



2016 - 2017  
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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Canada

# 2016-2017

## Annual Report





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## MESSAGE FROM THE CHAIR



On behalf of the Board of Trustees, I am pleased to present the 2016-17 Annual Report for the Canadian Museum of Immigration at Pier 21.

In June of 2015, the vision of a truly national immigration museum became a reality when the expanded museum opened featuring two new world-class exhibits. One exhibit tells the important history of Pier 21 and the second, the Canadian Immigration Story, showcases the many stories of immigration to Canada through other entry points. The 2016-17 fiscal year marked the first full year of operations for the expanded Museum and it was a year of success as you will see throughout this annual report.

As the national museum of immigration, it is our honour to collect and share the country's immigration stories, particularly in this sesquicentennial year. These are the stories that make us who we are as a nation and that illustrate the vast contributions of immigrants to Canada's culture, economy and way of life. Thank you to the many Canadians who have shared their immigration stories with us and those who are considering doing so. We would not exist without the touching, personal stories shared by all of you.

We would like to thank and acknowledge the Government of Canada for their support. And we would like to thank the many donors, partners and friends who have helped us get to where we are and who will help us continue to expand our reach and impact. And finally, a thank you to the staff, management and volunteers who work tirelessly every day to fulfill the museum's important responsibility to capture, share and pay tribute to Canada's immigration stories.

Thank you,

A handwritten signature in black ink, appearing to read 'Tung Chan', written over a horizontal line.

Tung Chan  
Chair of the Board of Trustees

## MESSAGE FROM THE CEO

It is with tremendous pride that I present the Museum's 2016-17 Annual Report to the people of Canada. I am honoured to lead an organization which has accomplished so much since we were entrusted with the privilege of becoming Canada's sixth national Museum.

This year marked the first full year of operations of the expanded Museum and it was a record-breaking year on many fronts. The compelling new exhibits, exciting new programs, engaging online presence and strategic marketing and communications have attracted record numbers of visitors to the Museum. Visitor response has exceeded our expectations. Those who have experienced the Museum onsite, online or through other programs and exhibits are engaged, touched, inspired and reminded of their own immigration history. We are fortunate to have such an emotional and personnel connection with so many.



In 2017-18, Canada 150 will generate further awareness, visitation and celebration of the importance of immigration. Our signature project, the *Canada: Day 1* travelling exhibit, will be showcased simultaneously onsite and at the Canadian Museum of History. *Canada: Day 1* tells the story of first-day experiences in Canada, from Confederation to present day, and has been touring the country since 2014. In 2016-17, five mini *Canada: Day 1* exhibits were developed with Global Affairs Canada and Immigration, Refugees and Citizenship Canada. They will reach thousands as they travel across Canada and around the world.

These are exciting times at the Museum and I am proud of the many accomplishments of our dedicated staff and volunteers. I am thankful for the support of our Board, the engagement of our many partners and friends, and the generosity of the Government of Canada and our many donors.

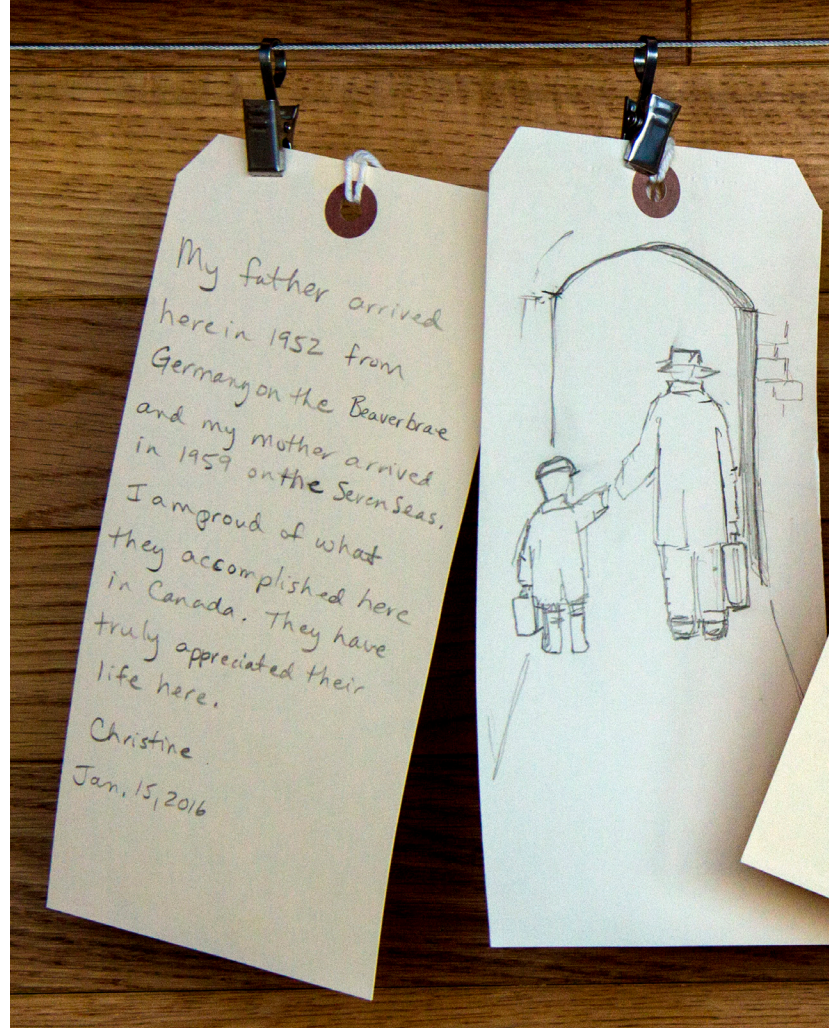
A handwritten signature in black ink that reads "Marie Chapman". The signature is written in a cursive, flowing style.

Marie Chapman

# 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.



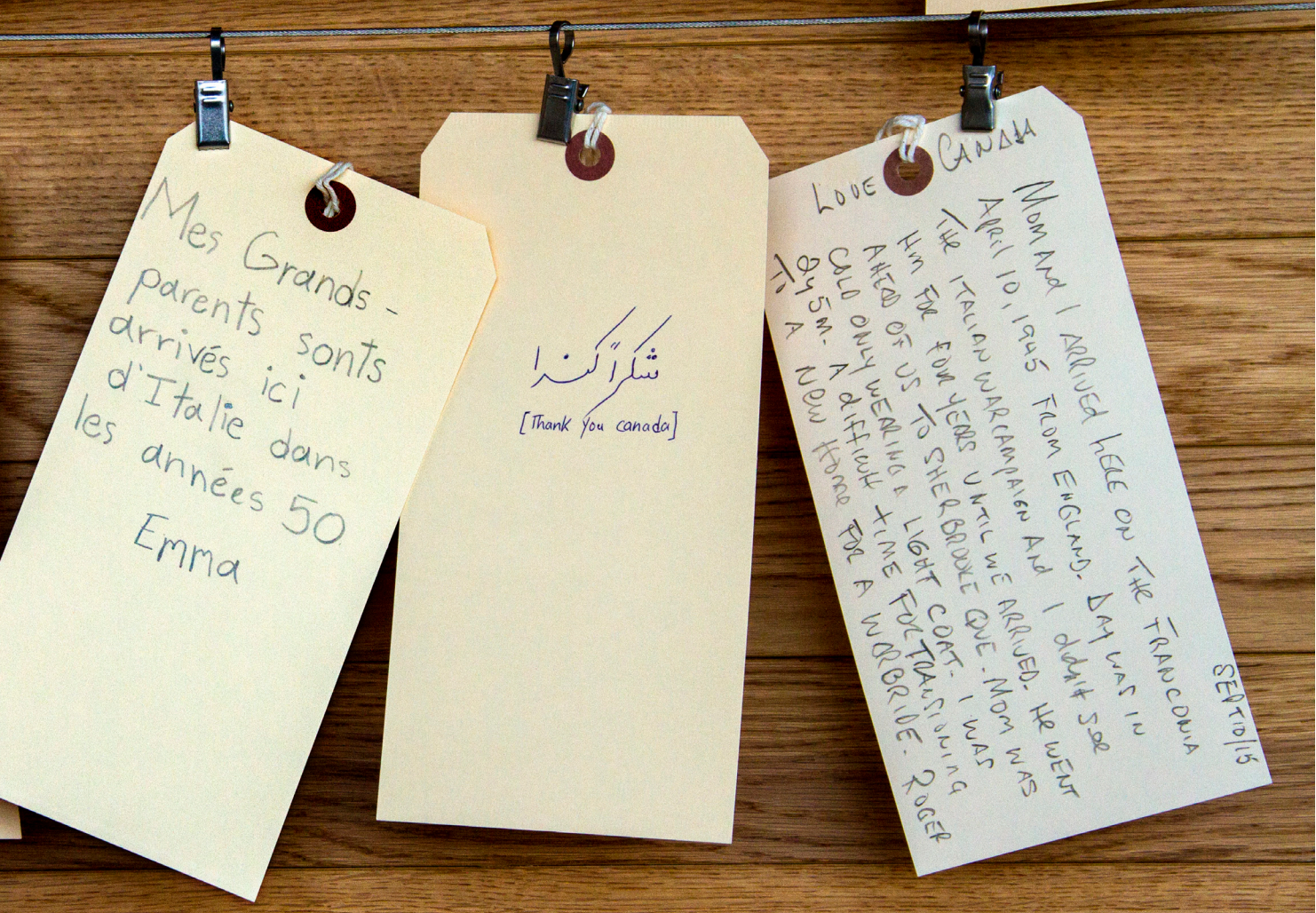
## THE PROUD HISTORY OF PIER 21

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 children. 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 to Britain.

