



2015 - 2016 Annual Report

Canadian Museum of Immigration at Pier 21



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

Canada 

Canadian Museum of Immigration at Pier 21

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Canada



2015-2016

Annual Report



The Canadian Museum of Immigration at Pier 21



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MESSAGE FROM THE CHAIR



It is with tremendous pride that the Board of Trustees of the Canadian Museum of Immigration at Pier 21 presents the Museum's 2015-2016 Annual Report to the people of Canada.

This year was a momentous one, for our Board and for the Museum itself, as our vision of a truly national immigration Museum became a reality. At our June 2015 grand reopening, we launched two new world-class exhibits. One that tells the important history of Pier 21 and the second, the *Canadian Immigration Story*, showcases the many stories of immigration to Canada through other entry points. This expansion is made possible in part through the financial support of the Government of Canada.

The *Canadian Immigration Story* exhibit includes my own immigration history, where I share a story of a neighbourly gesture that made my family feel that Canada is home. In this year, where so many Canadians have shown their own acts of kindness to newcomers, it is timely to reflect on the importance of immigration to our country, past and present.

The new Museum is truly a national treasure, one that I encourage you to visit and explore. If you can't visit Halifax in person, visit us online, experience the *Canada: Day 1* travelling exhibit as it travels across the country, or participate in one of our programming or partnership opportunities. I promise you won't be disappointed.

As we look back on this important year, there are many people to thank and acknowledge. First, the Government of Canada for its vision and commitment to creating a national Museum dedicated to our immigration history. Second, the many donors and partners who also see the importance of the work that we do and provide important support. Third, the board members and volunteers -- past and present -- who have worked tirelessly to preserve the historic treasure of Pier 21 and create a national icon. Fourth, the staff and management who have brought the story to life and who appreciate the honour and responsibility of their work. And finally, to all Canadians who have shared their immigration stories with us. We are a museum of stories and would not exist without the touching, personal stories shared by you.

Thank you,

A handwritten signature in black ink, appearing to read 'Tung Chan'. The signature is stylized and fluid, with a long horizontal line extending to the left.

Tung Chan
Chair of the Board of Trustees

MESSAGE FROM THE CEO

I am pleased to present our annual report for 2015-2016 and I am honoured to lead an organization which has accomplished so much since we were entrusted with the privilege of becoming Canada's sixth national Museum.

This year, we completed our physical transformation and reopened an expanded Museum that pays tribute to the crucial role that immigration has played in shaping our nation - and will continue to play in the years to come. Visitor response to our new exhibitions has exceeded our expectations. Visitors are engaged, touched, inspired, and reminded of their own immigration history and the impact of so many on our culture, economy and way of life.

Reaching those who cannot visit in person has also been a priority. Our travelling exhibition, *Canada: Day 1* visited Markham, Ontario and Saskatoon and Moose Jaw, Saskatchewan to rave reviews and incredible attendance. *Canada: Day 1* will continue to travel the country through 2017 as our legacy project for Canada's 150th celebrations.

You can also experience the Museum online. Our website now includes access to part of our oral history and story collections. We will continue to enhance our virtual presence to reflect new stories that are collected, utilize new technologies, and make even more of our collection available to Canadians.

These are exciting times at the Museum and I am proud to serve as the inaugural CEO. Through the hard work and commitment of our staff, the dedication of our volunteers, the support of our Board, the engagement of our many partners and friends, and the generosity of the Government of Canada and our many donors - we have created a national treasure.



Marie Chapman
Chief Executive Officer



About the Canadian Museum of Immigration at Pier 21

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

The Canadian Museum of Immigration at Pier 21 is a federal Crown corporation. Its purpose is to explore the theme of immigration to Canada in order to enhance public understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada and of the contributions of immigrants to Canada's culture, economy and way of life.



THE PROUD HISTORY OF PIER 21

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

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

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



Postwar Jewish Immigrants arrive from an unknown ship at Pier 21. n.d. Jewish Public Library Archives, Montreal

THE PIER 21 SOCIETY MUSEUM

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

BECOMING A NATIONAL MUSEUM

In June 2009, the Prime Minister announced that the Government of Canada would create a new national museum at Pier 21 to enhance public understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada and of the contributions of immigrants to Canada's culture, economy and way of life. In February 2011, the Canadian Museum of Immigration at Pier 21 became the first national museum in Atlantic Canada.

