



Financial Statements

The Canadian Canoe Museum

December 31, 2020

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Independent Auditor's Report

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To the Members of
The Canadian Canoe Museum

Opinion

We have audited the financial statements of The Canadian Canoe Museum (the "Museum"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Museum in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 13 of the financial statements, which describes that certain comparative information presented for the year ended December 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Museum or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Museum's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Museum's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Museum to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Peterborough, Canada
April 21, 2021

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

The Canadian Canoe Museum

Statement of Financial Position

December 31	Operating Fund	Capital Asset Fund	New Museum Fund	Total 2020	2019 (Restated - Note 13)
Assets					
Current					
Cash	\$ 462,293	\$ -	\$ 343,086	\$ 805,379	\$ 1,451,905
Interfund loans (Note 4)	192,261	-	(192,261)	-	-
Investments (Note 5)	286,053	-	2,146,738	2,432,791	2,398,310
Accounts receivable (Note 9)	57,685	-	41,692	99,377	107,894
Inventory	53,056	-	-	53,056	58,769
Prepaid expenses	11,185	-	-	11,185	7,064
	<u>1,062,533</u>	<u>-</u>	<u>2,339,255</u>	<u>3,401,788</u>	<u>4,023,942</u>
Capital assets (Note 6)	-	2,140,553	-	2,140,553	8,717,924
Artifacts	-	1,308,201	-	1,308,201	1,295,201
	<u>\$ 1,062,533</u>	<u>\$ 3,448,754</u>	<u>\$ 2,339,255</u>	<u>\$ 6,850,542</u>	<u>\$ 14,037,067</u>
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 49,117	\$ -	\$ 359,772	\$ 408,889	\$ 669,617
Deferred revenue (Note 7)	24,259	-	-	24,259	41,934
Loan payable (Note 8)	30,000	-	-	30,000	-
	<u>103,376</u>	<u>-</u>	<u>359,772</u>	<u>463,148</u>	<u>711,551</u>
Fund balances					
Unrestricted	959,157	-	-	959,157	574,756
Internally restricted - invested in capital assets	-	3,448,754	-	3,448,754	10,013,125
Internally restricted - other	-	-	585,185	585,185	549,143
Externally restricted	-	-	1,394,298	1,394,298	2,188,492
	<u>959,157</u>	<u>3,448,754</u>	<u>1,979,483</u>	<u>6,387,394</u>	<u>13,325,516</u>
	<u>\$ 1,062,533</u>	<u>\$ 3,448,754</u>	<u>\$ 2,339,255</u>	<u>\$ 6,850,542</u>	<u>\$ 14,037,067</u>

Commitments and contingencies (Note 12)

See accompanying notes to the financial statements.

The Canadian Canoe Museum

Statement of Changes in Fund Balances

Year ended December 31

	Operating Fund	Internally Restricted - Invested in Capital Assets	Unrestricted	Internally Restricted - Other	Externally Restricted	Total 2020	2019 (Restated - Note 13)
Balance, beginning of year	\$ 574,756	\$10,013,125	\$ 1,614,635	\$ -	\$ -	\$ 12,202,516	\$ 8,906,325
Prior period restatement (Note 13)	<u>-</u>	<u>-</u>	<u>(1,614,635)</u>	<u>549,143</u>	<u>2,188,492</u>	<u>1,123,000</u>	<u>3,038,000</u>
Fund balances, beginning of year - as restated	574,756	10,013,125	-	549,143	2,188,492	13,325,516	11,944,325
Excess (deficiency) of revenues over expenditures for the year	423,299	(6,669,041)	-	-	(692,380)	(6,938,122)	1,381,191
Interfund transfers (Note 4)	<u>(38,898)</u>	<u>104,670</u>	<u>-</u>	<u>36,042</u>	<u>(101,814)</u>	<u>-</u>	<u>-</u>
Balance, ending of year	<u>\$ 959,157</u>	<u>\$ 3,448,754</u>	<u>\$ -</u>	<u>\$ 585,185</u>	<u>\$ 1,394,298</u>	<u>\$ 6,387,394</u>	<u>\$ 13,325,516</u>

See accompanying notes to the financial statements.

