

2 0 1 2 - 2 0 1 3

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

1055 Marginal Road, Halifax, Nova Scotia B3H 4P7
T: 902-425-7770 | F: 902-423-4045 | Toll Free: 1-855-526-4721
www.pier21.ca | info@pier21.ca

Published by Canadian Museum of Immigration at Pier 21
Designed by Azam Chadeganipour
Printed by Halcraft Printers Inc.®
Cover photo: Ted Grant 66-6142

Cat. NO. CC521-2013
ISSN 1925-9824
© Canadian Museum of Immigration at Pier 21

Canada

Canadian Museum of
Immigration at Pier 21



Musée canadien de
l'immigration du Quai 21

2012-2013 Annual Report



Pier 21: the gateway to Canada for one million immigrants between 1928 and 1971

TABLE OF CONTENTS

2	Message from the Chair
3	Message from the CEO
4	About the Canadian Museum of Immigration at Pier 21
6	Mandate, Role and Governing Legislation
7	The Board of Trustees
8	Management and Staff
10	Strategic Direction
11	Key Strategic Priorities
14	Results
25	Highlights
40	Management Discussion and Analysis
46	Management's Responsibility for Financial Statements
47	Independent Auditor's Report
49	Financial Statements

[MESSAGE FROM THE CHAIR]



It is with tremendous pride that the Board of Trustees of the Canadian Museum of Immigration at Pier 21 presents the Museum's third Annual Report to the people of Canada.

On the Board's behalf, I would like to express our sincere appreciation to the Government of Canada for the historic decision to create a national museum entrusted to collect, share and pay tribute to the Canadian immigration story.

I would also like to acknowledge two former Board Trustees whose immeasurable contributions made this museum a reality. Ruth Goldbloom's tenacity and passion saw Pier 21 transformed from an abandoned immigration shed into the national museum that it is today. And the Museum's inaugural Chair, John Oliver, led us through our first years as a national institution and set us on a path for success. Both knew that Pier 21 had an important history, and an even more important future.

As the national museum dedicated to telling the Canadian immigration story, we have been entrusted to collect and share many stories. The stories of those who came to Canada to seek a better life for themselves and their families. Your stories and mine. New stories and old. The exceptional stories and the ordinary. Stories of heartache and of hope, of adversity and of triumph. These stories are what define us as Canadians.

For many Canadians, the Canadian Museum of Immigration at Pier 21 represents the place that their immigration story began. For many others, we hope it will represent the place where their story is preserved and celebrated for generations to come.

As a national museum of immigration, we give Canadians the opportunity to explore a key part of our heritage. We invite them to help shape, define and make it their own. We are a museum for the people of Canada. Together we are creating one vast storybook for all Canadians. Through these personal accounts we help identify what it truly means to be Canadian, contributing to our collective sense of identity and belonging.

A handwritten signature in black ink, appearing to read 'Tung Chan', written in a cursive style.

Tung Chan
Chair of the Board of Trustees

[MESSAGE FROM THE CEO]



2012-13 marks the second full year of operations for the Canadian Museum of Immigration at Pier 21. And although we are a new Crown corporation and national museum, we have a long history of collecting, preserving and sharing stories of immigration. Since its opening as an immigration centre in 1928, Pier 21 has been a place of new beginnings. We are the place where more than one million immigrants first set foot in Canada and began their journey.

Today, one in five Canadians can trace their roots to Pier 21. And we want that number to grow. Although no longer an immigration entry point, we want to be a personal touchstone for all Canadians. A place where new stories can be told and shared, a place where stories of the past can be preserved and available for generations to come, and a place where all Canadians can experience firsthand the expectations, experiences and emotions of newcomers to Canada.

This is a big mandate, and a significant responsibility. Over the past two years, we have done much of the foundational work to become a truly national museum. We have put in place the facilities, the technology

and the team to grow the Museum both in size and scope so that we can tell the broader stories of Canadian immigration beyond Pier 21.


This work will continue in the coming years. In late 2013, we will launch our first travelling exhibition called *Canada: Day 1*, which will travel across the country and tell the stories of immigrants' first experiences in Canada, from Confederation to present day. And we are hard at work on a new permanent exhibition that will open in 2015, tangibly showcasing our national mandate.

We have been working closely with the other national museums on shared priorities including partnerships on content development and travelling exhibits. Partnerships with community and cultural groups are also key to building our content and fulfilling our mandate, as you'll see in some of the examples highlighted in this report.

These are exciting times at the Museum and I come to work every day proud of the work we do, inspired by the stories I hear, and mindful of the trust Canadians have placed in us to safeguard and share their personal histories.

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

Marie Chapman
Chief Executive Officer



ABOUT THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Pier 21 is a National Historic Site which was the gateway to Canada for one million immigrants between 1928 and 1971. It also served as the departure point for 500,000 Canadian military personnel during the Second World War. Pier 21 reopened on July 1, 1999 as an interpretive centre, and in February 2011, it became 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.

Image courtesy of Halifax Port Authority



[THE PROUD HISTORY OF PIER 21]

Between 1928 and 1971, Pier 21 welcomed one million immigrants seeking adventure, employment 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.

[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:

The purpose of the Canadian Museum of Immigration at Pier 21 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.

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 also 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.



© SteveKaiserPhotography.ca

[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 and Official Languages. The Board of Trustees is responsible for providing broad strategic direction and oversight.

The *Museums Act* provides for an eleven-member Board of Trustees that is appointed by the Minister with the approval of the Governor-in-Council. 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, investment (including the endowment fund) 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.



Mark Boudreau
Halifax, Nova Scotia



Ralph Chiodo
Toronto, Ontario



Tung Chan
Richmond,
British Columbia



Richard (Cy) LeBlanc
Grande-Digue,
New Brunswick



Troy Myers
Dartmouth, Nova Scotia



Phuong T.V. Ngo
Orleans, Ontario



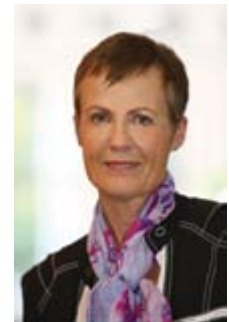
**Rosanna
Saccomani, Q.C.**
Edmonton, Alberta



