

PIER 21



Canadian Museum of
Immigration at Pier 21



Musée canadien de
l'immigration du Quai 21

1055

Canadian Museum of Immigration at Pier 21
Annual Report 2011-2012



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Annual Report 2011-2012

Canadian Museum of Immigration at Pier 21

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MESSAGE FROM THE CHAIR OF THE BOARD

The year 2011-2012 marked the first full year of operation of the Canadian Museum of Immigration at Pier 21. It was also a year of many other 'firsts' in all areas of our business. The Board of Trustees firmly believes that the foundation that the Museum has laid over the course of the year will position us well to realize the important mandate given to us by the Government of Canada.

The Museum inherited a strong legacy, built by the dedication and commitment of the staff, volunteers, Board and Foundation of the Pier 21 museum, which operated at the historic site on the Halifax Seaport that now houses Canada's newest cultural Crown corporation.

To them, and the network of generous donors across the country, we owe a huge debt of gratitude for having tirelessly pursued the dream of creating a national museum dedicated to exploring and celebrating the experiences and contributions of the millions of Canadians who have chosen this country as their home.

The Board is tremendously proud of what the Museum has accomplished over the course of the year, and we would particularly like to express our great appreciation to the Museum's staff and volunteers. Without their perseverance and enthusiasm, we would not be where we are today. We remain fully committed to nurturing a supportive work environment that respects the enormous talents that each and every one of these individuals brings to the Museum.

The Board was delighted that the government appointed our first Director/CEO on October 20, 2011. Marie Chapman has extensive experience with the Pier 21

museum, having held the dual posts of Chief Operating Officer and Director of Marketing, Sales and Development, and is highly qualified to assume this role.

Over the course of the year, the Director/CEO has put in place a strong Senior Leadership Team, and has staffed, on a permanent basis, the Pier 21 Society employees. Additional staff have been hired to fill key positions, and strategies are in place to allow us to continue to engage—and reap the enormous benefit of—the Museum's dedicated volunteers.

In the key area of Visitor Experience and Connections, we have begun implementing a strategy to broaden the collection and the information available to the public, beyond the Pier 21 years and location. A comprehensive plan is being put in place to gather oral histories from Canadians who wish to contribute. These, in addition to targeted original research, will reflect Canada's multicultural mosaic and enrich the collection immeasurably. Work is also underway to catalogue the Museum's extensive collection and to transcribe video and audio interviews.

We are also poised to launch our first in-house temporary exhibition, *Shaping Canada: Exploring Our Cultural Landscapes* in the summer of 2012. The exhibition will encourage visitors to discover the ways groups and individuals maintain and nurture their cultural identities in Canada.

In the fall of 2011, the Board and Senior Leadership Team held a strategic planning retreat, at which we articulated our long-term vision for the Museum and set in motion

the process to develop our first Master Interpretation Plan. Nearing completion at the end of the fiscal year, this Plan will be the basis on which the Museum's exhibitions and programming will be developed and will lay the foundation for our presence—both physical and virtual—across the country.

Work is already well underway to develop a major travelling exhibition, which the Museum will launch in 2014 in a wide range of communities across the country. The exhibition, *Canada: Day 1*, will share the experiences and impressions of immigrants and refugees on their first day in this country, from Confederation to present day, and will combine history and art to tell the story. It will also provide an opportunity to continue to build the oral history collection and to engage audiences through host sites and virtual applications, including social media.

The Museum also continues to broaden its network of partners across the country and to be a good neighbour in the local community, including through the *Community Presents*, *Diversity Spotlight* and *Welcome Home to Canada* programs.

By the end of the fiscal year, several major pieces of our capital plan were nearing completion, on time and slightly under budget. Among others, a complex project to replace the Heating, Ventilation and Air Conditioning (HVAC) system will be complete by July 2012. In addition, by switching from electricity to natural gas, the Museum expects to realize savings annually.

The major construction project to renovate the Immigration Annex—new space that came available to the Museum under the lease agreement with the Halifax Port Authority—was also nearing completion at the end of the fiscal year. This will provide much-needed space for staff and volunteers and provide dedicated space for storage and care of the collections and for recording oral histories.

The Board of Trustees continues to work hard to ensure we have the appropriate systems and tools in place to support a strong governance and accountability regime,

and to be fiscally responsible with the funds provided to us by Parliament and through our own philanthropic and revenue generating activities.

We have adopted a preliminary performance measurement framework against which we will be monitoring and reporting on our performance. We have revised the Terms of Reference of the Audit Committee to place a stronger emphasis on risk management, renaming it the Audit and Risk Oversight Committee. We have also created an Investment Sub-committee with external expertise to provide direction and oversight to the management of the endowment fund, a \$7 million legacy from the Pier 21 Foundation.

In the summer of 2011, the Board and its committees conducted their first performance self-assessment, resulting in some fine-tuning of our governance system. We held our first Annual Public Meeting in May 2012. It provided a wonderful opportunity to reach out to the community, review highlights from the past year, share some of our exciting plans for the future and celebrate the continued support of our donors.

My colleagues on the Board join me in expressing our appreciation for having the privilege of serving our country as Trustees of the Canadian Museum of Immigration at Pier 21. In reporting on our results of the fiscal year 2011-2012, we also renew our firm pledge to continue to shape a strong future for this unique national museum—one of which all Canadians can be proud.



John E. Oliver
Chair of the Board of Trustees

ABOUT THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

The legislation creating the Canadian Museum of Immigration at Pier 21 came into force on November 25, 2010, less than a year and a half after the Prime Minister announced the federal government's intention to create a new national museum dedicated to celebrating the history of immigration and the role and contribution of immigrants throughout Canada's history.

Situated at Pier 21, a National Historic Site at the Port of Halifax, the government established the Museum as a Crown corporation within the Canadian Heritage Portfolio. It is one of only two national museums to be created in a generation and the second to be located outside of the National Capital Region.



BILL C-34
ASSENTED TO
JUNE 29, 2010

George George
George George
George George
George George
B.C. O.N.S.

THE PROUD HISTORY OF PIER 21

Pier 21 was the gateway to Canada for one million immigrants between 1928 and 1971. Included among them were refugees from war-torn Europe and from Hungary following the Revolution, 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 thanks to the work of the Pier 21 Society.

THE PIER 21 SOCIETY MUSEUM

Prior to becoming a national museum in 2010, the historic immigration shed housed a highly popular museum operated by the Pier 21 Society (the Society), honouring the people who passed through the Pier. Through the vision and tireless efforts of the Society, government support of \$4.5 million and a highly successful national fundraising campaign, led by the Pier 21 Society that matched the public funding, the museum opened on Canada Day in 1999. In 2002, the Pier 21 Foundation (the Foundation) was formed; it went on to raise an endowment of \$7 million.

The museum was an extremely popular attraction, known for its compelling, thought-provoking and emotionally stirring exhibitions and programming, for the quality and dedication of its staff and for its leadership role in the community. One of its most innovative programs,

developed in partnership with numerous community groups, is the *Welcome Home to Canada* program, which mirrors the historic role of volunteers at Pier 21 in welcoming new arrivals.

Since launching in 2004, the *Welcome Home to Canada* program has helped more than 134 newcomers, from 47 countries, gain significant Canadian work experience and enhance their employment opportunities. The Museum gives participants a six-month work term at Pier 21, external work placement opportunities, mentorship and professional development and network-building.

The museum had extensive collections of oral histories, stories, images and archival material—largely focused on the Pier 21 story—which were the backbone of much of its programming and are now under the stewardship of the Canadian Museum of Immigration at Pier 21.

BECOMING A NATIONAL MUSEUM

With the Prime Minister's announcement in June 2009, that it would create a new national museum at the site to explore the broader themes of Canadian immigration, a new chapter began for Pier 21.

On June 7, 2010, the federal government introduced Bill C-34, an *Act to Amend the Museums Act*, which received Royal Assent on June 29, 2010. On November 25, 2010, the legislation came into force and the government appointed the Museum's first Board of Trustees. By February 3, 2011, the parties to the Definitive Agreement had completed the closing transactions and the Canadian Museum of Immigration at Pier 21 officially launched operations on February 4, 2011.

CORPORATE PROFILE

MANDATE, ROLE AND GOVERNING LEGISLATION

The amendments to the *Museums Act* established the mandate of the Canadian Museum of Immigration at Pier 21:

“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 national museum and part of the Canadian Heritage Portfolio, the Museum is expected to:

- ◆ Play “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
- ◆ Be “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.”¹

In addition to the *Museums Act*, the Museum falls under Part X of the *Financial Administration Act (FAA)*, which establishes the control and accountability regime for Crown corporations. It is also subject to a range of other statutes governing employment and superannuation, access to information and privacy, and Official Languages, among others.

¹ Preamble to the *Museums Act*.

