

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

June 30, 2018

NARRATIVE DISCUSSION

For the three months ended June 30, 2018

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, 2018 management discussion and analysis and annual audited financial statements.

OUTLOOK

Museum visitation continues to grow with more than 27,000 people visiting in the first quarter of 2018-19. Included in this total are more than 10,000 visitors to the new *Refuge Canada* exhibit launched at the end of March 2018. *Refuge Canada* provides the context for Canada’s place in the global refugee crisis and brings to light the challenges faced by refugees in Canada. The exhibition also shares stories of success and contributions made by people who came to Canada as refugees. *Refuge Canada* will be on display at the Museum until November 2018. A travelling exhibit derived from this exhibit is under development and will begin to tour nationally in the spring of 2019.

The *Canada: Day 1* exhibit, the Museum’s first travelling exhibit, and its legacy project for Canada 150, continues to tour nationally. The exhibit is at Resurgo Place in Moncton from April to September 2018. *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. *Canada: Day 1* will end its tour in January 2019 and has been a valuable tool for outreach and engagement, helping to fulfil the Museum’s national mandate.

Digital engagement continues to be another key tool for the Museum to reach audiences across the country. A partnership with Tourism Nova Scotia is helping to drive online traffic to the website, with more than 134,000 unique visitors in the first quarter. In addition, a 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, 2018 yielded a net income of \$199,000 compared to a net income of \$431,000 for the quarter ended June 30, 2017. When combined with the \$3,595,000 in unrestricted net assets at March 31, 2018, this resulted in unrestricted net assets at June 30, 2018 of \$3,794,000.

For the quarter ended June 30, 2018, self-generated revenues decreased \$126,000 from \$1,029,000 in 2017 to \$903,000 in 2018. Self-generated revenues include operating revenues, donations, and interest and other revenues. The decrease in operating revenues is primarily due to lower donations resulting from the timing of major gift receipts.

The endowment investments realized a net income of \$33,000, which is included in the Statement of Operations for the quarter ended June 30, 2018, compared to a net income of \$15,000 in 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 in the accumulated remeasurement gains of \$24,000 was recorded for the period, which results in an overall positive performance for the endowment investments of \$9,000 for the quarter ended June 30, 2018.

Expenses for the quarter ended June 30, 2018 increased \$227,000 from \$3,164,000 in 2017 to \$3,391,000 in 2018, and were lower than budget. The increase is mainly due to the increase in personnel costs, the recruitment and travel costs for multiple new board members and the higher cost of sales for special events offset by lower costs for travelling exhibits. In the prior year, 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 for Canada 150.

Financial Position

Total assets at June 30, 2018 were \$28,084,000 compared to \$28,331,000 at March 31, 2018. The \$247,000 decrease is due to the decrease in capital assets, offset mainly by the increase in cash. The decrease in capital assets is attributable to the amortization.

Total liabilities decreased by \$447,000 to \$15,723,000 at June 30, 2018 due to the decrease in deferred revenue and deferred contributions related to capital assets offset by the increase in accounts payable and accrued liabilities. 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. The increase in accounts payable and accrued liabilities is mainly due to the timing of expenses.

BUSINESS RISKS

Management has not identified any new business risks to those discussed in the 2017-18 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, 2018

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 15, 2018

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

As at June 30, 2018

(in thousands of dollars)

	June 30 2018	March 31 2018
Assets		
Current assets		
Cash	\$ 4,201	\$ 3,843
Accounts receivable	146	208
Inventory	175	173
Prepaid expenses	249	228
	4,771	4,452
Endowment cash and investments (note 4)	8,587	8,553
Capital assets	14,725	15,325
Collections	1	1
	\$ 28,084	\$ 28,331
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 784	\$ 540
Deferred revenue	115	206
Deferred contributions related to capital assets (note 6)	14,824	15,424
Net assets		
Unrestricted	3,794	3,595
Internally restricted	352	352
Accumulated remeasurement gains (losses)	191	215
Endowment	8,024	7,999
	12,361	12,161
	\$ 28,084	\$ 28,331

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, 2018
(in thousands of dollars)

	June 30 2018	June 30 2017
Revenues		
Operating (schedule 1)	\$ 637	\$ 647
Amortization of deferred contributions related to capital assets received from a related party	23	23
Donations	249	375
Interest and other	17	7
	<u>926</u>	<u>1,052</u>
Expenses (schedule 2)		
Visitor experience and connections	1,117	1,060
Accommodation	1,271	1,257
Fundraising and commercial activities	351	318
Internal services	652	529
	<u>3,391</u>	<u>3,164</u>
Net result of operations before appropriations and endowment investment net income	<u>(2,465)</u>	<u>(2,112)</u>
Appropriations (note 5)	2,631	2,528
Endowment investment net income (loss)	33	15
Net result of operations	<u>\$ 199</u>	<u>\$ 431</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, 2018