The Canadian Canoe Museum

Statement of Operations

Year ended December 31	Operating Fund	Capital Asset Fund	New Museum Fund	Total 2020	2019 (Restated - Note 13)
Revenues					
Donations and fundraising	\$ 479,530	\$ 13,000	\$ 156,024	\$ 648,554	\$ 1,813,013
Grants (Note 9)	168,901	-	137,334	306,235	1,533,902
Retail sales	69,016	-	-	69,016	137,638
Investment income	37,777	-	-	37,777	46,230
Admissions	27,392	-	-	27,392	95,286
Membership	21,278	-	-	21,278	41,312
Course revenue	19,861	-	-	19,861	152,399
Rental and event income	6,468	-	-	6,468	67,998
	<u>830,223</u>	<u>13,000</u>	<u>293,358</u>	<u>1,136,581</u>	<u>3,887,778</u>
Expenditures					
Wages and contract staff (Note 10)	471,598	-	198,225	669,823	1,203,452
Pre-construction costs	-	-	492,670	492,670	-
Operating and administration	94,237	-	147,196	241,433	451,705
Fundraising	1,702	-	143,543	145,245	479,823
Facilities	98,648	-	4,104	102,752	119,346
Retail cost of sales	51,956	-	-	51,956	134,058
Amortization	-	114,009	-	114,009	118,203
	<u>718,141</u>	<u>114,009</u>	<u>985,738</u>	<u>1,817,888</u>	<u>2,506,587</u>
Excess (deficiency) of revenues over expenditures before the undernoted	112,082	(101,009)	(692,380)	(681,307)	1,381,191
Other items					
Impairment of capital assets (Note 11)	-	-	(6,568,032)	(6,568,032)	-
Government assistance (Note 9)	311,217	-	-	311,217	-
	<u>\$ 423,299</u>	<u>\$ (101,009)</u>	<u>\$ (7,260,412)</u>	<u>\$ (6,938,122)</u>	<u>\$ 1,381,191</u>

See accompanying notes to the financial statements.

The Canadian Canoe Museum

Statement of Cash Flows

Year ended December 31	Operating Fund	Capital Asset Fund	New Museum Fund	Total 2020	2019 (Restated - Note 13)
Increase (decrease) in cash					
Operating					
Excess (deficiency) of revenues over expenditures	\$ 423,299	\$ (101,009)	\$ (7,260,412)	\$ (6,938,122)	\$ 1,381,191
Item not affecting cash					
Amortization	-	114,009	-	114,009	118,203
Gifts-in-kind	-	(13,000)	-	(13,000)	(6,195)
Impairment of capital assets	-	-	6,568,034	6,568,034	-
	423,299	-	(692,378)	(269,079)	1,493,199
Change in non-cash working capital items					
Accounts receivable	(27,140)	-	35,657	8,517	(704)
Inventory	5,713	-	-	5,713	5,434
Prepaid expenses	(4,121)	-	-	(4,121)	2,807
Accounts payable and accrued liabilities	(41,638)	-	(219,092)	(260,730)	(490,806)
Loan payable	30,000	-	-	30,000	-
Deferred revenue	(17,675)	-	-	(17,675)	(24,180)
Grants receivable	-	-	-	-	56,388
	368,438	-	(875,813)	(507,375)	1,042,138
Investing					
Purchase of capital assets	(2,856)	-	(101,814)	(104,670)	(1,346,440)
Purchase of investments	(1,735)	-	(32,746)	(34,481)	(2,118,489)
	(4,591)	-	(134,560)	(139,151)	(3,464,929)
Financing					
Interfund transfers	(36,042)	-	36,042	-	-
Interfund loan issuance (repayment)	(142,157)	-	142,157	-	-
Repayment of promissory note payable	-	-	-	-	(500,000)
	(178,199)	-	178,199	-	(500,000)
Increase (decrease) in cash	185,648	-	(832,174)	(646,526)	(2,922,791)
Cash, beginning of year	276,645	-	1,175,260	1,451,905	4,374,696
Cash, end of year	\$ 462,293	\$ -	\$ 343,086	\$ 805,379	\$ 1,451,905

