

# **CANADIAN MUSEUM FOR HUMAN RIGHTS**

## **QUARTERLY FINANCIAL REPORT**

For the three and nine months ended December 31, 2021

(Unaudited)



**CANADIAN MUSEUM FOR  
HUMAN RIGHTS**  
MUSÉE CANADIEN POUR LES  
**DROITS DE LA PERSONNE**

## **Canadian Museum for Human Rights**

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## **Narrative Discussion**

This section of the quarterly financial report presents management's narrative discussion of the financial performance of the Canadian Museum for Human Rights ("CMHR" or "the Museum") during the nine months ended December 31, 2021. It must be read in conjunction with the March 31, 2021 Management Discussion and Analysis and Annual Audited Financial Statements.

### **FINANCIAL RESULTS**

A summary of the financial activity for the nine months ended December 31, 2021 includes the following:

#### **OVERVIEW**

On May 8, 2021, due to public health risks associated with the COVID-19 pandemic, Manitoba returned to "Code Red" pandemic status and the Museum closed for a third time in 14 months. It did not reopen until July 27, 2021. The Museum closed a fourth time on December 28, 2021, due to increased cases and public health advice. As a result of these closures, the Museum was only open to the public for a total of six months during the nine months ending December 31, 2021.

Total on-site visitation during this time was 41,400. This compares to 15,400 visitors in the first nine months of the previous year, when the Museum was only open to the public for a total of four months due to pandemic closures. The Museum also had 667,100 website visits and 14,200 students participate in its virtual field trips during the nine months ending December 31, 2021.

The Museum finished the third quarter with an excess of revenues over expenses of \$1.3 million.

#### **STATEMENT OF OPERATIONS**

##### *Parliamentary appropriations*

Total parliamentary appropriations, reported on an accrual basis, are \$23.3 million for the nine months ended December 31, 2021. This is \$1.3 million higher than the \$22.0 million in appropriations for the nine months that ended December 31, 2020.

## Canadian Museum for Human Rights

### Quarterly Financial Report

(Unaudited)

For the three and nine months ended December 31, 2021

---

For the fiscal year 2021-2022, the total voted main estimate appropriations are \$25.4 million (\$25.5 million in 2020-2021). In addition, the Government of Canada is providing funding to support all national museums due to the impacts of the pandemic, including \$3.9 million to the CMHR for 2021-2022 (\$2.2 million in 2020-2021).

#### *Revenues*

Operating revenues for the nine months ended December 31, 2021 were \$0.8 million, an increase of \$0.5 million compared to the previous year. This represents revenue from admissions, tours, memberships, Boutique sales, facility rentals and travelling exhibits.

Revenues have been negatively impacted by the pandemic closure, low visitation during open periods reflecting national and global travel restrictions as well as local behaviour influenced by public health orders and advisories.

Contributions of \$5.3 million are largely comprised of the amortization of deferred contributions related to capital assets received in previous periods from funding partners other than the Government of Canada (the Province of Manitoba, the City of Winnipeg and the Friends of the CMHR), which are amortized over the same period as the capital asset purchased with the contributions.

#### *Expenses*

Total operating expenses were \$28.1 million for the nine months ended December 31, 2021, \$1.6 million higher than operating expenses for the nine months ended December 31, 2020.

The breakdown of expenses by core responsibility is as follows:

- Museum content, programs and engagement expenses were \$8.8 million in comparison to \$7.9 million in the previous year. The increase in expenses was due to increased exhibitions, marketing and program development costs compared to the prior year.
- Accommodation expenses were \$15.6 million in comparison to \$15.2 million in the previous year. The increase was due to increased building operations and protection services costs.

## **Canadian Museum for Human Rights**

### **Quarterly Financial Report**

(Unaudited)

For the three and nine months ended December 31, 2021

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- Internal services expenses were \$3.8 million in comparison to \$3.4 million in the previous year. The increase was due to increased professional services.

For the nine months ended December 31, 2021, the Museum finished the quarter in a positive operating position of \$1.3 million.

#### **STATEMENT OF FINANCIAL POSITION**

Total assets decreased by \$7.2 million from \$287.4 million on March 31, 2021 to \$280.2 million on December 31, 2021. The decrease was due to the amortization of capital assets, offset by an increase in cash and restricted cash.

Total liabilities decreased by \$8.5 million from \$275.8 million on March 31, 2021 to \$267.3 million on December 31, 2021. The decrease was due to a decrease in deferred contributions and a decrease in deferred contributions related to capital assets due to the amortization of the contributions over the same period as the related capital assets offset by an increase in accounts payable and accrued liabilities.