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

MANDATE, ROLE AND GOVERNING LEGISLATION

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

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

To explore the theme of immigration to Canada in order to enhance public understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada and of the contributions of immigrants to Canada's culture, economy and way of life.

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

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

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

THE BOARD OF TRUSTEES

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

The *Museums Act* provides for an eleven-member Board of Trustees (currently one vacant position) that is appointed by the Minister with the approval of the Governor in Council. The Board is supported by four committees and an investment sub-committee. The four committees are:

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

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

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

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

Chair



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

Vice-Chair



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



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



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



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



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



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



Carrie Ross
Regina, SK
February 26, 2015
to February 25, 2019



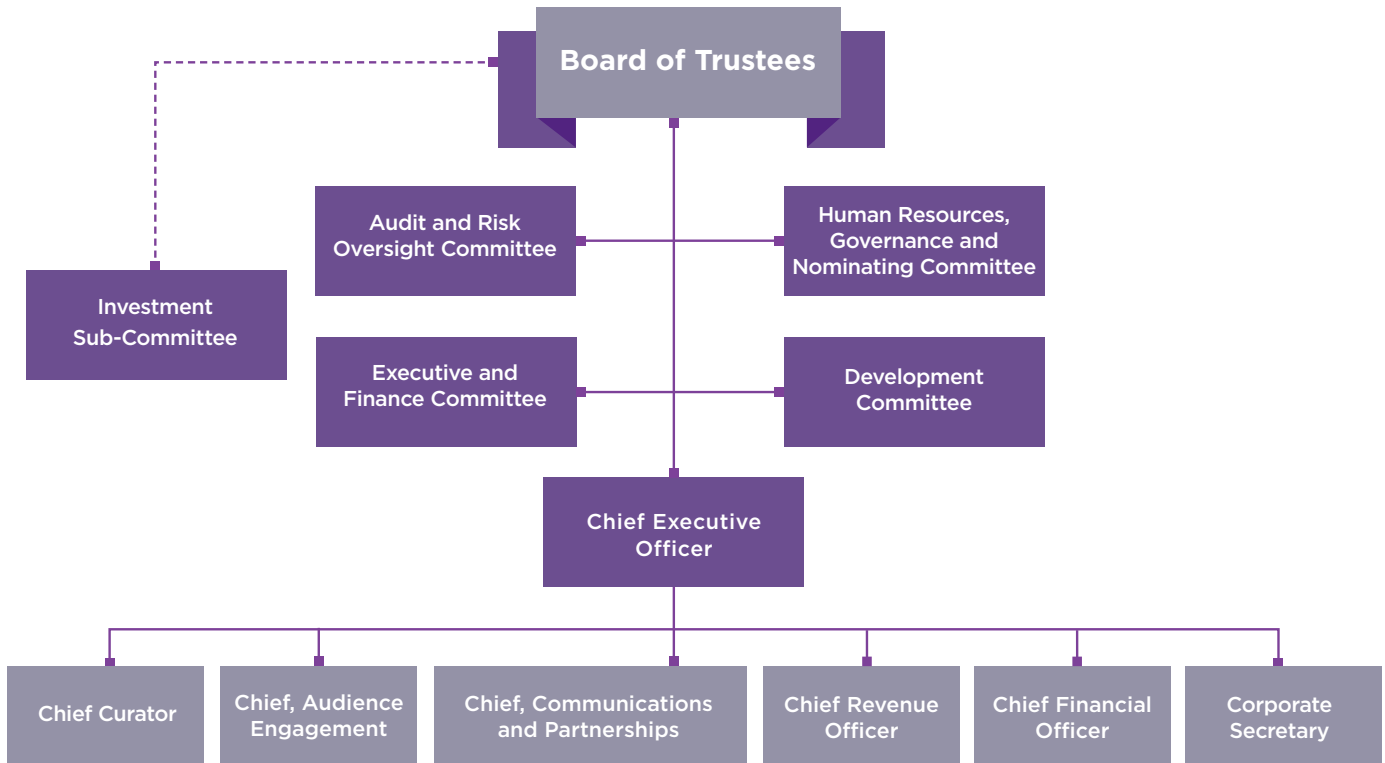
James (Bradley) Stafford, CPA, CA,
Vancouver, BC
Term: September 29, 2011
to September 28, 2015



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

MANAGEMENT AND STAFF

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



Museum staff and volunteers.

