

Quarterly Financial Reports of

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

December 31, 2017

# NARRATIVE DISCUSSION

For the nine months ended December 31, 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

During the first three quarters of 2017-18, more than 120,500 people visited the Museum onsite and close to 320,000 people visited online. The significant project to catalogue the collection to make it available online continues and will attract additional web visitors and enhance online access to the collection.

The Museum’s legacy project for Canada 150 and its first travelling exhibit, *Canada: Day 1*, continued its tour across Canada and was on display at the Canadian Museum of History until the beginning of January 2018. It’s then heading to Simcoe County Museum in Minesing, Ontario from mid-January to April 2018. At the same time, an expanded version was created for exhibition at the Museum and was 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 nationally and internationally. Work continues on the Museum’s next temporary and travelling exhibit, *Refuge Canada*, which will explore the refugee experience in Canada. The opening of the temporary exhibit at the Museum is planned for March 2018 and the travelling version should begin touring in the first quarter of 2019-20.

Marketing, communications and outreach continue to be priorities to expand the Museum’s reach, the awareness of the Museum and to grow its visitation. Work is underway on a brand strategy, an enhanced online presence, and further development of partnerships that will ensure the Museum continues to deliver on its national mandate.

## FINANCIAL RESULTS

### *Operations*

The net result of operations for the nine months ended December 31, 2017 was a net income of \$1,219,000 compared to a net income of \$1,336,000 for the nine months ended December 31, 2016. When combined with the \$3,007,000 in unrestricted net assets at March 31, 2017, this results in unrestricted net assets at December 31, 2017 of \$4,226,000. The net profit for the nine months ended December 31, 2017 is partially due to timing. Some revenues planned for the last quarter came in earlier than budgeted. Also, some expenses were delayed until the last quarter.

For the nine months ended December 31, 2017, self-generated revenues increased \$252,000 from \$2,388,000 in 2016 to \$2,640,000 in 2017. Self-generated revenues include operating revenues, donations, and interest and other revenues. The increase in operating revenues is mainly due to higher ticket sales and higher rental revenues. Despite having a slightly lower number of visitors compared to 2016, tickets sales increased following the ticket price increase in January 2017. The renovated rental spaces are popular, well received and more versatile, which translates to higher revenues. Donations were higher mainly due to the timing of the receipt of two major gifts totalling \$250,000 in the first quarter but budgeted for in the fourth quarter of 2017-18.

Net income earned on the endowment investments of \$58,000 is included in the Statement of Operations for the nine months ended December 31, 2017. 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 of \$19,000 was recorded in the accumulated remeasurement gains which resulted in an overall positive performance for the endowment investments of \$39,000 for the nine months ended December 31, 2017, compared to a positive performance of \$232,000 for the same period in 2016.

Expenses for the nine months ended December 31, 2017 increased \$314,000, from \$8,987,000 in 2016 to \$9,301,000 in 2017. The increase is mainly due to the planned increase in personnel costs and the higher costs for travelling and temporary exhibits. The Museum's first travelling exhibit, *Canada: Day 1*, had been on the road since June 2014 and was in need of some updates before being displayed at the Canadian Museum of History in June 2017. The Museum is also developing its next temporary and travelling exhibit *Refuge Canada* planned to open onsite in March 2018.

#### *Financial Position*

Total assets decreased by \$860,000 at December 31, 2017 to \$29,149,000 primarily due to the decrease in capital assets offset by the increase in cash. 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.