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. Its 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 Regulations*; 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 (currently one vacant position) that is 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 four committees:

**An Executive and Finance Committee**, to make decisions between Board meetings, provide oversight to financial planning and performance, capital projects, investments 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.

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

Chair



**Tung Chan**  
Richmond, BC  
Term: March 7, 2013  
to March 6, 2017

Vice-Chair



**Troy Myers**  
Dartmouth, NS  
Term: March 6, 2014  
to March 5, 2018



**Mark Boudreau**  
Halifax, NS  
Term: December 9, 2010  
to March 5, 2017



**Ralph Chiodo**  
Toronto, ON  
Term: November 25, 2010  
to December 10, 2018



**John Hachey**  
Baie D'urfé, QC  
Term: April 10, 2014  
to April 9, 2018



**Richard (Cy) LeBlanc**  
Grande-Digue, NB  
Term: November 25, 2010  
to December 10, 2018



**Phuong T.V. Ngo**  
Orleans, ON  
Term: November 25, 2010  
to November 24, 2016



**Carrie Ross**  
Regina, SK  
Term: February 26, 2015  
to February 25, 2019



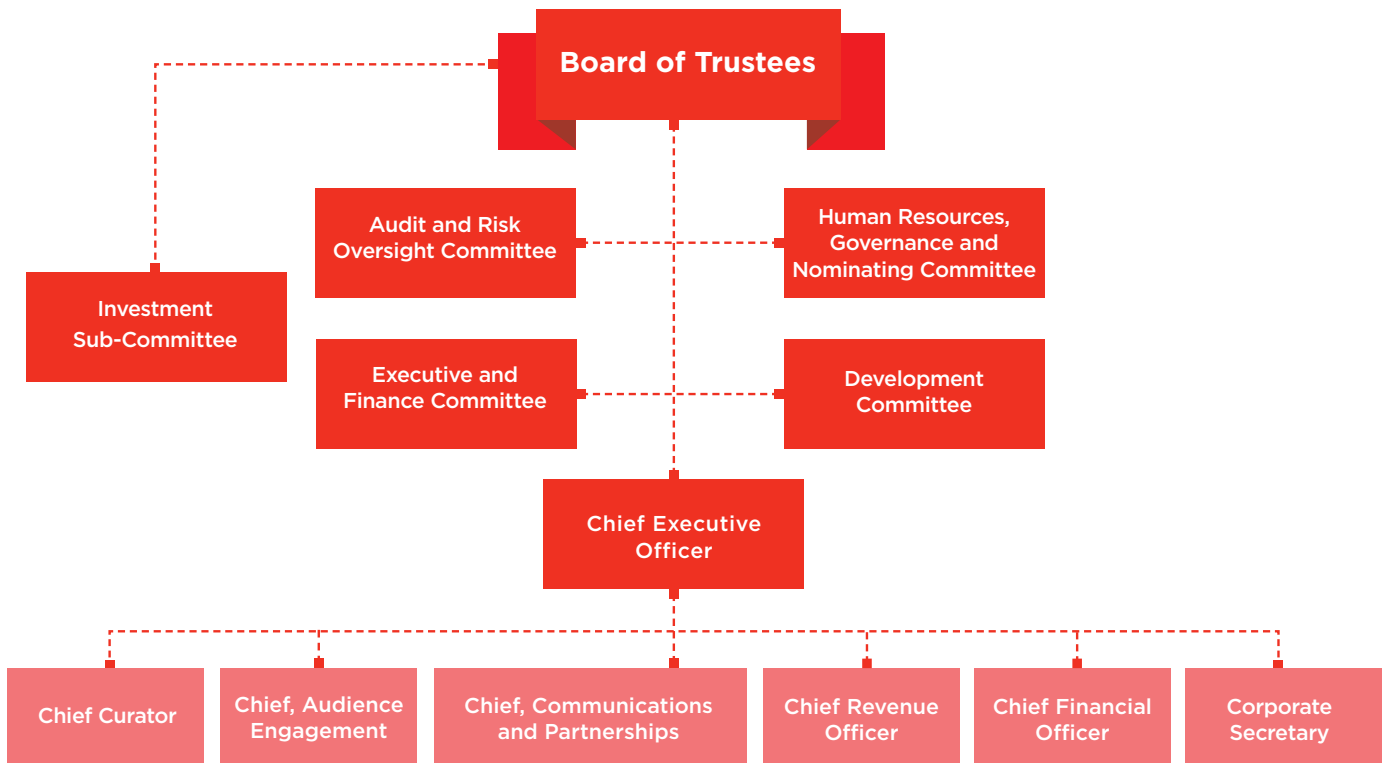
**James (Bradley) Stafford, CPA, CA,**  
Vancouver, BC  
Term: September 29, 2011  
to September 28, 2015



**Dr. Frances Swyripa, PhD**  
Edmonton, AB  
Term: December 9, 2010  
to December 16, 2016

# 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.



Museum staff and volunteers.

## THE SENIOR LEADERSHIP TEAM



Left to right: Tanya Bouchard, Jennifer Tramble, Fiona Valverde, Kendall Blunden, Carrie-Ann Smith, Jennifer Sutherland, Marie Chapman.

Marie Chapman, Director/Chief Executive Officer

Kendall J. Blunden, CPA, CA, Chief Financial Officer

Tanya Bouchard, Chief Curator

Carrie-Ann Smith, Chief, Audience Engagement

Jennifer Sutherland, Chief, Communications and Partnerships

Jennifer Tramble, Corporate Secretary

Fiona Valverde, Chief Revenue Officer

The Museum had 55 full-time equivalent staff at the end of March 2017. In addition to the highly committed and dedicated staff, the Museum benefits from an extensive network of loyal volunteers.

## STRATEGIC DIRECTION

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

### 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.

### Vision

Canada has been profoundly shaped by immigration. The Canadian Museum of Immigration at Pier 21 aims to inspire and enable Canadians to explore their relationships with those migrations. We envision opening that conversation on a national scale.

### Strategic Objective

Canadians are engaged in building and exploring the stories, themes and history of Canadian immigration as it continues to unfold.

### Strategic Priorities

- To be an Outstanding, Nationally-Relevant Museum.
- To be an Outstanding Employer.
- To be an Outstanding Crown Corporation.
- To be a Leader and an Outstanding Collaborator.

## KEY STRATEGIC PRIORITIES

To be an  
**Outstanding,  
Nationally-  
Relevant  
Museum**

To be an **Outstanding Museum with National Relevance** that is engaging, reflects the diverse experiences and contributions of all immigrants throughout Canada's history, is respected for its curatorial integrity and has relevance to Canadians across the country.

To be an  
**Outstanding  
Employer**

To be an **Outstanding Employer** that builds a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, adaptive and representative of the diversity inherent in Canadian society.

To be an  
**Outstanding  
Crown  
Corporation**

To be an **Outstanding Crown Corporation** that is fiscally responsible, well-managed, compliant with applicable laws, policies and guidelines, and fully accountable to Canadians for results.

To be a  
**Leader and an  
Outstanding  
Collaborator**

To be a **Leader and an Outstanding Collaborator** in order to develop content and programming, leverage opportunities to showcase the Museum across the country and to support sister institutions in the Canadian Heritage Portfolio to deliver their mandate to more Canadians.





## PROGRAM ALIGNMENT ARCHITECTURE

To provide the government and Parliament with performance information, the Museum has established a Program Alignment Architecture. It groups the Museum's key activities according to expected outcomes and defines strategic priorities, key results and activities for each.

The overall strategic objective to which all of the Museum's activities are directed is derived from its legislated mandate.