THE SENIOR LEADERSHIP TEAM



Left to right:

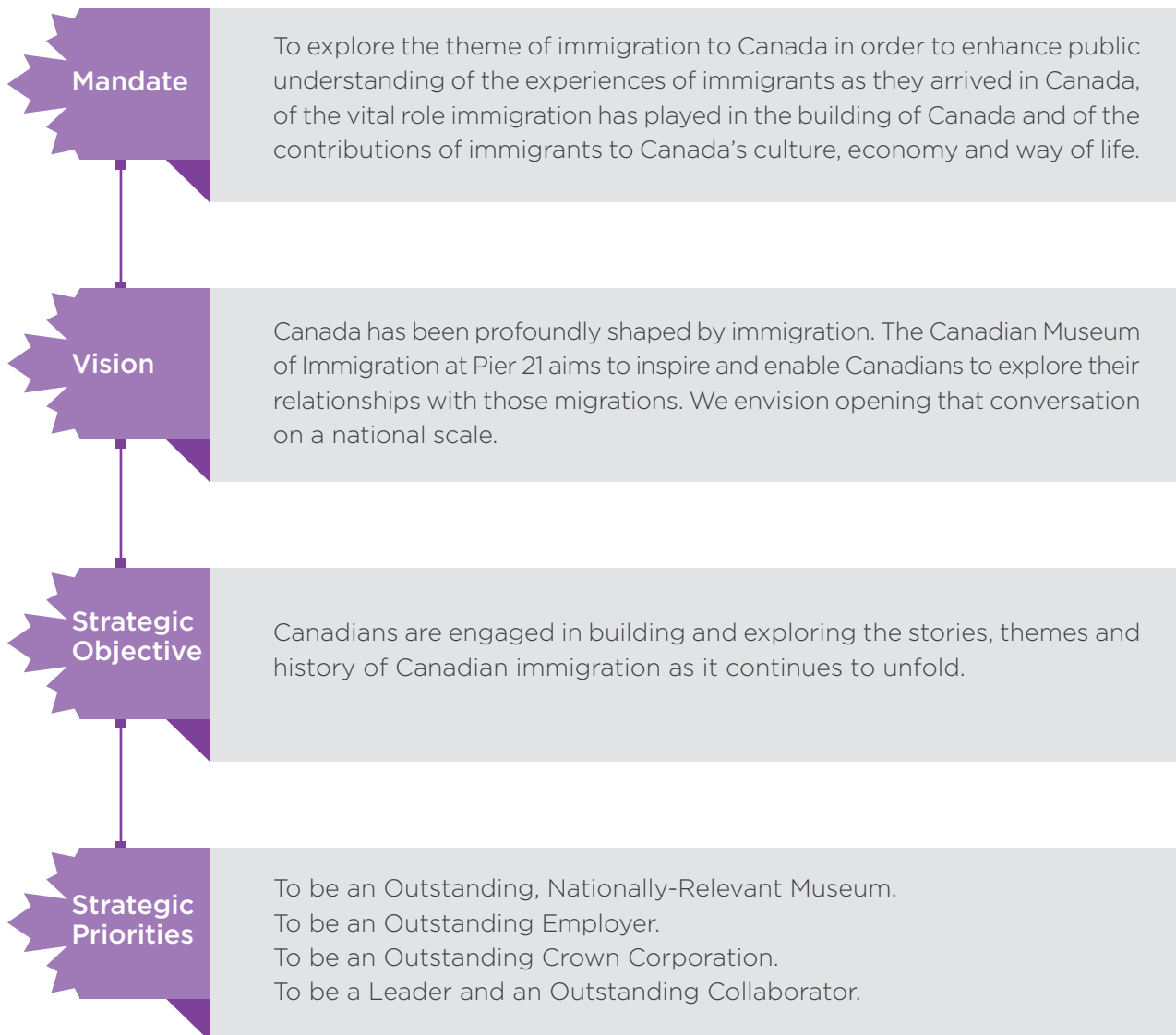
Carrie-Ann Smith
Fiona Valverde
Jennifer Sutherland
Marie Chapman
Monica MacDonald
Kendall Blunden
Jennifer Tramble