VISION AND CORE VALUES

In September 2011, the Board and Management held their first strategic planning retreat, at which the Board established a statement of vision and core values:

We envision a Canada in which all citizens understand and appreciate that, aside from the Aboriginal people who first resided on this land, the common thread that unites us all is our shared history as newcomers or descendants of immigrants.

We will contribute to the realization of this vision through compelling, experiential programming that explores the common themes of the immigrant experience and legacy as well as the exceptional contributions of so many who have made Canada their home.

We will engage Canadians in telling our collective story as a nation built on immigration and will reach, and have relevance to, Canadians across the country. We will do this with a heavy emphasis on gathering, preserving and sharing oral histories and stories that capture the memories and perceptions of individual Canadians. We will be brave when making content choices and will not shy away from sensitive, challenging topics.

Our programming and work environment will reflect the following core values:

- ◆ Respect
- ◆ Inclusiveness
- ◆ Fairness
- ◆ Objectivity
- ◆ Intellectual and Professional Integrity
- ◆ Courage
- ◆ Leadership and Engagement



Photo courtesy of the Settle family

KEY ACTIVITIES

The Museum has aligned its activities to contribute to the realization of the following strategic outcome:

“To engage Canadians in building and exploring the stories, themes and history of Canadian immigration as it continues to unfold.”

Key themes to be explored 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.

To this end, the Museum established a ‘Program Alignment Architecture,’ required of all federal organizations, as a framework within which to plan, budget, monitor and report on performance.

The Museum’s Program Alignment Architecture is comprised of three Program Activities:

- 1. Visitor Experience and Connections**, under which the following activities are grouped:
 - ◆ Research and Content Development;
 - ◆ Interpretation and Connections (including Public Programming and Exhibits);
 - ◆ National Outreach and Partnerships; and
 - ◆ Visitor Services and Amenities (including volunteers).
- 2. Accommodation**, which is focused on:
 - ◆ Leasehold Improvements (including capital projects); and
 - ◆ Building Operations and Security.

3. Internal Services, which includes:

- ◆ Governance;
- ◆ Resource Management; and
- ◆ Development and Public Affairs (including marketing, communications, commercial activities, facility rentals, sponsorships and community partnerships).

CORPORATE STRUCTURE

THE BOARD OF TRUSTEES

The *Museums Act* provides for the Minister of Canadian Heritage and Official Languages, with the approval of the Governor-in-Council, to appoint an eleven-member Board of Trustees.

The Museum’s Board of Trustees serves as its governing body, is independent from Management and is accountable to Parliament for the stewardship of the Museum through the Minister of Canadian Heritage and Official Languages. As at March 31, 2012, the government had appointed ten Trustees to the Board, for terms ranging from one to four years. This allows for effective succession as terms expire at different times.

To support it in carrying out its key responsibilities, the Board has struck the following committees:

- ◆ An **Executive and Finance Committee** that makes decisions between Board meetings, oversees the Museum’s financial performance and capital projects and establishes objectives for and assess the Director/CEO’s performance;
- ◆ An **Audit and Risk Oversight Committee** that carries out, among others, the duties prescribed under section 148 of the *Financial Administration Act*;

- ◆ A **Human Resources, Governance and Nominating Committee** to provide strategic direction and oversight to the management of the Museum’s human resources and to provide a focus on governance issues including nominations, orientation and Board self-assessments; and
- ◆ A **Development Committee** that provides strategic direction and oversight to the Museum’s fundraising efforts.

The Board and its committees invite Management to attend and provide information at their meetings; however, they regularly hold in camera sessions to maintain independence from Management. The Audit and Risk Oversight Committee also holds in camera sessions with representative(s) of the Office of the Auditor General (OAG), the Museum’s external auditor under the *Financial Administration Act*.

Chairperson

John E. Oliver, Wallace, Nova Scotia

Vice-Chairperson

Tung Chan, Richmond, British Columbia

Trustees

Mark Boudreau, Halifax, Nova Scotia

Ralph Chiodo, Toronto, Ontario

Ruth M. Goldbloom, O.C., O.N.S., Halifax, Nova Scotia

Richard (Cy) Leblanc, Grande-Digue, New Brunswick

Phuong T.V. Ngo, Orleans, Ontario

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

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

Dr. Frances Swyripa, Edmonton, Alberta

Standing left to right: John E. Oliver, Chairperson, Richard (Cy) Leblanc, Dr. Frances Swyripa, Tung Chan, Vice-Chairperson, Ralph Chiodo
Seated left to right: James (Bradley) Stafford, CA, Mark Boudreau, Ruth M. Goldbloom, O.C., O.N.S., Rosanna M. Saccomani, Q.C., Phuong T.V. Ngo



MANAGEMENT AND STAFF

While the Board is accountable for results and the business activities of the Museum, the legislation provides for a Director/Chief Executive Officer who has day-to-day control and supervision of the Museum's work and staff. The Museum's By-law No. 1 provides for the appointment of three additional corporate officers: a Chief Operating Officer (COO), a Chief Financial Officer (CFO) and a Corporate Secretary.

The government appointed the Museum's first Director on October 20, 2011, following an extensive recruitment process. The Director subsequently established a Senior Leadership Team to support her in leading the Museum's business activities. The Museum has retained the services of an interim Corporate Secretary on contract.

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

Fiona Valverde, Director, Marketing, Communications and Development

The Museum has staffed the former employees of the Pier 21 Society in permanent positions and has enrolled them in the Government of Canada's Superannuation Plan.

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



The Museum continues to develop its organizational structure and is recruiting additional employees to fill key positions. The Museum had 36 full-time permanent positions staffed by the end of March 2012. Where appropriate, the Museum is meeting some of its shorter-term requirements through professional services contracts.

In addition to the highly committed and dedicated staff, the Museum continues to benefit from an extensive

network of loyal volunteers who served the Pier 21 museum with distinction over its 12-year history. In 2011-2012, the volunteers had a significant impact on the quality of the visitor experience. A key priority for Management is to ensure that the volunteers continue to play a significant role, integrated with that of the visitor services staff to optimize the visitor experience.



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Photo by Azam Chadeganipour

CORPORATE GOVERNANCE

A key priority for the Canadian Museum of Immigration at Pier 21 in its first full year of operation has been—and will continue to be—the establishment of a sound governance framework for effective decision-making, responsible use of public funds, risk management and accountability to Canadians for results.

A COMMITMENT TO SOUND GOVERNANCE

In its first two Corporate Plans, the corporation made a commitment to *“meet or exceed recognized standards for Corporate Governance, including a robust performance management regime and integrated risk management.”*

The Board, supported by Management, has made significant progress in adopting a wide range of key governance structures, processes and tools since the government appointed it in December 2010.

ESTABLISHING A STRONG FOUNDATION

Following its appointment, the Museum’s first Board of Trustees adopted the corporation’s first General By-Law and a comprehensive Governance Policy. Through these key documents, the Board has explicitly assumed responsibility for the stewardship and oversight of the corporation and defined the respective roles of the Board and Management; the Governance Policy also emphasizes the importance of an effective working relationship between the two.

In addition to describing the Board’s fiduciary duties and its duties of care and due diligence, the Governance Policy establishes the following as the Board’s key responsibilities:

- ◆ Establishing the Museum’s strategic direction;
- ◆ Safeguarding the Museum’s resources;
- ◆ Monitoring the Museum’s performance and reporting;
- ◆ Overseeing stakeholder strategies and communications;
- ◆ Managing succession planning for the Board and key management positions; and
- ◆ Periodically assessing the relevance of the mandate.

By the end of March 2011, the Board had also:

- ◆ Established its committee structure and the mandate of each of its four committees;
- ◆ Approved a delegation instrument that delineates the signing authorities of the CEO and other Museum staff;
- ◆ Approved an Investment Policy and a policy governing Trustees’ travel; and
- ◆ Held a series of Board orientation sessions.

Over the course of 2011-2012, the Board built on this foundation by:

- ◆ Holding its first strategic planning retreat at which it clarified its long-term vision and values and established strategic direction for the next five years;
- ◆ Beginning to develop a Performance Management Framework for monitoring and reporting on performance, and for course-correction as required;
- ◆ Establishing a competency profile to articulate the key skills, experience, knowledge and attributes required of individual Trustees and the Board as a whole;

- ◆ Adopting a process for an annual assessment of the performance of the Board, its committees and individual Board members. The Board conducted its first self-assessment during the summer of 2011, and made some adjustments to the governance regime as a result; and
- ◆ Planning for its first Annual Public Meeting in May 2012.

ORIENTATION AND DEVELOPMENT

At its first Board meeting in December 2010, legal counsel gave Trustees an overview of their duties, roles and responsibilities under the Crown corporation accountability regime. Pier 21 staff provided an orientation on the history and programming of the Pier 21 Society museum. At its second meeting, the Board invited the Office of the Auditor General (OAG) to explain the audit regime and the role of the OAG under the *Financial Administration Act*.

