

2021 - 2022

ANNUAL REPORT

Canadian Museum of Immigration at Pier 21



Canadian Museum of Immigration at Pier 21
Musée canadien de l'immigration du Quai 21

Canada

Canadian Museum of Immigration at Pier 21

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MESSAGE FROM THE CHAIR

On behalf of the Board of Trustees, I am pleased to present the 2021-22 Annual Report for the Canadian Museum of Immigration at Pier 21. The continuing COVID-19 pandemic, despite widespread vaccination programs, has remained in the foreground for much of this year, but there are glimpses of a brighter and more familiar reality ahead.

The Museum has been ably led by an experienced CEO and executive team during this challenging year. I want to thank them, along with our staff and volunteers, for their continued dedication to serving Canadians by delivering on the Museum's mandate.

I would like to offer our thanks to the Government of Canada for renewing its COVID-19 relief funding for the National Museums. With this vital assistance, together with prudent financial planning, a busy summer and fall season, and ongoing support from a strong network of donors, the Museum has been able to operate with confidence in the midst of uncertainty.

The Museum fulfills a vital role in collecting and sharing the stories of how people have come to this land and how the face of Canada continues to evolve. These are stories of challenge and triumph, of joys and tragedies, of rejection and inclusivity, experienced by newcomers to Canada. These stories are essential to our understanding of our past as Canada continues to welcome people from all over the world and we are honoured to be custodians of this heritage on behalf of all Canadians.

A handwritten signature in blue ink that reads "Robert Vineberg". The signature is written in a cursive style with a horizontal line underneath the name.

Robert Vineberg

Chair of the Board of Trustees

MESSAGE FROM THE CEO

I am proud to present the 2021-22 Annual Report for the Canadian Museum of Immigration at Pier 21.

Although the first year of COVID-19 caught everyone off guard, in the second year, we planned for uncertainty. Visitation projections were kept low due to the unpredictability of how the pandemic would evolve, but summer and fall saw unexpectedly high visitation due to low case numbers and a population whose vaccinations were effective against the then-existing variants. Determined to continue to serve the public, staff built on innovations created last year. Not knowing when or whether another wave of COVID-19 cases would occur, they delivered a flexible and responsive hybrid model of in-person offerings that could become digital if and as needed.

Pandemic aside, the Museum remained active. Our travelling exhibition, *Refuge Canada*, the second such exhibition the Museum has produced, continued to tour the country as local public health conditions permitted. A smaller edition of the exhibition, the *Refuge Canada Tent*, began its own separate itinerary.

After years of planning, we were extremely pleased to open *The World of Yousuf Karsh: A Private Essence* on March 12. This special exhibition of photographs by the world-renowned portraitist, a refugee of the Armenian genocide who arrived in Canada through the port of Halifax, was created in partnership with the Montreal Museum of Fine Art.

We continued a long-term institutional shift, begun last year, with a commitment to increased diversity and inclusion in our hiring, the removal of barriers to employment for equity-deserving groups, and new text in our Pier 21 Core Exhibition discussing the bias in past immigration policies towards European immigrants. The work in this and other areas is not finished, but it is work we are determined to continue.

The Museum is extremely grateful to the Government of Canada for extending its COVID-19 relief funding, allowing us to navigate this year with confidence.

I wish to thank the Board of Trustees and its Chair, Robert Vineberg. Your insight and oversight continue to be valuable to the institution and to me.

The lessons we have learned and the resilience the extraordinary team at the Museum has developed can only serve us. If the last two years have taught us anything, it is that the future is unpredictable. Nonetheless, I can't help but feel optimistic that we are emerging from the storm.



Marie Chapman
Chief Executive Officer

ABOUT THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Pier 21 is a National Historic Site which was the gateway to Canada for almost one million immigrants between 1928 and 1971. It also served as the departure point for 368,000 Canadian Military personnel during the Second World War. Pier 21 reopened on July 1, 1999, as an interpretive centre, and in February 2011, it began operating as the Canadian Museum of Immigration at Pier 21 – Atlantic Canada’s only national museum.

The Canadian Museum of Immigration at Pier 21 is a federal Crown corporation. Its purpose 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 of the contributions of immigrants to Canada’s culture, economy and way of life.

THE PROUD HISTORY OF PIER 21

Between 1928 and 1971, Pier 21 welcomed almost one million immigrants seeking adventure, employment, security and opportunity in Canada. They included refugees, evacuees, war brides and displaced people. They would go on to contribute immeasurably to Canada’s way of life and growth as a nation.

Pier 21 played another key role during the Second World War, providing a lifeline of supplies and personnel.

In 1971, Pier 21 ceased operating as one of Canada’s major immigration terminals due to the decline in the number of immigrants arriving by sea. However, its history would live on through the vision and dedication of the Pier 21 Society.

THE PIER 21 SOCIETY MUSEUM

The Pier 21 Society, a non-profit charitable organization, was founded in 1988. Its dream was to transform the immigration shed into a world-class museum that would honour the people who passed through its doors and the importance of immigration throughout Canada’s history. Thanks to the tireless efforts and generosity of many supporters, the Pier 21 Museum opened on Canada Day 1999.

BECOMING A NATIONAL MUSEUM

In June 2009, the Prime Minister announced that the Government of Canada would create a new national museum at Pier 21 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 of the contributions of immigrants to Canada’s culture, economy and way of life. In February 2011, the Canadian Museum of Immigration at Pier 21 became the first national museum in Atlantic Canada.

In June 2015, an expanded Museum was launched, paying tribute to the important Pier 21 history, as well as the broader stories of immigration to our country, both historical and present day.

MANDATE, ROLE AND GOVERNING LEGISLATION

On November 25, 2010, the legislation creating the Canadian Museum of Immigration at Pier 21 came into effect. Under the *Museums Act*, the Canadian Museum of Immigration at Pier 21 is a distinct legal entity, wholly-owned by the Crown. It operates at arm's length from the Government in its day-to-day operations and in its activities and programming.

The amendments to the *Museums Act* established the Museum's mandate:

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 of the contributions of immigrants to Canada's culture, economy and way of life.

As a Crown corporation and a member of the Canadian Heritage Portfolio, the Museum also contributes to the achievement of the Federal Government's broad policy objectives. The Museum's primary public policy role is articulated in the preamble of the *Museums Act*, which states that, "Each [National museum]:

- a) plays an essential role, individually and together with other museums and like institutions, in preserving and promoting the heritage of Canada and all its peoples throughout Canada and abroad, and in contributing to the collective memory and sense of identity of all Canadians; and
- b) is a source of inspiration, research, learning and entertainment that belongs to all Canadians and provides, in both Official Languages, a service that is essential to Canadian culture and available to all."

The Museum is governed by the Crown corporation control and accountability regime established under Part X of the *Financial Administration Act*. The Museum is also required to comply with a range of provisions in other statutes, including: the *Access to Information Act*; the *Privacy Act*; the *Official Languages Act*; and the *Canada Labour Code*, among others.

THE BOARD OF TRUSTEES

The Museum's Board of Trustees serves as its governing body and is accountable to Parliament for the stewardship of the Museum through the Minister of Canadian Heritage. The Board of Trustees is responsible for providing broad strategic direction and oversight.

The *Museums Act* provides for an eleven-member Board of Trustees appointed by the Minister with the approval of the Governor-in-Council. Trustees continue to serve until a new appointment is made. The Board is supported by the following committees:

An **Executive and Finance Committee**, to make decisions between Board meetings, provide oversight to financial planning and performance, capital projects and assess the Director/Chief Executive Officer's performance.

An **Audit and Risk Oversight Committee**, to carry out the duties prescribed under section 148 of the *Financial Administration Act*, among others.