Marie Chapman, Director/Chief Executive Officer
Kendall J. Blunden, CPA, CA, Chief Financial Officer
Tanya Bouchard, Chief Curator, Monica MacDonald A/Chief Curator
Carrie-Ann Smith, Chief, Audience Engagement
Jennifer Sutherland, Chief, Communications and Partnerships
Jennifer Tramble, Corporate Secretary
Fiona Valverde, Chief Revenue Officer

The Museum had 55 full-time equivalent staff at the end of March 2016. In addition to the highly committed and dedicated staff, the Museum benefits from an extensive network of loyal volunteers.

STRATEGIC DIRECTION

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



KEY STRATEGIC PRIORITIES

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

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

To be an
**Outstanding
Employer**

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

To be an
**Outstanding
Crown
Corporation**

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

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

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



Staff conducting an oral history interview

PROGRAM ALIGNMENT ARCHITECTURE

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

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

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

Key themes include:

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

Strategic Objective

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

Program 1 Visitor Experience and Connections

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

Program 2 Accommodations

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

Program 3 Internal Services

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

RESULTS

In the 2015-16 fiscal year, the Museum delivered on key priorities that will set the stage for the next period of growth. Highlights are as follows:

STRATEGIC PRIORITY 1

TO BE AN OUTSTANDING MUSEUM WITH NATIONAL RELEVANCE

RESEARCH AND CONTENT DEVELOPMENT

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

Key Commitments to March 31, 2016

- ✦ Actively collect engaging oral histories, documents and stories that reflect the Museum's mandate, Canada's multicultural mosaic and its linguistic duality for travelling exhibitions, the Museum's permanent exhibit and the web.
- ✦ Continue to catalogue the Museum's collection on the *CollectiveAccess* database to enhance the Museum's ability to manage its material and make it available to Canadians onsite and online.



Complete at March 31, 2016

- ✦ Per the Collection Development Strategy, engaging oral histories and stories that reflect the Museum's national mandate are being collected.
- ✦ A multi-year project to catalogue the Collection and make it accessible on the *CollectiveAccess* database continues. 90% of the existing Collection has been catalogued, meeting the 2015-16 target. Unforeseen technical challenges slightly delayed the March 2016 online launch of the oral history and story collections. Technical updates are underway and the Collection will be available online in the first quarter of 2016-17.



Immigrants featured in the Museum's *inCanada* video at the Museum's reopening

INTERPRETATION AND CONNECTIONS

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

Key Commitments to March 31, 2016

- ✦ Open the expanded Museum in May 2015 with the official opening ceremony in June 2015.
- ✦ National roll-out of the first travelling exhibit, *Canada: Day 1*, continuing to 2017. Expand the reach by launching a steamer trunk travelling exhibit for smaller venues.
- ✦ Host the *Empress of Ireland* temporary exhibit in partnership with the Canadian Museum of History.
- ✦ Increase online content by 20% to more fully reflect the diversity of the immigration experience in Canada. Increase web visitation by 10% annually.
- ✦ Continue to showcase French-language films and those that explore a wide range of cultures and historic themes through the *Diversity Spotlight* film series.

Complete at March 31, 2016

- ✦ The Museum reopened in May 2015 with a grand reopening in June 2015. Exhibits opened on time, on budget, and are receiving very positive audience feedback.
- ✦ The Museum's first travelling exhibition, *Canada: Day 1* visited Markham, Ontario and Saskatoon and Moose Jaw, Saskatchewan and is being booked at venues across Canada through 2017.



- ✦ Three smaller *Canada: Day 1* exhibits have been developed in partnership with Immigration, Refugees and Citizenship Canada (IRCC) and will tour IRCC offices across Canada and Canadian embassies around the world.
- ✦ The *Empress of Ireland* exhibit opened in November 2015.
- ✦ Continued expansion of the website and digital engagement strategies have increased the online content by 71% and web visitation by 34%.
- ✦ Continuation of popular programs such as the *Diversity Spotlight* film series, *Discover Culture* family program and community outreach programs attracted over 12,000 public programming visitors to the Museum.