**James (Bradley)
Stafford, CA**
Vancouver,
British Columbia



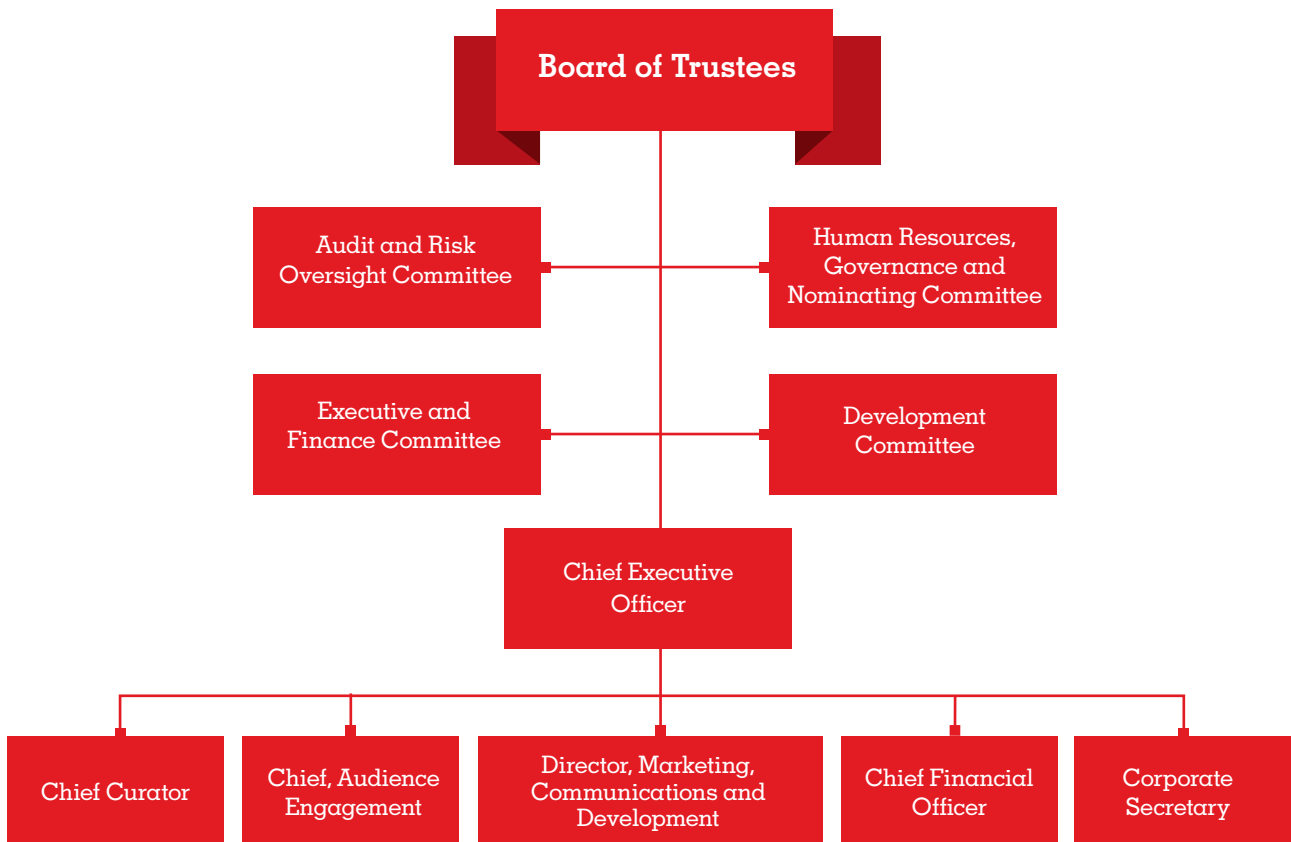
**Dr. Frances
Swyripa**
Edmonton, Alberta



Laurie Watson
Calgary, Alberta

[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.



Staff pictured with our many dedicated volunteers



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

THE SENIOR LEADERSHIP TEAM

Marie Chapman, Director/Chief Executive Officer

Kendall Blunden, CA, Chief Financial Officer

Tanya Bouchard, Chief Curator

Carrie-Ann Smith, Chief, Audience Engagement

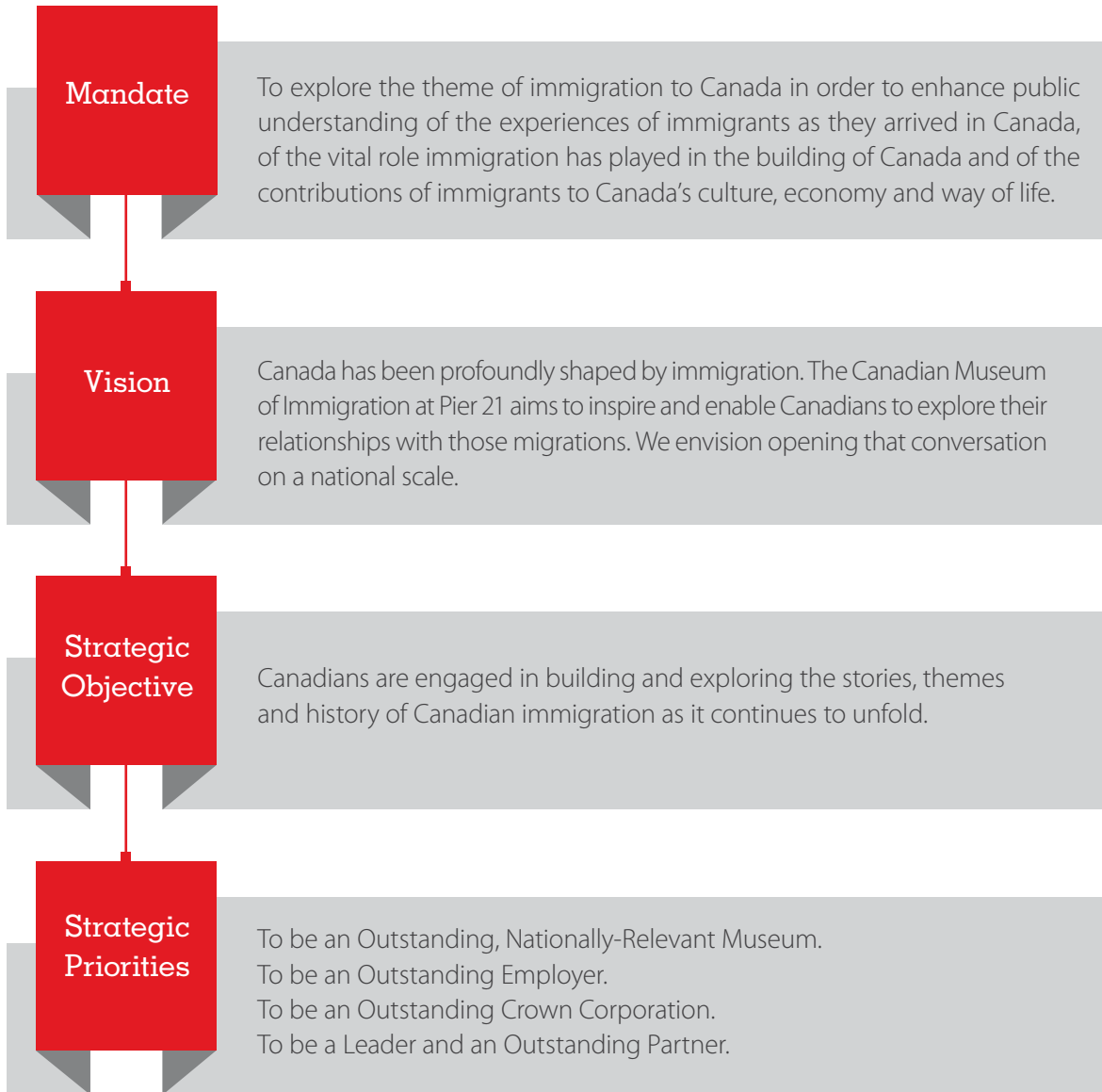
Jennifer Tramble, Corporate Secretary

Fiona Valverde, Director, Marketing, Communications and Development

The Museum had 46 full-time permanent staff at the end of March 2013. 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 objectives and strategic priorities:



[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 PARTNER

To be a **Leader and an Outstanding Partner** 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.

PIER 21



Canadian Museum of
Immigration at Pier 21



Musée canadien de
l'immigration du Quai 21



1035

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.



[RESULTS]

In the 2012-13 fiscal year, the Museum delivered on key priorities that will set the stage for the next period of growth. Highlights by program are as follows:

PROGRAM 1

VISITOR EXPERIENCE AND CONNECTIONS

Expected Outcome:

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.