**Strategic Objective:** *Canadians are engaged in building and exploring the stories, themes and history of Canadian immigration as it continues to unfold.*

Key themes include:

- ✿ The vital role immigration has played in the building of Canada;
- ✿ The experience of immigrants as they arrive in Canada; and
- ✿ The ongoing contributions of immigrants to Canada's culture, economy and way of life.

### Strategic Objective

Canadians are engaged in building and exploring the stories, themes and history of Canadian immigration as it continues to unfold.

#### Program 1 Visitor Experience and Connections

Canadians have access to—and are engaged in building—Museum content and programming that reflects the diverse experiences and contributions of immigrants throughout Canada's history.

#### Program 2 Accommodations

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.

#### Program 3 Internal Services

Sound governance practices are in place and resources are effectively managed to support the achievement of the Museum's mandate.

## RESULTS

In the 2016-17 fiscal year, the Museum delivered on key priorities that will set the stage for the next period of growth. Highlights are as follows:

### STRATEGIC PRIORITY 1

## TO BE AN OUTSTANDING MUSEUM WITH NATIONAL RELEVANCE

### 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, 2017

- ✦ Actively collect engaging oral histories, documents and stories that reflect the Museum's mandate, Canada's multicultural mosaic and its linguistic duality for travelling exhibitions, the Museum's permanent exhibit and the web.
- ✦ Continue to catalogue the Museum's collection on the *CollectiveAccess* database to enhance the Museum's ability to manage its materials and make it available to Canadians onsite and online.
- ✦ Commence the research and writing of a book on Pier 21 to be published in 2019-20.



## Complete at March 31, 2017

- ✦ Per the Collection Development Strategy, engaging oral histories and stories that reflect the Museum's national mandate are being collected. 50 new oral history interviews were completed in 2016-17.
- ✦ A multi-year project to catalogue the Collection and make it accessible on the *CollectiveAccess* database continues and targets have been met. 95% of the existing Collection has been catalogued. 50% of the oral history and story collections are now available online.
- ✦ Three of six chapters of the book on Pier 21 were completed.



## INTERPRETATION AND CONNECTIONS

Exhibitions and programming are innovative, compelling, thought-provoking and reflect the diversity of the immigrant experience within Canada; and visitors, both onsite and virtual, have access to unique and innovative content and experiences in both Official Languages.

### Key Commitments to March 31, 2017

- ✦ National tour of the first travelling exhibit, *Canada: Day 1*, continuing through 2017. Expand the reach by launching two mini *Canada: Day 1* exhibits developed with Immigration, Refugees and Citizenship Canada (IRCC) and Global Affairs Canada that will tour sites across Canada and internationally.
- ✦ Host the *Empress of Ireland* temporary exhibit, in partnership with the Canadian Museum of History, with complementary public and education programs.
- ✦ Increase online content by 20% to more fully reflect the diversity of the immigration experience in Canada. Increase web visitation by 10% annually.
- ✦ Continue to showcase French-language films and those that explore a wide range of cultures and historic themes through the **Diversity Spotlight** film series

### Complete at March 31, 2017

- ✦ The Museum's first travelling exhibition, *Canada: Day 1* has visited seven cities since June 2014 and is booked through 2017.
- ✦ Five smaller *Canada: Day 1* exhibits have been developed in partnership with Immigration and Citizenship Canada (IRCC) and Global Affairs Canada and are touring sites across Canada and around the world.



- ✦ The *Empress of Ireland* exhibit was displayed from November 2015 to November 2016 and viewed by more than 49,000 visitors, the largest temporary exhibit visitation to date.
- ✦ Continued expansion of the website and digital engagement strategies have increased online content by 170% and web visitation by 6%.
- ✦ Continuation of popular programs such as the *Diversity Spotlight* film series, *Discover Culture* family program and community outreach programs attracted over 12,000 public programming visitors to the Museum.



## VISITOR EXPERIENCE

The visitor experience makes possible personal and emotional connections and builds audience loyalty and repeat attendance.

### Key Commitments to March 31, 2017

- ✦ Build on the excitement generated by the Museum expansion and ensure plans create and build excitement and generate visitation, both locally and nationally.
- ✦ Ensure the online experience reflects the expanded Museum.
- ✦ Collect qualitative and quantitative visitor data and act on key findings.
- ✦ Continue the successful guest speaker series to attract new and repeat visitors to the Museum.
- ✦ Launch the Artist-in-Residence program to enhance Museum experience and attract visitors.

### Complete at March 31, 2017

- ✦ More than 120,000 people experienced the Museum in 2016-17, including 59,461 paid visitors, 3,503 unpaid visitors, 5,144 school children, 34,066 visitors to the Scotiabank Family History Centre, and 19,726 event and public programming participants.
- ✦ 96% of respondents surveyed rated their visitor experience as satisfying or very satisfying.
- ✦ The *Beneath the Waves* lecture series featured three illustrated talks, *The Great Museum of the Sea* with Dr. James Delgado, *Secrets of the Titanic and Empress of Ireland* with Rob Rondeau and *Exploring the Empress of Ireland* with Dr. John Willis from the Canadian Museum of History.



- ✦ The Museum's first Artist-in-Residence, Kyle Jackson, and his *Empress of Ireland* inspired project called *To Those still at Sea* ran from May 2016 to the end of October 2016 engaging thousands of visitors including over 80 who made paintings that became part of the final participatory installation.



## 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, 2017

- ✦ Implement an integrated marketing and communications plan to launch the expanded Museum on multiple platforms.
- ✦ Continue to implement the marketing and communications strategy to support the national roll-out of the *Canada: Day 1* travelling exhibit, leading to 2017 celebrations.
- ✦ Continue to promote the *Canada: Day 1* mobile guide app to complement the exhibit experience and extend its reach.
- ✦ Continue to grow the mailing list through active offer to Museum patrons and build audience engagement through a monthly e-newsletter.
- ✦ Leverage opportunities for revenue generation and public awareness in conjunction with the roll-out of the travelling exhibition, *Canada: Day 1* and Canada 150 celebrations.

### Complete at March 31, 2017

- ✦ An integrated marketing, communications and digital approach has resulted in inclusion in provincial tourism campaigns, a cost-shared digital media buy in Canada and the northeastern US, and the creation of new video footage.





- ✦ Outreach to bloggers, travel writers and other media outlets has generated significant coverage in traditional media as well as online.
- ✦ Successful launch of the *Canada: Day 1* exhibition in Moose Jaw, SK; Red Deer, AB; Edmonton, AB; and Lloydminster, SK as evidenced by positive media coverage, visitation, and mobile guide app downloads by 336 users. The exhibit is supported by the RBC Foundation and will continue to travel across Canada as part of the 2017 commemoration activities.
- ✦ More than 3,300 subscribers to the e-newsletter.



## STRATEGIC PRIORITY 2

# TO BE AN OUTSTANDING EMPLOYER

## INTERNAL SERVICES

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

### Key Commitments to March 31, 2017

- ✦ Continue to implement a performance management program across the Corporation that recognizes results and the Museum's core values.
- ✦ Offer room for advancement and learning within the organization, supported by training, development and education opportunities, including a focus on language training.
- ✦ Provide ongoing opportunities for volunteer engagement, development and appreciation of the important role they play in the Museum's success.

### Complete at March 31, 2017

- ✦ 100% of employees participated in professional development and educational opportunities.
- ✦ 70% of full-time staff are either bilingual or are participating in language training.
- ✦ Continued engagement of more than 95 volunteers.





## STRATEGIC PRIORITY 3

# TO BE AN OUTSTANDING CROWN CORPORATION

## SOUND GOVERNANCE

The Corporation meets or exceeds recognized standards for corporate governance and has in place the instruments that are conducive to sound management and accountability.

### Key Commitments to March 31, 2017

- ✦ Continue to refine and implement the Museum's Performance Management Framework as a tool for monitoring and reporting on performance, and for course-correction as required.
- ✦ Continue to refine and implement an enterprise risk management approach across the organization.
- ✦ Ongoing implementation of the Directive on Travel, Hospitality, Conference and Event Expenditures.
- ✦ Implement the internal audit plan and act on key findings.
- ✦ Hold the Museum's fifth Annual Public Meeting, which all Crown corporations are required to hold as a good governance practice, in Edmonton in September 2016.

### Complete at March 31, 2017

- ✦ No negative reports from the Office of the Auditor General related to corporate governance.
- ✦ The Directive on Travel, Hospitality, Conference and Event Expenditures is implemented appropriately and disclosure and reporting requirements are being met.



- ✦ One internal audit completed in 2016-17 on cash controls at the gift shop and ticket counter, with findings addressed.
- ✦ Continued positive results from the Board of Trustees' annual governance self-assessments.
- ✦ The Museum's annual public meeting was held in Edmonton in September 2016 with 80 donors, media and friends in attendance.