Total liabilities decreased by \$2,079,000 to \$16,547,000 at December 31, 2017 mainly due to the decrease in deferred contributions related to capital assets 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**

December 31, 2017

## STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

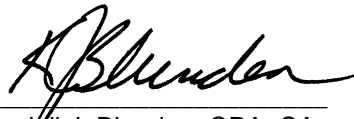
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the 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  
February 14, 2018

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

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

	December 31 2017	March 31 2017
<b>Assets</b>		
Current assets		
Cash	\$ 4,456	\$ 3,585
Accounts receivable	127	228
Inventory	186	151
Prepaid expenses	123	102
	<u>4,892</u>	<u>4,066</u>
Endowment cash and investments (note 4)	8,421	8,363
Capital assets	15,835	17,579
Collections	1	1
	<u>\$ 29,149</u>	<u>\$ 30,009</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 451	\$ 787
Deferred revenue	107	226
Deferred contributions related to capital assets (note 5)	15,989	17,613
Net assets		
Unrestricted	4,226	3,007
Internally restricted	352	352
Accumulated remeasurement gains (losses)	229	248
Endowment	7,795	7,776
	<u>12,602</u>	<u>11,383</u>
	<u>\$ 29,149</u>	<u>\$ 30,009</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	
	2017	2016	2017	2016
<b>Revenues</b>				
Operating (schedule 1)	\$ 350	\$ 458	\$ 1,722	\$ 1,726
Amortization of deferred contributions related to capital assets received from a related party	23	23	69	69
Donations	383	388	886	641
Interest and other	16	9	32	21
	<u>772</u>	<u>878</u>	<u>2,709</u>	<u>2,457</u>
<b>Expenses</b> (schedule 2)				
Visitor experience and connections	771	661	2,339	2,045
Accommodation	1,215	1,224	3,715	3,752
Internal services	1,074	1,013	3,247	3,190
	<u>3,060</u>	<u>2,898</u>	<u>9,301</u>	<u>8,987</u>
Net result of operations before appropriations and endowment investment net income (loss)	(2,288)	(2,020)	(6,592)	(6,530)
Appropriations (note 6)	2,547	2,680	7,753	7,811
Endowment investment net income (loss)	43	36	58	55
Net result of operations	<u>\$ 302</u>	<u>\$ 696</u>	<u>\$ 1,219</u>	<u>\$ 1,336</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	
	2017	2016	2017	2016
Accumulated remeasurement gains (losses), beginning of period	\$ 215	\$ 333	\$ 248	\$ 74
Realized (gains) losses on endowment investments reclassified to operations	–	29	59	90
Unrealized gains (losses) on endowment investments	14	(111)	(78)	87
Accumulated remeasurement gains (losses), end of period	\$ 229	\$ 251	\$ 229	\$ 251

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 2017	December 31 2016
Net assets, beginning of period	\$ 3,924	\$ 352	\$ 215	\$ 7,777	\$ 12,268	\$ 11,170
Net result of operations	302	–	–	–	302	696
Remeasurement gains (losses)	–	–	14	–	14	(82)
Contributions received for endowment	–	–	–	18	18	112
Net assets, end of period	\$ 4,226	\$ 352	\$ 229	\$ 7,795	\$ 12,602	\$ 11,896

For the nine months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	December 31 2017	December 31 2016
Net assets, beginning of period	\$ 3,007	\$ 352	\$ 248	\$ 7,776	\$ 11,383	\$ 10,261
Net result of operations	1,219	–	–	–	1,219	1,336
Remeasurement gains (losses)	–	–	(19)	–	(19)	177
Contributions received for endowment	–	–	–	19	19	122
Net assets, end of period	\$ 4,226	\$ 352	\$ 229	\$ 7,795	\$ 12,602	\$ 11,896

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	
	2017	2016	2017	2016
<b>Operating activities</b>				
Appropriations received	\$ 1,993	\$ 1,385	\$ 6,078	\$ 6,105
Other cash received	735	704	2,651	2,319
Cash paid to employees and suppliers	(2,752)	(2,392)	(7,910)	(7,118)
Interest received	13	7	29	18
	(11)	(296)	848	1,324
<b>Capital activities</b>				
Acquisition of capital assets	–	(7)	(39)	(260)
	–	(7)	(39)	(260)
<b>Investing activities</b>				
Acquisition of endowment investments	(61)	(930)	(4,102)	(1,024)
Disposal of endowment investments	–	753	4,025	757
	(61)	(177)	(77)	(267)
<b>Financing activities</b>				
Appropriations received for the acquisition of capital assets	120	200	120	200
Contributions received for endowment	18	112	19	122
	138	312	139	322
Increase (decrease) in cash	66	(168)	871	1,119
Cash, beginning of period	4,390	4,223	3,585	2,936
Cash, end of period	\$ 4,456	\$ 4,055	4,456	\$ 4,055