KEY RESULT 1:

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, 2013

- Begin implementing the Collection Development Strategy to build a rich collection of materials covering Canadian immigration broadly. In particular, actively collect engaging oral histories and stories that reflect the Museum's mandate, Canada's multicultural mosaic and its linguistic duality.
- Adopt policies and systems and develop space to provide for the effective stewardship of these materials.



Complete at March 31, 2013

- A Collection Development Strategy was implemented and engaging oral histories and stories that reflect the Museum's national mandate are being collected.
- A new Collection Policy and related procedures were developed and implemented.
- The Collection was safely and appropriately stored in new purpose-built storage space. A Collection Manager is in place and actively improving both the quality of Collection access and the speed of cataloguing.
- A multi-year project to catalogue the Collection and make it accessible on the *CollectiveAccess* database has commenced. Full-time contract staff have been hired to catalogue the Collection; this will increase the percentage accessible on *CollectiveAccess* from the previous target of 30% by 2016, to above 50%.

KEY RESULT 2:

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, 2013

- Complete the thematic Master Interpretive Plan as the foundation on which the Museum's exhibitions and programming will be developed.
- Begin developing the detailed exhibition design and content for the permanent exhibition to open in 2015.
- Develop the Museum's first in-house temporary exhibition.
- Begin developing the Museum's first travelling exhibition.
- Increase online content by 20% and expand content to more fully reflect the diversity of the immigration experience in Canada.
- 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, 2013

- A Master Interpretive Plan was developed to guide the direction and development of programming and the new permanent exhibition that will open in 2015.



- The Exhibition Design and Content Plan for the new permanent exhibition was completed.
- Successful opening of the first in-house temporary exhibition, *Shaping Canada: Exploring Our Cultural Landscapes*, in June 2012. Elements were also offered online.
- Development of the first travelling exhibition, *Canada: Day 1*, is underway and on track for late 2013 launch.
- Launch of an extensive new website in July 2012 exceeded the commitment of 20% new content for 2013 and resulted in a 25% increase in unique visitors.
- Continuation of popular programs such as the *Diversity Spotlight* film series, *Discover Culture* family program and community outreach programs attracted more than 4,000 public programming visitors to the Museum.

KEY RESULT 3:

VISITOR EXPERIENCE

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

Key Commitments to March 31, 2013

- Ensure that planning processes place a high priority on providing a holistic visitor experience that emphasizes personal connections.
- Further enhance the Museum's ability to provide a compelling visitor experience by providing for full integration, cross-training and knowledge-sharing of the Visitor Services staff and volunteers.
- Collect qualitative and quantitative visitor data to inform training requirements and Museum development.
- Enhance the visitor experience and broaden the range of visitors by expanding the monograph, microfilm and journal collections.

Complete at March 31, 2013

- All permanent Visitor Services staff have been cross-trained and are able to offer a comprehensive visitor experience to Museum guests. Ongoing training and job shadowing are now part of regular operations.



- More than 100,000 people experienced the Museum in 2012-13, including 37,000 paid visitors and 4,300 school children, slightly below targets of 42,000 paid visitors and 6,000 school children.
- Implementation of a visitor satisfaction survey in summer 2012 provided tangible measurement of the Museum's compelling visitor experience. 95% of respondents rated their visitor experience as satisfying or very satisfying.
- Attendance measurement (onsite and online) has been enhanced.
- The monograph and journal collections are being expanded to reflect the breadth of the Canadian immigration experience.

KEY RESULT 4:

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, 2013

- Develop and implement strategies to nurture strong networks and partnerships across the country.
- Form new partnerships for research and oral history collection to support the development of the first travelling exhibition and online content.

- Build on the connections established in 2011-12 with the other national museums in the Canadian Heritage Portfolio in an effort to partner on travelling exhibition development and the sharing of resources and learning.

Complete at March 31, 2013

- Depth and authenticity of programming, both onsite and online, has been enhanced as a result of partnerships.
 - A digital storytelling partnership with Community Story Strategies saw the Museum partner with ten groups across the country to help them tell and record their immigration stories. Material will support the development of the first travelling exhibition and online content.
 - Partnering with the Canadian Museum of Civilization to co-produce the *Empress of Ireland* exhibition in 2013-14.



PROGRAM 2

ACCOMMODATIONS

Expected Outcome:

The Museum's facilities contribute to a rich, welcoming and engaging visitor experience; are safe and accessible for visitors, staff and volunteers; and are maintained in a cost-effective manner.



KEY RESULT 1: **LEASEHOLD IMPROVEMENTS**

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 for the heritage aspects of the site.

Key Commitments to March 31, 2013

- Complete planned renovations to the Shed 21 mezzanine and the Immigration Annex, including purpose-built collection storage space.



- Undertake all infrastructure improvements in a way that takes into account the potential expansion into upper Shed 22 space.
- 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, 2013

- Renovations to the Shed 21 mezzanine and the Immigration Annex (including storage space) were completed within budget by March 31, 2013.
- Expansion into upper Shed 22 space is commencing and purpose-built envelope and infrastructure will be complete by March 31, 2014, leaving one year for refit and exhibit installation to meet the commitment to open the new permanent exhibition by March 31, 2015.

KEY RESULT 2: BUILDING OPERATIONS AND SECURITY

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

Key Commitments to March 31, 2013

- Ensure the appropriate measures are in place to provide for the ongoing safety and security of staff, volunteers, visitors and Museum materials; and for full 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 completed in 2012-13.

Complete at March 31, 2013

- Zero accidents onsite in 2012-13.
- All visitors have full access to all public areas of the Museum facility, regardless of physical challenge, and are able to fully engage in the onsite Museum experience.
- Operating efficiencies from the new HVAC, electrical and communications systems are being realized.





© SteveKaiserPhotography.ca

PROGRAM 3

INTERNAL SERVICES

Expected Outcome:

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



KEY RESULT 1: **SOUND GOVERNANCE**

The Museum 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, 2013

- Continue to develop and improve the instruments, policies, processes and systems required to support the sound governance and effective operation of the Museum.



- To continue to utilize and review mechanisms for ongoing performance monitoring, reporting, and improvement.
- To hold the Museum's first Annual Public Meeting in May 2012.

Complete at March 31, 2013

- Development of key governance documents and procedures continued including a Business Continuity Plan and a risk-management framework.
- The first Annual Public Meeting (pictured above) was held in Halifax in May 2012 with more than 100 visitors, donors and friends in attendance.
- Positive results from the Board of Trustees' annual governance self-assessments.

KEY RESULT 2: 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, 2013

- Continue recruitment to support the organizational structure and the national mandate.
- Continue to recruit, engage and develop volunteers in a way that reflects the new mandate.
- Further develop and implement the management frameworks, policies, systems, structures and procedures necessary to support sound resource management and a positive, values-based workplace.
- Implement a performance management program across the organization that recognizes results and the Museum's core values.

Complete at March 31, 2013

- No negative reports from the Office of the Auditor General in 2012-13.
- Hiring for most key positions was completed in 2012-13. New volunteers have been recruited for front line and administrative support.
- Employees continue to actively seek professional development and educational opportunities.
- All staff who require language training are participating, along with some volunteers.
- An employee performance management program was implemented that links individual performance plans with the Corporate Plan and the Museum's core values.