## SOUND MANAGEMENT OF RESOURCES

The organization and its resources are aligned in a way that enables the Museum to achieve its mandate and to adopt sound and efficient governance and stewardship practices.

### Key Commitments to March 31, 2017

- ✦ Leverage opportunities for revenue generation and public awareness in conjunction with the expanded Museum.
- ✦ Achieve net self-generated revenue targets of \$2.48 million in 2016-17, including \$1.17 million from fund development.
- ✦ Identify, cultivate and solicit major gift donors for new Museum spaces and programs, continue to steward past donors and continue with successful special event fundraisers.
- ✦ Continue to work with sister national museums on shared services, opportunities for collaborative promotions and shared programming.

### Complete at March 31, 2017

- ✦ Achieved net self-generated revenues of \$2.45 million, slightly below the target of \$2.48 million, but up over the \$1.81 million in 2015-16.



- ✦ Three new multi-year major gifts secured with first year pledges totalling \$250,000 and work underway for more in 2017-18. A leadership level annual giving club (the Pier 21 Club) continued with 25 members. All fundraising special events surpassed targets, as did facility rentals.
- ✦ Work with other national Museums has resulted in collaboration in areas including programming, co-production of exhibits and artifact loans.



## ACCOMMODATIONS

The Museum's facilities are upgraded and/or expanded as appropriate to provide suitable and accessible space for visitors, staff, volunteers and exhibits/programming; and construction projects are governed by an effective project management regime, including robust risk management strategies and respect the heritage aspects of the site.

### Key Commitments to March 31, 2017

- ✦ Replace the aging escalator with a new stairwell, improving access and safety.
- ✦ Ensure exhibit spaces, displays and technology meet all appropriate requirements and expectations and are operating as anticipated.
- ✦ Continue to manage contracts in a sound, transparent and accountable manner, on time and within budget, employing effective project and risk-management practices throughout.

### Complete at March 31, 2017

- ✦ The escalator replacement was completed on time and on budget.
- ✦ Museum spaces meet standards for air quality and environmental health and safety.
- ✦ Contracts meet Museum and government requirements.





## BUILDING OPERATIONS AND SECURITY

The Museum's facilities are safe, accessible and maintained in a cost-effective manner.

### Key Commitments to March 31, 2017

- ✦ Ensure the appropriate measures are in place to provide for the ongoing safety and security of staff, volunteers, visitors and museum materials; and for accessibility to all.
- ✦ Continue to implement operating efficiencies embedded in the renovation and expansion (i.e. the move to natural gas for the HVAC system) and to benefit from operational efficiencies and cost savings due to the fully operational HVAC, electrical and communications systems.

### Complete at March 31, 2017

- ✦ Continued compliance with all applicable codes and zero accidents onsite.
- ✦ Visitors have access to all public areas of the Museum regardless of physical challenge, and are able to fully engage in the onsite Museum experience.
- ✦ Exhibits are easily interpreted and accessible by the visually and hearing impaired as well as those with mobility challenges.
- ✦ Operating efficiencies from the new HVAC, electrical and communications systems are being realized.



## STRATEGIC PRIORITY 4

# TO BE A LEADER AND OUTSTANDING COLLABORATOR

## NATIONAL OUTREACH AND PARTNERSHIPS

The Museum is a valued partner of sister museums where partnerships result in shared exhibits, cross-training and meaningful work that furthers the respective mandates of each; and the Museum is viewed as a positive partner with other key stakeholders including other museums, cultural and immigration groups, universities and tourism organizations.

### Key Commitments to March 31, 2017

- ✦ Host public programming workshops in regions where *Canada: Day 1* is presented, providing a unique opportunity to digitally capture immigration stories across the country and grow the Museum's collection.
- ✦ Host the *Empress of Ireland* exhibit in partnership with the Canadian Museum of History.
- ✦ Attain Signature Experience status through Destination Canada, denoting the Museum as one of a select group of "once-in-a-lifetime travel experience" found only in Canada.
- ✦ Continue to implement the Community Engagement Strategy, a strategic approach to community engagement that will develop new audiences across Canada.

### Complete at March 31, 2017

- ✦ Public programming workshops held in Edmonton, Alberta.



- ✦ The *Empress of Ireland* exhibit hosted onsite from November 2015 to November 2016.
- ✦ Successful partnerships with more than 15 community, academic, museum, business and media organizations including Neptune Theatre, Halifax Pride, Prismatic Arts Festival, FrancoFest, Skate Canada, Black Cultural Centre for Nova Scotia, Two Planks and a Passion Theatre, Dalhousie University, the University of Winnipeg and the Association for Canadian Studies.
- ✦ Signature Experience status in progress and anticipated for 2017-18.







SOME  
HIGHLIGHTS  
FROM  
2016-17

- *Canada: Day 1*
- War Brides
- Artist in Residence
- Live Theatre in the Exhibit
- Kidoons
- Temporary Exhibitions

## CANADA: DAY 1



### Discover *Canada: Day 1*

#### Explore First Steps, First Impressions and First Experiences as a Newcomer to Canada

The immigration experience is marked by firsts. The first day in a new country takes shape with an individual's first steps, first impressions and first experiences. *Canada: Day 1*, supported nationally by RBC Foundation, explores immigrants' personal day 1 experiences, from Confederation to present day.

Newcomers' diverse experiences — across time and cultures — are highlighted in a thoughtful way through oral histories, archival images, original artworks, objects and visitor participation.

*Canada: Day 1* has visited seven cities across Canada since it was launched in June of 2014. It is the Museum's first travelling exhibit and a legacy project for Canada 150 in 2017 when it will be showcased simultaneously at the Canadian Museum of Immigration at Pier 21 and the Canadian Museum of History.



*Canada: Day 1* mini exhibits have also been developed in partnership with Immigration and Citizenship Canada (IRCC) and Global Affairs and are touring across Canada and around the world. In 2016-17, one of the mini exhibits was showcased at the United Nations General Assembly in New York.

## THE WAR BRIDES COME BACK TO PIER 21 AFTER 70 YEARS



In May of 2016, 30 war brides and their families returned to Pier 21 to mark the 70th anniversary of their arrival in Canada.

The war brides are a group of approximately 44,000 women who married Canadian soldiers during World War II and moved to Canada to start a new life. The women came from all over Europe but the vast majority were British. Most arrived in Canada by ship through Pier 21 and then travelled to communities across Canada. Many of their stories are in the Museum's collection, including Elsie Mills, a long-time friend of the Museum who attended the reunion.

***“Pier 21 belongs to all that saw Canada, first, by stepping out from its shed, into a world, of who knew what? None of us knew what was in store for us, but took that step anyway.”*** — Elsie Mills



## ARTIST-IN-RESIDENCE



Kyle Jackson was the Museum's first Artist-in-Residence.

During his six month residency at the Museum, Kyle worked with visitors on the project "To Those Still At Sea..." a complementary program to the *Empress of Ireland* exhibit.

Kyle created a large scale silhouette sculptural painting of the Empress of Ireland made from 600 interchangeable panels — each one a miniature painting. Visitors were invited to paint a panel or add something to one that was already painted.

The project illuminated the 102 year anniversary of the greatest maritime disaster in Canadian history creating a respectful and colorful celebration of life – imagining the lost potential of those who perished in the tragedy, and shining a light on the lives and stories saved.

## LIVE THEATRE IN THE EXHIBIT



In November 2016, Hannah Moskovitch's play *Where Poppies Blow*, was performed in the Pier 21 Exhibit. Through a unique partnership with the Halifax Theatre for Young People, the play took viewers for a walk through wartime Halifax with a lively 11-year-old boy, teaching visitors about the First World War.

As part of the program, school groups learned how to deliver monologues before their visit and performed them after the play. Several of the monologues were so strong that the director asked the students to deliver them at the public performances over Remembrance Day weekend.

Every school group performance was full as were all of the public performances and the feedback was unanimously positive. Based on this success, future live theatre productions are planned.

Thank you to CIBC and other donors for their support.

## KIDOONS



In 2015-16 and 2016-17 the Museum partnered with the online children's network Kidoons to produce two web cartoon episodes.

In the first episode, the main character Billy Mink visits the Canadian Museum of Immigration at Pier 21 and learns about his family's immigration story. In the next episode, Billy Mink explores the Canadian Immigration Hall and learns more about Canadian immigration.

The "webisodes" are in French and English and provide a fun, age-appropriate way for young Canadians to learn about immigration and the Museum. The episodes are featured on the Kidoons network, the Museum's YouTube channel and are included as a teaching resource on the Museum's website.

## TEMPORARY EXHIBITIONS



Partnerships continued to be a key priority for the Museum in 2016-17 and resulted in a number of temporary exhibitions.