Teddy Bear's Journey school group program

VISITOR EXPERIENCE

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

Key Commitments to March 31, 2016

- ✦ Open the expanded Museum in May 2015 with the official opening ceremony in June 2015. Ensure opening year plans create and build excitement, and generate visitation, both locally and nationally.
- ✦ Ensure the online experience reflects the expanded Museum.
- ✦ Collect qualitative and quantitative visitor data and act on key findings.
- ✦ Launch a guest speaker series to attract new and repeat visitors to the Museum.



Complete at March 31, 2016

- ✦ Successful launch of the expanded Museum as evidenced by attendance, media coverage and quantitative and qualitative feedback.
- ✦ More than 100,000 people experienced the Museum in 2015-16, including 49,578 paid visitors, 3,728 unpaid visitors, 5,500 school children, 27,731 visitors to the Scotiabank Family History Centre, and 20,534 event and public programming participants.
- ✦ 96.7% of respondents surveyed rated their visitor experience as satisfying or very satisfying, a record for the Museum.
- ✦ The Pier 21 Reads guest speaker series featured authors Esi Edugyan and Kim Thuy, attracting more than 600 attendees.





ACCESS AND AWARENESS

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

Key Commitments to March 31, 2016

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

Complete at March 31, 2016

- ✦ An integrated marketing, communications and digital launch plan for the Museum's reopening resulted in 240 media mentions (print, broadcast and online), reaching more than 35 million people with a total publicity value of \$746,000.



✦ Successful launch of the *Canada: Day 1* exhibition in Saskatoon and Moose Jaw, Saskatchewan as evidenced by positive media coverage, visitation, and mobile guide app downloads by 225 users. The exhibit will travel across Canada as part of the 2017 Commemoration activities.

✦ More than 2,400 subscribers to the e-newsletter.



Dueling Pianos event sponsored by TD Bank

STRATEGIC PRIORITY 2

TO BE AN OUTSTANDING EMPLOYER

INTERNAL SERVICES

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

Key Commitments to March 31, 2016

- ✦ Continue to implement a performance management program across the Corporation that recognizes results and the Museum's core values.
- ✦ Offer room for advancement and learning within the organization, supported by training, development and education opportunities, including a focus on language training.

Complete at March 31, 2016

- ✦ High level of staff engagement and involvement in the Museum reopening.
- ✦ Continued engagement of more than 90 volunteers.
- ✦ 90% of employees participated in professional development and educational opportunities.
- ✦ 73% of full-time staff are either bilingual or are participating in language training, along with some volunteers.





Museum staff and volunteers

STRATEGIC PRIORITY 3

TO BE AN OUTSTANDING CROWN CORPORATION

SOUND GOVERNANCE

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

Key Commitments to March 31, 2016

- ✦ Continue to refine and implement the Museum's Performance Management Framework as a tool for monitoring and reporting on performance, and for course-correction as required.
- ✦ Continue to update and refine the Business Continuity Plan for the Museum as part of the risk management regime.
- ✦ Implement the internal audit plan and act on key findings.
- ✦ Hold the Museum's fourth Annual Public Meeting, which all Crown corporations are required to hold as a good governance practice, in Halifax in October 2015.

Complete at March 31, 2016

- ✦ No negative reports from the Office of the Auditor General related to corporate governance.
- ✦ Two internal audits completed in 2015-16, enterprise risk management and cyber security, with findings addressed.



Board Chair Tung Chan at the Annual Public Meeting.

- ✦ Implementing the new Directive on Travel, Hospitality, Conference and Event Expenditures.
- ✦ Continued positive results from the Board of Trustees' annual governance self-assessments, enhanced to include a qualitative assessment.
- ✦ The Museum's annual public meeting was held in Halifax in October 2015 with 100 donors, media and friends in attendance.



The Museum's Annual Public Meeting in Halifax, October 2015.