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

1. Nature of entity

The Canadian Canoe Museum (the "Museum") is a registered charity serving the people of Canada and visitors from around the world. Its mission is to explore the canoe in its historical and cultural contexts.

The Museum was incorporated without share capital on February 22, 1991 and as such is prohibited from distributing any of its funds to, or for personal benefit of, its members. The Museum is registered as a charitable organization under the Federal and Ontario Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund accounting

The operating fund accounts for the Museum's ongoing operating and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The capital asset fund reports the assets, liabilities, revenues and expenditures related to the Museum's capital assets, other than those associated with the new museum development project

The new museum fund reports the assets, liabilities, revenues and expenditures related to the new museum development project.

Investments

Investments which mature within twelve months of the fiscal year end are classified as short-term. The remainder of the investments are classified as long term.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The Museum provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	10 to 40 years
Exhibit costs	10 years
Equipment and exhibit studio	10 years
Computer equipment	5 years
Vehicles	5 years

Capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

Artifacts

The Museum currently holds more than 600 canoes, kayaks and paddled watercraft. Items purchased for the collection are recorded at cost while contributed items are recorded at fair value. Due to the nature of the artifacts, and the Museum's obligation to preserve these assets in perpetuity, they are not subject to amortization.

The Museum received \$13,000 (2019 - \$6,195) in contributed artifacts during the year.

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

2. Summary of significant accounting policies (continued)

Revenue and expenditure recognition

Revenues and expenditures are recorded on the accrual basis. The Museum follows the restricted method of accounting for contributions. Restricted donations and grants are recognized as revenue when received if there is a separate restricted fund. If there is not a separate restricted fund, amounts are deferred and recognized as revenue in the year in which related expenditures are incurred. Unrestricted donations are recognized as revenue when received. Other operating revenues are recognized when received or receivable if the product has been provided or the service has been rendered, the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue of the appropriate fund in the year in which it is earned.

Pledges are not recognized as revenue.

Volunteer services

Some members of the Museum have donated significant amounts of time in furthering the Museum's programs and objectives. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

Management reviews the carrying value of items in the financial statements at each reporting date to assess the need for revisions or any possibility of impairment. Management determines estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Estimates are reviewed periodically and adjustments are made to revenues and expenditures, as appropriate, in the year they become known. The most significant items that involve the use of estimates are inventory valuation, the useful life of capital assets and the amount of impairment of capital assets.

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

2. Summary of significant accounting policies (continued)

Financial instruments

The Museum considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Museum accounts for the following as financial instruments:

- cash
- investments
- accounts receivable
- accounts payable
- loan payable

A financial asset or liability is recognized when the Museum becomes a party to contractual provision of the instrument.

The Museum initially measures its financial assets and financial liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost, except for cash and investments, which are measured at fair value.

The Museum removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets or liabilities obtained in related party transactions are measured at the exchange amount.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

3. Financial instruments risks

The Museum is exposed to various risks associated with its financial instruments as described below. Unless otherwise noted, there has been no change in risk exposure from the prior year.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Museum is exposed to credit risk on the accounts receivable from its customers. The maximum exposure to credit risk is the carrying value of accounts receivable. The allowance for doubtful accounts is \$Nil (2019 - \$Nil).

(b) Liquidity risk

Liquidity risk is the risk that the Museum will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Museum's cash requirements. Additional cash requirements are met with the use of transfers from the Museum's internally restricted fund balance provided for working capital.