A **Human Resources, Governance and Nominating Committee**, to provide strategic direction and oversight to the management of the Museum's human resources and governance.

A **Development Committee**, to provide strategic direction and oversight to the Museum's fundraising and development efforts.

TRUSTEES

Robert Vineberg, Chairperson,
Winnipeg, MB
Term: 2017-12-14 to 2024-03-08

Bruce Manion, FCPA, FCMA
Vice-Chairperson, Fall River, NS
Term: 2019-01-31 to 2023-01-30

Salima Ebrahim, Edmonton, AB
Term: 2018-06-01 to 2022-05-31

Omar Farouk, Brampton, ON
Term: 2019-07-01 to 2022-06-30

Katherine Hambly, Charlottetown, PEI
Term: 2019-01-18 to 2023-01-17

Daniel Hurley, Gabriola Island, BC
Term: 2019-01-18 to 2023-01-17

Mona Kumar, Mississauga, ON
Term: 2018-06-01 to 2022-05-31

Caroline Lavoie, Montréal, QC
Term: 2018-03-01 to 2022-02-28

Terrie Miller, Toronto, ON*
Term: 2019-01-18 to 2021-09-30

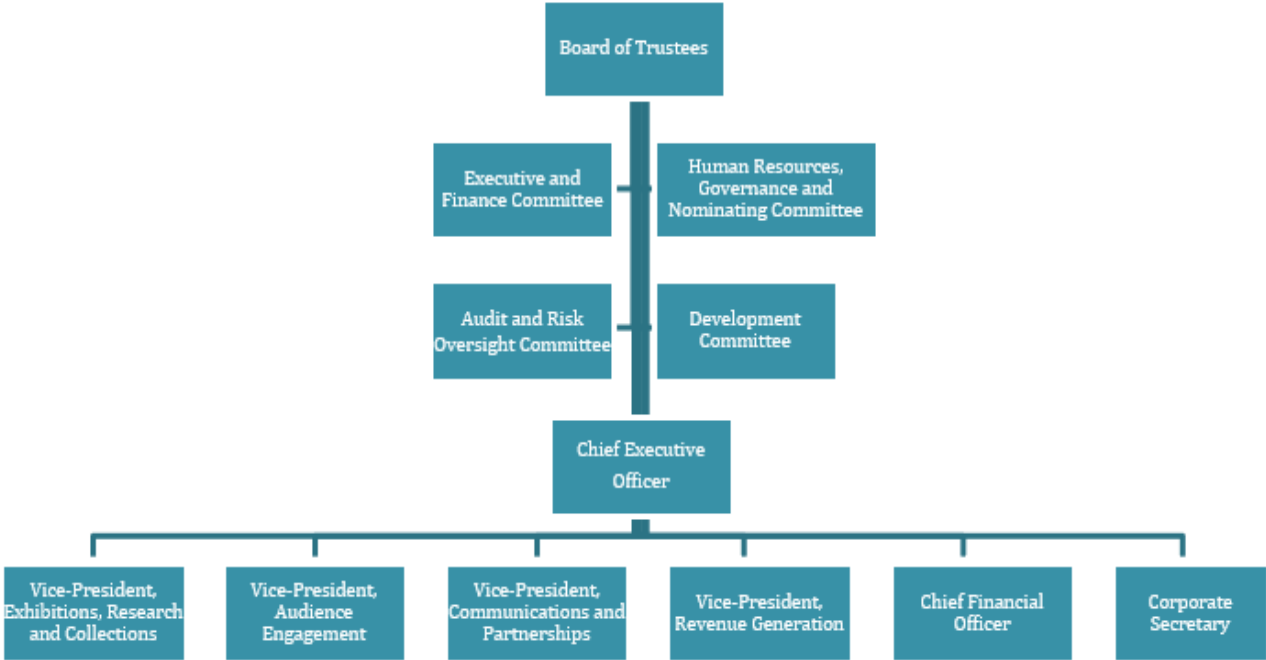
Donald Obonsawin, Stouffville, ON
Term: 2019-01-18 to 2023-01-17

Cynthia Price Verreault, Montréal, QC
Term: 2019-01-18 to 2023-01-17

*Terrie Miller resigned her position
September 30, 2021

MANAGEMENT AND STAFF

While the Board is accountable for results and the business activities of the Museum, the Chief Executive Officer, supported by a Senior Leadership Team, is accountable for the day-to-day administration of the Museum’s performance and the achievement of objectives.



THE SENIOR LEADERSHIP TEAM

- Marie Chapman, Director/Chief Executive Officer
- Kendall J. Blunden, CPA, CA, Chief Financial Officer
- Tanya Bouchard, Vice-President, Exhibitions, Research and Collections
- Carrie-Ann Smith, Vice-President, Audience Engagement
- Jennifer Sutherland, Vice-President, Communications and Partnerships
- Fiona Valverde, Vice-President, Revenue Generation

The Museum had 55 full-time equivalent staff at the end of March 2022. In addition to the highly committed and dedicated staff, the Museum benefits from an extensive network of loyal volunteers.

CORE RESPONSIBILITIES

Consistent with the Government of Canada's Policy on Results (July 1, 2016), the Museum has adopted three core responsibilities. These core responsibilities, as well as internal services, support the overall strategic outcome for the Museum as derived from its legislated mandate.

The Museum's strategic direction flows from its mandate and vision to objectives and strategic priorities:



RESULTS

Results for the 2021-22 fiscal year are as follows:

CORE RESPONSIBILITY 1: VISITOR EXPERIENCE AND CONNECTIONS

RESEARCH AND CONTENT DEVELOPMENT

Museum content explores the theme of Canadian immigration, regardless of point of entry, and the contribution of all immigrants to Canada's nation-building.

Key Commitments to March 31, 2022

- Actively collect and share oral histories, stories and digital images that reflect the Museum's mandate, Canada's multicultural mosaic and its linguistic duality.
- Continue to catalogue the Museum's Collection and make it available to Canadians onsite and online, with the following targets for 2021-22:
 - A total of 1,870 written story records, 787 oral history records and 8,000 digital archival records are available online.
 - 100 new acquisitions catalogued.
- Track the diversity of representation in the Collection by adding data fields for country of origin and acquisition period for all assets, as well as fields for language for all oral history and story assets.
- Create a detailed Collection Development Plan.
- Implement a digital preservation system.

Complete at March 31, 2022

- A total of 10,657 records are available online, with targets met in each category.
- 119 new acquisitions catalogued.
- Over 26,000 records are complete for place of origin, and all story and oral history records are completed for language fields.
- Collection Development Plan is submitted and undergoing final reviews.
- Digital preservation system has been implemented, ensuring the long-term preservation of the Collection.

INTERPRETATION AND CONNECTIONS

Exhibitions and programming are innovative, compelling, thought-provoking and reflect the diversity of the immigrant experience within Canada.

Key Commitments to March 31, 2022

- Continue to reach people across Canada by booking stops for the *Refuge Canada* travelling exhibition through 2024-25.
- Content development and exhibition design are underway for the Museum's third travelling exhibition, *Inclusion Exclusion*, scheduled to launch on site in 2024-25 and as a travelling exhibition in 2025-26.
- Public programming continues to explore a wide range of cultures and historic themes and engage community partners with a target of 20 public programs and 10,000 participants in 2021-22.

