

Quarterly Financial Reports of

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

September 30, 2022

# NARRATIVE DISCUSSION

For the six months ended September 30, 2022

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, 2022 management discussion and analysis and annual audited financial statements.

## OUTLOOK

The summer season, together with the return of the cruise industry, brought back high numbers of Museum visitors. Still, visitation was slightly lower than projections for the second quarter of 2022-23, particularly in August and September, with some group tour operators unable to operate as they had prior to the pandemic. Near the end of September 2022, during its busy season, hurricane Fiona hit the Atlantic coast of Canada. The Museum had to close for three days due to a power outage and to allow exhibitions and collections teams to protect the artifacts. Halifax was spared the worst of the damage and the Museum did not sustain any damage.

The temporary exhibition, *The World of Yousuf Karsh: A Private Essence*, continued to track towards being one of the most successful temporary exhibitions in the Museum’s history, with over 45,000 visitors viewing the exhibition. The exhibition, organized by the Montreal Museum of Fine Arts in collaboration with the Canadian Museum of Immigration at Pier 21, features over 100 portraits of major figures of the 20th century captured by the famed photographer. The other temporary exhibition at the Museum, *The SS Maasdam*, completed its run on August 21, 2022.

*Refuge Canada*, the Museum’s second travelling exhibition, ended its stay at the Western Development Museum in North Battleford, Saskatchewan, on August 27, 2022, and was installed at the Simcoe County Museum near Barrie, Ontario, in time for an October 1 opening. *Refuge Canada* exists in both a large and two small formats. The large format will tour the country through 2024-25 and continues to help fulfil the Museum’s national mandate. The smaller formats of the exhibition, the *Refuge Canada Tent*, were at the Colchester Historeum Museum & Archives in Truro, Nova Scotia and at the Ross Memorial Museum in St. Andrews, New Brunswick, from July to September 2022.

*New Arrivals*, a rotating display of items new to the Museum, was installed on September 12, 2022 in the Canadian Immigration Hall core exhibition to highlight cultural diversity in the collection.

The overall picture suggests the Museum is settling into a familiar and welcome pattern. Still, the current economic downturn and the effects of high inflation on discretionary income amongst tourists and other visitors may affect the Museum’s ability to return to pre-pandemic norms. Also, 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, 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, 2022 was a net income of \$156,000 compared to a net income of \$540,000 for the six months ended September 30, 2021. When combined with the \$6,421,000 in unrestricted net assets at March 31, 2022, this results in unrestricted net assets at September 30, 2022 of \$6,577,000.

For the six months ended September 30, 2022, self-generated revenues increased \$983,000 from \$534,000 in 2021 to \$1,517,000 in 2022. Self-generated revenues include operating revenues, donations, and interest and other revenues. The increase in self-generated revenues is due to the increase in operating revenues which includes ticket sales, hall rentals, gift shop sales, Family history centre sales, programming and the Museum's main fundraising event, the California Wine Dinner, offset by lower donations due to the timing of major gift receipts.

A net loss on the endowment investments of \$193,000 is included in the Statement of Operations for the six months ended September 30, 2022. 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 \$666,000 was recorded for the six months, which results in an overall negative performance for the endowment investments of \$859,000 for the six months ended September 30, 2022.

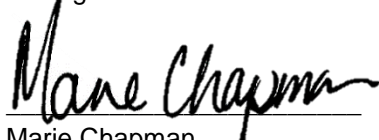
Expenses for the six months ended September 30, 2022 increased \$260,000, from \$5,933,000 in 2021 to \$6,193,000 in 2022 but were still under budget. The increase is mainly due to the increase in personnel costs, cost of goods sold, marketing, promotion and recognition, professional services and travel and hospitality offset by lower amortization of capital assets. Cost of goods sold increased due to the higher gift shop sales and the special event held in May 2022. Marketing, promotion and recognition increased with the advertising for the temporary exhibition, *The World of Yousuf Karsh: A Private Essence*. Professional services increased mainly due to higher legal services offset by lower web services. Travel for Museum employees and Board members was suspended in the first six months of 2021-22 due to COVID-19. The leasehold improvements made in 2011-12 and 2012-13 are now fully amortized.

### *Financial Position*

Total assets at September 30, 2022 were \$23,264,000 compared to \$24,639,000 at March 31, 2022. The \$1,375,000 decrease is mainly due to the decrease in endowment cash and investments and in capital assets. Endowment cash and investments decreased due to the endowment net loss and the decrease in unrealized remeasurement gains. The decrease in capital assets is attributable to the amortization net of acquisitions.