4. Interfund loans and transfers

Interfund loans are non interest bearing with no set terms of repayment.

Interfund transfers approved by the Board of Directors during the year were as follows:

	<u>Operating</u>	<u>Capital</u>	<u>Internally Restricted</u>	<u>Externally Restricted</u>
Capital asset purchases	\$ (2,856)	\$ 104,670	\$ -	\$ (101,814)
Internal allocations	<u>(36,042)</u>	<u>-</u>	<u>36,042</u>	<u>-</u>
	<u>\$ (38,898)</u>	<u>\$ 104,670</u>	<u>\$ 36,042</u>	<u>\$ (101,814)</u>

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

5. Investments

Investments consist of the following:

	<u>2020</u>	<u>2019</u>
Guaranteed investment certificates with interest rates of 0.6% - 1.88% (2019 - 2.05% - 2.08%) maturing between April 9, 2021 and September 10, 2021 (2019 - September 2020), accrued interest of \$2,482 (2019 - \$13,992)	\$ 1,042,591	\$ 2,113,992
Investment savings mutual funds	<u>1,390,200</u>	<u>284,318</u>
	<u>\$ 2,432,791</u>	<u>\$ 2,398,310</u>

6. Capital assets

	<u>2020 Cost</u>	<u>2020 Accumulated Amortization</u>	<u>2019 Cost</u>	<u>2019 Accumulated Amortization</u>
Land	\$ 898,567	\$ -	\$ 898,567	\$ -
Buildings	2,722,954	1,593,746	2,722,954	1,521,632
Equipment	310,217	240,848	310,217	225,944
Museum exhibits	2,214,572	2,192,033	2,214,572	2,184,726
Vehicles	45,668	39,955	45,668	30,822
Computer equipment	94,061	80,534	91,209	72,110
Exhibit studio	21,746	20,116	21,746	17,990
New museum development costs	-	-	<u>6,466,215</u>	-
	<u>6,307,785</u>	<u>4,167,232</u>	<u>12,771,148</u>	<u>4,053,224</u>
Net book value	<u>\$ 2,140,553</u>		<u>\$ 8,717,924</u>	

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

7. Deferred revenue

Deferred revenue includes amounts for memberships and other services to be provided in a future period. The details of the deferred revenue are summarized as follows:

	<u>2020</u>	<u>2019</u>
Balance - beginning of year	\$ 41,934	\$ 66,113
Add: funding received	23,373	64,584
Less: funding spent	<u>(41,048)</u>	<u>(88,763)</u>
Balance - end of year	<u>\$ 24,259</u>	<u>\$ 41,934</u>

8. Loan payable

The Museum received the Canada Emergency Business Account (CEBA) loan from the Government of Canada to cover operating costs during the COVID-19 pandemic. The amount of the loan is \$40,000, it is interest-free until December 31, 2022 and principal payments are not required until that time. If the loan is repaid by December 31, 2022, \$10,000 of the loan will be forgiven. After December 31, 2022, an annual interest rate of 5% will be applied to the outstanding loan. As the Museum intends to repay the loan before the deadline, \$10,000 of the original amount has been recognized as revenue in the current year as it will be forgiven. The loan is due in full on December 31, 2025.

9. Government assistance

All of the grants revenue consists of funding received from government sources (2019 - \$1,526,257).

The Museum also received COVID-19 pandemic funding during the year from government sources as follows: \$191,217 from the Government of Canada under the Canada Emergency Wage Subsidy and Temporary Wage Subsidy programs; \$10,000 forgivable portion of the CEBA loan as described in Note 8; \$100,000 from the Ministry of Canadian Heritage; and \$10,000 from the Emergency Community Support Fund through the Federal Government. All of these amounts have been recognized as revenue in the statement of operations. The amount receivable at December 31, 2020 is \$47,717.