At the March 2011 meeting of the Board, the Canada School of Public Service delivered a condensed version of its orientation program offered to all new Trustees appointed to Crown corporation boards. Throughout this period, Trustees were also given numerous verbal and written briefings on the restrictions on public office holders under the *Conflict of Interest Act*. One outcome has been that the Board and its committees now have a standing item on each agenda whereby members declare any real or potential conflict of interest.

The Board held a further session on risk management in June 2011, and is planning to have an orientation session on financial literacy in a Crown corporation environment in 2012.



RESULTS

The Museum's Program Alignment Architecture groups the Museum's key activities according to expected outcomes and defines strategic priorities, key results and activities for each.

The following section provides an overview of results to the end of March 2012. For each Program Activity, a summary of the Activity and its expected outcome is provided, along with:

- ◆ The Strategic Priorities and Key Commitments to March 31, 2012 that were outlined in the Corporate Plan; and
- ◆ Actual results as at March 31, 2012.

PROGRAM ACTIVITY 1: VISITOR EXPERIENCE AND CONNECTIONS

Description:

The Visitor Experience and Connections Program Activity aims to give the Museum's audience access to rich content and programming that reflects the diverse experiences and contributions of immigrants throughout Canada's history.

It is also designed to engage Canadians extensively in building and exploring these key themes by encouraging them to share their stories and to research their own family's immigration story. The Museum conducts research and presents vibrant studies of immigration to Canada through a wide variety of layered mediums including: permanent and adaptable exhibitions; on-site and outreach programs; travelling exhibitions; publications; virtual exhibitions; and other web and social media tools.

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, while leveraging the intellectual assets developed by the Pier 21 Society.*

Key Commitments to March 31, 2012:

1. Develop and begin implementing a strategy to build a rich collection of materials covering Canadian immigration broadly, including recorded stories, books, archival and reference materials, journals, subscriptions, access to databases, etc., and to make them readily accessible to the public; and
2. Adopt policies and systems to provide for the effective stewardship of these materials.

Complete at March 31, 2012:

- ◆ All collections (digital, archival and artifact) now fall under the responsibility of the Chief Curator, allowing for seamless stewardship of digital and physical materials;
- ◆ A comprehensive strategy to broaden the scope of the collection to cover Canadian immigration broadly is



complete and is being implemented. This will allow the Museum to share the stories and experiences of all immigrants to Canada, past to present day;

- ◆ As a first step, the oral history team travelled across the country with Canadian photographer Naomi Harris to document the oral histories of immigrants from diverse communities, from Halifax to the Acadian peninsula of New Brunswick, to Montreal, Toronto, Calgary, Vancouver and the British Columbia interior. These will help form the basis of the 2012 temporary exhibition, *Shaping Canada: Exploring Our Cultural Landscapes*;
- ◆ A contract was issued to transcribe and digitize the oral history collection so that the stories already in the collection can live on as part of the Museum and be shared with Canadians for generations to come;
- ◆ The renovations to the lower Immigration Annex (nearing completion at the end of the fiscal year) will house all collections in compliance with applicable conservation standards for digital and physical collections. The collections have been organized and prepared for the move to the new space.

Ongoing:

- ◆ The Museum continues to implement the collection development strategy to broaden the collection, including a comprehensive plan to gather oral histories from Canadians who wish to contribute;
- ◆ It also continues to develop the *Collective Access* database to provide enhanced search and access features for visitors to the Museum and its website;
- ◆ The transcription and digitization of the oral history collection is on target for completion by fall 2012;
- ◆ The development of policies and systems for effective stewardship of the collection, including policies for the digital collections, will be complete by September 2012; and
- ◆ The renovations to the lower Immigration Annex will result in the creation of purpose-built space for the ongoing recording and editing of oral histories, starting in 2012.

KEY RESULT #2: INTERPRETATION AND CONNECTIONS: *Exhibitions and programming are innovative, compelling and thought-provoking, and reflect the diversity of the immigrant experience within Canada; and visitors, both on-site and virtual, have access to unique and innovative content and experiences in both Official Languages.*

Key Commitments to March 31, 2012:

1. Develop and begin implementing a Master Interpretation Plan (the Plan), integrating plans for public programming;
2. Expand the transitional website;
3. Make content on the broad themes of Canadian immigration available online as soon as possible; and
4. Explore options for the further use of innovative technologies.

Complete at March 31, 2012:

- ◆ The Board of Trustees and Management held a strategic planning retreat, during which they set in motion the process to develop the Museum's first Master Interpretation Plan as the basis on which its exhibitions and programming will be developed;
- ◆ A contract to develop the Plan was subsequently awarded to Lord Cultural Resources, and the Plan was nearing completion at the end of the fiscal year;
- ◆ The 2011 summer exhibition, *Revolutionizing Cultural Identity: Photography and the Changing Face of*

Immigration—presented in partnership with the Oakland University Art Gallery in Rochester, Michigan—reflected the Museum's mandate to explore the broader story of immigration;

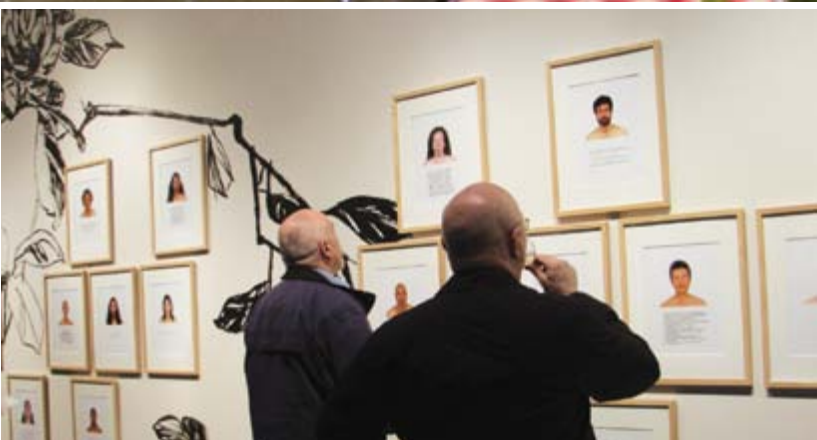
- ◆ The Museum's first in-house exhibition, *Shaping Canada: Exploring Our Cultural Landscapes*, is scheduled to open in June 2012. This exhibition will highlight Canada's cultural landscapes through seven case studies around key ideas like family, faith, food, recreation and neighbourhood. The result shows aspects of how people create, maintain and experience cultural landscapes across Canada;
- ◆ The Museum's website is fully operational in both official languages and provides for a mobile-friendly online experience;
- ◆ Front-line staff greet visitors and provide tours in both official languages; guides are able to communicate with visitors in a wide range of other languages as well; and
- ◆ The Museum has hired a full-time bilingual Youth Public Program Coordinator to enhance programs for youth, in both official languages.

Ongoing:

- ◆ Work continues on the development of the Museum's first travelling exhibition, *Canada: Day 1*, to be launched early in 2014;
- ◆ With the Master Interpretation Plan nearing completion, work is set to begin to develop a detailed Exhibition Design and Content Plan, to be complete in 2013. The Museum is on schedule to officially open the permanent exhibition that will reflect the full scope of the national mandate in 2015;

◆ The Museum continues to make increasing amounts of electronic material available in French on its website; and

◆ The Museum is also exploring options for using innovative technologies, both within the Museum and through virtual means, including social media where appropriate.



Photos by Azam Chadeganipour

Public and Educational Programming Highlights

The Museum carried out a very busy public and educational programming schedule, including:

- ◆ Participation in the nation-wide *Culture Days*, in September 2011; the Museum hosted two interactive panel discussions that started a dialogue about Canadian francophone identity, as well as immigration, multiculturalism and identity;
- ◆ Kicking off a new program, *Discover Culture*, a hands-on learning program that first introduced participants to West African drumming. *Discover Culture* has become a monthly offering since then with workshops ranging from Swing Dance, to Hip Hop Yoga, to Argentine Tango, showcasing just how diverse Canadian cultural practices really are;
- ◆ Welcoming over 3,000 visitors during the city-wide *Nocturne Art at Night* festival in October 2011;
- ◆ As part of the *Diversity Spotlight* program, showing—to a packed house—the North American premiere of the international award-winning film, *The Mirror Boy*. This 'Nollywood film' (the nickname for the Nigerian film industry) addresses issues of identity among youth living within the African Diaspora and was presented as part of the Museum's Black History Month programming. At the screening, the Museum hosted the director, Obi Emelonye from London, England, who responded to questions during an engaging dialogue afterwards.



KEY RESULT #3: VISITOR SERVICES AND AMENITIES: *The visitor experience makes possible personal and emotional connections and builds audience loyalty and repeat attendance.*

Key Commitment to March 31, 2012:

1. Ensure planning processes place a high priority on providing a holistic visitor experience that emphasizes personal connections.

