

Quarterly Financial Reports of

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

June 30, 2017

# NARRATIVE DISCUSSION

For the three months ended June 30, 2017

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, 2017 management discussion and analysis and annual audited financial statements.

## OUTLOOK

Visitor response to the expanded Museum continues to be strong with more than 25,000 people visiting in the first quarter of 2017-18. The Museum’s legacy project for Canada 150, its first travelling exhibit, *Canada: Day 1* has been touring sites across Canada since 2014. The exhibit is currently on display at the Canadian Museum of History until January 2018. At the same time, an expanded version was created for exhibition at the Museum. It opened in March 2017 and will be on display until November 2017. *Canada: Day 1* tells the stories of newcomers’ experiences on their first day in Canada. Smaller *Canada: Day 1* exhibits have been developed in partnership with Immigration, Refugees and Citizenship Canada and Global Affairs Canada and are being exhibited internationally. Work is also underway to develop the Museum’s next temporary and travelling exhibit, *Refuge Canada*, which will explore the refugee experience in Canada. Launch is planned for 2018-19.

Partnerships continue to be a key priority for the Museum with Canada 150 events being a priority. In the first quarter of 2017-18, the Museum hosted the *Walrus Foundation Talks* as well as the *150 & Me* project. Events will continue throughout the year and are expected to draw new and repeat visitors to the Museum. Other key partnerships include a campaign with the Sobey Foundation marking their 100<sup>th</sup> anniversary and Canada’s 150<sup>th</sup>. The digital campaign celebrates the immigration history of the Sobey family and encourages Sobey employees to share with the Museum their personal stories of arrival in Canada, adding to the Museum’s permanent story collection.

A continued focus on marketing and communications is attracting visitors both onsite and online, with web visitation exceeding target. The 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 operating results for the quarter ended June 30, 2017 yielded a net income of \$431,000 compared to a net income of \$189,000 for the quarter ended June 30, 2016. When combined with the \$3,007,000 in unrestricted net assets at March 31, 2017, this resulted in unrestricted net assets at June 30, 2017 of \$3,438,000.

For the quarter ended June 30, 2017, self-generated revenues increased \$340,000 from \$689,000 in 2016 to \$1,029,000 in 2017. Self-generated revenues include operating revenues, donations, and interest and other revenues. The increase in operating revenues is primarily due to a successful special event fundraiser. The California Wine Dinner, held in May 2017, raised close to \$210,000 -- its highest result to date. Donations were higher mainly due to the timing of the receipt of two new major gifts totalling \$250,000 received in the first quarter but budgeted for the fourth quarter of 2017-18.

The endowment investments realized a net income of \$15,000, which is included in the Statement of Operations for the quarter ended June 30, 2017, compared to a net loss of \$14,000 in 2016. 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 \$20,000 was recorded for the period, which results in an overall positive performance for the endowment investments of \$35,000 for the quarter ended June 30, 2017.

Expenses for the quarter ended June 30, 2017 increased \$164,000 from \$3,000,000 in 2016 to \$3,164,000 in 2017, and were lower than budget. The increase is mainly due to the planned increase in personnel costs, the timing of media placement costs and the higher costs for travelling exhibits. The Museum's first travelling exhibit, *Canada: Day 1*, had been on the road since June 2014 and was in need of some repairs before being displayed at the Canadian Museum of History.

#### *Financial Position*

Total assets at June 30, 2017 were \$29,612,000 compared to \$30,009,000 at March 31, 2017. The \$397,000 decrease is due to the decrease in capital assets, offset mainly 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. The increase in endowment cash and investments is due to endowment net income and an increase in unrealized remeasurement gains.

Total liabilities decreased by \$848,000 to \$17,778,000 at June 30, 2017 due to the decrease in accounts payable and accrued liabilities, deferred revenue and deferred contributions related to capital assets. The decrease in accounts payable and accrued liabilities is mainly due to the timing of expenses, the decrease in deferred revenue is mainly due to the timing of events and the decrease in deferred contributions related to capital assets is attributable to the amortization.

## **BUSINESS RISKS**

Management has not identified any new business risks to those discussed in the 2016-17 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**

June 30, 2017

## 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  
August 16, 2017

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

As at June 30, 2017

(in thousands of dollars)

	June 30 2017	March 31 2017
<b>Assets</b>		
Current assets		
Cash	\$ 3,811	\$ 3,585
Accounts receivable	136	228
Inventory	193	151
Prepaid expenses	90	102
	4,230	4,066
Endowment cash and investments (note 4)	8,398	8,363
Capital assets	16,983	17,579
Collections	1	1
	\$ 29,612	\$ 30,009
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 667	\$ 787
Deferred revenue	94	226
Deferred contributions related to capital assets (note 5)	17,017	17,613
Net assets		
Unrestricted	3,438	3,007
Internally restricted	352	352
Accumulated remeasurement gains (losses)	268	248
Endowment	7,776	7,776
	11,834	11,383
	\$ 29,612	\$ 30,009

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)

For the three months ended June 30, 2017  
(in thousands of dollars)