(in thousands of dollars)

	June 30 2018	June 30 2017
Accumulated remeasurement gains (losses), beginning of period	\$ 215	\$ 248
Realized (gains) losses on endowment investments reclassified to operations	–	18
Unrealized gains (losses) on endowment investments	(24)	2
Accumulated remeasurement gains (losses), end of period	\$ 191	\$ 268

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, 2018

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	June 30 2018	June 30 2017
Net assets, beginning of period	\$ 3,595	\$ 352	\$ 215	\$ 7,999	\$ 12,161	\$ 11,383
Net result of operations	199	–	–	–	199	431
Remeasurement gains (losses)	–	–	(24)	–	(24)	20
Contributions received for endowment	–	–	–	25	25	–
Net assets, end of period	\$ 3,794	\$ 352	\$ 191	\$ 8,024	\$ 12,361	\$ 11,834

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, 2018
(in thousands of dollars)

	June 30 2018	June 30 2017
Operating activities		
Appropriations received	\$ 2,054	\$ 1,955
Other cash received	890	997
Cash paid to employees and suppliers	(2,570)	(2,679)
Interest received	17	7
	391	280
Capital activities		
Acquisition of capital assets	–	(39)
	–	(39)
Investing activities		
Acquisition of endowment investments	(58)	(15)
Disposal of endowment investments	–	–
	(58)	(15)
Financing activities		
Contributions to endowment	25	–
	25	–
Increase in cash	358	226
Cash, beginning of period	3,843	3,585
Cash, end of period	\$ 4,201	\$ 3,811

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, 2018
(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.

Consistent with the Government of Canada's Policy on Results (July 1, 2016), the Museum has adopted three core responsibilities, as well as internal services, replacing the Program Alignment Architecture previously established. Reporting on these core responsibilities starts in 2018-19.

- 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, 2018.

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, 2018 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2018.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2018
(in thousands of dollars)

4. Endowment

Endowment cash and investments consist of the following:

	June 30 2018		March 31 2018	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 58	\$ 58	\$ 39	\$ 39
Investment funds				
Fixed income	4,625	4,600	4,599	4,597
Global equity	431	440	431	440
Alternatives	3,282	3,489	3,269	3,477
	8,338	8,529	8,299	8,514
	\$ 8,396	\$ 8,587	\$ 8,338	\$ 8,553

5. Appropriations

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

For the three months ended	June 30 2018	June 30 2017
Parliamentary appropriations provided		
Main estimates	\$ 8,215	\$ 7,820
Portion of appropriations for capital projects	(420)	(120)
Portion of appropriation for future expenses	(5,741)	(5,745)
Appropriations received for operating in the current period	2,054	1,955
Amortization of deferred contributions related to capital assets	577	573
Appropriations recognized as revenue	\$ 2,631	\$ 2,528

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the three months ended June 30, 2018
(in thousands of dollars)

6. 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 2018
Balance, beginning of period	\$ 14,482	\$ 942	\$ 15,424
Less:			
Amortization of deferred contributions related to capital assets	(577)	(23)	(600)
Balance, end of period	\$ 13,905	\$ 919	\$ 14,824

	Appropriations	Other contributions	March 31 2018
Balance, beginning of year	\$ 16,578	\$ 1,035	\$ 17,613
Add:			
Appropriations received to acquire capital assets	120	–	120
Less:			
Amortization of deferred contributions related to capital assets	(2,216)	(93)	(2,309)
Balance, end of year	\$ 14,482	\$ 942	\$ 15,424

The unused portion of deferred contributions related to capital assets was \$99 at June 30, 2018 (March 31, 2018 – \$99). Other contributions were received from a related party, the Halifax Port Authority, as per the lease of the Pier 21 premises for leasehold improvements to the premises.

7. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

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

For the three months ended	June 30 2018	June 30 2017
Special events	\$ 196	\$ 264
Hall rental	171	126
Exhibition hall ticket sales	139	114
Gift shop	70	72
Programming	38	46
Family history centre	23	25
	\$ 637	\$ 647

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

For the three months ended	June 30 2018	June 30 2017
Personnel costs	\$ 1,619	\$ 1,419
Amortization of capital assets	600	596
Rent and related costs	405	405
Marketing, promotion and recognition	125	120
Operating supplies and services	108	70
Cost of goods sold	107	94
Repairs and maintenance and building operation	90	84
Utilities	83	74
Travel and hospitality	81	71
Office supplies and administration	60	58
Payment in lieu of taxes	55	55
Exhibition and programming	42	87
Professional and special services	16	31
	\$ 3,391	\$ 3,164