Complete at March 31, 2012:

- ◆ The responsibility for the entire visitor experience now falls under the responsibility of the Chief, Audience Engagement; this allows for the full integration of staff and volunteers in programming, education, interpretation and the Scotiabank Family History Centre;
- ◆ The Museum has implemented a comprehensive visitor service training program for staff, volunteers and temporary placements to ensure visitors are engaged throughout all aspects of their visit and receive a welcoming and educational experience; and
- ◆ The Museum is now capturing visitor feedback, which will be a key part of its performance monitoring and reporting strategy.

Ongoing:

- ◆ The Visitor Experience training continues to be enhanced; subject matter experts will further train staff on additional areas in the Museum over the summer of 2012; and
- ◆ Starting in the summer of 2012, exit surveys for Museum visitors will provide valuable data on visitor experiences.

Online Happenings

The vision for the Canadian Museum of Immigration at Pier 21's website is to offer a meaningful, interactive, online experience that encourages curiosity, empathy and respect for the full spectrum of cultural heritage that makes up Canada. With this in mind, the Museum's website is continuing its evolution to fully reflect the Museum's mandate and vision.

Over the past year, Museum staff have been working behind the scenes—planning, researching and developing strategies—to create a practical blueprint for online initiatives. Part of this process included conducting a content strategy audit.

By June 30, 2012, a redesigned website will be launched, one that will be a key outreach tool for the Museum. By developing an enhanced online presence, it will make the Museum more accessible to people across Canada.

The launch will also introduce the Museum's new blog—a venue where Museum staff can share their passion, commitment and knowledge in a conversation with Canadians. The blog will be an important starting point for building an online community.

The new website will include a 'story bar,' to feature immigration stories directly on the homepage. Visitors to the site will experience an interactive space that highlights and shares immigration stories, and that reflects the diversity of the immigrant experience within Canada.

KEY RESULT #4: NATIONAL OUTREACH AND PARTNERSHIPS: *The Museum reaches and establishes connections with Canadians in all parts of the country, regardless of origin; and the Museum leverages—and goes beyond—the Pier 21 Society’s network of national and community partnerships to generate content, programming, audiences and revenues.*

Key Commitment to March 31, 2012:

1. Develop and begin implementing strategies to nurture strong networks and partnerships across the country and internationally.

Complete at March 31, 2012:

- ◆ The Museum hosted the exhibition, *Revolutionizing Cultural Identity: Photography and the Changing Face of Immigration* in partnership with the Oakland University Art Gallery in Rochester, Michigan;
- ◆ Through the *Community Presents* program, the Museum welcomed exhibitions developed by the Halifax Shambala Centre and the Ukrainian Canadian Association—Halifax/Dartmouth Region. The *Community Presents* program is an outreach/partnership venture designed to celebrate the unique heritage of both cultural groups and community organizations. Through the program, groups and organizations have the opportunity to tell their stories through the creation of their own exhibition.

- ◆ Through the *Diversity Spotlight* program, a diverse range of community groups celebrated and communicated their cultural heritage. *Diversity Spotlight* is another outreach/partnership program designed to celebrate and communicate Canada’s cultural heritage and diversity. The program encourages cultural groups to screen films at the Museum that tell their story and bring awareness to topics relating to immigration, citizenship, diversity, cultural heritage and identity.

Ongoing:

- ◆ Museum staff continue to nurture and expand the strong partnerships both across the country and with international museums of human movement. Examples include:
 - ◆ Ongoing partnership with Concordia University on digital storytelling and oral history projects; and
 - ◆ Future *Diversity Spotlight* events include a partnership with the Atlantic Jewish Council focused on resilience and triumph of the human spirit, an event highlighting stories from Muslim youth and a fusion music event which will explore issues of racial discrimination.
- ◆ As a member of the Canadian Heritage Portfolio, the Museum continues to establish strong working relationships and share information with sister institutions in the National Capital Region and in Winnipeg and is holding discussions on the potential for exhibition partnerships.

Left to right: Mike Riley, Angeliq Cishahayo, Craig Meeds, Sweta Khand, John See, Fiona Valverde



Photo by Mike Dembeck

The Welcome Home to Canada Program

The Pier 21 Society and a wide range of community and corporate partners jointly developed the *Welcome Home to Canada (WHTC)* program. Partners include: the Atlantic Canada Opportunities Agency; the Centre for Entrepreneurship, Education and Development; the Greater Halifax Partnership; the Nova Scotia Office of Immigration; the Immigration Settlement & Integration Services; and the TD Bank Group among others.

WHTC is an outstanding example of the innovative ways in which the Museum works with the community to develop opportunities for mutual benefit, fully consistent with and supportive of the site's history and mandate. It reflects the historic role of Pier 21 in welcoming immigrants to their newly-adopted home and symbolizes the theme to which the Canadian Museum of Immigration at Pier 21 is dedicated.



Since 2004, the program has helped more than 134 newcomers, from 47 countries, gain significant Canadian work experience and enhance their employment opportunities. Participants receive a six-month work term at Pier 21, and external work placement, mentorship, professional development and network-building opportunities.

Over 70 per cent of *WHTC* participants have obtained meaningful employment and/or have furthered their education after completing the program. The TD Bank Group has agreed to support the program for two additional years.

PROGRAM ACTIVITY 2: ACCOMMODATION

Description:

The Accommodation Program Activity provides secure and functional facilities that meet all safety and building code requirements including a renovated Museum facility that furthers the vision and mandate of the Museum. It ensures that the Museum's leased facilities support the realization of the Museum's mandate; contribute to a rich, welcoming and engaging visitor experience; and are safe, secure and accessible. Capital improvements to the facilities optimize the use of the space for public programming, are managed prudently and respect the historic nature of the site.

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 exhibitions/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, 2012:

1. Complete the renovation of the second floor of the Immigration Annex and the upgrades to Shed 21

- and the Central Office Bay, adopting appropriate governance and project management practices; and
2. Undertake a space study to develop options for exhibition space.



Photo by Ashley MacPherson

Complete at March 31, 2012:

GOVERNANCE AND PROJECT MANAGEMENT:

- ◆ The Museum's capital projects are being overseen by a project management firm to ensure consistency and avoid overlap and duplication across a series of related projects; and
- ◆ Museum Management reports regularly to the Board on the progress of capital projects and have mechanisms in place to manage contracts in a sound, transparent and accountable manner, with the appropriate project and risk management practices.

CAPITAL PROJECTS:

- ◆ Based on HVAC and space balancing studies completed in 2011, the Museum made the decision to combine

the retrofitting of both the lower and the upper Annex in one project rather than doing the work sequentially. The Museum also decided to include refitting the electrical and communications systems—required as a condition of the lease with the Halifax Port Authority—to the scope of work of refitting the HVAC system;

- ◆ These decisions have generated cost savings, diminished the interruption to operations, and will allow all personnel to move at one time, further reducing interruptions and costs;
- ◆ The 2011-2012 capital projects also include renovations to the interior of the pedway connecting Shed 21 and the Immigration Annex. Work includes interior finishes; electrical, HVAC and solutions to address grade changes; and power, lighting and cabling, which will allow for this space to be used for potential installation of multimedia exhibits;
- ◆ In addition, a number of additional renovations are being made to Shed 21, including:
 - ◇ Replacing the exterior cladding and windows on the upper level of the west side of the building;
 - ◇ Providing solutions to persistent leaks at exterior windows and related work to the building envelope on both the west and east sides;
 - ◇ Renovating and fitting up the Mezzanine to accommodate office and archival space; and
 - ◇ Other minor upgrades to the existing facility to comply with federal fire, accessibility and Official Languages standards.
- ◆ The tender for the bulk of the work was awarded on December 5, 2011, and the project to refit the HVAC system and to retrofit the entire Immigration Annex

is scheduled to be completed by June 30, 2012, on schedule and slightly under budget;

- ◆ The renovations to the second floor of the Annex and the Mezzanine will result in much-needed office space, while the lower level will include archival and artifact storage, oral history interviewing room(s) and an editing suite, and an unfitted area for use yet to be determined;
- ◆ The HVAC system is now housed on the roof of the Annex and has been converted to natural gas, resulting in a more energy efficient and natural method for heating and cooling the entire facility. By relocating the mechanical workings from the roof of Shed 21, maintenance staff now have unfettered access all year. The move also minimizes the exposure to the ocean and the sometimes-severe weather, which can shorten the life of the exposed equipment.

KEY RESULT #2: BUILDING OPERATIONS AND SECURITY: *The Museum's facilities are safe and are maintained in a cost-effective manner.*

Key Commitment to March 31, 2012:

1. Implement plans to provide appropriate security for staff, volunteers, visitors and Museum materials.

Complete at March 31, 2012:

- ◆ All completed and planned renovations reflect building codes and security requirements; and
- ◆ A more effective digital security system has been installed; it will be expanded into the Annex upon completion of the renovations.

Ongoing:

- ◆ The Museum continues to work with the Halifax Port Authority to provide a safe and secure visitor experience during the very busy tourist season;
- ◆ Staff ID cards and digital keys are being implemented in a number of areas to allow for monitoring of access; and
- ◆ Improvements to Information Technology (IT) security are ongoing, reflecting the recommendations from the Office of the Auditor General and an internal IT audit.