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

10. Allocated expenses

The Museum employs individuals that perform work for both general operations and the development of the new museum. Wages and benefits for these individuals are allocated to the operating fund and new museum fund based on a direct proportion of the time spent on the aforementioned activities. The wages and benefits allocated to the new museum fund during the year were \$198,207 (2019 - \$501,787).

11. Impairment of capital assets

During the year the Museum recognized an impairment loss in the New Museum Fund. The loss resulted from the discovery of environmental issues on the original site, which would have caused an increase in costs and delays to remediate, making the original site no longer viable. The original new Museum design was not transferable to a new location and, as a consequence, the Museum recognized an impairment loss on the write-down of these assets in the amount of \$6,568,139, which is recorded in the statement of operations.

12. Commitments and contingencies

- a) The Museum has entered into a number of consulting services contracts related to the new Museum. The total outstanding commitment as at December 31, 2020 is \$11,850 (2019 - \$272,863). There are no set terms of payment and payments will be made as expenses are incurred. Subsequent to year end, the Museum entered into an additional consulting service contract with a commitment of \$8,700.
 - b) Due to the activities of the former owner of the Museum's property, a portion of the property is considered contaminated by the Ministry of the Environment and Climate Change. The Ministry has determined that further remediation efforts are required, and the value of the property may be impaired. The amount of the impairment cannot be reasonably estimated and, therefore, no accrual has been made in these statements.
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The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

13. Prior period restatement

In prior years, the Museum deferred the recognition of revenue related to certain externally restricted contributions in the New Museum Fund and recorded it as a deferred liability. Since the Museum follows the restricted fund basis of accounting for contributions and there is a corresponding restricted fund for the contributions, this revenue should have been recognized in income in the year received/receivable. As a result, the 2019 balances have been adjusted as follows: deferred revenue has been decreased by \$1,123,000, the opening externally restricted fund balance has been increased by \$3,038,000, donations and fundraising revenue has been decreased by \$1,915,000 and the closing externally restricted fund balance has been increased by \$1,123,000.

Also, in prior years, the Museum presented certain of its net assets as unrestricted when a portion should have been presented as internally restricted and another portion as externally restricted. As a result, the balances as at December 31, 2019 have been restated to decrease unrestricted net assets by \$1,614,635 and increase internally restricted net assets and externally restricted net assets by \$549,143 and \$1,065,492, respectively. The total increase to externally restricted net assets is comprised of \$1,065,492 plus \$1,123,000 noted above, which amounts to \$2,188,492.

The overall impacts of these corrections to the prior year comparative figures is as follows:

	Previously Reported	Total Adjustment	Restated
Deferred revenue	\$ 1,164,934	\$ (1,123,000)	\$ 41,934
Opening fund balances, January 1, 2019	8,906,325	3,038,000	11,944,325
Donations and fundraising	3,728,013	(1,915,000)	1,813,013
Closing fund balance - December 31, 2019 - new museum fund - externally restricted	-	2,188,492	2,188,492
Closing fund balance - December 31, 2019 - new museum fund - unrestricted	1,614,635	(1,614,635)	-
Closing fund balance - December 31, 2019 - new museum fund - internally restricted	-	549,143	549,143
Change in deferred revenue per cash flow statement	(1,939,180)	1,915,000	(24,180)

The Canadian Canoe Museum

Notes to the Financial Statements

December 31, 2020

14. COVID-19 impacts

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

As a result of the COVID-19 pandemic, the Museum was required to close their doors to visitors from March to July while conducting limited virtual tours. In July, in person visiting resumed at a limited capacity. Further government mandates were put into place in December, resulting in another closure of the Museum. As at the report date, in-person visits to the museum are suspended. As a result, there was a decrease in all types of operating revenues, as well as donation and fundraising revenues. There was also a decrease in most operating expenditures. During the year the Museum received government assistance as described in note 9.

At this time, the duration and magnitude of the future impact of the COVID-19 pandemic and its potential adverse effects on the Museum's operations are uncertain and will depend on future developments.