KEY RESULT 3: DEVELOPMENT AND PUBLIC RELATIONS

The Museum garners a high level of awareness and public support through strong and effective marketing and communications strategies; and it establishes the capacity to generate ongoing private-sector funds, both through commercial activities and fundraising/sponsorships.

Key Commitments to March 31, 2013

- Continue to develop and implement a robust communications strategy for the early years of the Museum's evolution.
- Continue to develop and implement the corporate brand/image strategy.
- Develop and implement a communications strategy to support oral history collection and outreach.
- Leverage opportunities for revenue generation and public awareness in conjunction with the first travelling exhibition and Canada's 150th anniversary celebrations.
- Nurture relations with donors to the Museum while implementing policies for donor recognition appropriate to a national institution.
- Implement recommendations on annual and planned giving programs from an external expert's report produced during 2011-12.

Complete at March 31, 2013

- On track to increase the percentage of the Museum's self-generated revenues, expressed as a percentage of its operating appropriations, to 26% by 2016.
- In late 2012-13, the Museum launched its first national advertising campaign.
- A Case for Support has been developed and is being used as the basis for donor communication.
- Major gift strategies have been developed and implementation is underway.
- Annual and planned giving programs are in development and will be launched in 2013.

The background of the entire page is a large window with a grid pattern. Through the window, a bright blue sky with a sun and a body of water with a distant shoreline are visible. In the foreground, the silhouettes of several people are seen from behind, looking out the window. One person on the left is partially visible, and two people on the right are standing together, looking out at the water.

HIGHLIGHTS FROM 2012-13

Welcome Home to Canada Presented by TD Bank Group

Storytelling and National Outreach

- National Advertising Campaign
- Digital Storytelling
- Oral History Program
- Scotiabank Family History Centre

Visitor Experience

- Learning at the Museum
- Shaping Canada: Exploring Our Cultural Landscapes*
- Position As Desired* and Lawrence Hill Book Signing

Special Event Fundraisers

- Breakfast with a Fascinating Canadian*
- California Wine Dinner*

Paying Tribute to Ruth M. Goldbloom, O.C., O.N.S.



WELCOME HOME TO CANADA PROGRAM

Welcoming newcomers to Canada has always been a significant part of Pier 21's rich heritage. Immigrants arriving by ocean liner were once greeted with a large harbourside sign reading "Welcome Home to Canada."

Since 2004, the *Welcome Home to Canada* program has offered a helping hand to newcomers making their start in Canada. The program provides six-month work terms at the Museum where participants have the opportunity to engage with colleagues, visitors and partner organizations. At the same time, they gain valuable work experience and have opportunities for training and mentorship.

The Museum's *Welcome Home to Canada* program presented by TD Bank Group is an employability and integration program through which newcomers gain significant Canadian work experience and enhance their employment opportunities. This program demonstrates that the Museum, with the support of TD Bank Group, is not only preserving the stories of newcomers to Canada but helping to shape those stories.



© SteveKaiserPhotography.ca



© SteveKaiserPhotography.ca



Past Welcome Home to Canada participants

[Storytelling and National Outreach]

Daisy Au

Vancouver,
British Columbia



Dejan Jokanovic

Toronto, Ontario



Juan Neufeld

Winkler, Manitoba



Shiv Sadhu

Halifax, Nova Scotia



**Marie-Denise
Douyon**

Montreal, Quebec



Luigi Pagano

Toronto, Ontario

NATIONAL ADVERTISING CAMPAIGN

*"I didn't come here
because of politics or war.
My wife and I came here
three days after we got
married to make a life."*

— Juan Neufeld, immigrated to
Canada from Mexico in 1977

In March 2013, the Museum launched its first national advertising campaign designed to build awareness and collect immigration stories. Immigrants like Juan Neufeld shared personal stories of coming to Canada to encourage others to do the same.

Individuals with a story are welcome to visit pier21.ca/share to share their story with us.

Visitors to our newly designed website can also subscribe to the Museum's blog and sign up to receive our monthly e-newsletter.



Photo courtesy of Community Story Strategies

DIGITAL STORYTELLING

"We learned how to express our experiences. Most girls are always told not to tell their experiences, and it makes girls more stressed because they cannot express themselves to the public. They sometimes keep their feelings inside. After I made my movie, I felt good because it is MY experience and it is in MY movie."

— Digital storytelling participant

From St. John's to Langley, to Whitehorse and beyond, Museum facilitators crossed the country offering digital storytelling workshops to 10 different community groups.

Throughout the three-day workshops, participants learned to share their story verbally, write their own script, digitally record their story, and edit it into a final three to four minute personal video.

Their personal immigration stories will be available to view online at pier21.ca.

DIGITAL STORYTELLING PARTNERS ACROSS CANADA:

Refugee and Immigrant Advisory Council Inc., St. John's, Newfoundland and Labrador

Canadian Museum of Immigration at Pier 21, Halifax, Nova Scotia

Boys and Girls Club of London, London, Ontario

Four Villages Community Health Centre, Toronto, Ontario

Immigrant Services Guelph-Wellington, Guelph, Ontario

Newcomers Employment and Education Development Services Inc., Winnipeg, Manitoba

The New Iceland Heritage Museum, Gimli, Manitoba

Southern Alberta Ethnic Association, Lethbridge, Alberta

Boys and Girls Clubs of South Coast BC, Langley, British Columbia

Multicultural Centre of the Yukon, Whitehorse, Yukon



ORAL HISTORY PROGRAM

Documenting, preserving and sharing Canada's immigration story is at the heart of what we do. As part of the Museum's ongoing Oral History Program, people's firsthand immigration experiences and memories are recorded through in-depth oral history interviews led by Museum historians. These recorded stories form part of the country's historical memory and provide an opportunity to listen to how individuals remember and make sense of their immigration experiences.

In 2012, our oral history team undertook a cross-Canada oral history collection trip. They connected with Canadians and documented the oral histories of immigrants from diverse communities—from Halifax, Fredericton, Montreal, Toronto, Winnipeg, Vancouver and beyond.

These stories will be preserved and shared with other Canadians, through exhibitions and soon online, for generations to come.



© SteveKaiserPhotography.ca

SCOTIABANK FAMILY HISTORY CENTRE

"You helped me greatly researching my grandparents on my mother's side. You were very resourceful. I'm so pleased for what you did for me. You gave me the drive to dig further and do more research on my family history."

— Scotiabank Family History Centre visitor

The Museum's Scotiabank Family History Centre is a special place where family roots are discovered and connections are made. Every day, staff members who are passionate about genealogical research help onsite and online visitors, across Canada and abroad, research their roots. In 2012-13, over 19,000 visitors learned more about their family history at the Scotiabank Family History Centre.

[Visitor Experience]



LEARNING AT THE MUSEUM

Learners of all ages, engage each and every day with the Museum's exciting educational offerings. Animated guided tours bring history to life. Fascinating immigration stories are woven into tours, allowing people to connect with the experiences of newcomers to Canada. Our enthusiastic interpreters take visitors back to one of Canada's peak immigration periods, between 1928 and 1971. Through the Museum's Landed Immigrant Program, learners experience firsthand what it was like to immigrate through Pier 21.



© SteveKaiserPhotography.ca



© SteveKaiserPhotography.ca



SHAPING CANADA: EXPLORING OUR CULTURAL LANDSCAPES

The Museum's *Shaping Canada: Exploring Our Cultural Landscapes* exhibition opened in June 2012. The Museum's first temporary in-house exhibition featured vibrant contemporary portrait photography by Naomi Harris and highlighted how Canadian culture is shaped by immigration through case studies around key themes including faith, food, family, recreation and neighbourhood.