SOUND MANAGEMENT OF RESOURCES

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

Key Commitments to March 31, 2016

- ✦ Leverage opportunities for revenue generation and public awareness in conjunction with the launch of the expanded Museum.
- ✦ Achieve net self-generated revenue targets of \$2.49 million (32% of operating appropriations), including \$1.34 million from fund development.
- ✦ Identify, cultivate and solicit major gift donors for new Museum spaces and programs, continue to steward past donors and continue with successful special event fundraisers.
- ✦ Continue to work with sister national museums on shared services, opportunities for collaborative promotions and shared programming.

Complete at March 31, 2016

- ✦ Achieved net self-generated revenues of \$1.65 million, below the target of \$2.49 million, but up over the \$1.46 million in 2014-15.
- ✦ Two new major gifts secured totalling \$300,000 with work underway for more in 2016-17. A leadership level annual giving club (the Pier 21 Club) continued with 21 members. All fundraising special events surpassed targets.



- ✦ Work with other National Museums has resulted in procurement savings and collaboration in areas including programming, co-production of exhibits and artifact loans.



Pier 21 Club members at the *Empress of Ireland* exhibit

ACCOMMODATIONS

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

Key Commitments to March 31, 2016

- ✦ Complete renovations so the expanded Museum can open on time and on budget.
- ✦ Environmental issues in new spaces are addressed and remediated.
- ✦ Continue to manage contracts in a sound, transparent and accountable manner, on time and within budget, employing effective project and risk-management practices throughout.

Complete at March 31, 2016

- ✦ The Museum reopened in May 2015 (as planned) with the grand reopening in June 2015. The project was completed within budget.
- ✦ Museum spaces meet standards for air quality and environmental health and safety.
- ✦ Continued management of contracts in a sound, transparent and accountable manner, on time and within budget, employing effective project and risk-management practices.



Kenneth C. Rowe Hall rental space

BUILDING OPERATIONS AND SECURITY

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

Key Commitments to March 31, 2016

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

Complete at March 31, 2016

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



Mrs. Barbieri in front of her photo 50 years later

STRATEGIC PRIORITY 4

TO BE A LEADER AND OUTSTANDING COLLABORATOR

NATIONAL OUTREACH AND PARTNERSHIPS

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

Key Commitments to March 31, 2016

- ✦ Host digital storytelling workshops in regions where *Canada: Day 1* is presented, providing a unique opportunity to digitally capture immigration stories across the country and grow the Museum's collection.
- ✦ Co-produce and host the *Empress of Ireland* exhibit in partnership with the Canadian Museum of History.
- ✦ Implement the Community Engagement Strategy, a strategic approach to community engagement that will develop new audiences across Canada.

Complete at March 31, 2016

- ✦ Digital storytelling program modified, storytelling activities hosted in Moose Jaw, Saskatchewan in conjunction with the *Canada: Day 1* travelling exhibit.



The *Empress of Ireland* exhibit opening

- ✦ *Empress of Ireland* exhibit hosted at Canadian Museum of History from May 2014 to April 2015. Hosted onsite from November 2015 to November 2016.
- ✦ Successful partnerships with more than 15 community, academic, museum, business and media organizations including Skate Canada, Department of National Defence, Halifax International Airport Authority, Western University, and Destination Canada.



Marketing campaign at Halifax Stanfield International Airport



ICE COLD
Coca-Cola
SOLD HERE

ORIGINAL
Bazooka
BUBBLE GUM
5c

HEREFORD
CORNE
MADE IN A

SPAM SPAM SPAM SPAM SPAM SPAM SPAM SPAM SPAM SPAM

SPAM SPAM SPAM SPAM SPAM SPAM SPAM SPAM SPAM SPAM

PREMIER BUTTER
PURE BUTTER

BEURRE CANADIEN
PURE BUTTER



HIGHLIGHTS FROM 2015-16

- Museum Reopening
- *Canada: Day 1*
- *Empress of Ireland*
- Partnerships
- The Collection

MUSEUM REOPENING



The Canadian Museum of Immigration at Pier 21 celebrated its official reopening on June 25, 2015 with the unveiling of Canadian Immigration Hall, a new exhibition showcasing the vast contributions of newcomers to Canada's culture, economy and way of life, from past to present day.