PROGRAM ACTIVITY 3:

INTERNAL SERVICES

Description:

Internal Services are groups of related activities and resources that the Museum administers to support the needs of programs and other corporate obligations of the Museum. These groups are: management and oversight services; communications services; legal services; human resources management services; financial management services; information management services; information technology services; real property services; acquisition services; and travel and other administrative services. Internal Services include those activities and resources that apply across the organization and not to those provided to a specific program.

The Canadian Museum of Immigration at Pier 21 also includes Development and Public Affairs (including marketing, communications, retail activities, facility rentals, sponsorships and community partnerships) within the Internal Services Program Activity.

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 corporation meets or exceeds recognized standards for Corporate Governance and has in place the instruments that are conducive to sound management and accountability.

Key Commitment to March 31, 2012:

1. Adopt the instruments, policies, processes and systems required to support the sound governance and effective operation of the corporation.

Complete at March 31, 2012:

By March 31, 2012, the Museum had built on the strong foundation for effective governance established in 2010-2011 by:

- ◆ Holding its first strategic planning retreat at which it clarified its long-term vision and values and established strategic direction for the next five years;
- ◆ Beginning to develop a Performance Management Framework for monitoring and reporting on performance, and for course-correction as required; Management has developed a number of reporting tools to regularly and consistently report to the Board on variances in operating, capital and personnel budgets and on commitments made in the current year's Corporate Plan;

SERDECZNIE WITAMY
W KANADZIE

WILLKOMMEN
IN KANADA

BENVENUTI
IN CANADA



BIENVENUE
AU CANADA

WELKOM
IN CANADA

ЏНРО БИТАЕМО
Б КАНАДИ

WELCOME TO CANADA



IMMIGRATION

- ◆ Adopting a risk management regime; Management has assessed and ranked the key strategic and operational risks facing the Museum and developed the appropriate mitigating strategies, which the Board regularly reviews. Management and the Board also held an orientation session on risk in June 2011, and the Board revised the terms of reference of the Audit and Risk Oversight Committee to emphasize its responsibility to support the Board in overseeing risk management;
- ◆ Refining the Investment Policy and establishing a sub-committee including external experts to assist in directing, overseeing and managing risk in the Museum's investment portfolio;
- ◆ Establishing a Board competency profile, which articulates the key skills, experience, knowledge and attributes required of individual Trustees and the Board as a whole;
- ◆ Adopting a process for an annual self-assessment of the performance of the Board, its committees and individual Board members: the Board conducted its first self-assessment during the summer of 2011, and made some adjustments to the governance regime as a result; and
- ◆ Planning for the first Annual Public Meeting in May 2012.

Ongoing:

- ◆ The Board continues to assess its training and orientation requirements and is planning to hold a session on financial literacy in the Crown corporation environment in 2012; and
- ◆ Now that the Museum has developed a performance measurement framework, it is refining the mechanisms it uses to provide the information required to monitor and report on performance.

KEY RESULT #2: SOUND MANAGEMENT OF FINANCIAL RESOURCES: *The corporation 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, while building a strong corporate culture; and the corporation has in place the policies, procedures and systems that are conducive to sound management and accountability.*

Key Commitment to March 31, 2012:

1. Further the development and implementation of the management frameworks, policies, systems, structures and procedures necessary to support sound resource management.

Complete at March 31, 2012:

- ◆ The Museum has structured its budget by Program Activity and has aligned the work of individual employees with corporate priorities. The Museum has tied all staff performance management plans directly to the Corporate Plan; it actively monitors staff performance against commitments;
- ◆ Management has developed a significant number of policies over the course of the fiscal year, including policies for:
 - ◆ Financial Management and Control;
 - ◆ Performance Monitoring and Reporting;
 - ◆ Human Resource Management (see next section); and
 - ◆ Information Management/Information Technology (IM/IT).

- ◆ The Museum has created additional positions, particularly in the areas of Finance and IM/IT to address appropriate segregation of duties.

KEY RESULT #3: SOUND MANAGEMENT OF HUMAN RESOURCES: *The corporation attracts and recruits the talent and expertise necessary for both the transition and the longer-term; and the corporation has a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, sustainable, adaptive and representative of the diversity inherent in Canadian society.*

Key Commitments to March 31, 2012:

1. Support the federal government in recruiting the first Director/CEO;
2. Develop and begin implementing an organizational structure; and
3. Develop and implement an approach to engaging volunteers.

Complete at March 31, 2012:

- ◆ The government appointed the Museum's first Director/CEO on October 20, 2011;
- ◆ The Museum established a preliminary organizational structure and has created a number of key positions, allowing it to make offers of permanent positions to the former staff of the Pier 21 Society museum and to fill a number of gaps;

- ◆ The full-time permanent staff complement reached 36 by March 31, 2012, with an expectation of 12 to 20 more full-time appointments by 2016-2017. The Museum also had 20 part-time and temporary full-time employees at year-end;
- ◆ The Museum also continues to benefit from approximately 60 volunteers who donate their time on a daily basis. The Museum established and staffed a new position of Volunteer Manager to develop and implement strategies for the ongoing engagement of volunteers. The Museum has adopted a volunteer contract to outline the respective responsibilities of volunteers and the organization. Enhanced volunteer training is also underway and special events are regularly scheduled to recognize the contribution of the Museum's volunteers;
- ◆ The Museum also recruited nine newcomers to the *Welcome Home to Canada* program for a six-month work term;
- ◆ Many core Human Resource policies are in place, reflecting best practices in other cultural Crown corporations and ensuring that the Museum complies with the *Official Languages Act*; and
- ◆ As required under the *Public Servants Disclosure Protection Act*, the Museum's employees are subject to the government-wide *Values and Ethics Code for the Public Sector*, effective April 2, 2012. The Museum has also produced an organizational Code of Conduct, which it plans to finalize early in the next fiscal year.



Photo by Azam Chadeganiipour

Ongoing:

- ◆ A key priority for the Board and Management is to nurture the vibrant and positive work environment. This remains a focus of ongoing activity and is integrated in the policy development and decision-making processes. For example, collaboration across work teams—including the volunteers—continues to be the practice, including on the summer exhibition, the interpretive planning process and the fit-up of the expansion space; on-site French language classes are offered to all staff, volunteers and *Welcome Home to Canada* participants; and
- ◆ Over the course of the coming year, the Museum will continue to fine-tune its staffing requirements for the longer-term.

KEY RESULT #4: DEVELOPMENT AND PUBLIC AFFAIRS: *The Museum garners a high level of awareness and public support through strong and effective marketing and communications strategies; and the corporation establishes the capacity to generate ongoing private sector funds, both through commercial activities and fundraising/sponsorships.*

Key Commitments to March 31, 2012:

1. Develop a proactive communications strategy for the early years following the Museum’s launch;
2. Continue developing and implementing a corporate brand/image strategy;
3. Nurture relations with donors while establishing policies for recognition appropriate for a national institution; and
4. Develop a framework for revenue generation, including an appropriate structure and strategies for fundraising and investment of the Endowment Fund.

Complete at March 31, 2012:

- ◆ The Museum continues to roll out its vibrant branding strategy, launched in February 2011. The logo continues to be integrated into products and on-site through signage and other means. The Pier 21 Gift Shop is also offering an increasing number of products with the logo profiled;
- ◆ The Museum hosted several major fundraising events over the year:

- ◆ 350 people attended the 7th annual *Welcome Home to Canada Festa* in Toronto in March 2011, which netted the Museum more than \$100,000; and
- ◆ The annual *California Wine Dinner*, held in May 2011, had a profit of over \$80,000, thanks to sold-out attendance and generous sponsors; the 2012 *California Wine Dinner* is expected to exceed this amount.
- ◆ During the year, the Museum produced a donor recognition video which has been positively received at all events; the video is designed to thank supporters and to let them know how their contributions are continuing to have an impact, while conveying that the journey is far from over;
- ◆ Donor recognition will be a key part of the Annual Public Meeting in May 2012; and
- ◆ In 2011-2012, the Museum put in place a Spending Policy for the Endowment Fund, refined its Investment Policy and established a sub-committee including external experts to assist in directing, overseeing and managing risk in the Museum's Endowment Fund.

Ongoing:

- ◆ The Museum continues to implement a robust communications strategy and to implement the corporate brand/image strategy;
- ◆ The Museum has inherited the strong focus on revenue generation and fundraising from the Pier 21 Society museum. Significant effort has been, and will continue to be, dedicated to maintaining strong relations with donors and to identifying potential new donors;



Photo by Meghan Hall



Photo by Azam Chadeganipour

- ◆ In the coming year, the Museum will implement recommendations from an external expert's review of the existing approaches to annual and planned giving; and
- ◆ The Museum is developing strategies to leverage opportunities for revenue generation and public awareness in conjunction with the first travelling exhibition and Canada's 150th anniversary celebrations.