Complete at March 31, 2022

- *Refuge Canada* re-opened in Kingston, Ontario, in July 2021 with COVID-19 restrictions and in Saskatoon, Saskatchewan, in February 2022. Currently, seven contracts are signed, and two are in negotiations through April 2025. The *Refuge Canada Tent* (smaller travelling version) opened in Yarmouth, Nova Scotia, in July 2021. Six more bookings are in progress for 2022-23.
- An external consultation report on a third travelling exhibition was received, and a thematic development workshop took place in summer 2021. A draft research plan was completed.
- 28 public programs. Visitation of 6,173 was lower than target due to a COVID-19 wary public. Zoom fatigue limited online attendance.

VISITOR EXPERIENCE

The visitor experience makes possible personal and emotional connections; celebrates diversity and fosters inclusion; and builds audience loyalty and repeat attendance.

Key Commitments to March 31, 2022

- Enhance visitor experience through the opening of the new Contributions Zone in Canadian Immigration Hall.
- Visitation targets for 2021-22 include 6,500 paid visitors, 30 virtual field trips, 3,250 visitors to the Scotiabank Family History Centre and 520,000 online visitors.
- Onsite and online visitors utilize the Scotiabank Family History Centre for genealogical research and historical inquiries with a target of 8,000 requests.

Complete at March 31, 2022

- Onsite and online visitation targets exceeded with over 17,500 paid visitors to the Museum, 68 virtual field trips, 6,400 visitors to the Scotiabank Family History Centre and almost 642,000 unique online visitors.
- A total of 9,438 genealogical research and historical requests were received.

ACCESS AND AWARENESS

Canadians in all regions of the country have greater access to the Museum's Collection, expertise and programs and the Museum garners a high level of awareness and public support through strong and effective marketing and communications strategies.

Key Commitments to March 31, 2022

- A comprehensive marketing and communications approach builds awareness, drives visitation and leverages revenue generation opportunities. Visitation targets are achieved, 1,500 media mentions are generated, and targeted potential earned media reach exceeds 200 million.
- Digital strategies build online engagement with local, national and international audiences that is planned, interactive and experiential. Social media followers increased by 5% for Twitter and Facebook and by 10 % for Instagram. Social media engagements total over 385,000. Web visitation target set at 520,000.
- Continue the blogger relations and travel writer outreach program, reaching six travel writers and bloggers.
- Launch Season 2 of the Museum's podcasts.

Complete at March 31, 2022

- During the year, there were 2,258 media mentions generated and a targeted potential earned media reach of 1.273 billion.
- Nine bloggers and travel writers were reached.
- Social media followers and engagements increased over previous years but were short of targets.
- Season 2 of the Museum's podcasts was launched in May 2021.

OUTREACH AND COLLABORATION

The Museum is viewed as a positive collaborator with key stakeholders including other museums, cultural and immigration groups, universities and tourism organizations.

Key Commitments to March 31, 2022

- Continue to strengthen partnerships with the tourism sector, community partners, the academic community, and other key stakeholders and develop six significant partnerships.
- Continue to build a relationship with the Assembly of Nova Scotia Mi'kmaq Chiefs to help ensure exhibits and programming continue to be respectful and inclusive of the impact of immigration on Indigenous peoples from an Indigenous perspective.

Complete at March 31, 2022

- Partnerships developed with Destination Canada, Ancestry.ca, Hearts Of Freedom, Tourism Nova Scotia, Symphony Nova Scotia, and Discover Halifax.
- Exhibitions, programming and communications departments worked with Indigenous partners to ensure inclusion and representation of first voices.

CORE RESPONSIBILITY 2: ACCOMMODATION

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.

Key Commitments to March 31, 2022

- Capital projects optimize the use of the space, improve accessibility, are managed prudently and respect the historic nature of the site.
- Contributions Zone Renovation completed and reopened to the public.

Complete at March 31, 2022

- Contributions Zone Renovation was completed on time and on budget and reopened to the public on April 7, 2021.
- Multiple projects to improve accessibility were substantially completed during the year, including the Museum's main doors and the first-floor washrooms. Some non-public doors were also upgraded to be accessible doors (auto-doors).

CORE RESPONSIBILITY 3: FUNDRAISING AND COMMERCIAL ACTIVITY

SOUND MANAGEMENT OF RESOURCES

The organization and its resources are aligned in a way that enables the Museum to achieve its mandate.

Key Commitments to March 31, 2022

- Meet the target of \$956,796 in self-generated revenue, including \$641,400 in fund development.

Complete at March 31, 2022

- Achieved \$1,364,500 in self-generated revenues, including \$859,100 in fund development.

INTERNAL SERVICES

The Corporation will be a model for progressive, innovative and sound management practices. It will continue to have empowered, entrepreneurial and diverse employees and volunteers who are respectful of the Museum's mission and mandate.

Key Commitments to March 31, 2022

- An integrated performance management program recognizes results and the Museum's core values.
- 75% of permanent employees participate in learning and development opportunities.
- 30 volunteers and five *Welcome Home to Canada* participants play an important role in the Museum's culture, diversity and the organization's success.

Complete at March 31, 2022

- 90% of staff completed professional development and education opportunities.
- Policy on workplace violence and harassment was implemented in June 2021.
- New protocols for employees who return to work after extended medical leaves were implemented to help with adjustment to return to work.
- Employee handbook references mental and physical health at all times.
- 61 active volunteers provided more than 1,300 hours of service to the Museum in 2021-22.
- Due to COVID-19, there was just one *Welcome Home to Canada* participant this year. A full cohort is anticipated next year.

MANAGEMENT DISCUSSION AND ANALYSIS

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:

- a) 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.
- b) 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.
- c) Fundraising and commercial activities: The Museum's fundraising and commercial activities provide essential financial support.
- d) Internal services: Sound governance practices are in place and resources are effectively managed to support the achievement of the Museum's mandate.

PERFORMANCE AND OUTLOOK

In the 2021-22 fiscal year, the Museum, like other institutions, navigated successive waves of the COVID-19 pandemic. Faced with significant uncertainty about how the pandemic would evolve, projections for visitation and earned revenues were low. The advent and wide adoption of vaccines resulted in an unexpectedly busy summer in terms of visitation.

The Museum reopened to the public on April 7, 2021, after completing the renovations to the Contributions zone of the Canadian Immigration Hall. The Contributions zone features a multimedia immersive 10-minute film showcasing the achievements and contributions of over 100 remarkable first and second-generation immigrants to Canada.

The Museum had to close to the public on April 22, 2021, in accordance with a COVID-19 provincial public health directive and was able to reopen on June 16, 2021. Starting July 14, 2021, Phase 4 of the Province's reopening plan permitted museums to operate at maximum capacity with public health measures in place. Phase 5 started October 4, 2021, with most restrictions lifted for non-essential events and activities where proof of vaccination and masking was mandatory. The Museum's visitation picked up during the summer and fall of 2021. With the arrival of the Omicron variant, the provincial public health put in place in mid-December 2021 new restrictions. These were reduced in February 2022 and almost all restrictions were removed in March 2022.

Key initiatives included the continuation of the national tour of the *Refuge Canada* travelling exhibition, the release of Season two of the Museum's podcasts, *Countless Journeys* and *D'innombrables voyages*, a focus on digital engagement through virtual field trips, social media, the launch of a new Museum website, and continuing to make the collection accessible online. The year featured a large number of Public Programs. Perhaps most significantly, *The World of Yousuf Karsh: A Private Essence*, opened in March 2022, an exhibition on loan from and in partnership with the Montreal Museum of Fine Arts. All of these projects support the national mandate and help ensure the Museum continues to collect, share and pay tribute to Canada's immigration stories.

The Museum made advances in its continuing commitment to diversity and inclusion. New text panels describing bias in historical immigration policy during the years when Pier 21 was active as an immigration facility were added to the permanent exhibition. There was an increase in full-time staff from equity deserving groups.