The opening of the new Canadian Immigration Hall, and the reopening of Rudolph P. Bratty Hall, marked the final stage of the Museum's \$30 million expansion, completed with the generous support of the Government of Canada.

The reimagined Rudolph P. Bratty Hall explores Pier 21's rich history as an immigration facility from 1928 to 1971, while Canadian Immigration Hall expands beyond the Pier 21 years to explore the broader story of immigration to Canada. Both new spaces engage visitors using state-of-the-art digital technology, experiential immersives and participatory activities.

The official reopening ceremony followed the central themes, Journey, Arrival, Belonging and Impact, as represented in the Museum. Author Lawrence Hill shared personal stories of Canadian immigration reflecting each theme. The ceremony also included remarks from Marie Chapman, CEO, Canadian Museum of Immigration at Pier 21, the Honourable Julian Fantino, Associate Minister of National Defence, Troy Myers, Vice-Chairperson, Board of Trustees, Canadian Museum of Immigration at Pier 21 and the Honourable Peter MacKay, Minister of Justice and Attorney General of Canada.



The program featured musical performances by some of Canada's most celebrated artists including gospel singer, Linda Carvery, performers from DRUM!, Doris Mason, Hubert Francis and Trevor Gould, as well as classical vocalist, Michael Ciuffo accompanied by Joshua Tamayo. As well, Dinuk Wijeratne, accompanied by Daniel MacNeil, premiered an original piece of music composed in recognition of the Museum's reopening. The program closed with a performance by the Halifax Boys Honour Choir.

“Our reopening is a defining moment in our journey as Canada’s newest National Museum. We are honoured that Canadians near and far have the opportunity to explore our shared history as a country shaped by immigration.”

- Marie Chapman, CEO, Canadian Museum of Immigration at Pier 21

CANADA: DAY 1

Presented by the RBC Foundation



Canada: Day 1
Exhibit Markham
Museum

Discover *Canada: Day 1*

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

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

Newcomers' unique and shared experiences—across time and cultures—are highlighted in a thoughtful way through oral histories, archival images, original artworks, objects and your participation. Explore *Canada: Day 1* through the themes of Transitions, Arrival, Encounters, Finding Your Way and Reflections. You will be transported back to your first day in Canada, or inspired to imagine yourself in a newcomer's shoes.

Visitors can share their first experiences, adding to the evolution of the exhibit. Canadians can also download the free mobile app to explore more personal immigration stories, share their own impressions and engage in a national conversation @Pier21#CanadaDay1.

Canada: Day 1 is a travelling exhibition produced by the Canadian Museum of Immigration at Pier 21 as a legacy project for our nation's 150th anniversary in 2017.

THE EMPRESS OF IRELAND



Students on a tour of the *Empress of Ireland* exhibit

Canada's Titanic - *The Empress of Ireland* is a dramatic exhibition that takes visitors to the heart of one of the greatest maritime disasters in Canada's history. Artifacts from this once-splendid ocean liner, historical documents and witness accounts help bring to life stories of loss and rescue, despair and bravery. As well, visitors learn the storied history of the *Empress of Ireland* including the role it played in immigration and development of Canada.

Considered one of the finest ships in the Canadian Pacific Railway fleet, the *Empress of Ireland* carried tens of thousands of passengers between Canada and Great Britain in the early years of the 20th century. But in the early morning of May 29, 1914, on the fog-bound St. Lawrence River, the Empress was hit broadside by a coal ship, the *Storstad*. The ocean liner went down in less than 15 minutes. More than a thousand people lost their lives.

Canada's Titanic - *The Empress of Ireland* was developed in partnership with the Canadian Museum of History, where it was presented from May 2014 to April 2015. It is onsite in the Ralph and Rose Chiodo Gallery from November 2015 to November 2016.

PARTNERSHIPS



Ann Shaw, Skate Canada
Hall of Fame Chair
Perfect Landings exhibit

A significant priority for the Museum in 2015-16 was strategic partnership development. During the year, more than 15 significant partnerships were formed with community, academic, museum, business and media organizations. One such partnership was with Skate Canada for the 2016 Canadian Tire National Skating Championships being held in Halifax in January of 2016.