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)

December 31, 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 nine months ended December 31, 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:

	December 31 2017		March 31 2017	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 20	\$ 20	\$ 170	\$ 170
	20	20	170	170
Investment funds				
Fixed income	4,509	4,547	4,925	4,995
Global equity	431	435	—	—
Alternatives	3,232	3,419	3,020	3,198
	8,172	8,401	7,945	8,193
	\$ 8,192	\$ 8,421	\$ 8,115	\$ 8,363

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

December 31, 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	December 31 2017
Balance, beginning of period	\$ 15,457	\$ 989	\$ 16,446
Add:			
Appropriations received to acquire capital assets	120	–	120
Less:			
Amortization of deferred contributions related to capital assets	(554)	(23)	(577)
Balance, end of period	\$ 15,023	\$ 966	\$ 15,989

For the nine months ended	Appropriations	Other contributions	December 31 2017
Balance, beginning of period	\$ 16,578	\$ 1,035	\$ 17,613
Add:			
Appropriations received to acquire capital assets	120	–	120
Less:			
Amortization of deferred contributions related to capital assets	(1,675)	(69)	(1,744)
Balance, end of period	\$ 15,023	\$ 966	\$ 15,989

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 \$154 at December 31, 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)

December 31, 2017  
(in thousands of dollars)

## 6. Appropriations

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

	Three months ended		Nine months ended	
	December 31		December 31	
	2017	2016	2017	2016
Parliamentary appropriations provided				
Main estimates	\$ 7,820	\$ 7,700	\$ 7,820	\$ 7,700
Supplementary estimates	143	200	143	200
	7,963	7,900	7,963	7,900
Portion of appropriations for capital projects	(120)	(200)	(120)	(200)
Portion of appropriations for future expenses	(1,765)	(1,595)	(1,765)	(1,595)
Amount received in prior quarters	(4,085)	(3,995)	–	–
Appropriations received for operating in the current period	1,993	2,110	6,078	6,105
Amortization of deferred contributions related to capital assets	554	570	1,675	1,706
Appropriations recognized as revenue	\$ 2,547	\$ 2,680	\$ 7,753	\$ 7,811

# 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	
	2017	2016	2017	2016
Exhibition hall ticket sales	\$ 73	\$ 69	\$ 535	\$ 487
Hall rental	151	141	411	393
Gift shop	74	77	318	327
Special events	30	129	294	326
Family history centre	16	18	105	110
Programming	6	24	59	83
	\$ 350	\$ 458	\$ 1,722	\$ 1,726

## Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended		Nine months ended	
	December 31		December 31	
	2017	2016	2017	2016
Personnel costs	\$ 1,367	\$ 1,298	\$ 4,273	\$ 4,004
Amortization of capital assets	577	593	1,744	1,775
Rent and related costs	405	405	1,215	1,215
Repairs and maintenance and building operation	81	77	279	257
Cost of goods sold	53	89	242	277
Utilities	79	85	241	250
Marketing, promotion and recognition	37	80	237	306
Exhibition and programming	106	43	228	121
Operating supplies and services	77	59	209	181
Office supplies and administration	81	46	187	160
Professional and special services	103	40	163	133
Travel and hospitality	54	51	163	166
Payment in lieu of taxes	40	32	120	142
	\$ 3,060	\$ 2,898	\$ 9,301	\$ 8,987