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 Activities:

- ◆ Visitor Experience and Connections;
- ◆ Accommodation; and
- ◆ Internal Services.

The Corporate Plan for the five-year period starting in 2011-2012 included a detailed analysis of the environment in which the Museum could expect to operate; there have been no significant changes during the reporting period.

STRATEGIC PRIORITIES

The strategic priorities established for the first year of the planning period are the subject of this Annual Report. Further refinements developed by the Board and Management at its strategic planning retreat are reflected in the 2012-2013 Corporate Plan.

The Museum, while a distinct legal entity from the Pier 21 Society museum, nonetheless benefits from its tremendous legacy. Its strategic priorities reflect the fact that it wishes to build on the strengths of the museum previously housed at Pier 21 as it broadens its scope to cover the broader themes of immigration throughout Canada's history, regardless of point-of-entry.

The following are the key strategic priorities against which the Museum is reporting in this accounting of its first full year of operations:

- ◆ **Research and Content Development:** *To develop content that reflects the national mandate of the Museum while leveraging the intellectual assets developed by the Pier 21 Society;*
- ◆ **Interpretation and Connections:** *To develop programming that reflects the diversity of the immigrant experience within Canada and to make content and programming available—both on-site and through the internet—in both official languages;*
- ◆ **Visitor Services and Amenities:** *To offer experiences and services that create personal and emotional connections, leveraging the success of the Society's museum;*
- ◆ **National Outreach and Partnerships:** *To build on the Society's network of national and community partnerships in order to: develop content and programming; develop strong, loyal audiences; develop a national presence; and generate revenues;*
- ◆ **Leasehold Improvements:** *To expand the Museum's footprint to provide suitable and accessible space for visitors, staff, volunteers and programming;*
- ◆ **Building Operations and Security:** *To ensure facilities are safe and secure and to leverage the Society's experience to minimize building operations and maintenance costs;*

- ◆ **Governance:** *To establish a sound governance framework in compliance with the regime governing federal Crown corporations;*
- ◆ **Sound Management of Financial Resources:** *To align the organization and its resources to enable it to achieve its mandate and to adopt sound and efficient governance and stewardship practices;*
- ◆ **Sound Management of Human Resources:** *To recruit the first Director/CEO; to develop an organizational structure, offer permanent positions to former Pier 21 Society employees and retain additional staff as required; and to reinforce a strong, values-based corporate culture; and*
- ◆ **Development and Public Affairs:** *To develop a strong public awareness of the Museum, reflecting the fact that it is a new and distinct entity with a broad, national mandate; and to optimize self-generated revenues.*

PERFORMANCE

The 2011-2012 fiscal year is the first complete year of operations for the Canadian Museum of Immigration at Pier 21 after launching its operations on February 4, 2011. As detailed throughout this Annual Report, the Museum has achieved significant results against all the commitments made in its 2011-2012 Corporate Plan.

FINANCIAL RESULTS AND OUTLOOK

The operating results for the first full year of operations for the Museum resulted in a \$0.4 million excess of revenues over expenses. When combined with the 2010-2011 excess of \$1.65 million, this results in unrestricted net assets at March 31, 2012 of \$2.1 million. In its first Corporate Plan Summary and its 2010-2011 Management Discussion and Analysis, the Museum noted the reason for the excess: delays in the start of operations in 2010-2011, which affected the timing of expenses. The impact on the timing of expenses will continue into the next fiscal year, as the capital expansion, the development of the Master Interpretation Plan, and the transcription and digitization project are completed. In addition, the creation of the first travelling exhibition, *Canada: Day 1* will continue until the fall of 2013, allowing for a launch early in 2014. It is anticipated this will utilize the unrestricted net assets.

The legislation creating the Museum contained a transitional provision whereby, subject to the Government's approval of the 2010-2011 Corporate Plan, Parliament approved a statutory appropriation to bridge the gap until the normal flow of parliamentary appropriations became available. The statutory appropriation, which was available for both operating and capital expenditures, enabled the Museum to operate until Parliament granted its appropriations through Supplementary Estimates in the regular appropriations cycle. This occurred on June 27, 2011. The Museum received statutory appropriations of \$3.9 million and parliamentary appropriations of \$9.9 million in 2011-2012.

Revenues, excluding amortization, were \$1.5 million compared to \$1.7 million in the 2011-2012 Corporate Plan budget. Operating revenues were lower primarily due to lower rental revenues, ticket sales and gift shop sales. This is attributed to a lower number of visitors due to the ongoing construction and it affected all three areas. Donations were slightly under budget due to pledge payment timing but are expected to be on budget in the future. Interest income earned on the cash balances on hand exceeded budget.

Expenses for the year were lower than budget by \$0.6 million primarily due to the timing of the appointment of the Director/CEO, which took place in the fall, rather than the spring of 2011 as had been hoped. Spending according to the budget timetable was challenging, as the Museum deemed it inappropriate to move forward with expenditures affecting the future direction of the Museum in the absence of the CEO. The Museum made efforts to contain costs, including limiting the cost of travel, hospitality and conferences.

Investment revenues from the endowment funds have not materialized due to poor market conditions. However, their performance is better than benchmark indices. An investment loss of \$0.1 million is included in the Statement of Operations for the year. Unrealized gains and losses on investments are not recorded as revenue but as an accumulated remeasurement gain or loss in the Statement of Financial Position. A net increase in the accumulated remeasurement gains of \$0.06 million was recorded, which partially offsets the investment loss when looking at the overall performance of the endowment funds.

Assets increased by \$12.6 million to \$23.7 million at March 31, 2012, due primarily to the increase in cash of

\$5.2 million, the increase in capital assets of \$5.8 million and the increase in endowment cash and investments of \$0.9 million. The cash balance is mainly attributable to deferred appropriations for capital and the timing of payments made to suppliers. The increase in capital assets is largely leasehold improvements. Endowment cash and investments have increased because of endowment contributions received, net of realized and unrealized endowment investment income and losses. Included in the \$1.0 million in endowment contributions received during the year is \$0.5 million from the Pier 21 Foundation, representing its final cash balance as it winds down.

Total liabilities and net assets increased by \$12.6 million primarily due to the \$7.0 million increase in deferred contributions related to capital assets, \$4.0 million increase in accounts payable and accrued liabilities and \$1.0 million increase in endowment net assets.

Capital expenditures are proceeding and are slightly under budget. Significant capital expenditures occurred in the third and fourth quarters of 2011-2012. They include the retrofit of the upper and lower annex, the refit of the Heating, Ventilation and Air Conditioning (HVAC) and the electrical and communication systems, and the retrofit of the mezzanine. Adding the electrical and communications refitting to the scope of work allows the Museum to complete all infrastructure construction at the same time, diminishing the interruption to operations and generating cost savings.

Similarly, retrofitting both the upper and lower Annex at the same time allows all personnel to move at one time reducing interruptions and costs. The Museum has made considerable progress with its capital projects; however, these projects are not scheduled to be complete

The Museum has made considerable progress with its capital projects

until July 2012. This has resulted in deferred capital, which the Museum anticipates it will utilize in 2012-2013.

Plans are also underway to launch the refit of existing spaces (Kenneth C. Rowe Heritage Hall and Rudolph Peter Bratty Exhibition Hall) in 2012-2013. This is a three-year project, which will result in new permanent exhibits to reflect the Museum's national mandate.

The Museum has prepared its financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, consistent with the standards adopted in the prior year.

BUSINESS RISKS

FINANCIAL RISKS

The Museum is exposed to a variety of financial risks related to 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 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, 2012, the allocations were 60 per cent fixed income, 20 per cent equity and 20 per cent alternative assets.

- i. 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 and cash equivalents, endowment investments and accounts receivable. The Museum has determined that the credit risk is not significant.

Credit risk with respect to receivables is limited, due to the small value of transactions with clients other than government departments.

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.

ii. 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.

iii. 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.

a) The foreign currency risk has been determined to be low as investments denominated in foreign currencies 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.

b) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Financial assets and financial liabilities with variable interest rates expose the Museum to cash flow interest rate risk. The Museum does not have any debt instruments at March 31, 2012. 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.

c) Other price risks arise when the fair value of equity funds change due to a decrease in a stock market index or other risk variables. The endowment investments include funds with underlying equity investments. Included in these funds are 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 Board and Management have determined that all financial risks are at an acceptable level.

OTHER BUSINESS RISKS

Capital projects, and specifically renovations to an old site, involve risk. Employees have knowledge from previous construction projects on-site, and as such, several key activities took place to mitigate the risks associated with this phase of expansion:

- ◆ The Museum commissioned Computer Assisted Drawings of the space to ensure accurate depictions of the space as part of the tendering process;
- ◆ The project management team of Costello Fitt was engaged to manage the current phase of the construction project. Their extensive experience with the Halifax Port Authority and the Pier 21 site will assist in identifying potential areas of time or cost overruns; and
- ◆ The Museum contracted a separate engineering firm to do a Heating Ventilation and Air Conditioning (HVAC)

study, to provide the successful design bidder with technical specifications and options for the potentially costly and time-consuming HVAC installation.