Under the Community Presents program, two exhibitions were developed:

***Mosaic: Identity and Community Connection*** developed with the Immigrant Migrant Women's Association of Halifax. The exhibition, which opened on International Women's Day, celebrates and explores identity from immigrant and migrant women's perspectives.

***The No. 2 Construction Battalion*** created by the Black Cultural Centre for Nova Scotia commemorates the first and last all-Black Canadian Army unit.



Four small exhibitions were also developed:

***Ordinary Lives, Extraordinary Times: Italian Canadian Experiences During World War II*** which conveys the stories of Italian Canadians interned during World War II.

***Journey to Canada: Ukrainian Immigration Experiences 1891-1900*** which commemorates the 125th Anniversary of Ukrainians in Canada.

***Safe Haven: Canada and the 1956 Hungarian Refugees*** commemorates the 60th Anniversary of the resettlement in Canada of approximately 38,000 Hungarian refugees.

***Canada's Self Portrait Contemporary Art Exhibit*** a participatory art project about who we are and what we stand for as Canadians.

# MANAGEMENT DISCUSSION AND ANALYSIS

The amendments to the *Museums Act* that created the Canadian Museum of Immigration at Pier 21 (the Museum) as a Crown corporation defines its primary purpose. Its core business is to engage Canadians in building and exploring the stories, themes and history of Canadian immigration as it continues to unfold.

It does this through three program areas:

**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.

**Accommodations:** 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.

**Internal Services:** Sound governance practices are in place and resources are effectively managed to support the achievement of the Museum’s mandate.

## Performance

In its seventh year of operations and its first full year of operations since the expansion, the Canadian Museum of Immigration at Pier 21 has achieved significant results against all commitments made in the 2016-17 Corporate Plan, as detailed throughout this Annual Report.

## Financial Results and Outlook

Since becoming a Crown Corporation in 2010 the Museum has been working hard to transform to a national scope – one that tells the stories of immigration across Canada. In the 2015-16 fiscal year, the Museum completed a five year capital and thematic expansion enabling it to deliver on its national mandate. In 2016-17, the Museum built on the excitement and national scope as follows:

- Innovative approaches to audience attraction and audience engagement, both onsite and online, were key priorities in 2016-17. This included enhanced programming in the new Museum spaces; strategic marketing, communications and partnership efforts to expand reach, grow awareness and attract visitors; and digital engagement via the website, the mobile guide application and via social media. These efforts resulted in record visitation both onsite and online, national and international media attention, and high levels of visitor satisfaction.
- The *Canada: Day 1* travelling exhibit continued its national tour and smaller *Canada: Day 1* exhibitions were launched in partnership with Immigration, Refugees and Citizenship Canada (IRCC) and Global Affairs Canada. These smaller exhibits travelled to the United Nations General Assembly, foreign embassies and sites across Canada and the US. *Canada: Day 1*, supported by the RBC Foundation, explores the memories, impressions and experiences of immigrants on their first day in Canada, from Confederation to the presentt.
- Fund development, particularly major gifts, continued to be a key focus for the Museum as it grows the percentage of funding that is self-generated. Three new major gifts were secured in 2016-17.

- The *Empress of Ireland* exhibit, developed in partnership with the Museum of History, was onsite at the Museum from November 23, 2015 until November 13, 2016. Complementary public and education programming, including the inaugural Artist in Residence program, attracted many visitors to the Museum.

The Museum currently has 55 full-time equivalent employees, this is one less than the forecasted full complement. There were no new full time positions created in 2016-17 and none are forecast. While there are no immediate plans to staff this position, senior management will continue to assess and evaluate operational requirements in conjunction with the financial position over the 2017-18 fiscal year.

## Operations

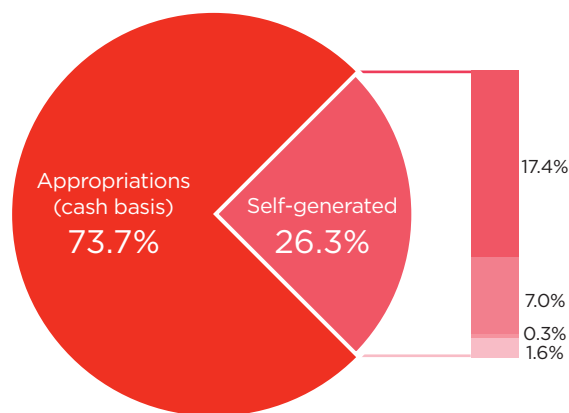
The operating results for the year yielded a net profit of \$776,000. When combined with \$2,402,000 in unrestricted net assets from 2015-16 and the current year \$171,000 recapitalization of the endowment fund, this results in unrestricted net assets at March 31, 2017 of \$3,007,000.

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 increased \$159,000 for the year ended March 31, 2017, from \$9,819,000 to \$9,978,000. The Museum receives its on-going operating appropriation base of \$7,700,000 as approved by Parliament. The remaining \$2,278,000 reflected in appropriations for the year ended March 31, 2017 is the amortization of deferred contributions related to capital assets.

Operating revenues, donations, and interest and other revenues were \$2,575,000 for the year ended March 31, 2017, compared to \$1,882,000 in 2015-16 and are slightly under budget. The increase is mainly due to higher donations and operating revenues which include rentals, ticket, Gift shop and Scotiabank Family History Centre sales and programming. Donations increased compared to the prior year but were still under budget for 2016-17, both fluctuations attributed to the timing of major gifts receipts. Operating revenues increases are attributed to the opening of the expanded museum. While visitation is at record levels, actual visitation numbers were slightly less than budgeted. Special events were higher than the previous year due to one more fundraising event and to a very successful California Wine Dinner fundraiser.

## 2016-17 Source of Operating Funds



- Appropriations (cash basis)
- Operating revenues
- Donations
- Interest and other
- Endowment investment net income

Net income earned on the endowment investments of \$171,000 is included in the Statement of Operations for the year ended March 31, 2017. This amount was used for capital preservation of the endowment, in accordance with the Endowment

Fund policies, as approved by the Board of Trustees. The amount is reflected in the 2016-17 financial statements as a transfer from unrestricted net assets to endowment net assets. For the year ended March 31, 2016, net income earned on the endowment investments was \$161,000. Of this amount, \$70,000 was internally restricted by the Museum for future use and \$91,000 was used for capital preservation of the endowment.

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 increase in the accumulated remeasurement gains of \$174,000 was recorded for 2016-17, which results in an overall net positive performance for the endowment investments of \$345,000 compared to a negative performance of \$23,000 for 2015-16.

Expenses for the year ended March 31, 2017 were lower than 2016, from \$12,823,000 in 2015-16 to \$12,040,000 in 2016-17 and were lower than budget. Total expenses include the amortization of the capital assets which has decreased \$240,000 compared to the same period in 2016 due mainly to the capital assets transferred from the Pier 21 Society being fully amortized offset by the capital assets purchased in 2016-17. Marketing, promotion and recognition expenses decreased by \$338,000 compared to the prior year due to the 2015-16 national advertising campaign promoting the expanded museum being a one time event. Personnel costs decreased \$170,000 and were lower than budget. The other expenses netted a decrease of \$35,000 mainly due to the Museum's opening celebration costs of \$55,000 in 2015-16.

On July 16, 2015, all national museums were issued a Directive (P.C. 2015-1105) pursuant to section 89 of the *Financial Administration Act*, to align travel, hospitality, conference and event expenditures

policies, guidelines and practices with Treasury Board policies, directives and related instruments. The Museum updated its policies and the revised travel and hospitality policies were implemented in June 2016.

## Financial Position

Assets decreased by \$957,000 to \$30,009,000 at March 31, 2017, due primarily to the decrease in capital assets of \$2,202,000 offset by an increase in cash of \$649,000 and in endowment cash and investments of \$517,000. The decrease in capital assets is primarily due to the amortization. The increase in cash is mainly due to the net results of operations.

Endowment cash and investments were \$8,363,000 at March 31, 2017, compared to \$7,846,000 in 2016. The increase consists of endowment contributions received of \$172,000, and the realized and unrealized endowment investment gain of \$345,000 which represents the overall net performance of the endowment fund for the year.

Total liabilities decreased by \$2,079,000 to \$18,626,000 at March 31, 2017 primarily due to a \$2,170,000 decrease in deferred contributions related to capital assets attributable to the amortization.

Net assets include the unrestricted net assets and the net assets related to the endowment fund. The unrestricted net assets increased by \$605,000 to \$3,007,000 at March 31, 2017 due to this year's net results of operations and the recapitalization of the endowment. The net assets related to the endowment fund of \$8,376,000 at March 31, 2017 include the cumulative endowment contributions of \$7,776,000, the accumulated remeasurement net gains of \$248,000 and the internally restricted



net assets of \$352,000. Endowment net assets increased by \$517,000 at March 31, 2017, due to \$172,000 in contributions received, the increase in net unrealized gains of \$174,000 and the recapitalization of \$171,000

## Business Risks

### Financial Risks

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).