This exhibition inspired our summer youth photography program, *Focus on Youth*. The program brought together youth from the Boys and Girls Clubs of Canada and the YMCA Centre for Immigrant Programs in the Halifax Regional Municipality. Together, they learned about the art of photography and explored their own culture through photographs taken around the Museum and in their neighbourhoods. The youths' works were on display for the public during Halifax's *Nocturne Art at Night*, inspiring others to consider how they define culture in their own backyard.



Top photos by Nicole Landry



POSITION AS DESIRED AND LAWRENCE HILL BOOK SIGNING

Bestselling Canadian author Lawrence Hill captivated audiences at the Museum at two packed events in March. Drawing inspiration from *Position As Desired/Exploring African Canadian Identity: Photographs from the Wedge Collection*, the temporary exhibition presented at the Museum from January through March 2013, Hill engaged with audiences on the topic of racial identity.

Speaking to a full house of students and community members, the author read from his memoir *Black Berry, Sweet Juice: On Being Black and White in Canada*. That same evening, he engaged adults through a discussion of his Commonwealth Writers' Prize-winning novel *The Book of Negroes*. Both events had opportunities for audience questions and book signings afterwards which prompted many interesting conversations.

The Museum was honoured to host the internationally renowned author, who has inspired so many Canadians to delve further into our collective history and to reflect on their personal conceptions of identity.





[Special Event Fundraisers]

Wadih Fares, fourth from right

BREAKFAST WITH A FASCINATING CANADIAN

The Museum hosted two truly inspiring *Breakfast with a Fascinating Canadian* events this year, made possible through the generous support of presenting sponsor, the Nova Scotia Department of Labour and Advanced Education, and supporting sponsor, HSBC Bank Canada.

In April 2012, Chief Constable Jim Chu of the Vancouver Police Department engaged the audience as he reflected on the role of immigration in creating strong communities and building a stronger Canada.

In November 2012, Wadih M. Fares, C.M., P.Eng., FEC., D.Comm., President and CEO of WM Fares Group, shared his personal immigration story and his perspectives on the value of immigration in building an enterprising and dynamic society.

The first *Breakfast with a Fascinating Canadian* event outside of Halifax will be held in 2013-14.



Chief Constable Jim Chu



CALIFORNIA WINE DINNER

Like a fine wine, the *California Wine Dinner* just gets better with age. The 11th annual event held in May 2012, was one of the most successful to date. Thanks to the hard work of the organizing committee; the support of our sponsors and donors; and the generosity of patrons in attendance, the dinner netted over \$100,000 to support Museum programming and educational initiatives.





Photo by Danny Dechtiar

[Paying Tribute to Ruth M. Goldbloom, O.C., O.N.S.]

RUTH GOLDBLOOM EDUCATIONAL BURSARY FUND

“Ruth was a champion for the Museum, from its restoration in 1999 through its journey to becoming a national museum and beyond. Her spirit will forever be part of Pier 21.”

— John E. Oliver
Inaugural Chairperson

Ruth Goldbloom’s passionate leadership and heartfelt commitment to Pier 21 is inspirational. Ruth stimulated \$9 million in donations for the original restoration of Pier 21. As Chair of the Pier 21 Foundation, she spearheaded the \$7 million Nation Builders campaign to provide ongoing resources to Pier 21, maintaining its place in the hearts of all Canadians. Ruth served as a board member and Chair of the Pier 21 Society and was a Trustee of the Canadian Museum of Immigration at Pier 21 until she passed away in August 2012.

The Ruth Goldbloom Educational Bursary Fund was established in Ruth’s honour, recognizing her passion for Pier 21 and Canada, and her longstanding commitment to making education accessible to everyone.

Generous donors from across Canada have contributed over \$60,000 to the endowment fund to date. They are helping to ensure that young people from across the country have the opportunity to experience firsthand a vital part of Canada’s heritage—our immigration history—and share in Ruth’s dream for a better Canada.



Ruth M. Goldbloom, O.C., O.N.S. celebrates our seven Nation Builders at a special dedication ceremony in November 2009. Photo by Danny Dechtiar.

[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.

The 2012-13 to 2016-17 strategic plan details objectives, key activities and outcomes by program area. Results for the 2012-13 fiscal year are the subject of this Annual Report.

PERFORMANCE

The 2012-13 fiscal year is the second complete year of operations for the Canadian Museum of Immigration at Pier 21. As detailed throughout this Annual Report, the Museum has achieved significant results against all commitments made in the 2012-13 Corporate Plan. Delivery on key priorities has set the stage for the next period of growth.

FINANCIAL RESULTS AND OUTLOOK

Over the past two years, the Museum has established the foundation to become a national museum. It has put in place the facilities, the technology and the team to grow the Museum both in size and scope.

Renovations to the Immigration Annex and Shed 21 mezzanine were completed within budget and expansion into the upper Shed 22 space has commenced. Hiring for many key positions was completed during the year. The Master Interpretive Plan was developed to guide the direction and development of programming and the new permanent exhibition that will open in 2015. The Exhibition Design and Content Plan for the new permanent exhibition was also finalized.

Other major projects are still ongoing: the development of the first travelling exhibition *Canada: Day 1* which is on track for a late 2013 launch; the multi-year project to catalogue the Collection and make it accessible on the *CollectiveAccess* database; and the first national advertising campaign launched in March 2013 to run until the end of June 2013.

These achievements have been carried out with government appropriations and other revenue. Further infrastructure and foundation expenses will continue into the next fiscal year utilizing unrestricted net assets.

OPERATIONS

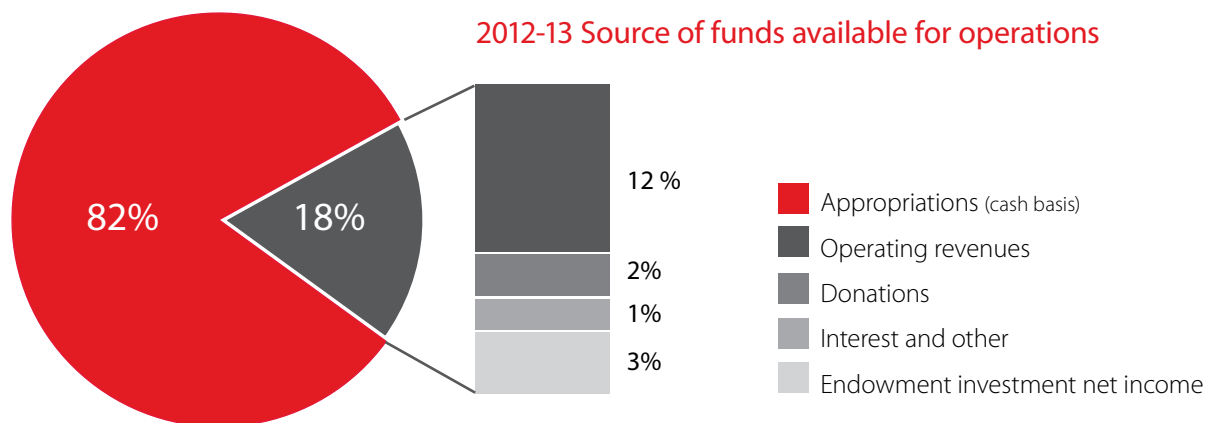
The operating results for the second full year of operations for the Museum yielded a \$0.9 million excess of revenues over expenses. Of this amount, \$0.3 million is endowment investment net income that was internally restricted by the Museum. When combined with \$2.1 million in unrestricted net assets

from 2011-12, this results in unrestricted net assets at March 31, 2013 of \$2.7 million.