At March 31, the Museum was projecting that the significant investment in the capital plan would be substantially complete by June 30, 2012, slightly under budget and with minimal impact on the visiting public. It must be noted that replacing significant systems while the Museum remained open has presented challenges to volunteers and staff. Safety has been the paramount concern and to date, there have been no accidents reported on-site.

The Museum will continue to employ the same mitigation strategies through the remainder of the capital construction, and all the principal contractors are still involved. In addition, Management issued a contract to Hanscomb Limited to do an independent review of the project costing, ensuring appropriate budget controls at every juncture.

CAPABILITY TO DELIVER RESULTS

The Museum is highly optimistic that it will be able to attract on-site audiences and to reach Canadians through a mix of virtual and physical programming.

In 2011-2012, although the largest proportion of the over 40,000 visitors to the Museum originated from Ontario (33.1 per cent) and Nova Scotia (17.0 per cent), 16.3 per cent of Museum visitors were from Alberta and British Columbia. The Museum expects that as a national museum, with a broader mandate, a larger space, exhibitions that are more comprehensive, an enhanced travelling exhibition program and a significant online presence, it will draw a significantly increased number of

visitors, including those from other parts of the country. With the Master Interpretation Plan nearing completion, and the first travelling exhibition well under way, the Museum has taken an important first step.

The Halifax Seaport has become a significant destination for local residents, tourists and cruise passengers. In addition to the Museum, the Seaport consists of dedicated cruise pavilions, public spaces, cafés, and office and retail space. The Halifax Seaport annually hosts in excess of 550,000 visitors.

Over the past five years, the Halifax Port Authority has invested significant private and public funds in the Seaport infrastructure, as it began implementing a major redevelopment project between Piers 19 and 23. The redevelopment plan is expected to continue to expand the number of visitors to the Seaport.

The Museum's reach will extend well beyond visitors to the site itself. Key priorities for the Museum are to develop a compelling and content rich web presence, to present a unique brand identity, and to ensure access for all Canadians to the Museum's public programming through outreach, travelling exhibitions and other virtual tools. A major focus on the quality of the visitor experience, and the extent to which the experience is compelling and engaging, will also help attract loyal visitors both on-site and online.

The corporate culture of the organization continues to be entrepreneurial, collaborative and results-oriented. Volunteers continue to play an integral role in the operation of the Museum. At March 31, 2012, there were 36 full-time permanent employees. Cross-training and job shadowing have commenced and will continue to

be part of the training program, to ensure all staff have a deep understanding of all elements of the visitor experience, from the Scotiabank Family History Centre offerings to the intricacies of the guided tours and beyond. This will ensure a tailored and personal visitor experience on-site.

REVENUE GENERATION

The Board of Trustees and Management of the Canadian Museum of Immigration at Pier 21 are firmly committed to augmenting the proportion of the budget that comes from self-generated revenues. The Pier 21 Society's development efforts were extremely fruitful, and the Foundation had tremendous success in raising a \$7 million endowment fund in eight years. Fundraising activities include Major Giving, Special Events and Annual Giving.

Since 2005-2006, the Pier 21 Society and Foundation generated a steady growth in fundraising revenues, and the Canadian Museum of Immigration at Pier 21 is in a good position to leverage the support generated across the country.

The corporate culture of the organization continues to be entrepreneurial, collaborative and results-oriented.

A major review of current fundraising approaches is nearing completion; this will inform a Planned Giving

strategy, an enhanced Major Gifts program and new streams for Annual Giving. The Museum also expects to capitalize on new opportunities to increase revenues through ticket sales, the gift shop and the Scotiabank Family History Centre. With its national mandate, the Museum has commenced the development of branded products for its gift shop and has allocated more resources for marketing than was possible for the Pier 21 Society.

The 2012-2013 year will be a fruitful one for the Museum. Much of the work in the first 13 months has been focused on the development of the fundamentals of a Crown corporation—governance, accountability, and infrastructure, both human and capital. This year, the Museum will open its first significant temporary exhibition, reflecting the national mandate. It will also launch its new website and make significant progress on the redevelopment of the permanent exhibition. The Museum will also continue to make strategic partnerships to ensure nationwide involvement of Canadians in their immigration museum.

Financial Statements of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2012

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 18, 2012



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 2012, 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 2012, 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

18 June 2012
Halifax, Canada

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position

As at March 31, 2012

(in thousands of dollars)

	2012	2011
Assets		
Current assets		
Cash	\$ 8,967	\$ 3,734
Accounts receivable (notes 4 and 15)	841	240
Inventory	143	152
Prepaid expenses	12	19
	<u>9,963</u>	<u>4,145</u>
Endowment cash and investments (notes 11 a) and 15)	5,476	4,538
Capital assets (note 5)	8,303	2,483
Collections (note 6)	1	1
	<u>\$ 23,743</u>	<u>\$ 11,167</u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (notes 7 and 15)	\$ 4,686	\$ 671
Deferred revenue (note 8)	163	96
Deferred contributions related to capital assets (note 9)	11,269	4,233
Net assets		
Unrestricted	2,070	1,649
Accumulated remeasurement gains	68	5
Endowment (note 11 b))	<u>5,487</u>	<u>4,513</u>
	<u>7,625</u>	<u>6,167</u>
	<u>\$ 23,743</u>	<u>\$ 11,167</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:



Chair



Vice-Chair

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations

For the year ended March 31, 2012

(in thousands of dollars)

	2012	November 25, 2010 to March 31, 2011
Revenues		
Operating (schedule 1)	\$ 1,140	\$ 221
Amortization of deferred contributions related to capital assets transferred from Pier 21 Society (note 9)	516	86
Donations	324	25
Contributions received from Pier 21 Society	–	127
Interest and other	90	–
	<u>2,070</u>	<u>459</u>
Expenses (schedule 2)		
Visitor experience and connections	2,161	132
Internal services	3,314	1,050
Accommodation	2,511	508
	<u>7,986</u>	<u>1,690</u>
Excess of expenses over revenues before appropriations and endowment investment net (loss) income	(5,916)	(1,231)
Appropriations (note 10)	6,440	2,854
Endowment investment net (loss) income	(103)	25
Excess of revenues over expenses	<u>\$ 421</u>	<u>\$ 1,648</u>

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Remeasurement Gains and Losses

For the year ended March 31, 2012

(in thousands of dollars)

	2012	November 25, 2010 to March 31, 2011
Accumulated remeasurement gains, beginning of period	\$ 5	\$ –
Unrealized gains on endowment investments (notes 11 and 15)	68	5
Realized gains on endowment investments reclassified to operations	(5)	–
Accumulated remeasurement gains, end of period	\$ 68	\$ 5

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, 2012
(in thousands of dollars)

	Unrestricted	Accumulated remeasurement gains	Endowment	2012	November 25, 2010 to March 31, 2011
Net assets, beginning of period	\$ 1,649	\$ 5	\$ 4,513	\$ 6,167	\$ –
Excess of revenues over expenses	421	–	–	421	1,648
Remeasurement gains (notes 11 and 15)	–	63	–	63	5
Transfer of collections from Pier 21 Society (note 2)	–	–	–	–	1
Transfer of endowment from Pier 21 Foundation (notes 2 and 11)	–	–	–	–	4,399
Contributions received for endowment (note 11)	–	–	974	974	114
Net assets, end of period	\$ 2,070	\$ 68	\$ 5,487	\$ 7,625	\$ 6,167

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, 2012
(in thousands of dollars)

	2012	November 25, 2010 to March 31, 2011
Operating activities		
Appropriations received	\$ 6,300	\$ 2,853
Other cash received	961	112
Cash paid to employees and suppliers	(3,411)	(956)
Interest received	64	–
	<u>3,914</u>	<u>2,009</u>
Capital activities		
Acquisition of capital assets	(6,476)	(43)
	<u>(6,476)</u>	<u>(43)</u>
Investing activities		
Increase in endowment cash and investments	(871)	(139)
	<u>(871)</u>	<u>(139)</u>
Financing activities		
Appropriations received for the acquisition of capital assets	7,525	1,723
Contribution for the acquisition of capital assets	167	70
Contributions to endowment	974	114
	<u>8,666</u>	<u>1,907</u>
Increase in cash	5,233	3,734
Cash, beginning of period	3,734	–
Cash, end of period	<u>\$ 8,967</u>	<u>\$ 3,734</u>

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, 2012
(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:

1) 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.

2) Internal services

To provide governance; resource management; development and public affairs which include marketing, communications, commercial activities, facilities rentals, sponsorships and community partnerships.