The Museum had 55 full-time equivalent positions, with five vacancies at the end of the fiscal year.

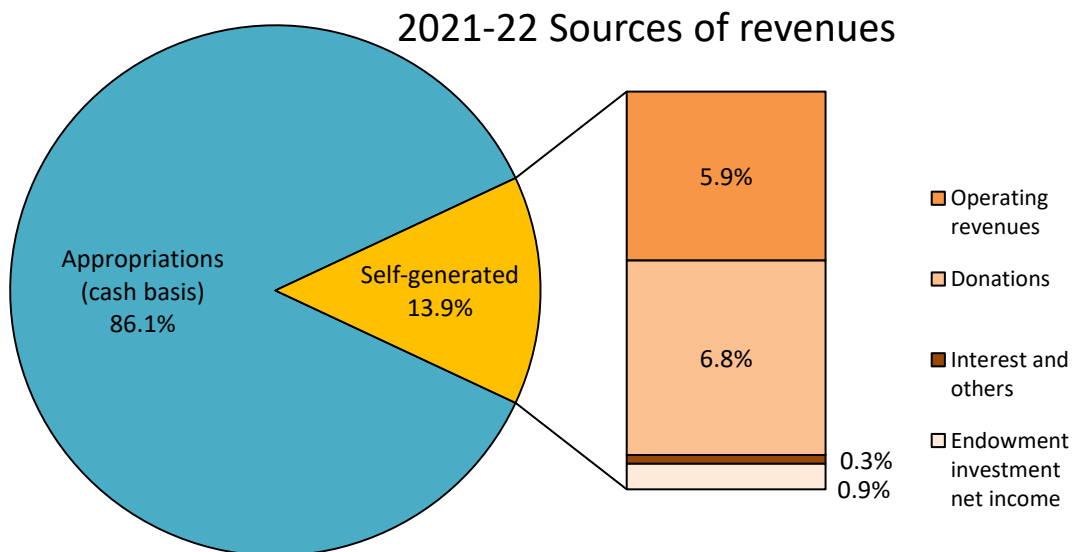
At March 31, 2022, the Museum was nearing the conclusion of its first collective bargaining process with newly unionized workers organizing under the Service Employees International Union Local 2, Brewery, General and Professional Workers’ Union. The agreement was signed on April 28, 2022 and covers full-time and part-time Museum staff with the exception of 17 employees who are managerial exclusions.

FINANCIAL RESULTS

Operations

The net operating results for the year were \$889,000. When combined with \$5,628,000 in unrestricted net assets from 2020-21 and the current year’s \$96,000 recapitalization of the endowment fund, this results in unrestricted net assets at March 31, 2022 of \$6,421,000.

The funds available for the operations of the Museum are parliamentary appropriations and self-generated revenues, which include operating revenue, donations, interest and other, and endowment investment net income.



On an accrual basis, appropriations decreased \$908,000 for the year ended March 31, 2022, from \$12,381,000 to \$11,473,000. The Museum received appropriations through the main and supplementary estimates of \$9,236,000 (net of \$311,000 used for capital assets purchases) and including \$1,435,000 in additional funding to address financial pressures caused by COVID-19. The remaining \$2,237,000 reflected in appropriations for the year ended March 31, 2022 is the amortization of deferred contributions related to capital assets.

Operating revenues, donations, and interest and other revenues were \$1,399,000 for the year ended March 31, 2022, compared to \$502,000 in 2020-21. Operating revenues include exhibition hall ticket sales, hall rentals, programming, special events, gift shop and Scotiabank Family History Centre sales. The increase in self-generated revenues is primarily due to higher donations and special events revenue, although there were increases in all sources of operating revenues. Donations were higher mainly due to increased major gifts and a planned giving gift. The Museum's main fundraising event, the California Wine Dinner, which did not happen in 2020-21, was held in October 2021. The Museum welcomed 17,500 paid visitors in 2021-22 compared to 1,650 paid visitors in 2020-21.

For the year ended March 31, 2022, net income earned on the endowment investments of \$96,000 is included in the Statement of Operations. At March 31, 2022, the endowment investments had accumulated unrealized gains of \$320,000 compared to accumulated unrealized gains of \$350,000 at March 31, 2021. 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 \$30,000 was recorded for 2021-22, which results in an overall net positive performance for the endowment investments of \$66,000 compared to a net positive performance of \$965,000 for 2020-21.

Expenses for the year ended March 31, 2022 were slightly lower than 2021, from \$12,361,000 in 2020-21 to \$12,172,000 in 2021-22. The \$189,000 decrease is mainly due to the decrease in personnel costs and exhibition and programming, offset by higher rent and cost of goods sold. There was a net decrease in personnel costs due the reversal of the retroactive accruals and hourly staff costs were lower primarily due to a special project in 2020-21. The 2020-21 exhibition and programming expenses included the modifications to permanent exhibits related to COVID-19 and the licensing for the redesign of the Contributions Zone. Rent increased due to the planned contractual increase which started in September 2020. The cost of goods sold increased due to the higher gift shop sales and the special event in October 2021.

FINANCIAL POSITION

Assets decreased by \$1,272,000 to \$24,639,000 at March 31, 2022, due primarily to the decrease in capital assets of \$2,025,000 offset by the increase in cash of \$592,000 and endowment cash and investments of \$71,000. The decrease in capital assets is primarily due to amortization offset by the capital assets purchases. The increase in cash is mainly due to the net results of operations offset by the decrease in accounts payable and accrued liabilities. The increase in endowment cash and investments is due to the positive performance of the endowment fund for the year.

Total liabilities decreased by \$2,140,000 to \$8,763,000 at March 31, 2022, primarily due to a \$2,019,000 net decrease in deferred contributions related to capital assets attributable mainly to the amortization and lower accounts payable and accrued liabilities offset by higher deferred revenues related to higher rental deposits. Net assets include the unrestricted net assets and the net assets related to the endowment fund. The unrestricted net assets were 6,421,000 at March 31, 2022. The net assets related to the endowment fund of \$9,455,000 at March 31, 2022, include the cumulative endowment contributions of \$8,783,000, the accumulated remeasurement net gains of \$320,000 and the internally restricted net assets of \$352,000.

BUSINESS RISKS

Financial Risks

Public health restrictions and public reticence meant that in 2021-22, operating revenues, though improved from 2020-21, and although above projections, were still down significantly from pre-pandemic numbers. Although society is getting accustomed to the reality of living with COVID-19, the fact of the virus and its unpredictability means that unknown risks remain.

The risk of a hurricane or other significant event is an ongoing concern due to the Museum's location and the increasing risk of climate change related events.

The Museum is exposed to a variety of financial risks related to its activities and to its endowment cash and investments. These risks include credit risk, liquidity risk and market risk (foreign currency, interest rate and other price risks).

In accordance with the Museum's Investment Policy approved by the Board, the capital of the endowment funds is protected in perpetuity and the Museum can only draw upon the endowment earnings to fund educational and public programming, national outreach, travelling exhibitions, exhibition development and other similar priorities of the Museum. The overall investment objective is to provide sufficient liquidity to meet the annual anticipated spending requirements, allowable from endowment earnings, while providing adequate growth to maintain the purchasing power of the endowment funds' capital. The endowment fund saw an increase in value for the year ended March 31, 2022 of \$71,000. The capital funds are held in perpetuity, so liquidity is not an issue; a reserve has been established to cover the annual requirements in times where the endowment does not generate the annual income required. The Board and management are committed to prudent management of the endowment funds resources. The Museum is assisted in the oversight and management of its portfolio by the services of an investment consultant and invests in a diversified portfolio. Management works with the investment consultant to determine the best asset mix to meet the overall acceptable risk of the portfolio and report to the Board periodically. The current Investment Policy, approved by the Board in November 2021, sets target allocations allowing asset class allocations to vary within a specified range. The Board and management have determined that all current financial risks for the endowment fund are at an acceptable level. A detailed analysis of the financial risks is provided in the notes to the financial statements.