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

to a lower number of visitors which affected both ticket sales and the Scotiabank Family History Centre revenues.

Net income earned on the endowment investments of \$0.3 million is included in the Statement of Operations for the year ended March 31, 2013. This income was internally restricted by the Museum, as approved by the Board of Trustees, to be spent at a later date. This amount is reflected in the 2012-13 financial statements as a transfer from unrestricted net assets to internally restricted net assets.



On an accrual basis, appropriations increased \$2.4 million for the year ended March 31, 2013, from \$6.4 million to \$8.8 million. In 2012-13, the Museum began receiving its \$7.7 million ongoing operating appropriation base as approved by Parliament. The remaining \$1.1 million reflected in appropriations is the amortization of deferred contributions related to capital assets.

Operating revenues, donations, and interest and other revenues were \$1.5 million for the year ended March 31, 2013, which is relatively unchanged compared to the 2011-12 fiscal year and slightly lower than budget. Lower donations, the cancellation of one major special event and lower ticket and Scotiabank Family History Centre sales were offset by the success of the other special event fundraising and higher revenues from hall rentals. The decrease in sales is attributed

Unrealized gains and losses on investments are not recorded as revenue but as accumulated remeasurement gains or losses in the Statement of Financial Position. A net decrease in the accumulated remeasurement gains of \$0.1 million was recorded for the year, which results in an overall performance for the endowment investments of \$0.2 million for 2012-13. For 2011-12, the endowment investments had a slightly negative overall performance.

Expenses for the year ended March 31, 2013 increased \$2.2 million, from \$8.0 million in 2011-12 to \$10.2 million in 2012-13, but were lower than budget. This increase is primarily due to the Museum's expanded operations. The most significant increases were \$1.0 million in personnel costs resulting from the planned increase in the number of employees and the increase of \$1.0 million in amortization expense

due to the increase in capital assets. The Museum has a history of frugality and cost-containment and limits expenses in areas such as travel and hospitality.

FINANCIAL POSITION

Assets decreased by \$1.6 million to \$22.0 million at March 31, 2013, due primarily to the decrease in cash of \$5.9 million, offset by the increases in capital assets of \$3.5 million and endowment cash and investments of \$0.8 million. The decrease in cash is mainly attributable to the purchase of capital assets and the timing of payments made to suppliers. The increase in capital assets is largely leasehold improvements.

Endowment cash and investments were \$6.3 million at March 31, 2013, compared to \$5.5 million in 2012. The increase consists of endowment contributions received of \$0.6 million, and realized and unrealized endowment investment income of \$0.2 million which represents the overall performance of the endowment fund.

Total liabilities decreased by \$3.0 million to \$13.1 million at March 31, 2013 primarily due to a \$3.7 million decrease in accounts payable and accrued liabilities, offset by the \$0.7 million increase in deferred contributions related to capital assets. The decrease in accounts payable and accrued liabilities is mainly attributable to the 2013 completion of the capital project and the timing of payments made to suppliers.

Net assets include the unrestricted net assets and the net assets related to the endowment fund. The unrestricted net assets increased by \$0.6 million to \$2.7 million at March 31, 2013 due to this year's excess of revenues over expenses, less the internal restriction of the endowment investment net income.

The net assets related to the endowment fund include the cumulative endowment contributions of \$6.1 million, the negligible accumulated unrealized gains and losses, and the internally restricted net assets of \$0.3 million. Endowment net assets increased by \$0.8 million due to \$0.6 million in contributions received and the internally restricted net income earned on the endowment investments of \$0.3 million, offset by the change in unrealized gains and losses of \$0.1 million.

The endowment now consists of two funds: the general endowment fund and the Ruth Goldbloom Educational Bursary fund. The general endowment includes the contributions transferred from the Pier 21 Foundation of \$4.9 million and subsequent pledges received of \$1.2 million.

In 2012-13, the Museum established the Ruth Goldbloom Educational Bursary fund to recognize Ruth's passion for Pier 21 and Canada, and her heartfelt commitment to making education accessible to everyone. Proceeds from the fund will help offset costs, such as travel and accommodation, for educational visits to the Museum for school, youth and community groups and will help ensure that young people from across the country have the opportunity to experience firsthand a vital part of Canada's heritage. To date, the fund has accumulated \$0.06 million in contributions.

Significant capital expenditures occurred at the end of 2011-12 and in the first half of 2012-13. The renovations to the Shed 21 mezzanine and the Immigration Annex (including storage space) were completed in 2012-13 within budget.

Plans are also underway to launch the refit of existing spaces (Kenneth C. Rowe Heritage Hall and Rudolph Peter Bratty Exhibition Hall) and expand into new space in Shed 22. This is a two-year project, which will result in new permanent exhibits reflective of the Museum's national mandate.

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 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, accessibility to education and other such areas, while permanently maintaining the investment capital.

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 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 maximize return while minimizing 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 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 2014-15, the Museum will see a significant increase in annual rent as per the 40-year lease agreement negotiated on behalf of the Museum 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. The Museum hopes to mitigate this pressure through increased self-generated revenue and a continued focus on expense management.

The Museum recently completed the first phase of construction and it has commenced planning for the final stage of construction. Capital projects, and specifically renovations to an old site, involve risk. Employees have knowledge from previous construction projects onsite, and as such, several key activities will continue to take place to mitigate the risks associated with the expansion.

FINANCIAL STABILITY AND CAPACITY TO GENERATE REVENUES

Long before becoming a Crown corporation, the organization operated as a self-sustaining, non-profit society. In 2002, the Pier 21 Foundation was formed and its extremely successful development efforts raised an endowment of \$7.0 million. 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 been allocated a base of \$7.7 million per year in operating funding for the planning period. The Board of Trustees and Management are firmly committed to growing the proportion of the budget that comes from self-generated revenues

including tickets sales, rental revenue, gift shop, and fundraising activities which include major gifts, planned giving, special events and annual giving.

In 2012-13, the Museum raised \$0.5 million through fundraising activities including special events, sponsorships, major and annual gifts, and other donations. For the same period, donations to the endowment fund totalled \$0.6 million. In 2013-14 and beyond, fundraising will be a key priority and a strategy has been developed to support attainment of fundraising goals of \$0.5 million in 2013-14 and just over \$1.0 million in the subsequent four years. This is in addition to the collection of endowment pledges and gifts.

In the two years that the Museum has been a Crown corporation much has been accomplished. The rapid pace of expansion will continue over the next couple of years as the Museum launches its first travelling exhibition, completes its capital expansion, launches its new permanent exhibition, and continues to grow its large base of supporters, visitors, partners and friends.

Financial Statements of
CANADIAN MUSEUM OF IMMIGRATION AT PIER 21
For the year ended March 31, 2013

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 the *Financial Administration Act (FAA)* and regulations as well as the *Museums Act* and the Museum's by-laws.

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 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, examines the financial statements and reports to the Minister of Canadian Heritage and Official Languages, who is accountable to Parliament for the Canadian Museum of Immigration at Pier 21.