## BUSINESS RISKS

Management has not identified any new significant business risks to those discussed in the 2021-22 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**

September 30, 2022

## STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

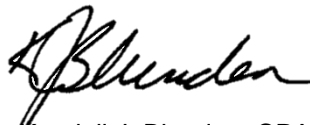
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines 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 17, 2022

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

(in thousands of dollars)

	September 30 2022	March 31 2022
<b>Assets</b>		
Current assets		
Cash	\$ 6,686	\$ 6,670
Accounts receivable	143	235
Inventory	122	129
Prepaid expenses	278	184
	<b>7,229</b>	<b>7,218</b>
Endowment cash and investments (note 4)	9,137	9,901
Capital assets	6,897	7,519
Collections	1	1
	<b>\$ 23,264</b>	<b>\$ 24,639</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 674	\$ 1,037
Deferred revenue	227	201
Deferred contributions related to capital assets (note 6)	6,897	7,525
Net assets		
Unrestricted	6,577	6,421
Internally restricted	352	352
Accumulated remeasurement gains	(346)	320
Endowment	8,883	8,783
	<b>15,466</b>	<b>15,876</b>
	<b>\$ 23,264</b>	<b>\$ 24,639</b>

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	
	2022	2021	2022	2021
<b>Revenues</b>				
Operating (schedule 1)	\$ 758	\$ 201	\$ 1,350	\$ 246
Amortization of deferred contributions related to capital assets received from a related party	17	23	43	46
Donations	75	91	111	271
Interest and other	39	9	56	17
	889	324	1,560	580
<b>Expenses (schedule 2)</b>				
Visitor experience and connections	1,149	877	2,203	1,812
Accommodation	1,046	1,274	2,113	2,575
Fundraising and commercial activities	346	250	706	488
Internal services	502	485	1,171	1,058
	3,043	2,886	6,193	5,933
Net result of operations before appropriations and endowment investment net income	(2,154)	(2,562)	(4,633)	(5,353)
Appropriations (note 5)	2,655	3,250	4,982	5,831
Endowment investment net income (loss)	(143)	20	(193)	62
Net result of operations	\$ 358	\$ 708	156	\$ 540

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	
	2022	2021	2022	2021
Accumulated remeasurement gains (losses), beginning of period	\$ (448)	\$ 648	\$ 320	\$ 350
Realized (gains) losses on endowment investments reclassified to operations	165	(5)	264	(9)
Unrealized gains (losses) on endowment investments	(63)	(19)	(930)	283
Accumulated remeasurement gains (losses), end of period	\$ (346)	\$ 624	\$ (346)	\$ 624

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 2022	September 30 2021
Net assets, beginning of period	\$ 6,219	\$ 352	\$ (448)	\$ 8,883	\$ 15,006	\$ 15,138
Net result of operations	358	–	–	–	358	708
Remeasurement gains (losses)	–	–	102	–	102	(24)
Contributions received for endowment	–	–	–	–	–	–
<b>Net assets, end of period</b>	<b>\$ 6,577</b>	<b>\$ 352</b>	<b>\$ (346)</b>	<b>\$ 8,883</b>	<b>\$ 15,466</b>	<b>\$ 15,822</b>

For the six months ended	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	September 30 2022	September 30 2021
Net assets, beginning of period	\$ 6,421	\$ 352	\$ 320	\$ 8,783	\$ 15,876	\$ 15,008
Net result of operations	156	–	–	–	156	540
Remeasurement gains (losses)	–	–	(666)	–	(666)	274
Contributions received for endowment	–	–	–	100	100	–
<b>Net assets, end of period</b>	<b>\$ 6,577</b>	<b>\$ 352</b>	<b>\$ (346)</b>	<b>\$ 8,883</b>	<b>\$ 15,466</b>	<b>\$ 15,822</b>

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	
	2022	2021	2022	2021
<b>Operating activities</b>				
Appropriations received	\$ 2,358	\$ 2,690	\$ 4,386	\$ 4,718
Cash received from clients and donors	980	395	1,579	716
Cash paid to suppliers	(1,177)	(843)	(2,614)	(2,350)
Payments related to salary and benefits	(1,747)	(1,508)	(3,458)	(2,860)
Interest received	39	6	56	14
	453	740	(51)	238
<b>Capital activities</b>				
Acquisition of capital assets	(17)	–	(142)	(74)
	(17)	–	(142)	(74)
<b>Investing activities</b>				
Acquisition of endowment investments	(1,137)	(616)	(1,945)	(861)
Disposal of endowment investments	1,285	596	2,043	799
	148	(20)	98	(62)
<b>Financing activities</b>				
Appropriations received for the acquisition of capital assets	11	–	11	–
Contributions received for endowment	–	–	100	–
	11	–	111	–
Increase (decrease) in cash	595	720	16	102
Cash, beginning of period	6,091	5,460	6,670	6,078
Cash, end of period	\$ 6,686	\$ 6,180	6,686	\$ 6,180

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, 2022  
(in thousands of dollars)

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## 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, 2022.