Other Business Risks

Payments in Lieu of Taxes (PILT) does not yet represent a significant financial pressure for the Museum, unlike for the other national museums. PILT, a non-discretionary fixed cost, is compensation paid to municipalities for the losses of property taxes incurred for Crown-owned properties, which are not subject to taxation. In 1996, Treasury Board approved a management regime that devolved the responsibility for funding PILT from Public Works and Government Services Canada (PWGSC) to individual organizations. Unlike PWGSC, most departments, agencies and Crown corporations did not receive the authority to seek annual adjustments in their appropriation to reflect PILT increases. It was anticipated that this could eventually pose challenges to small cultural organizations like museums.

Discussions continue with Central Agencies, PWGSC and other relevant departments to find an appropriate solution to this issue.

The Museum does not own the Pier 21 premises but leases from the Halifax Port Authority, a related party. In 2015-16, the Museum saw a significant increase in annual rent with the additional space and will continue to have periodic increases as per the 40-year lease agreement negotiated on behalf of the Museum, with the latest increase in 2020-21. This represents a significant pressure for the Museum that is not covered by operating appropriations.

FINANCIAL STABILITY AND CAPACITY TO GENERATE REVENUES

The Museum was in a strong financial position prior to the COVID-19 pandemic and has a history of fiscal prudence. Since 2015-16, personnel costs and the non-discretionary costs for the facilities (rent, PILT, utilities, repairs and maintenance) have exceeded the value of appropriations. This means that all funds for programming, operating expenses (other than personnel and building operations), and some capital requirements, must be covered by self-generated revenue. Self-generated revenues combined with the Museum's unrestricted net assets and earnings from the endowment fund have historically been sufficient to fund the Museum's requirements.

Another significant pressure is the cost associated with digital programs, storage, and security, particularly as the Museum tried to maintain successful digital programs that were begun during the pandemic and have proven effective in expanding the impact of the Museum beyond those who can travel here.

Thanks to financial relief programs, and stronger than expected results, the Museum is in better shape than projected. While a more stable future with respect to COVID-19 is anticipated, staff and management remain both cautious and flexible. The Museum is committed to financial sustainability and continues to work on plans to maximize revenue generation and minimize costs. Under current budgetary appropriation, a deficit is expected to appear in 25-26, the final year of the current planning cycle. This results from costs to maintain the facility, costs demands related to digital programming and preservation, and rising costs. Efforts continue to address and resolve the funding gap anticipated at the end of the current planning cycle.

Financial Statements of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management has prepared the financial statements contained in this annual report in accordance with Canadian public sector accounting standards applicable to government not-for-profit organizations, and the integrity and objectivity of the data in these financial statements are Management's responsibility. The financial statements include some amounts that are necessarily based on Management's estimates and judgment. Financial information presented throughout the annual report is consistent with the financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of the financial information; that assets are safeguarded and controlled; and that transactions are in accordance with Part X of the *Financial Administration Act* (FAA) and regulations, the *Museums Act*, the Museum's by-laws and the directive issued pursuant to section 89 of the FAA.

The Board of Trustees is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board has established an Audit and Risk Oversight Committee in compliance with section 148 of the FAA. Management does not sit on the Audit and Risk Oversight Committee; however the Committee meets with Management, the Museum's internal auditor and the independent external auditor to review the manner in which the responsibilities for financial statements are being performed and to discuss auditing, internal controls and other relevant financial matters. The Audit and Risk Oversight Committee has reviewed the financial statements with the external auditor. On the recommendation of the Audit and Risk Oversight Committee, the Board has approved the financial statements contained in this report.

The Museum's external auditor, the Auditor General of Canada, audits the financial statements and reports to the Minister of Canadian Heritage, who is accountable to Parliament for the Canadian Museum of Immigration at Pier 21.



Marie Chapman
Chief Executive Officer



Kendall J. Blunden, CPA, CA
Chief Financial Officer

June 20, 2022



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Canadian Museum of Immigration at Pier 21 (the Museum), which comprise the statement of financial position as at 31 March 2022, and the statement of operations, statement of remeasurement gains and losses, statement of changes in net assets and statement of 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 31 March 2022, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 public sector accounting standards, 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.

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.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Canadian Museum of Immigration at Pier 21 coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Museums Act* and regulations, the by-laws of the Canadian Museum of Immigration at Pier 21, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Canadian Museum of Immigration at Pier 21 that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Canadian Museum of Immigration at Pier 21's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Canadian Museum of Immigration at Pier 21 to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in black ink that reads "Mathieu Le Sage". The signature is written in a cursive style with a large initial "M".

Mathieu Le Sage, CPA, CGA
Principal
for the Auditor General of Canada

Halifax, Canada
20 June 2022

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position

As at March 31, 2022

(in thousands of dollars)

	2022	2021
Assets		
Current assets		
Cash	\$ 6,670	\$ 6,078
Accounts receivable (note 4)	235	162
Inventory	129	136
Prepaid expenses	184	160
	7,218	6,536
Endowment cash and investments (note 10 a)	9,901	9,830
Capital assets (note 5)	7,519	9,544
Collections (note 6)	1	1
	\$ 24,639	\$ 25,911
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 1,037	\$ 1,259
Deferred revenue (note 8)	201	100
Deferred contributions related to capital assets (note 9)	7,525	9,544
Net assets		
Unrestricted	6,421	5,628
Internally restricted (note 11)	352	352
Accumulated remeasurement gains	320	350
Endowment (note 10 b)	8,783	8,678
	15,876	15,008
	\$ 24,639	\$ 25,911

Contractual obligations (note 13)

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

On behalf of the Board of Trustees:



Chairperson



Trustee

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations

For the year ended March 31, 2022

(in thousands of dollars)

	2022	2021
Revenues		
Operating (schedule 1)	\$ 635	\$ 73
Amortization of deferred contributions related to capital assets received from a related party (note 9)	93	93
Donations	731	404
Interest and other	33	25
	<u>1,492</u>	<u>595</u>
Expenses (schedule 2)		
Visitor experience and connections	3,861	4,251
Accommodation	5,200	4,961
Fundraising and commercial activities	995	1,011
Internal services	2,116	2,138
	<u>12,172</u>	<u>12,361</u>
Net result of operations before appropriations and endowment investment net income	<u>(10,680)</u>	<u>(11,766)</u>
Appropriations (note 12)	11,473	12,381
Endowment investment net income (note 10)	96	163
Net result of operations	<u>\$ 889</u>	<u>\$ 778</u>

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Remeasurement Gains and Losses

For the year ended March 31, 2022

(in thousands of dollars)

	2022	2021
Accumulated remeasurement gains (losses), beginning of year	\$ 350	\$ (452)
Realized losses on endowment investments reclassified to operations	37	8
Unrealized gains (losses) on endowment investments	(67)	794
Accumulated remeasurement gains, end of year	\$ 320	\$ 350

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Changes in Net Assets

For the year ended March 31, 2022

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	2022	2021
Net assets, beginning of year	\$ 5,628	\$ 352	\$ 350	\$ 8,678	\$ 15,008	\$ 13,320
Net result of operations	889	–	–	–	889	778
Transfer to (from) (note 11)	(96)	–	–	96	–	–
Remeasurement gains	–	–	(30)	–	(30)	802
Contributions received for endowment (note 10 b)	–	–	–	9	9	108
Net assets, end of year	\$ 6,421	\$ 352	\$ 320	\$ 8,783	\$ 15,876	\$ 15,008