	June 30 2017	June 30 2016
<b>Revenues</b>		
Operating (schedule 1)	\$ 647	\$ 574
Amortization of deferred contributions related to capital assets received from a related party	23	23
Donations	375	109
Interest and other	7	6
	<u>1,052</u>	<u>712</u>
<b>Expenses</b> (schedule 2)		
Visitor experience and connections	795	690
Accommodation	1,257	1,259
Internal services	1,112	1,051
	<u>3,164</u>	<u>3,000</u>
Net result of operations before appropriations and endowment investment net income	<u>(2,112)</u>	<u>(2,288)</u>
Appropriations (note 6)	2,528	2,491
Endowment investment net income (loss)	15	(14)
Net result of operations	<u>\$ 431</u>	<u>\$ 189</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)

For the three months ended June 30, 2017

*(in thousands of dollars)*

	June 30 2017	June 30 2016
Accumulated remeasurement gains (losses), beginning of period	\$ 248	\$ 74
Realized (gains) losses on endowment investments reclassified to operations	18	14
Unrealized gains (losses) on endowment investments	2	115
Accumulated remeasurement gains (losses), end of period	\$ 268	\$ 203

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)

For the three months ended June 30, 2017

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	June 30 2017	June 30 2016
Net assets, beginning of period	\$ 3,007	\$ 352	\$ 248	\$ 7,776	\$ 11,383	\$ 10,261
Net result of operations	431	–	–	–	431	189
Remeasurement gains (losses )	–	–	20	–	20	129
Contributions received for endowment	–	–	–	–	–	–
Net assets, end of period	\$ 3,438	\$ 352	\$ 268	\$ 7,776	\$ 11,834	\$ 10,579

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)

For the three months ended June 30, 2017  
(in thousands of dollars)

	June 30 2017	June 30 2016
<b>Operating activities</b>		
Appropriations received	\$ 1,955	\$ 1,925
Other cash received	997	645
Cash paid to employees and suppliers	(2,679)	(2,448)
Interest received	7	5
	280	127
<b>Capital activities</b>		
Acquisition of capital assets	(39)	(207)
	(39)	(207)
<b>Investing activities</b>		
Acquisition of endowment investments	(15)	(42)
Disposal of endowment investments	–	2
	(15)	(40)
<b>Financing activities</b>		
Contributions to endowment	–	–
	–	–
Increase (decrease) in cash	226	(120)
Cash, beginning of period	3,585	2,936
Cash, end of period	\$ 3,811	\$ 2,816

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 three months ended June 30, 2017  
(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.

## 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, 2017.

## 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 three months ended June 30, 2017 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2017.

## 4. Endowment

Endowment cash and investments consist of the following:

	June 30 2017		March 31 2017	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 168	\$ 168	\$ 170	\$ 170
	168	168	170	170
Investment funds				
Fixed income	4,946	5,005	4,925	4,995
Alternatives	3,016	3,225	3,020	3,198
	7,962	8,230	7,945	8,193
	\$ 8,130	\$ 8,398	\$ 8,115	\$ 8,363

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2017  
(in thousands of dollars)

## 5. 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	June 30 2017
Balance, beginning of period	\$ 16,578	\$ 1,035	\$ 17,613
Less:			
Amortization of deferred contributions related to capital assets	(573)	(23)	(596)
Balance, end of period	\$ 16,005	\$ 1,012	\$ 17,017
For the year ended	Appropriations	Other contributions	March 31 2017
Balance, beginning of year	\$ 18,656	\$ 1,127	\$ 19,783
Add:			
Appropriations received to acquire capital assets	200	–	200
Less:			
Amortization of deferred contributions related to capital assets	(2,278)	(92)	(2,370)
Balance, end of year	\$ 16,578	\$ 1,035	\$ 17,613

The unused portion of deferred contributions related to capital assets was \$34 at June 30, 2017 (March 31, 2017 – \$34). 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 three months ended June 30, 2017  
(in thousands of dollars)

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## 6. Appropriations

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

For the three months ended	June 30 2017	June 30 2016
Parliamentary appropriations provided		
Main estimates	\$ 7,700	\$ 7,700
Portion of appropriation for future expenses	(5,745)	(5,775)
Appropriations received for operating in the current period	1,955	1,925
Amortization of deferred contributions related to capital assets	573	566
Appropriations recognized as revenue	\$ 2,528	\$ 2,491

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

## Schedule 1 – Operating Revenue (Unaudited) (in thousands of dollars)

For the three months ended	June 30 2017	June 30 2016
Special events	\$ 264	\$ 197
Hall rental	126	140
Exhibition hall ticket sales	114	101
Gift shop	72	71
Programming	46	40
Family history centre	25	25
	<b>\$ 647</b>	<b>\$ 574</b>

## Schedule 2 – Expenses (Unaudited) (in thousands of dollars)

For the three months ended	June 30 2017	June 30 2016
Personnel costs	\$ 1,419	\$ 1,376
Amortization of capital assets	596	589
Rent and related costs	405	405
Marketing, promotion and recognition	120	67
Cost of goods sold	94	90
Exhibition and programming	87	47
Repairs and maintenance and building operation	84	91
Utilities	74	78
Travel and hospitality	71	55
Operating supplies and services	70	41
Office supplies and administration	58	63
Payment in lieu of taxes	55	55
Professional and special services	31	43
	<b>\$ 3,164</b>	<b>\$ 3,000</b>