Net assets increased by \$1.3 million from March 31, 2021, representing an excess of revenue over expenses.

#### **RISK ANALYSIS AND OUTLOOK**

The Museum employs a continually updated risk-management framework to identify, evaluate and mitigate all factors that pose a substantive threat to its ongoing operations or long-term success.

The Museum has recently completed a full risk re-assessment in light of the ongoing impact of the pandemic and issues related to findings of systemic racism and discrimination at the Museum.

The Museum is committed to building upon its considerable successes since opening in 2014. However, its operations in the short term (and potentially the longer term) have been significantly impacted by the global pandemic.

The pandemic has had, and will continue to have, a significant impact on the Museum's revenue generation and operations. Ongoing travel restrictions and health concerns will persist for several years. Destination Canada, Travel Manitoba and Tourism Winnipeg

## **Canadian Museum for Human Rights**

### **Quarterly Financial Report**

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For the three and nine months ended December 31, 2021

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are projecting, on average, a five-year recovery before people start travelling and engaging in cultural and tourism activities at pre-pandemic levels. At this time, it is not possible to reliably predict the full effect of this on the Museum's operations and financial condition. Management will continue to actively monitor the organization's financial condition.

The strategic plan approved by the Board of Trustees in 2020-2021 has been re-assessed in light of issues relating to the pandemic and findings of systemic racism and discrimination at the Museum, and a transitional plan was approved for 2021-2022. The transitional plan takes into consideration the ongoing impact of the pandemic and the requirements to incorporate anti-racist and anti-oppressive practices into all areas of the Museum's work.

The Museum will continue to work closely with its partners, the Government of Canada and the Friends of Canadian Museum for Human Rights, to assess its long-term funding requirements. Future pressures on the Museum's operating and capital budgets include the ongoing impact of the pandemic, work required to create an equitable museum, and the significant capital requirements of maintaining a digitally based museum in an iconic building.

The Museum is grateful to the federal government for \$3.9 million for 2021-2022 provided through Budget 2021 in recognition of the unique difficulties in operating a national cultural institution during these challenging times.

**Canadian Museum for Human Rights**

**Quarterly Financial Report**

(Unaudited)

For the three and nine months ended December 31, 2021

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**STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS**

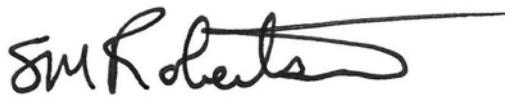
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the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



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Isha Khan, Chief Executive Officer



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Susanne Robertson, FCPA, FCA, Chief Financial Officer

February 24, 2022

Quarterly Financial Statements of

## **CANADIAN MUSEUM FOR HUMAN RIGHTS**

For the three and six months ended December 31, 2021

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CANADIAN MUSEUM FOR  
**HUMAN RIGHTS**  
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## Canadian Museum for Human Rights

### Statement of Financial Position

(Unaudited)

(In thousands of dollars)

As at	December 31, 2021	March 31, 2021
<b>Assets</b>		
Current assets		
Cash and restricted cash	\$ 11,251	\$ 9,582
Investments	-	1,091
Accounts receivable	145	117
Inventories	145	177
Prepaid expenses	590	559
	12,131	11,526
Investments and restricted investments	12,325	11,176
Collections	1	1
Capital assets	255,773	264,721
<b>Total assets</b>	<b>\$ 280,230</b>	<b>\$ 287,424</b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,912	\$ 2,934
Deferred revenue	225	202
	4,137	3,136
Deferred contributions (note 4)	12,338	12,933
Deferred contributions related to capital assets (note 5)	250,794	259,742
Total liabilities	267,269	275,811
Net assets		
Unrestricted	7,982	6,634
Invested in capital assets	4,979	4,979
	12,961	11,613
<b>Total liabilities and net assets</b>	<b>\$ 280,230</b>	<b>\$ 287,424</b>

The accompanying notes and schedules form an integral part of the quarterly financial statements.