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Cash Flows

For the year ended March 31, 2022

(in thousands of dollars)

	2022	2021
Operating activities		
Appropriations received	\$ 9,236	\$ 10,204
Cash received from clients and donors	1,494	629
Cash paid to suppliers	(4,987)	(3,599)
Payments related to salary and benefits	(5,145)	(5,831)
Interest received	29	24
	627	1,427
Capital activities		
Acquisition of capital assets	(254)	(416)
	(254)	(416)
Investing activities		
Acquisition of endowment investments	(1,744)	(1,664)
Disposal of endowment investments	1,643	1,389
	(101)	(275)
Financing activities		
Appropriations for the acquisition of capital assets	311	403
Contributions to endowment	9	108
	320	511
Increase in cash	592	1,247
Cash, beginning of year	6,078	4,831
Cash, end of year	\$ 6,670	\$ 6,078

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

1. Authority, objectives and operations

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:

- a) 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.
- b) 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.
- c) Fundraising and commercial activities: The Museum's fundraising and commercial activities provide essential financial support.
- d) Internal services: Sound governance practices are in place and resources are effectively managed to support the achievement of the Museum's mandate.

Travel, hospitality, conference and event expenditures

In July 2015, the Museum, along with other federal Crown corporations, was issued a directive (P.C. 2015-1105) pursuant to section 89 of the *Financial Administration Act* to a) align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and b) to report on the implementation of this directive in the Museum's next corporate plan.

In June 2016, the Museum aligned its policies and practices to the Treasury Board instruments and since then has met the requirements of the directive.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

2. Summary of significant accounting policies

a) Basis of presentation

The financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

The Museum applies the deferral method of accounting for contributions for not-for-profit organizations.

b) Revenue recognition

i) Appropriations

The Government of Canada provides funding to the Museum through parliamentary appropriations.

Appropriations which are explicitly or implicitly restricted for the purchase of amortizable capital assets are considered contributions related to capital assets and are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations on the same basis and over the same periods as the related capital assets acquired.

Appropriations restricted for specific expenses are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period that those expenses are incurred.

Appropriations that are not restricted to a specific purpose are recognized as revenue in the Statement of Operations in the period for which the appropriation is authorized.

ii) Donations

Donations are comprised of contributions received from non-government entities that are not part of the federal government reporting entity, such as individuals, foundations and corporations.

Unrestricted contributions are recognized as revenue on the Statement of Operations when received.

Revenues and offsetting expenses from goods and services donated in-kind are recorded at fair market value upon receipt.

Contributions externally restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period in which the related expenditures are recognized.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

b) Revenue recognition (continued)

ii) Donations (continued)

Endowment contributions are subject to externally imposed restrictions stipulating that the endowment principal be permanently maintained. Endowment contributions are recognized as direct increases in net assets in the period in which they are received consistent with the deferral method of accounting for contributions.

Investment income earned on the general endowment investments is unrestricted, and is recognized as revenue by the Museum in the period earned. Investment income earned may be subsequently internally restricted by the Museum, as approved by the Board of Trustees, to be spent at a later date or to be reinvested for the preservation of capital. Investment income earned on the education endowment is restricted, and may be deferred and recognized as revenue when services are provided.

iii) Operating revenues

Revenues from the Museum's operations include ticket sales for general admission, hall rentals including a percentage of catering sales, gift shop sales, Family History Centre sales, special events and programming including travelling exhibits. They are recognized in the year in which goods are delivered or services are provided.

Funds received by the Museum from museum operations that are not yet earned through the provision of goods or services, are deferred and recognized as revenue when goods are delivered or services are provided.

iv) Contributions related to capital assets

Contributions related to capital assets represent restricted contributions for the acquisition of capital assets. Deferred contributions related to capital assets are amortized to income and over the same periods as the related capital assets acquired.

v) Volunteer services

Volunteers contribute their time to assist the Museum in carrying out its activities. Because of the difficulty in determining fair value, contributed services are not recorded in the financial statements.

vi) Contributed materials

Contributed materials received whereby the fair values are not readily obtainable are not recorded in the financial statements.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

c) Collections

The Museum maintains the collections of stories, artifacts, oral histories and images related to its mandate to explore the theme of immigration to Canada. These collections are developed by various research areas within the Museum.

The Museum's collections are shown at a nominal value of \$1 on the Statement of Financial Position because of the practical difficulties in reflecting them at a meaningful value.

Objects purchased for the collections of the Museum are recorded as an expense in the period of acquisition. Objects donated to the Museum for its collections are not recorded.

d) Inventory

Inventory, which consists of resale goods for the gift shop, is valued at the lower of cost and net realizable value. Cost is determined using the average cost method.

e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Capital projects - work in progress are stated at cost and are not amortized. Amortization commences when the assets are ready for their intended use and are transferred to leasehold improvements and core exhibitions.

The cost less the estimated salvage value of capital assets is amortized using the straight-line method and the following rates:

Capital asset	
Leasehold improvements	5 to 15 years
Core exhibitions	10 years
Immigration and ships database	5 years
Equipment	5 years

f) Employee future benefits

All eligible employees of the Museum are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Museum to cover current service cost. Pursuant to legislation currently in place, the Museum has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Museum.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

g) Use of estimates

The presentation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those reported. The estimated useful lives of capital assets and the fair market value of the endowment investments are the most significant items where estimates are used. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period which they become known.

h) Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the Statement of Remeasurement Gains and Losses. In the period of settlement, realized foreign exchange gains and losses are recognized in the Statement of Operations, and the cumulative amount of remeasurement gains and losses is reversed in the Statement of Remeasurement Gains and Losses.

i) Financial instruments

The Museum has classified all financial assets and liabilities in the fair value category or the cost category. The Museum performs an annual impairment test on financial instruments to determine if any objective evidence of impairment is present. Impairment losses are recognized in the net result of operations in the period in which they arise.

i) Cash

Cash is composed of deposits with financial institutions that can be withdrawn without prior notice or penalty.

ii) Investments

The Museum's endowment investments may be comprised of fixed income bonds and fund holdings in global equity and alternative assets, and are designated in the fair value category. These investments are measured at fair value with unrealized gains or losses from changes in valuation recognized in the Statement of Remeasurement Gains and Losses. Realized gains or losses on the investments are recognized in the Statement of Operations in the period in which they arise. The fair value measurements of these investments are described in Note 16 a).

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

i) Financial instruments (continued)

iii) Other financial instruments

The Museum's other financial instruments consist of accounts receivable, and accounts payable and accrued liabilities, and are classified in the cost category. These financial instruments are carried at cost.

j) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and at the carrying amount, except for the following:

- i) Inter-entity transactions are recorded at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered.
- ii) Goods or services received without charge between commonly controlled entities are not recorded.

3. COVID-19 Impact

The COVID-19 pandemic has, and continues to have, a negative impact on the Museum's operations. In accordance with the provincial public health directive, the Museum temporarily closed its doors to the public at different times during the year. During the closures, most operations continued behind the scenes or adapted to digital delivery with an enhanced online presence. In 2021-22, the Museum received emergency funding of \$1.435 million in Budget 2021 to address financial pressures caused by COVID-19.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

4. Accounts receivable

	2022	2021
Accounts receivable – government departments and agencies	\$ 164	\$ 146
Accounts receivable – other	71	16
	\$ 235	\$ 162

Amounts receivable from government departments and agencies are a result of the normal course of business, and are receivable net 30 days and are non-interest bearing.