3) Accommodation

To manage accommodation focussing on building operations; security; and leasehold improvements including capital projects.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(in thousands of dollars)

2. Transfers from the Pier 21 Society and Pier 21 Foundation

The Museum commenced its operations on February 4, 2011 after the Pier 21 Society sold, assigned and transferred its inventory, collections and capital assets to the Museum. This sale and transfer was made at a nominal value, paid from the Museum to the Pier 21 Society. The Pier 21 Foundation also transferred its endowment fund assets to the Museum.

On February 3, 2011, the following assets were sold and transferred to the Museum:

	2011
Pier 21 Society	
Inventory	\$ 127
Collections	1
Capital assets	2,527
	<hr/> 2,655
Pier 21 Foundation	
Endowment cash and investments	4,399
	<hr/> \$ 7,054

The transfer of inventory was an unrestricted contribution from the Pier 21 Society to the Museum.

Collections transferred from the Pier 21 Society to the Museum were recorded as a direct increase to the net assets of the Museum.

Capital assets transferred to the Museum were recorded at their net book value, which approximates fair market value. The value of the transferred capital assets was also recorded as a deferred contribution related to capital assets. The deferred contribution will be amortized and recognized as revenue on the same basis and over the same periods as the related capital assets transferred.

Endowment cash and investments transferred from the Pier 21 Foundation to the Museum were recorded as a direct increase to the net assets of the Museum.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(in thousands of dollars)

3. 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.

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, 2012
(in thousands of dollars)

3. 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 endowment investments is unrestricted, and is recognized as revenue by the Museum in the period earned.

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, 2012
(in thousands of dollars)

3. 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 conformity 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 reported period. Actual results could differ from those reported. 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, 2012
(in thousands of dollars)

3. 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 and US 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, 2012
(in thousands of dollars)

4. Accounts receivable

	2012	2011
Accounts receivable – external	\$ 93	\$ 97
Accounts receivable – government departments and agencies	748	143
	\$ 841	\$ 240

5. Capital assets

	Cost	Accumulated amortization	2012 Net book value
Leasehold improvements	\$ 8,680	\$ 681	\$ 7,999
Immigration and ships database	46	11	35
Office and computer equipment	320	51	269
	\$ 9,046	\$ 743	\$ 8,303

	Cost	Accumulated amortization	2011 Net book value
Leasehold improvements	\$ 2,430	\$ 80	\$ 2,350
Immigration and ships database	46	2	44
Office and computer equipment	94	5	89
	\$ 2,570	\$ 87	\$ 2,483

6. 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 periods ended March 31, 2012 and 2011, 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, 2012
(in thousands of dollars)

7. Accounts payable and accrued liabilities

	2012	2011
Accounts payable and accrued liabilities – external	\$ 4,598	\$ 486
Accounts payable – government departments and agencies	88	185
	<u>\$ 4,686</u>	<u>\$ 671</u>

8. Deferred revenue

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

	2012	2011
Balance, beginning of period	\$ 96	\$ –
Funds received during the period	407	175
Funds recognized as revenue during the period	(340)	(79)
Balance, end of period	<u>\$ 163</u>	<u>\$ 96</u>

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(in thousands of dollars)

9. 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 periods are as follows:

	Transfer from Pier 21 Society	Appropriations	Other contributions	2012
Balance, beginning of period	\$ 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 period	\$ 1,925	\$ 9,107	\$ 237	\$ 11,269

	Transfer from Pier 21 Society	Appropriations	Other contributions	2011
Balance, beginning of period	\$ –	\$ –	\$ –	\$ –
Add:				
Tangible capital assets transferred from Pier 21 Society	2,527	–	–	2,527
Appropriations received to acquire capital assets	–	1,723	–	1,723
Other contributions received from related party to acquire capital assets	–	–	70	70
Less:				
Amortization of deferred contributions related to capital assets	(86)	(1)	–	(87)
Balance, end of period	\$ 2,441	\$ 1,722	\$ 70	\$ 4,233

The unused portion of deferred contributions related to capital assets was \$2,966 at March 31, 2012 (2011 – \$1,750). Other contributions received from a related party of \$167 (2011 – \$70) were received from the Halifax Port Authority and related to 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, 2012
(in thousands of dollars)

10. Appropriations

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

	2012	November 25, 2010 to March 31, 2011
Statutory appropriations provided	\$ 3,850	\$ 4,576
Parliamentary appropriations provided	9,975	–
	13,825	4,576
Previous year's appropriation used in the current year	1,680	–
Appropriations deferred for future capital projects	(2,729)	(1,680)
Appropriations used to purchase amortizable capital assets	(6,476)	(43)
	6,300	2,853
Amortization of deferred contributions related to capital assets	140	1
Appropriations recognized as revenue	\$ 6,440	\$ 2,854

Parliament 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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(in thousands of dollars)

11. Endowment

a) Endowment cash and investments

Endowment cash and investments consist of the following:

	2012		2011	
	Cost	Fair Value	Cost	Fair value
Cash and cash equivalents	\$ 564	\$ 564	\$ 2,900	\$ 2,907
Investment funds				
Fixed income	3,099	3,166	1,633	1,631
Canadian equity	578	527	–	–
US equity	490	549	–	–
Alternatives	681	674	–	–
	4,848	4,916	1,633	1,631
Management fee net accrual	(4)	(4)	–	–
	\$ 5,408	\$ 5,476	\$ 4,533	\$ 4,538

b) Endowment net assets

Endowment contributions totaling \$974 (2011 – \$4,513) were received by the Museum during the fiscal year. Of this amount, \$475 (2011 – \$4,399) was contributed to the Museum from the Pier 21 Foundation.

Endowment net assets generated a loss of \$103 (2011 – gain of \$25) of realized investment income and \$68 (2011 – \$5) of unrealized gains.

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

	2012	2011
Contributions received from Pier 21 Foundation	\$ 4,874	\$ 4,399
Contributions received for endowment from other donors	613	114
Endowment net assets, end of year	\$ 5,487	\$ 4,513

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(in thousands of dollars)

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, 2012, the estimated obligations are as follows:

	Related party	Other	Total
2013	\$ 985	\$ 4,572	\$ 5,557
2014	985	–	985
2015	985	–	985
2016	991	–	991
2017	1,022	–	1,022
2018 to 2051	44,262	–	44,262
	\$ 49,230	\$ 4,572	\$ 53,802

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 period end was 1.74 to 1 of employee contributions (2011 – 1.86 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 8.95 to 1 of employee contributions (2011 – 9.5 to 1). Total employer contributions of \$266 (2011 – \$18) were recognized as an expense in the current period.

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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(in thousands of dollars)

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 interest. 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 \$1,248 (2011 – \$362) consisting primarily of rent expenses under Accommodation of \$1,085 (2011 – \$150) and revenue of \$32 (2011 – \$1) with related parties. The relationship and transactions with the Pier 21 Foundation are described in detail in note 2.

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 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, 2012, the allocations were 60% fixed income, 20% equity and 20% 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 and cash equivalents, endowment investments and accounts receivable. The Museum has determined that the credit risk is not significant.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(in thousands of dollars)

15. Financial instruments (continued)

a) Credit risk (continued)

i) Endowment 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 and US equity and alternative assets through pooled funds and mutual funds.

Cash and cash equivalents have a maximum term of maturity of one year. Equity and fixed income investments are held through pooled and mutual funds. Alternative assets provide a lower overall volatility and correlations 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.

ii) Accounts receivable

The Museum is exposed to credit risk from customers of \$841 in the normal course of business. The accounts receivable are net of applicable allowance for doubtful accounts, which are 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, 2012, no accounts receivable were past due (over 30 days) or impaired. 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, 2012
(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 \$549 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, 2012, 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 have any debt instruments at March 31, 2012.

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 \$14 for the year ended March 31, 2012.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2012
(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 \$1,750 in funds with underlying equity investments. Included in these funds are \$679 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, 2012, if market prices had a 5% decrease with all other variables held constant, the decrease in remeasurement gains and losses for the year would have been \$111 due to the decrease in the fair value of financial assets.

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, 2012, 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, 2012
(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.

16. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2012

Schedule 1 – Operating Revenue

(in thousands of dollars)

	2012	November 25, 2010 to March 31, 2011
Hall rental	\$ 317	\$ 29
Gift shop	252	7
Exhibition hall ticket sales	242	18
Special events	241	162
Research centre	64	5
Programming	24	–
	\$ 1,140	\$ 221

Schedule 2 – Expenses

(in thousands of dollars)

	2012	November 25, 2010 to March 31, 2011
Personnel costs	\$ 3,043	\$ 259
Rent	1,085	150
Operating supplies and services	758	57
Amortization of capital assets	656	87
Professional and special services	645	663
Repairs and maintenance and building operation	437	234
Exhibition and programming	305	6
Cost of goods sold	259	59
Office supplies and administration	209	69
Marketing, promotion and recognition	155	43
Utilities	153	38
Training and professional development	125	16
Payment in lieu of taxes	99	–
Travel	57	9
	\$ 7,986	\$ 1,690