## Canadian Museum for Human Rights

### Statement of Operations

(Unaudited)

(In thousands of dollars)

	Three months ended		Nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue (Schedule 1)				
Operating	\$ 385	\$ 185	\$ 761	\$ 343
Contributions	1,950	1,670	5,306	5,039
Other income	53	35	154	106
<b>Total revenue</b>	<b>2,388</b>	<b>1,890</b>	<b>6,221</b>	<b>5,488</b>
Expenses (Schedule 2)				
Museum content, programs and engagement	3,107	2,503	8,752	7,896
Accommodation	5,069	5,215	15,569	15,152
Internal services	1,686	1,229	3,809	3,422
<b>Total expenses</b>	<b>9,862</b>	<b>8,947</b>	<b>28,130</b>	<b>26,470</b>
Excess of expenses over revenue before parliamentary appropriations	(7,474)	(7,057)	(21,909)	(20,982)
Parliamentary appropriations (note 6)	7,282	7,095	23,257	21,987
<b>Excess of (expenses over revenue)/revenue over expenses</b>	<b>\$ (192)</b>	<b>\$ 38</b>	<b>\$ 1,348</b>	<b>\$ 1,005</b>

The accompanying notes and schedules form an integral part of the quarterly financial statements.

## Canadian Museum for Human Rights

### Statement of Operations

(Unaudited)

(In thousands of dollars)

### Statement of Changes in Net Assets

(Unaudited)

(In thousands of dollars)

Nine months ended December 31,			2021	2020
	Unrestricted	Invested in capital assets		
Net assets, beginning of period	\$ 6,634	\$ 4,979	\$ 11,613	\$ 9,991
Excess of revenue over expenses	1,348	-	1,348	1,005
<b>Net assets, end of period</b>	<b>\$ 7,982</b>	<b>\$ 4,979</b>	<b>\$ 12,961</b>	<b>\$ 10,996</b>

The accompanying notes form an integral part of the quarterly financial statements.

## Canadian Museum for Human Rights

### Statement of Cash Flows

(Unaudited)

(In thousands of dollars)

<b>Nine months ended December 31,</b>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Cash receipts from customers	\$ 763	\$ 507
Cash receipts from contributions	447	165
Cash receipts from parliamentary appropriations	18,113	19,532
Cash receipts from other income	4	42
Cash payments to and on behalf of employees	(9,390)	(9,611)
Cash payments to suppliers	(7,383)	(6,875)
Interest received	126	124
	<b>2,680</b>	<b>3,884</b>
<b>Capital activities</b>		
Payments for acquisition of capital assets	(1,435)	(369)
	<b>(1,435)</b>	<b>(369)</b>
<b>Investing activities</b>		
Acquisition of investments	(1,100)	(4,560)
Disposal of investments	1,066	2,468
	<b>(34)</b>	<b>(2,092)</b>
<b>Financing activities</b>		
Parliamentary appropriation for the acquisition of capital assets	434	115
Parliamentary appropriation (capital) funding for capital assets	-	200
Contributions from non-government sources for capital assets	24	35
	<b>458</b>	<b>350</b>
Increase in cash	<b>1,669</b>	<b>1,773</b>
Cash and restricted cash, beginning of period	<b>9,582</b>	<b>12,022</b>
Cash and restricted cash, end of period	<b>\$ 11,251</b>	<b>\$ 13,795</b>

The accompanying notes and schedules form an integral part of the quarterly financial statements.

# Canadian Museum for Human Rights

## Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2021

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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### 1. (a) Authority and mandate

The Canadian Museum for Human Rights (the “Museum”) was established through an amendment to the *Museums Act* on August 10, 2008 and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* (FAA). It is accountable to Parliament through the Minister of Canadian Heritage.

The Museum is not subject to income tax under the provisions of the *Income Tax Act*.

The Museum’s mandate, as stated in an amendment to the *Museums Act*, is as follows:

*“to explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public’s understanding of human rights, to promote respect for others and to encourage reflection and dialogue.”*

The Museum’s corporate plan for the 2021-2022 to 2025-2026 planning period has been approved by Treasury Board and will be available on the Museum’s website once it is tabled in parliament.

### (b) Operations

To meet all aspects of its mandate, the Museum has divided its operations into three mutually supportive activities:

#### **Museum content, programs and engagement**

- Accessible and engaging exhibitions
- Programming that promotes reflection and dialogue
- Sound and balanced research, scholarship and collections management
- National outreach, engagement and service
- Communications, marketing and collaborative relationships

#### **Accommodation**

- Building operations
- Protection services
- IT infrastructure

#### **Internal services**

- Corporate governance
- Administration
- Earned-revenue generation

## **Canadian Museum for Human Rights**

### **Notes to Quarterly Financial Statements**

For the three and nine months ended December 31, 2021

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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#### **2. Significant accounting policies**

The quarterly financial statements have been prepared in accordance with the Canadian public sector accounting standards (PSAS) for government not-for-profit organizations. The Museum has elected to apply the 4200 series for government-not-for-profit organizations and applies the deferral method of accounting for contributions for not-for-profit organizations. The same accounting policies and methods of computation are followed in the quarterly financial statements as compared to the March 31, 2021 Annual Audited Financial Statements.