5. Capital assets

	Cost	Accumulated amortization	2022 Net book value
Leasehold improvements	\$ 22,390	\$ 17,289	\$ 5,101
Core exhibitions	6,271	3,920	2,351
Immigration and ships database	46	46	–
Equipment	925	858	67
Capital project - work in progress	–	–	–
	\$ 29,632	\$ 22,113	\$ 7,519

	Cost	Accumulated amortization	2021 Net book value
Leasehold improvements	\$ 22,129	\$ 15,604	\$ 6,525
Core exhibitions	5,631	3,303	2,328
Immigration and ships database	46	46	–
Equipment	914	830	84
Capital project - work in progress	607	–	607
	\$ 29,327	\$ 19,783	\$ 9,544

During 2022, no capital assets were written off. During 2021, fully amortized out-of-use equipment with an original book value of \$45 was written off.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

6. Collections

The Museum's collections are shown at a nominal value of \$1 on the Statement of Financial Position because of the practical difficulties in reflecting them at a meaningful value.

During the years ended March 31, 2022 and 2021, the Museum incurred no expenses related to the acquisition of objects for its collections and did not receive any revenues related to the sale of collection items.

7. Accounts payable and accrued liabilities

	2022	2021
Accounts payable and accrued liabilities – government departments and agencies	\$ –	\$ 130
Accounts payable and accrued liabilities – other	1,037	1,129
	<u>\$ 1,037</u>	<u>\$ 1,259</u>

Amounts due to government departments and agencies are a result of the normal course of business and are payable on demand and are non-interest bearing.

8. Deferred revenue

Deferred revenue recorded by the Museum at March 31 is as follows:

	2022	2021
Balance, beginning of year	\$ 100	\$ 175
Funds received (refunded) during the year	362	(27)
Funds recognized as revenue during the year	(261)	(48)
Balance, end of year	<u>\$ 201</u>	<u>\$ 100</u>

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

9. Deferred contributions related to capital assets

The changes in the deferred contributions balance for the years ended March 31 are as follows:

	Appropriations	Other contributions	2022
Balance, beginning of year	\$ 8,881	\$ 663	\$ 9,544
Add:			
Appropriations 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

	Appropriations	Other contributions	2021
Balance, beginning of year	\$ 10,655	\$ 756	\$ 11,411
Add:			
Appropriations to acquire capital assets	403	–	403
Less:			
Amortization of deferred contributions related to capital assets	(2,177)	(93)	(2,270)
Balance, end of year	\$ 8,881	\$ 663	\$ 9,544

The unused portion of deferred contributions related to capital assets was \$6 at March 31, 2022 (2021 – nil). 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

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

10. Endowment

a) Endowment cash and investments

Endowment cash and investments consist of the following:

	2022		2021	
	Cost	Fair value	Cost	Fair value
Cash and short-term investments	\$ 271	\$ 271	\$ 399	\$ 400
Investments				
Fixed income	4,229	3,953	4,058	4,031
Global equity	4,105	4,643	4,083	4,490
Alternatives	976	1,034	940	909
	9,310	9,630	9,081	9,430
	\$ 9,581	\$ 9,901	\$ 9,480	\$ 9,830

Endowment cash and investments may be reconciled to the endowment component of net assets at March 31 as follows:

	2022	2021
Endowment net assets	\$ 8,783	\$ 8,678
Prior years cumulative endowment investment net income recognized	798	798
Current year endowment investment net income recognized	96	163
Current year preservation of capital	(96)	(163)
Current year endowment investment net income deferred	–	4
Accumulated remeasurement gains (losses)	320	350
Endowment cash and investments (at fair value)	\$ 9,901	\$ 9,830

b) Endowment net assets

Endowment contributions totaling \$9 (2021 – \$108) were received by the Museum during the fiscal year. In addition, \$96 was recorded as a direct increase to the endowment for the preservation of capital (2021 – \$163). At March 31, the endowment component of net assets consists of the following cumulative contributions:

	2022	2021
Contributions received from Pier 21 Foundation	\$ 4,874	\$ 4,874
Other contributions received for endowment	2,630	2,621
Capital preservation	1,279	1,183
Endowment net assets, end of year	\$ 8,783	\$ 8,678

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

11. Internally restricted net assets and preservation of endowment capital

As approved by the Board of Trustees, the Museum may restrict unspent endowment investment net income as internally restricted net assets as a reserve to be spent at a later date or utilize the net income for the preservation of the endowment capital. In 2022 and 2021, there were no changes to the internally restricted net assets of \$352 (2021 – \$352). In 2022, \$96 was utilized for the preservation of endowment capital (2021 – \$163). The preservation amount is reflected in the Statement of Changes in Net Assets as a transfer from unrestricted net assets to endowment net assets.

12. Appropriations

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

	2022	2021
Parliamentary appropriations provided		
Main estimates	\$ 8,112	\$ 7,895
Statutory	–	2,050
Supplementary estimates	1,435	662
	9,547	10,607
Appropriations deferred for future capital projects	(6)	–
Appropriations used to purchase amortizable capital assets	(305)	(403)
	9,236	10,204
Amortization of deferred contributions related to capital assets	2,237	2,177
Appropriations recognized as revenue	\$ 11,473	\$ 12,381

13. Contractual obligations

The Museum has contractual obligations with the Halifax Port Authority, a related party, for the lease of the Pier 21 premises until February 2051. The Museum has also entered into an agreement for digital preservation services. At March 31, 2022, the estimated obligations are as follows:

	Related party	Other	Total
2023	1,611	118	\$ 1,729
2024	1,611	118	1,729
2025	1,611	118	1,729
2026	1,659	118	1,777
2027	1,694	–	1,694
2028 to 2051	45,200	–	45,200
	53,386	472	\$ 53,858

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

14. Employee future benefits

All eligible employees of the Museum are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Museum. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate depends on the employee's employment start date. For employment start dates before January 1, 2013, the Museum's contribution rate effective at year-end was 1.02 times the employee's contribution (2021 – 1.01); and for employment start dates after December 31, 2012, the Museum's contribution rate effective at year-end was 1.00 times the employee's contribution (2021 – 1.00) for a defined salary threshold. On the portion of salaries above the defined threshold, the Museum is required to contribute on a ratio of 5.91 times the employees' contributions (2021 – 3.59 times). Total employer contributions of \$440 (2021 – \$460) were recognized as an expense in the current year.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with the Canada Pension Plan benefits and are indexed to inflation.

15. Related party transactions

The Museum is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. Related parties also include key management personnel having authority and responsibility for planning, directing and controlling the activities of the Museum. This includes the Senior Leadership Team, all members of the Board of Trustees and close family members thereof.

The Museum enters into transactions with related parties in the normal course of business on normal trade terms applicable to all individuals and enterprises. In addition to the related party transactions disclosed elsewhere in these financial statements, the Museum incurred expenses totaling \$1,882 (2021 – \$1,786) in rent and related costs and payment in lieu of taxes paid to the Halifax Port Authority which is included under Accommodation expenses.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

16. Financial instruments

a) Fair value measurement hierarchy

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

- i) Level 1 – Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.
- ii) Level 2 – Financial instruments are considered Level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.
- iii) Level 3 – Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy of endowment financial assets at March 31 is as follows:

	Level 1	Level 2	Level 3	2022
Financial assets:				
Endowment cash and investments				
Cash and short-term investments	\$ 271	\$ –	\$ –	\$ 271
Investments - Fixed income	2,079	1,874	–	3,953
Investments - Global equity	–	4,643	–	4,643
Investments - Alternatives	–	1,034	–	1,034
	\$ 2,350	\$ 7,551	\$ –	\$ 9,901

	Level 1	Level 2	Level 3	2021
Financial assets:				
Endowment cash and investments				
Cash and short-term investments	\$ 400	\$ –	\$ –	\$ 400
Investment funds - Fixed income	2,459	1,572	–	4,031
Investment funds - Global equity	–	4,490	–	4,490
Investment funds - Alternatives	–	909	–	909
	\$ 2,859	\$ 6,971	\$ –	\$ 9,830

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

16. Financial instruments (continued)

a) Fair value measurement hierarchy (continued)

Cash and short-term investments have a maximum term to maturity of three months and are redeemable on demand without prior notice or penalty. Short-term investments including notes and money market instruments are valued at cost plus accrued interest.