Marie Chapman
Chief Executive Officer



Kendall Blunden, CA
Chief Financial Officer

June 20, 2013



INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

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 2013, 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 2013, 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 the by-laws of the Canadian Museum of Immigration at Pier 21.



Nancy Y. Cheng, FCA
Assistant Auditor General
for the Auditor General of Canada

20 June 2013
Halifax, Canada

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position

As at March 31, 2013

(in thousands of dollars)

	2013	2012
Assets		
Current assets		
Cash	\$ 3,105	\$ 8,967
Accounts receivable (notes 3 and 15)	589	841
Inventory	154	143
Prepaid expenses	128	12
	<u>3,976</u>	<u>9,963</u>
Endowment cash and investments (notes 9 a) and 15)	6,257	5,476
Capital assets (note 4)	11,842	8,303
Collections (note 5)	1	1
	<u>\$ 22,076</u>	<u>\$ 23,743</u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (notes 6 and 15)	\$ 993	\$ 4,686
Deferred revenue (note 7)	156	163
Deferred contributions related to capital assets (note 8)	11,902	11,269
Net assets		
Unrestricted	2,692	2,070
Internally restricted (note 10)	282	-
Accumulated remeasurement gains (losses)	(3)	68
Endowment (note 9 b))	6,054	5,487
	<u>9,025</u>	<u>7,625</u>
	<u>\$ 22,076</u>	<u>\$ 23,743</u>

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



James (Bradley) Stafford, CA
Chair of the Audit and Risk Oversight Committee

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations

For the year ended March 31, 2013

(in thousands of dollars)

	2013	2012
Revenues		
Operating (schedule 1)	\$ 1,141	\$ 1,140
Amortization of deferred contributions related to capital assets transferred from Pier 21 Society (note 8)	517	516
Amortization of deferred contributions related to capital assets received from a related party (note 8)	15	–
Donations	242	324
Interest and other	67	90
	1,982	2,070
Expenses (schedule 2)		
Visitor experience and connections	2,518	2,161
Accommodation	3,777	2,511
Internal services	3,877	3,314
	10,172	7,986
Excess of expenses over revenues before appropriations and endowment investment net income (loss)	(8,190)	(5,916)
Appropriations (note 11)	8,812	6,440
Endowment investment net income (loss)	282	(103)
Excess of revenues over expenses	\$ 904	\$ 421

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, 2013

(in thousands of dollars)

	2013	2012
Accumulated remeasurement gains, beginning of year	\$ 68	\$ 5
Unrealized gains (losses) on endowment investments (notes 9 b) and 15)	(3)	68
Realized gains on endowment investments reclassified to operations	(68)	(5)
Accumulated remeasurement gains (losses), end of year	\$ (3)	\$ 68

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, 2013

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	2013	2012
Net assets, beginning of year	\$ 2,070	\$ –	\$ 68	\$ 5,487	\$ 7,625	\$ 6,167
Excess of revenues over expenses	904	–	–	–	904	421
Transfer to (from) (note 10)	(282)	282	–	–	–	–
Remeasurement gains (losses) (notes 9 and 15)	–	–	(71)	–	(71)	63
Contributions received for endowment (note 9)	–	–	–	567	567	974
Net assets, end of year	\$ 2,692	\$ 282	\$ (3)	\$ 6,054	\$ 9,025	\$ 7,625

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, 2013

(in thousands of dollars)

	2013	2012
Operating activities		
Appropriations received	\$ 7,700	\$ 6,300
Other cash received	1,944	961
Cash paid to employees and suppliers	(12,381)	(3,411)
Interest received	59	64
	(2,678)	3,914
Capital activities		
Acquisition of capital assets	(5,149)	(6,476)
	(5,149)	(6,476)
Investing activities		
Increase in endowment cash and investments	(852)	(871)
	(852)	(871)
Financing activities		
Appropriations received for the acquisition of capital assets	2,250	7,525
Contribution for the acquisition of capital assets	–	167
Contributions to endowment	567	974
	2,817	8,666
(Decrease) increase in cash	(5,862)	5,233
Cash, beginning of year	8,967	3,734
Cash, end of year	\$ 3,105	\$ 8,967

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, 2013

(in thousands of dollars)

1. Authority, objectives and operations

The Canadian Museum of Immigration at Pier 21 (the "Museum") was established under the *Museums Act*. The Museum came into force November 25, 2010 and 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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

2. Summary of significant accounting policies

a) Basis of presentation

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

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

b) Revenue recognition

i) Appropriations

The Government of Canada provides funding to the Museum through statutory and 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, 2013
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

b) Revenue recognition (continued)

ii) Donations (continued)

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

Investment income earned on the general endowment investments is unrestricted, and is recognized as revenue by the Museum in the period earned. Investment income earned may be subsequently internally restricted by the Museum, as approved by the Board of Trustees, to be spent at a later date. 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 recognized 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, 2013
(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.

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 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, 2013
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

h) 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 excess of revenues over expenses in the period in which they arise.

i) Investments

The Museum's endowment investments, comprised of fund holdings in Canadian, US and global equity, fixed income bonds and alternative assets 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 based upon quoted prices for the investments in active markets.

ii) Other financial instruments

The Museum's other financial instruments consist of cash, accounts receivables, and accounts payable and accrued liabilities, which 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, 2013
(in thousands of dollars)

3. Accounts receivable

	2013		2012	
Accounts receivable – external	\$	45	\$	93
Accounts receivable – government departments and agencies		544		748
	\$	589	\$	841

4. Capital assets

	2013		2012	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Leasehold improvements	\$ 13,337	\$ 2,131	\$ 13,337	\$ 2,131
Immigration and ships database	46	20	46	20
Office and computer equipment	812	202	812	202
	\$ 14,195	\$ 2,353	\$ 14,195	\$ 2,353

	2013		2012			
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 13,337	\$ 2,131	\$ 11,206	\$ 13,337	\$ 2,131	\$ 11,206
Immigration and ships database	46	20	26	46	20	26
Office and computer equipment	812	202	610	812	202	610
	\$ 14,195	\$ 2,353	\$ 11,842	\$ 14,195	\$ 2,353	\$ 11,842

5. Collections

The Museum maintains 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.

During the years ended March 31, 2013 and 2012, the Museum incurred no expenses related to the acquisition of items 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, 2013

(in thousands of dollars)

6. Accounts payable and accrued liabilities

	2013	2012
Accounts payable and accrued liabilities – external	\$ 869	\$ 4,598
Accounts payable and accrued liabilities – government departments and agencies	124	88
	<u>\$ 993</u>	<u>\$ 4,686</u>

7. Deferred revenue

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

	2013	2012
Balance, beginning of year	\$ 163	\$ 96
Funds received during the year	331	407
Funds recognized as revenue during the year	(338)	(340)
Balance, end of year	<u>\$ 156</u>	<u>\$ 163</u>

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

8. Deferred contributions related to capital assets

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

	Transfer from Pier 21 Society	Appropriations	Other contributions	2013
Balance, beginning of year	\$ 1,925	\$ 9,107	\$ 237	\$ 11,269
Add:				
Appropriations received to acquire capital assets	–	2,250	–	2,250
Less:				
Amortization of deferred contributions related to capital assets	(517)	(1,085)	(15)	(1,617)
Balance, end of year	\$ 1,408	\$ 10,272	\$ 222	\$ 11,902