The long-term goal of the Museum's investment policy for the endowment fund is to produce long-term real returns to supplement the costs of programming, education, accessibility to education and other such areas, while permanently maintaining the endowment principal.

In order to manage risk concerning the endowment cash and investments, the Museum invests in a diversified portfolio that is managed by professional investment managers. The Museum's investments are guided by an investment policy approved by the Board and reviewed on an annual basis. The Museum is assisted in the oversight and management of its portfolio by an Investment Sub-Committee that includes independent experts with experience in the investment field. In addition, the Museum uses the services of an independent investment advisor to assist the Investment Sub-Committee in its work. As the investment markets continue to evolve, the Investment Sub-Committee recommends adjustments to the asset mix to minimize the overall risk of the portfolio and sets target allocations allowing asset class allocations to vary within a specified range.

The Board and Management have determined that all present financial risks 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, as is the case for 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.

Unlike other national museums, 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 as per the 40-year lease agreement negotiated on behalf of the Museum with the additional space, and it will continue to increase over the period of the lease. This represents a significant pressure for the Museum that is not covered by operating appropriations.

## Financial Stability And Capacity To Generate Revenues

Long before becoming a Crown corporation, the organization operated as a self-sustaining, non-profit society. The organization has a proven track record of living within its means and not exceeding its budget and will continue to do so in the coming years.

The Museum has sufficient funds for the next five years but will face increased pressure in the longer term. The Museum is confident that it can manage with existing resources based on ambitious fundraising targets, increased visitation and revenue generation resulting from the expanded Museum, and stringent expense management.



Financial Statements of

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

For the year ended March 31, 2017

## 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 15, 2017



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 Financial Statements

I have audited the accompanying financial statements of the Canadian Museum of Immigration at Pier 21, which comprise the statement of financial position as at 31 March 2017, 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 a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Museum of Immigration at Pier 21 as at 31 March 2017, 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.

### Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Museum of Immigration at Pier 21 that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with 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*.



Heather McManaman, CPA, CA  
Principal  
for the Auditor General of Canada

15 June 2017  
Halifax, Canada

## CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

### Statement of Financial Position

As at March 31, 2017  
(in thousands of dollars)

|   | 2017      | 2016      |
|---|-----------|-----------|
| <b>Assets</b>   |           |           |
| Current assets  |           |           |
| Cash  | \$ 3,585  | \$ 2,936  |
| Accounts receivable (note 3)                              | 228       | 194       |
| Inventory   | 151       | 151       |
| Prepaid expenses  | 102       | 57        |
|   | 4,066     | 3,338     |
| Endowment cash and investments (note 9 a)                 | 8,363     | 7,846     |
| Capital assets (note 4)                                   | 17,579    | 19,781    |
| Collections (note 5)                                      | 1         | 1         |
|   | \$ 30,009 | \$ 30,966 |
| <b>Liabilities and net assets</b>                         |           |           |
| Current liabilities                                       |           |           |
| Accounts payable and accrued liabilities (note 6)         | \$ 787    | \$ 729    |
| Deferred revenue (note 7)                                 | 226       | 193       |
| Deferred contributions related to capital assets (note 8) | 17,613    | 19,783    |
| Net assets  |           |           |
| Unrestricted  | 3,007     | 2,402     |
| Internally restricted (note 10)                           | 352       | 352       |
| Accumulated remeasurement gains                           | 248       | 74        |
| Endowment (note 9 b)                                      | 7,776     | 7,433     |
|   | 11,383    | 10,261    |
|   | \$ 30,009 | \$ 30,966 |

Contractual obligations (note 12)

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

On behalf of the Board of Trustees:



Tung Chan  
Chair of the Board of Trustees



Troy Myers  
Vice Chair of the Board of Trustees



## CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

### Statement of Operations

For the year ended March 31, 2017

(in thousands of dollars)

|  | 2017          | 2016            |
|--|---------------|-----------------|
| <b>Revenues</b>  |               |                 |
| Operating (schedule 1)   | \$ 1,819      | \$ 1,353        |
| Amortization of deferred contributions related to capital assets transferred from Pier 21 Society (note 8) | –             | 408             |
| Amortization of deferred contributions related to capital assets received from a related party (note 8)    | 92            | 83              |
| Donations  | 729           | 494             |
| Interest and other   | 27            | 35              |
|  | <u>2,667</u>  | <u>2,373</u>    |
| <b>Expenses (schedule 2)</b>   |               |                 |
| Visitor experience and connections   | 2,860         | 2,993           |
| Accommodation  | 5,031         | 5,352           |
| Internal services  | 4,149         | 4,478           |
|  | <u>12,040</u> | <u>12,823</u>   |
| Net result of operations before appropriations and endowment investment net income                         | (9,373)       | (10,450)        |
| Appropriations (note 11)   | 9,978         | 9,819           |
| Endowment investment net income (note 9)   | 171           | 161             |
| Net result of operations   | <u>\$ 776</u> | <u>\$ (470)</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, 2017

*(in thousands of dollars)*

|   | 2017   | 2016   |
|---|--------|--------|
| Accumulated remeasurement gains, beginning of year                          | \$ 74  | \$ 258 |
| Realized (gains) losses on endowment investments reclassified to operations | 56     | (5)    |
| Unrealized gains (losses) on endowment investments                          | 118    | (179)  |
| Accumulated remeasurement gains, end of year                                | \$ 248 | \$ 74  |

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, 2017

(in thousands of dollars)

|  | Unrestricted | Internally<br>restricted | Accumulated<br>remeasurement<br>gains | Endowment | 2017      | 2016      |
|--|--------------|--------------------------|---------------------------------------|-----------|-----------|-----------|
| Net assets, beginning of year                      | \$ 2,402     | \$ 352                   | \$ 74                                 | \$ 7,433  | \$ 10,261 | \$ 10,846 |
| Net result of operations                           | 776          | —                        | —                                     | —         | 776       | (470)     |
| Transfer to (from) (note 10)                       | (171)        | —                        | —                                     | 171       | —         | —         |
| Remeasurement gains (losses)                       | —            | —                        | 174                                   | —         | 174       | (184)     |
| Contributions received for<br>endowment (note 9 b) | —            | —                        | —                                     | 172       | 172       | 69        |
| Net assets, end of year                            | \$ 3,007     | \$ 352                   | \$ 248                                | \$ 7,776  | \$ 11,383 | \$ 10,261 |

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, 2017

(in thousands of dollars)

|   | 2017     | 2016     |
|---|----------|----------|
| <b>Operating activities</b>                                   |          |          |
| Appropriations received                                       | \$ 7,700 | \$ 7,700 |
| Other cash received   | 2,718    | 3,149    |
| Cash paid to employees and suppliers                          | (9,559)  | (11,288) |
| Interest received   | 25       | 33       |
|   | 884      | (406)    |
| <b>Capital activities</b>                                     |          |          |
| Acquisition of capital assets                                 | (264)    | (3,074)  |
|   | (264)    | (3,074)  |
| <b>Investing activities</b>                                   |          |          |
| Acquisition of endowment investments                          | (1,747)  | (1,315)  |
| Disposal of endowment investments                             | 1,404    | 1,085    |
|   | (343)    | (230)    |
| <b>Financing activities</b>                                   |          |          |
| Appropriations received for the acquisition of capital assets | 200      | –        |
| Contributions to endowment                                    | 172      | 69       |
|   | 372      | 69       |
| Increase (decrease) in cash                                   | 649      | (3,641)  |
| Cash, beginning of year                                       | 2,936    | 6,577    |
| Cash, end of year   | \$ 3,585 | \$ 2,936 |

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, 2017  
(in thousands of dollars)

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## 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 mutually supportive activities which work together to meet all aspects of its mandate. These activities are:

- a) Visitor experience and connections  
To provide research and content development; interpretation and connections including public programming and exhibits; national outreach and partnerships; and visitor services and amenities including volunteers' activities.
- b) Accommodation  
To manage accommodation focussing on building operations; security; and leasehold improvements including capital projects.
- c) Internal services  
To provide governance; resource management; development and public affairs which include marketing, communications, commercial activities, facilities rentals, sponsorships and community partnerships.

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 reported on this directive in its 2016-17 corporate plan.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

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## 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 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 or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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, 2017  
(in thousands of dollars)

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## 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

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) 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.

#### v) Contributed materials

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

### 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.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

## 2. Summary of significant accounting policies (continued)

d) Inventory

Inventory 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 permanent exhibits.