#### **3. Basis of presentation**

The note disclosures in these unaudited financial statements do not conform in all respects to the requirements of PSAS 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 and 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 for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2021

(Unaudited)

(In thousands of dollars, unless otherwise noted)

#### 4. Deferred contributions:

Changes in the deferred contributions, restricted for the future purchase of capital assets, during the year were as follows:

<b>Nine months ended</b>	<b>December 31, 2021</b>
Balance, beginning of period	\$ 12,933
Additions:	
Deferred interest income	24
	24
Deductions:	
Amounts transferred to deferred contributions related to capital assets	(617)
Amounts recognized as revenue	(2)
	(619)
Balance, end of period	\$ 12,338

#### 5. Deferred contributions related to capital assets:

Changes in the deferred contributions related to capital assets, purchased but not fully amortized, are composed of:

<b>Nine months ended</b>	<b>December 31, 2021</b>
Balance, beginning of period	\$ 259,742
Amounts transferred from deferred contributions	617
Parliamentary appropriation for the acquisition of capital assets	434
Amortization of deferred contributions related to capital assets	(9,999)
Balance, end of period	\$ 250,794

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2021

(Unaudited)

(In thousands of dollars, unless otherwise noted)

#### 6. Parliamentary appropriations:

	Three months ended		Nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Main estimates amount provided for operating and capital expenditures	\$ 6,030	\$ 6,579	\$ 18,546	\$ 17,641
Supplementary estimates and transfers	-	-	-	2,207
Less current period parliamentary appropriations not recognized as revenue:				
Operating contribution received in advance	-	(1,000)	-	(3,000)
Capital appropriations deferred	-	(200)	-	(200)
Amounts used to purchase capital assets	(282)	(59)	(434)	(115)
Add prior year parliamentary appropriations recognized as revenue in the current period:				
Amortization of deferred contributions related to capital assets	1,726	1,756	5,143	5,289
Restricted amounts used in current period for items expensed for accounting purposes	(192)	19	2	165
	\$ 7,282	\$ 7,095	\$ 23,257	\$ 21,987

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2021

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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#### 7. Allocation of expenses:

The Museum incurs expenses that contribute to multiple museum activities. For the period ending December 31, 2021, \$1.9 million of personnel costs, information management infrastructure and systems, and protection services have been allocated (2020 - \$2.0 million).

The expenses have been allocated as follows:

<b>Nine months ended December 31,</b>	<b>2021</b>		<b>2020</b>	
Museum content, programs and engagement	\$	927	\$	1,082
Internal services		658		732
Accommodation		274		234
	\$	1,859	\$	2,048



## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2021

(Unaudited)

(In thousands of dollars, unless otherwise noted)

#### Schedule 1 – Schedule of Revenues

##### Operating revenues

Nine months ended December 31,	2021	2020
Admissions and programs		
General admission	\$ 254	\$ 72
Memberships	43	22
Public Programs	2	-
Education Programs	1	-
Retail Boutique sales	253	143
Facility rentals	96	6
Restaurant and catering	38	2
Travelling exhibits	74	98
Total	\$ 761	\$ 343

##### Contributions

Nine months ended December 31,	2021	2020
Revenue related to the amortization of deferred contributions from other donors	\$ 4,856	\$ 4,869
Contributions from Friends of the CMHR:		
Cash donations and sponsorships	411	94
In-kind donations	19	30
Cash donations and sponsorships	13	43
In-kind and artifact donations	7	3
Total	\$ 5,306	\$ 5,039

##### Other income

Nine months ended December 31,	2021	2020
Interest revenue	150	102
Miscellaneous	4	4
Total	\$ 154	\$ 106

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2021

(Unaudited)

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#### Schedule 2 – Schedule of Expenses

<b>Nine months ended December 31,</b>	<b>2021</b>	<b>2020</b>
Amortization of capital assets	\$ 9,999	\$ 10,158
Personnel costs	9,404	9,291
Payment in lieu of taxes	2,033	2,037
Building operations	1,740	1,443
Information management infrastructure and systems	957	989
Professional and special services	888	647
Marketing and promotion	720	160
Exhibitions	700	427
Protection services	426	327
Utilities	347	292
Digital reach	220	245
Programming	208	73
Office supplies and administration	212	206
Cost of goods sold	139	83
Exhibits maintenance	48	54
Other	44	7
Travel	27	23
Permanent collection acquisitions	18	8
<b>Total expenses</b>	<b>\$ 28,130</b>	<b>\$ 26,470</b>