Select fixed income securities, including government and corporate bonds, are held directly in an effort to reduce trading costs. Fair value of the fixed income portfolio investments is measured using the average of the bid and ask prices.

Equity and alternative investments are held through pooled and mutual fund trusts. Global equity assets include long-only equity securities that trade across a range of global exchanges. The fair value of securities which are actively traded are valued at the close price on the recognized stock exchange on which the securities are listed or principally traded. Investments for which reliable quotations are not readily available, or for which there is no closing price, are classified as Level 2.

Alternative strategies have traditionally provided a lower overall volatility and correlation to traditional equity indices. Their objective is to generate positive returns regardless of market conditions. The alternative portfolio includes exposure to Canadian banks, Canadian dividend-paying equities, and European dividend-paying equities, with the mitigation of downside risk using covered call options. Alternative portfolio investments are classified as Level 2.

During the years ended March 31, 2022 and 2021, there were no transfers between levels in either direction.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management

The Museum is exposed to a variety of financial risks as a result of its activities. These risks include credit risk, liquidity risk and market risk (foreign currency risk, interest rate risk and other price risk).

In accordance with the Museum's Investment policy approved by the Board, the capital of the endowment fund is protected in perpetuity and the Museum can only draw upon the endowment earnings to fund educational and public programming, national outreach, travelling exhibitions, exhibition development and other similar priorities of the Museum. The overall investment objective is to provide sufficient liquidity to meet the annual anticipated spending requirements, allowable from endowment earnings, while providing adequate growth to maintain the purchasing power of the endowment fund's capital.

The Board and management are committed to prudent management of the endowment fund resources, in a manner consistent with the prior year. The Museum is assisted in the oversight and management of its portfolio by an Investment Sub-Committee with financial expertise. In order to manage risk, the Museum utilizes the services of an investment consultant and invests in a diversified portfolio. The objectives are to invest in high quality financial instruments with creditworthy counterparties by limiting the amount that can be invested in any one counterparty and by using other limits set out in the Museum's Investment policy. The current Investment policy, approved by the Board in November 2021, has permissible ranges of 0-10% cash and short-term investments, 20-60% fixed income, 30-65% global equity and 0-40% alternative assets.

The Museum has identified and assessed its exposure with respect to financial risks as follows:

(1) Credit risk

Credit risk is the risk of financial loss to the Museum associated with a counterparty's failure to fulfill its financial obligations and arises principally from the Museum's cash, endowment cash and investments and accounts receivable. The Museum minimizes its credit risk by dealing only with reputable and high quality financial institutions and by investing in high quality financial instruments per limits set out in the Museum's Investment policy. The Museum has determined that its credit risk is not significant.

i) Endowment cash and investments

Per the Museum's Investment policy for the endowment fund, endowment investments are to be held in a diversified portfolio of cash and short-term investments, fixed income instruments, global equity and alternative assets through pooled funds and mutual funds. Through its investments in fixed income, global equity and alternative assets, the Museum is indirectly exposed to the credit risk of the underlying investments of those funds. These risks are managed at the investment manager level.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(1) Credit risk (continued)

ii) Accounts receivable

The Museum is exposed to credit risk from customers in the amount of \$235 (2021 – \$162) in the normal course of business. The accounts receivable are net of applicable allowance for doubtful accounts, which is established based on specific credit risk associated with individual accounts and other relevant information. Concentration of credit risk with respect to receivables is limited, due to the small value of transactions with parties other than government departments.

As at March 31, 2022, \$9 in accounts receivable were past due (over 30 days) (2021 – \$1) of which none (2021 – nil) were fully provisioned by an allowance for doubtful accounts. The Museum did not classify other accounts receivable as impaired as they generally relate to government clients which are considered low risk with respect to collection.

(2) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other price risks, will affect the Museum's net results of operations or the fair value of its holdings of financial instruments.

i) Foreign currency risk

The endowment investments include \$4,080 (2021 – \$4,102) of underlying investments in fixed income, global equities and alternatives classifications containing unhedged foreign currency exposure. The funds denominated in Canadian dollars with foreign currency exposure may enter into forward currency transactions or similar vehicles to insulate the funds from significant price changes due to the change in exchange rates. The foreign currency risk has been determined to be moderate as such funds represent 41% of the portfolio at March 31, 2022 (2021 – 42%).

At March 31, 2022 and 2021, the Museum did not have any liabilities in a foreign currency which would be exposed to fluctuations in exchange rates.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2022
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(2) Market risk (continued)

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Financial assets and financial liabilities with variable interest rates expose the Museum to cash flow interest rate risk. The Museum's cash balance and its endowment investments, which include cash and short-term investments and fixed income funds, earn interest at fixed rates or have values dependent on interest rates.

The Museum manages its interest rate risk by maintaining a mix of fixed income investments which meet the criteria outlined in the Investment policy. The investment consultant monitors exposures to interest rate risk per the Investment policy.

The sensitivity of the cash balance to a 0.25% decrease in the interest rate would be a reduction in interest income of \$16 for the year ended March 31, 2022 (2021 – \$12).

iii) Other price risk

Other price risk arises when the fair value of equity funds changes due to a decrease in a stock market index or other risk variables. The endowment fund, after growth in fair market value due to the favourable financial market during 2021, maintained its year over year growth in fair market value at March 31, 2022.

The endowment investments include \$4,643 in funds with underlying equity investments (2021 – \$4,490). In addition, there is \$1,034 in alternative assets which are correlated to the stock market indices in Canada and Europe (2021 – \$909).

The sensitivity of the endowment investment is calculated using a 5% decrease in the market prices. At March 31, 2022, if market prices had a 5% decrease with all other variables held constant, the decrease in remeasurement gains and losses for the year would have been \$286 due to the decrease in the fair value of financial assets (2021 – \$270). As a percentage of the total endowment portfolio, such losses would represent a decline of 2.9% (2021 – 2.7%).

(3) Liquidity risk

Liquidity risk is the risk that the Museum will not be able to meet its financial obligations as they fall due. The Museum has determined that its liquidity risk is not significant.

As at March 31, 2022, all accounts payable and accrued liabilities of the Museum were due within three months.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2022

Schedule 1 – Operating Revenue

(in thousands of dollars)

	2022	2021
Special events	\$ 195	\$ –
Exhibition hall ticket sales	180	15
Gift shop	93	25
Hall rental	78	6
Programming	61	18
Family history centre	28	9
	\$ 635	\$ 73

Schedule 2 – Expenses

(in thousands of dollars)

	2022	2021
Personnel costs	\$ 5,622	\$ 6,105
Amortization of capital assets	2,330	2,270
Rent and related costs	1,706	1,575
Repairs and maintenance and building operation	505	470
Professional and special services	349	341
Marketing, promotion and recognition	338	300
Utilities	300	275
Operating supplies and services	287	277
Office supplies and administration	237	217
Exhibition and programming	183	294
Payment in lieu of taxes	176	211
Cost of goods sold	128	26
Travel and hospitality	11	–
	\$ 12,172	\$ 12,361