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 |
| Permanent exhibits             | 10 years      |
| Immigration and ships database | 5 years       |
| Office and computer equipment  | 3 to 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.

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 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.



# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

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## 2. Summary of significant accounting policies (continued)

### 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 fund holdings in global equity, fixed income bonds and alternative assets, and are classified 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 15 a).

#### 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.

## CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

### 3. Accounts receivable

|   | 2017 |     | 2016 |     |
|---|------|-----|------|-----|
| Accounts receivable – external                            | \$   | 93  | \$   | 60  |
| Accounts receivable – government departments and agencies |      | 135 |      | 134 |
|   | \$   | 228 | \$   | 194 |

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.

### 4. Capital assets

|                                | Cost |        | Accumulated amortization |        | 2017<br>Net book value |
|--------------------------------|------|--------|--------------------------|--------|------------------------|
| Leasehold improvements         | \$   | 21,822 | \$                       | 8,920  | \$ 12,902              |
| Immigration and ships database |      | 46     |                          | 46     | –                      |
| Office and computer equipment  |      | 908    |                          | 811    | 97                     |
| Permanent exhibits             |      | 5,631  |                          | 1,051  | 4,580                  |
|                                | \$   | 28,407 | \$                       | 10,828 | \$ 17,579              |

|                                     | Cost |        | Accumulated amortization |       | 2016<br>Net book value |
|-------------------------------------|------|--------|--------------------------|-------|------------------------|
| Capital projects - work in progress | \$   | 233    | \$                       | –     | \$ 233                 |
| Leasehold improvements              |      | 21,482 |                          | 7,262 | 14,220                 |
| Immigration and ships database      |      | 46     |                          | 46    | –                      |
| Office and computer equipment       |      | 847    |                          | 662   | 185                    |
| Permanent exhibits                  |      | 5,631  |                          | 488   | 5,143                  |
|                                     | \$   | 28,239 | \$                       | 8,458 | \$ 19,781              |

### 5. 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, 2017 and 2016, 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.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

## 6. Accounts payable and accrued liabilities

|  | 2017   | 2016   |
|--|--------|--------|
| Accounts payable and accrued liabilities – external                            | \$ 647 | \$ 589 |
| Accounts payable and accrued liabilities – government departments and agencies | 140    | 140    |
|  | \$ 787 | \$ 729 |

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.

## 7. Deferred revenue

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

|   | 2017   | 2016   |
|---|--------|--------|
| Balance, beginning of year                  | \$ 193 | \$ 69  |
| Funds received during the year              | 510    | 445    |
| Funds recognized as revenue during the year | (477)  | (321)  |
| Balance, end of year                        | \$ 226 | \$ 193 |

## CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017

(in thousands of dollars)

### 8. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions, including appropriations, for the acquisition of capital assets. Deferred contributions are amortized to income on the same basis as the related capital assets are amortized. The changes in the deferred contributions balance for the years ended March 31 are as follows:

|  | Appropriations | Other contributions | 2017      |
|--|----------------|---------------------|-----------|
| Balance, beginning of year                                       | \$ 18,656      | \$ 1,127            | \$ 19,783 |
| Add:   |                |                     |           |
| Appropriations received to acquire capital assets                | 200            | –                   | 200       |
| Less:  |                |                     |           |
| Amortization of deferred contributions related to capital assets | (2,278)        | (92)                | (2,370)   |
| Balance, end of year   | \$ 16,578      | \$ 1,035            | \$ 17,613 |

|  | Transfer from Pier 21 Society | Appropriations | Other contributions | 2016      |
|--|-------------------------------|----------------|---------------------|-----------|
| Balance, beginning of year                                       | \$ 408                        | \$ 20,775      | \$ 1,210            | \$ 22,393 |
| Less:  |                               |                |                     |           |
| Amortization of deferred contributions related to capital assets | (408)                         | (2,119)        | (83)                | (2,610)   |
| Balance, end of year   | \$ –                          | \$ 18,656      | \$ 1,127            | \$ 19,783 |

The unused portion of deferred contributions related to capital assets was \$34 at March 31, 2017 (2016 – \$2). Other contributions were received from a related party, the Halifax Port Authority, as per the lease of the Pier 21 premises for leasehold improvements to the premises.

## CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

### 9. Endowment

a) Endowment cash and investments

Endowment cash and investments consist of the following:

|                             | 2017     |            | 2016     |            |
|-----------------------------|----------|------------|----------|------------|
|                             | Cost     | Fair value | Cost     | Fair value |
| Cash and money market funds | \$ 170   | \$ 170     | \$ 66    | \$ 66      |
| Investment funds            |          |            |          |            |
| Fixed income                | 4,925    | 4,995      | 4,699    | 4,666      |
| Alternatives                | 3,020    | 3,198      | 3,007    | 3,114      |
|                             | 7,945    | 8,193      | 7,706    | 7,780      |
|                             | \$ 8,115 | \$ 8,363   | \$ 7,772 | \$ 7,846   |

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

|   | 2017     | 2016     |
|---|----------|----------|
| Endowment net assets  | \$ 7,776 | \$ 7,433 |
| Prior years cumulative endowment investment net income recognized | 336      | 266      |
| Current year endowment investment net income recognized           | 171      | 161      |
| Current year preservation of capital                              | (171)    | (91)     |
| Current year endowment investment net income deferred             | 3        | 3        |
| Accumulated remeasurement gains                                   | 248      | 74       |
| Endowment cash and investments (at fair value)                    | \$ 8,363 | \$ 7,846 |

## CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

### 9. Endowment (continued)

#### b) Endowment net assets

Endowment contributions totaling \$172 (2016 – \$69) were received by the Museum during the fiscal year. In addition, \$171 was recorded as a direct increase to the endowment for the preservation of capital (2016 – \$91).

Endowment net assets generated net realized investment income of \$171 (2016 – \$161). At March 31, 2017, the endowment had \$248 of unrealized gains (2016 – \$74 of unrealized gains).

At March 31, the endowment component of net assets consists of the following cumulative contributions:

|  | 2017            | 2016            |
|--|-----------------|-----------------|
| Contributions received from Pier 21 Foundation | \$ 4,874        | \$ 4,874        |
| Other contributions received for endowment     | 2,317           | 2,145           |
| Capital preservation                           | 585             | 414             |
| <b>Endowment net assets, end of year</b>       | <b>\$ 7,776</b> | <b>\$ 7,433</b> |

### 10. Internally restricted net assets

Internally restricted net assets represent investment income earned on the general endowment that was unspent. The Museum restricts, as approved by the Board of Trustees, amounts to be spent at a later date or for the preservation of capital. In 2017, no amount was restricted for spending at a later date (2016 – \$70) and \$171 was restricted for the preservation of capital on endowment (2016 – \$91). The amounts are reflected in the Statement of Changes in Net Assets as a transfer from unrestricted net assets to internally restricted net assets and to endowment net assets.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

## 11. Appropriations

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

|  | 2017     | 2016     |
|--|----------|----------|
| Parliamentary appropriations provided                            |          |          |
| Main estimates   | \$ 7,700 | \$ 7,700 |
| Supplementary estimates  | 200      | -        |
| Previous year's appropriations used in the current year          | 2        | 2,642    |
| Appropriations deferred for future capital projects              | (34)     | (2)      |
| Appropriations used to purchase amortizable capital assets       | (168)    | (2,640)  |
|  | 7,700    | 7,700    |
| Amortization of deferred contributions related to capital assets | 2,278    | 2,119    |
| Appropriations recognized as revenue                             | \$ 9,978 | \$ 9,819 |

## 12. 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. At March 31, 2017, the estimated obligations are as follows:

|              |           |
|--------------|-----------|
| 2018         | \$ 1,532  |
| 2019         | 1,532     |
| 2020         | 1,532     |
| 2021         | 1,578     |
| 2022         | 1,611     |
| 2023 to 2051 | 53,385    |
|              | \$ 61,170 |

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

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## 13. 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 1.01 times the employee's contribution (2016 – 1.15); 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 (2016 – 1.11) for a defined salary threshold. On the portion of salaries above the defined threshold, the Museum is required to contribute on a ratio of 7.74 times the employees' contributions (2016 – 6.67 times). Total employer contributions of \$428 (2016 – \$492) 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.

## 14. Related party transactions

The Museum is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Museum enters into transactions with these entities in the normal course of business. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and is under normal credit terms.

In addition to the related party transactions disclosed elsewhere in these financial statements, the Museum incurred expenses totaling \$2,088 (2016 – \$2,158) consisting primarily of rent expenses and payment in lieu of taxes under Accommodation of \$1,811 (2016 – \$1,792) and revenue of \$19 (2016 – \$12) with related parties.



# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

## 15. 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 | 2017     |
|---------------------------------|----------|----------|---------|----------|
| Financial assets:               |          |          |         |          |
| Endowment cash and investments  |          |          |         |          |
| Cash and money market funds     | \$ 170   | \$ –     | \$ –    | \$ 170   |
| Investment funds - Fixed income | 4,995    | –        | –       | 4,995    |
| Investment funds - Alternatives | 315      | 2,883    | –       | 3,198    |
|                                 | \$ 5,480 | \$ 2,883 | \$ –    | \$ 8,363 |

|                                 | Level 1  | Level 2  | Level 3 | 2016     |
|---------------------------------|----------|----------|---------|----------|
| Financial assets:               |          |          |         |          |
| Endowment cash and investments  |          |          |         |          |
| Cash and money market funds     | \$ 66    | \$ –     | \$ –    | \$ 66    |
| Investment funds - Fixed income | 4,666    | –        | –       | 4,666    |
| Investment funds - Alternatives | 598      | 2,516    | –       | 3,114    |
|                                 | \$ 5,330 | \$ 2,516 | \$ –    | \$ 7,846 |

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

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## 15. Financial instruments (continued)

### a) Fair value measurement hierarchy (continued)

Cash and money market funds have a maximum term to maturity of three months and are redeemable on demand without prior notice or penalty.

Fixed income, equity and alternative investments are primarily held through pooled and mutual funds. Investments in the fixed income pooled fund are comprised of a mix of bonds, mortgages, emerging debt and other fixed income instruments. Fair value of the fixed income portfolio investments is measured using the fair market value plus any accrued interest and is based on the net asset value as reported by the administrators of the pooled funds.

Alternative assets provide a lower overall volatility and correlation to traditional equity indices and their objective is to generate positive returns regardless of market conditions. The alternative portfolio includes long-short strategies, low-volatility fixed income strategies, global market neutral equity strategies with minimal net equity market exposure and a trend-following managed futures trading program that obtains exposure to a diversified portfolio of financial instruments across a range of global markets. Fair value for Level 1 alternative portfolio investments that trade with sufficient frequency and volume to be considered traded in an active market are recorded at the unadjusted net asset value as reported by the external administrators or managers of the funds. Alternative portfolio investments that do not trade in an active market are classified as Level 2 investments and are recorded at the unadjusted net asset value as reported by the external administrators or managers of the funds. The Museum currently holds no Level 3 investments.

During the year ended March 31, 2017, there were no transfers between levels in either direction. For 2016, the Museum transferred one of its alternative investment fund from Level 1 into Level 2 because the fund is no longer traded in an active market; there were no transfers from Level 2 into Level 1.

### 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).

The long-term goal of the Museum's investment policy for the endowment fund is to produce long-term real returns to supplement the costs of programming, education and other such areas, while permanently maintaining the endowment principal.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

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## 15. Financial instruments (continued)

### b) Risk management (continued)

In order to manage risk, the Museum invests in a diversified portfolio that is managed by professional investment managers. The Museum's investments are guided by an investment policy which is approved by the Board of Trustees and reviewed on an annual basis. The Museum is assisted in the oversight and management of its portfolio by an Investment Committee that includes independent experts with experience in the investment field. In addition, the Museum uses the services of an independent investment advisor to assist the Investment Committee in its work. As the investment markets continue to evolve, the Investment Committee recommends adjustments to the asset mix to minimize the overall risk of the portfolio and sets target allocations allowing asset class allocations to vary within a specified range. At March 31, 2017 and 2016, the target allocations were 60% fixed income, 10% in global equity and 30% alternative assets.

There has been no change in the exposures, objectives, policies and processes for managing risk and the methods used to measure risk from the previous year.

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 has determined that its credit risk is not significant.

##### i) Cash

Cash, other than cash and money market funds held in the endowment funds, is held in a Canadian chartered bank. The Museum minimizes its credit risk on cash by dealing only with reputable and high quality financial institutions.

##### ii) 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 money market funds, fixed income instruments, Canadian, US and global equity and alternative assets through pooled funds and mutual funds.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

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## 15. Financial instruments (continued)

### b) Risk management (continued)

#### (1) Credit risk (continued)

##### ii) Endowment cash and investments (continued)

Through its investments in fixed income, 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. Their 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.

##### iii) Accounts receivable

The Museum is exposed to credit risk from customers in the amount of \$228 (2016 – \$194) 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, 2017, \$2 accounts receivable were past due (over 30 days) (2016 – \$1). The Museum did not classify any 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 \$1,376 (2016 – \$1,376) of underlying investments in fixed income and alternatives classifications containing unhedged foreign currency exposure. The foreign currency risk has been determined to be low to moderate as they represent less than 17% (2016 – 18%) of the portfolio. In addition, the funds denominated in Canadian dollars with foreign currency exposure normally enter into forward currency transactions or similar vehicles to insulate the funds from significant price changes due to the change in exchange rates. Furthermore, the funds denominated in US dollars have a three business day settlement and can be transitioned back to Canadian dollars denominated funds within that time.

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017

(in thousands of dollars)

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## 15. Financial instruments (continued)

### b) Risk management (continued)

#### (2) Market risk (continued)

##### i) Foreign currency risk (continued)

In limited instances, the Museum remits certain payments to suppliers denominated in US dollars. At March 31, 2017 and 2016, the Museum did not have any liabilities in a foreign currency which would be exposed to changes in exchange rates. Fluctuations in the Canadian dollar compared to the US dollar would have an insignificant impact on the Museum's net results of operations.

##### 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 interest earned on the cash balance fluctuates because of changes in the market interest rates. The Museum's cash balance and its endowment investments, which include cash and money market funds and fixed income funds, earn interest at fixed rates or have values dependent on interest rates. The Museum does not directly hold debt instruments at March 31, 2017, but holds fixed income investments through pooled and mutual funds.

The Museum manages its interest rate risk by maintaining a mix of fixed income investments primarily held through bond funds which meet the investment criteria outlined in the investment policy. The investment and portfolio managers monitor exposures to address interest rate risk. The impact of the fluctuations cannot be easily assessed because the Museum holds the funds and not the underlying assets.

The sensitivity of the cash balance to a 0.25% decrease in the interest rate would be a reduction in interest income of \$9 for the year ended March 31, 2017 (2016 – \$10).

## CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2017  
(in thousands of dollars)

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### 15. Financial instruments (continued)

b) Risk management (continued)

(2) Market risk (continued)

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 investments include \$1,468 in funds with underlying equity investments (2016 – \$1,637). Included in these funds are \$1,468 (2016 – \$1,637) in alternative allocations that have a low correlation to the stock market index and equities in general. In addition, these alternative allocations serve to reduce the price risk and volatility associated with the other funds.

The sensitivity of the endowment investment is calculated using a 5% decrease in the market prices. The sensitivity rate is determined using the standard deviation for the total fund as determined by the investment and portfolio managers. At March 31, 2017, 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 \$111 due to the decrease in the fair value of financial assets (2016 – \$32).

(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 manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Museum's reputation. The Museum has determined that the risk is not significant.

As at March 31, 2017, 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, 2017

### Schedule 1 – Operating Revenue

(in thousands of dollars)

|                              | 2017            | 2016            |
|------------------------------|-----------------|-----------------|
| Exhibition hall ticket sales | \$ 515          | \$ 408          |
| Hall rental                  | 437             | 306             |
| Gift shop                    | 340             | 285             |
| Special events               | 326             | 194             |
| Family history centre        | 115             | 101             |
| Programming                  | 86              | 59              |
|                              | <b>\$ 1,819</b> | <b>\$ 1,353</b> |

### Schedule 2 – Expenses

(in thousands of dollars)

|  | 2017             | 2016             |
|--|------------------|------------------|
| Personnel costs                                | \$ 5,279         | \$ 5,449         |
| Amortization of capital assets                 | 2,370            | 2,610            |
| Rent and related costs                         | 1,620            | 1,612            |
| Repairs and maintenance and building operation | 394              | 407              |
| Marketing, promotion and recognition           | 354              | 692              |
| Utilities                                      | 316              | 342              |
| Exhibition and programming                     | 292              | 353              |
| Cost of goods sold                             | 287              | 217              |
| Operating supplies and services                | 279              | 278              |
| Office supplies and administration             | 233              | 203              |
| Travel and hospitality *                       | 215              | 177              |
| Professional and special services              | 211              | 248              |
| Payment in lieu of taxes                       | 190              | 180              |
| Museum opening costs                           | –                | 55               |
|  | <b>\$ 12,040</b> | <b>\$ 12,823</b> |

\* Includes \$10 of hospitality donated in-kind (2016 – \$23). Offsetting revenues of the same amount were recorded under Donations.