	Transfer from Pier 21 Society	Appropriations	Other contributions	2012
Balance, beginning of year	\$ 2,441	\$ 1,722	\$ 70	\$ 4,233
Add:				
Appropriations received to acquire capital assets	–	7,525	–	7,525
Other contributions received from related party to acquire capital assets	–	–	167	167
Less:				
Amortization of deferred contributions related to capital assets	(516)	(140)	–	(656)
Balance, end of year	\$ 1,925	\$ 9,107	\$ 237	\$ 11,269

The unused portion of deferred contributions related to capital assets was \$60 at March 31, 2013 (2012 – \$2,966). Other contributions received from a related party were received from the Halifax Port Authority as per the lease of the Pier 21 premises.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

9. Endowment

a) Endowment cash and investments

Endowment cash and investments consist of the following:

	2013		2012	
	Cost	Fair value	Cost	Fair value
Cash and cash equivalents	\$ 161	\$ 161	\$ 560	\$ 560
Investment funds				
Fixed income	4,265	4,234	3,099	3,166
Canadian equity	—	—	578	527
US equity	—	—	490	549
Global equity	512	584	—	—
Alternatives	1,322	1,278	681	674
	6,099	6,096	4,848	4,916
	\$ 6,260	\$ 6,257	\$ 5,408	\$ 5,476

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

	2013	2012
Endowment net assets	\$ 6,054	\$ 5,487
Prior years cumulative endowment investment net (loss) income recognized	(79)	24
Current year endowment investment net income (loss) recognized	282	(103)
Current year endowment investment net income deferred	3	—
Accumulated remeasurement (losses) gains	(3)	68
Endowment cash and investments (at fair value)	\$ 6,257	\$ 5,476

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

9. Endowment (continued)

b) Endowment net assets

Endowment contributions totaling \$567 (2012 – \$974) were received by the Museum during the fiscal year. Of this amount, nil (2012 – \$475) was contributed to the Museum from the Pier 21 Foundation.

Endowment net assets generated net realized investment income of \$282 (2012 – loss of \$103). At March 31 2013, the endowment had \$3 of unrealized losses (2012 – unrealized gains of \$68).

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

	2013		2012	
Contributions received from Pier 21 Foundation	\$	4,874	\$	4,874
Other contributions received for endowment		1,180		613
Endowment net assets, end of year	\$	6,054	\$	5,487

10. Internally restricted net assets

Internally restricted net assets represents investment income earned in 2013 on the general endowment of \$282 that was unspent. This amount was restricted by the Museum, as approved by the Board of Trustees, in order to be spent at a later date. The amount is reflected in the financial statements as a transfer from unrestricted net assets to internally restricted net assets.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

11. Appropriations

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

	2013	2012
Parliamentary appropriations provided		
Main estimates	\$ 9,950	\$ –
Supplementary estimates	27	9,975
Statutory appropriations provided	–	3,850
	9,977	13,825
Previous year's appropriation used in the current year	2,729	1,680
Appropriations deferred for future capital projects	(60)	(2,729)
Appropriations used to purchase amortizable capital assets	(4,919)	(6,476)
	7,727	6,300
Amortization of deferred contributions related to capital assets	1,085	140
Appropriations recognized as revenue	\$ 8,812	\$ 6,440

Parliament had approved a statutory appropriation to bridge the gap until the normal flow of parliamentary appropriations. The statutory appropriation, which was available for both operating and capital expenditures, enabled the Museum to operate until its appropriations were granted on June 27, 2011 by Parliament through Supplementary Estimates in the regular appropriations cycle.

12. Contractual obligations

The Museum has entered into agreements which include construction costs and consulting services. The Museum also 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, 2013, the estimated obligations are as follows:

	Related party	Other	Total
2014	\$ 1,001	\$ 456	\$ 1,457
2015	1,573	–	1,573
2016	1,783	–	1,783
2017	1,801	–	1,801
2018	1,801	–	1,801
2019 to 2051	68,485	–	68,485
	\$ 76,444	\$ 456	\$ 76,900

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

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 general contribution ratio effective at the year-end was between 1.57 and 1.64 to 1 of employee contributions (2012 – 1.74 to 1) to a defined salary threshold. On the portion of salaries above the defined threshold, the Museum is required to contribute on a ratio of 8.00 to 1 of employee contributions (2012 – 8.95 to 1). Total employer contributions of \$369 (2012 – \$266) 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 is also related to the Pier 21 Foundation in terms of economic interests following the transfer of its endowment fund assets. 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 \$1,516 (2012 – \$1,248) consisting primarily of rent expenses and payment in lieu of taxes under Accommodation of \$1,311 (2012 – \$1,085) and revenue of \$9 (2012 – \$32) with related parties.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

15. Financial instruments

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.

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, 2013, the allocations were 60% fixed income, 10% in global equity and 30% alternative assets.

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

a) 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 the credit risk is not significant.

i) Cash

Cash, other than cash and cash equivalents 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 cash equivalents, 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, 2013
(in thousands of dollars)

15. Financial instruments (continued)

a) Credit risk (continued)

ii) Endowment cash and investments (continued)

Cash and cash equivalents have a maximum term of maturity of one year. Fixed income, equity and alternative investments are held through pooled and mutual funds. Alternative assets provide a lower overall volatility and correlation to traditional equity indices. The alternative portfolio includes a global market neutral equity strategy 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.

Through its investments in fixed income, equity and alternative pooled funds, 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 \$589 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 clients and other relevant information. Concentration of credit risk with respect to receivables is limited, due to the small value of transactions with clients other than government departments.

As at March 31, 2013, \$28 in accounts receivable were past due (over 30 days). 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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

15. Financial instruments (continued)

b) 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 \$487 of underlying investments in fixed income and alternatives classifications containing foreign currency exposure. The foreign currency risk has been determined to be low as they are not normally a significant portion of the portfolio. In addition, the funds normally enter into forward currency transactions or similar vehicles to insulate the funds from significant price changes due to the change in exchange rates.

In limited instances, the Museum remits certain payments to suppliers denominated in US dollars. At March 31, 2013, 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 cash equivalents 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, 2013, 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 \$12 for the year ended March 31, 2013.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

15. Financial instruments (continued)

b) 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 \$1,458 in funds with underlying equity investments. Included in these funds are \$874 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 equity 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, 2013, 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 \$121 due to the decrease in the fair value of financial assets.

c) 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, 2013, all accounts payable and accrued liabilities of the Museum were due within three months.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2013
(in thousands of dollars)

15. Financial instruments (continued)

d) 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.

All of the Museum's financial assets and liabilities are classified as Level 1.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2013

Schedule 1 – Operating Revenue (in thousands of dollars)

	2013	2012
Hall rental	\$ 387	\$ 317
Gift shop	253	252
Exhibition hall ticket sales	214	242
Special events	210	241
Family history centre	55	64
Programming	22	24
	\$ 1,141	\$ 1,140

Schedule 2 – Expenses (in thousands of dollars)

	2013	2012
Personnel costs	\$ 4,015	\$ 3,043
Amortization of capital assets	1,610	656
Rent	1,178	1,085
Operating supplies and services	571	758
Repairs and maintenance and building operation	509	437
Professional and special services	505	645
Exhibition and programming	369	305
Marketing and promotion	286	155
Cost of goods sold	270	259
Utilities	242	153
Office supplies and administration	235	209
Training and professional development	191	125
Payment in lieu of taxes	134	99
Travel	57	57
	\$ 10,172	\$ 7,986