
Alternatives	988	1,029	940	909
	9,341	10,203	9,081	9,430
	\$ 9,614	\$ 10,476	\$ 9,480	\$ 9,830

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	
	2021	2020	2021	2020
Parliamentary appropriations provided				
Main estimates	\$ 8,112	\$ 7,895	\$ 8,112	\$ 7,895
Supplementary estimates	1,435	–	1,435	–
Statutory appropriations	–	2,050	–	2,050
	9,547	\$ 9,945	\$ 9,547	\$ 9,945
Portion of appropriations for capital projects	–	(90)	–	(90)
Portion of appropriations for future expenses	(2,494)	(2,652)	(2,494)	(2,652)
Amount received in prior quarters	(4,718)	(4,708)	–	–
Appropriations received for operating in the current period	2,335	2,495	7,053	7,203
Amortization of deferred contributions related to capital assets	561	544	1,674	1,633
Appropriations recognized as revenue	\$ 2,896	\$ 3,039	\$ 8,727	8,836

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	
	2021	2020	2021	2020
Special events	\$ 170	\$ –	\$ 170	\$ –
Exhibition hall ticket sales	49	4	164	15
Gift shop	30	12	84	22
Hall rental	45	4	67	6
Programming	2	1	42	17
Family history centre	9	3	24	8
	\$ 305	\$ 24	\$ 551	\$ 68

Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended		Nine months ended	
	December 31		December 31	
	2021	2020	2021	2020
Personnel costs	\$ 1,397	\$ 1,422	\$ 4,364	\$ 4,236
Amortization of capital assets	584	568	1,743	1,703
Rent and related costs	429	425	1,280	1,226
Repairs and maintenance and building operation	141	92	372	274
Utilities	80	74	220	209
Operating supplies and services	90	45	217	155
Professional and special services	83	68	184	151
Office supplies and administration	52	39	176	134
Marketing, promotion and recognition	100	83	164	182
Payment in lieu of taxes	35	48	131	162
Cost of goods sold	65	9	96	16
Exhibition and programming	37	63	79	171
Travel and hospitality	8	–	8	–
	\$ 3,101	\$ 2,936	\$ 9,034	\$ 8,619