## 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, 2022 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2022.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the six months ended September 30, 2022  
(in thousands of dollars)

## 4. Endowment cash and investments

Endowment cash and investments consist of the following:

	September 30 2022		March 31 2022	
	Cost	Fair Value	Cost	Fair value
Cash and short-term investments	\$ 850	\$ 858	\$ 271	\$ 271
Investment				
Fixed income	3,056	2,778	4,229	3,953
Global equity	4,105	4,155	4,105	4,643
Alternatives	1,472	1,346	976	1,034
	8,633	8,279	9,310	9,630
	\$ 9,483	\$ 9,137	\$ 9,581	\$ 9,901

## 5. 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	
	2022	2021	2022	2021
Parliamentary appropriations provided				
Main estimates	\$ 8,112	\$ 8,112	\$ 8,112	\$ 8,112
Portion of appropriations for capital projects	(11)	–	(11)	–
Portion of appropriation for future expenses	(3,715)	(3,394)	(3,715)	(3,394)
Amount received in prior quarter	(2,028)	(2,028)	–	–
Appropriations received for operating in the current period	2,358	2,690	4,386	4,718
Amortization of deferred contributions related to capital assets	297	560	596	1,113
Appropriations recognized as revenue	\$ 2,655	\$ 3,250	\$ 4,982	\$ 5,831

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements (Unaudited)

For the six months ended September 30, 2022  
(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	September 30 2022
Balance, beginning of period	\$ 6 656	\$ 544	\$ 7,200
Add:			
Appropriations received to acquire capital assets	11	–	11
Less:			
Amortization of deferred contributions related to capital assets	(297)	(17)	(314)
Balance, end of period	\$ 6,370	\$ 527	\$ 6,897

For the six months ended	Appropriations	Other contributions	September 30 2022
Balance, beginning of period	\$ 6,955	\$ 570	\$ 7,525
Add:			
Appropriations received to acquire capital assets	11	–	11
Less:			
Amortization of deferred contributions related to capital assets	(596)	(43)	(639)
Balance, end of period	\$ 6,370	\$ 527	\$ 6,897

For the year ended	Appropriations	Other contributions	March 31 2022
Balance, beginning of year	\$ 8,881	\$ 663	\$ 9,544
Add:			
Appropriations received to acquire capital assets	311	–	311
Less:			
Amortization of deferred contributions related to capital assets	(2,237)	(93)	(2,330)
Balance, end of year	\$ 6,955	\$ 570	\$ 7,525

The unused portion of deferred contributions related to capital assets was nil at September 30, 2022 (March 31, 2022 – \$6). 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

## Schedule 1 – Operating Revenue (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2022	2021	2022	2021
Exhibition hall ticket sales	\$ 400	\$ 113	\$ 553	\$ 115
Hall rental	163	22	304	22
Gift shop	155	51	229	54
Special events	(5)	–	171	–
Family history centre	40	13	58	15
Programming	5	2	35	40
	\$ 758	\$ 201	\$ 1,350	\$ 246

## Schedule 2 – Expenses (Unaudited)

(in thousands of dollars)

	Three months ended September 30		Six months ended September 30	
	2022	2021	2022	2021
Personnel costs	\$ 1,622	\$ 1,399	\$ 3,190	\$ 2,967
Rent and related costs	425	426	851	851
Amortization of capital assets	314	583	639	1,159
Repairs and maintenance and building operation	96	94	223	231
Cost of goods sold	87	29	198	31
Professional and special services	52	61	189	101
Utilities	100	79	188	140
Marketing, promotion and recognition	101	34	170	64
Operating supplies and services	87	74	162	127
Office supplies and administration	53	50	129	124
Payment in lieu of taxes	50	46	100	96
Exhibition and programming	45	11	87	42
Travel and hospitality	11	–	67	–
	\$ 3,043	\$ 2,886	\$ 6,193	\$ 5,933