The Museum worked with Skate Canada to develop a temporary exhibit called *Perfect Landings*. Onsite at the Museum from January to March 2016, the exhibit explored the immigration stories behind some of Canada's pioneering figure skaters, coaches and builders.

Visitors learned about luminary figures such as John Knebli, a talented craftsman who arrived at Pier 21 in 1930 and Ellen Burka, a Holocaust survivor who came to Canada in 1951 and went on to train some of the country's best-known skaters including Toller Cranston. The exhibit explored the important thematic link between immigration and sport, and was complemented by public programming including a free public tour and talk and the *Diversity Spotlight* screening of the film *Skate to Survive* about coach Ellen Burka.

“Perfect Landings, shares the stories of the bravery and strength of these immigrants in their new homeland and how skating played an important role in helping them endure many challenges.”

- Dan Thompson, CEO of Skate Canada

THE COLLECTION



Staff conducting
an oral history interview

Stories, images and interviews are what breathe life into the Canadian Museum of Immigration at Pier 21's collection. A key priority for 2015-16 was making this important collection accessible to more Canadians.

A multi-year project to catalogue the collection and make it accessible online via the *CollectiveAccess* database continues. 90% of the existing collection has been catalogued and some of the oral history and story collections can now be accessed via the Museum's website. In 2016-17 and beyond, additional stories, oral histories and images will be added, ensuring more Canadians have access to this rich resource of our nation's immigration history.

Our oral historians travel the country capturing immigration stories through oral history interviews, and every day Canadians share their personal immigration stories with us -- onsite when they visit, online via story submissions, and through our public programming and outreach efforts. Collecting, preserving and sharing the country's immigration stories is at the heart of what we do.

*“Not just about ourselves, or just about our own family.
When we share our story, they motivate each other and
make our community better.”*

- Daisy Au, Vancouver, British Columbia

MANAGEMENT DISCUSSION AND ANALYSIS

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

It does this through three program areas:

Visitor Experience and Connections: Canadians have access to – and are engaged in building – Museum content and programming that reflects the diverse experiences and contributions of immigrants throughout Canada’s history.

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

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

Performance

The 2015-16 fiscal year is the sixth year of operations for the Canadian Museum of Immigration at Pier 21. As detailed throughout this Annual Report, the Museum has achieved significant results against all commitments made in the 2015-16 Corporate Plan. Delivery on key priorities set the stage for the launch of the expanded Museum in June 2015.

Financial Results and Outlook

In February 2011, the Museum began operating as a Crown corporation and has worked to achieve its mandate of a truly national museum. It has put in place the facilities, the technology and the team to grow the Museum both in size and scope. In the 2015-16 fiscal year, the Museum delivered on key priorities that will set the stage for the completion of this period of growth, including:

- On June 25, 2015, the Museum’s grand reopening was held where two new exhibitions were launched, marking the completion of a five year capital and thematic expansion project. The expanded Museum has been well received by visitors, with the Museum experiencing its highest visitation ever.
- In November 2015, the *Empress of Ireland* exhibit, developed in partnership with the Canadian Museum of History, opened with complementary public and education programs. The exhibit will be onsite until November 2016.
- The Museum’s first travelling exhibit, *Canada: Day 1*, launched in June 2014, continues to move across Canada telling the stories of newcomers’ experiences on their first day in Canada. *Canada: Day 1*, will continue to travel across Canada as part of the Road to 2017 commemoration activities.
- The digital story telling project and the oral history program gathered immigration stories from across Canada.
- An enhanced web presence and new digital engagement strategies increased online content and attracted virtual visitors to the Museum.

Two new full-time positions were added – one staffed in 2015-16 and the other one to be staffed in 2016-17 – and three full-time positions were eliminated through a restructuring, resulting in

55 full-time equivalent employees; one less than the forecasted full complement. While there are no immediate plans to staff this position, senior management will continue to assess and evaluate operational requirements in conjunction with the financial situation.

Operations

The operating results for the year yielded a net loss of \$470,000. When combined with \$3,033,000 in unrestricted net assets from 2014-15 and the current year \$70,000 internal restriction of the endowment fund income and \$91,000 recapitalization of the endowment fund, this results in unrestricted net assets at March 31, 2016 of \$2,402,000.

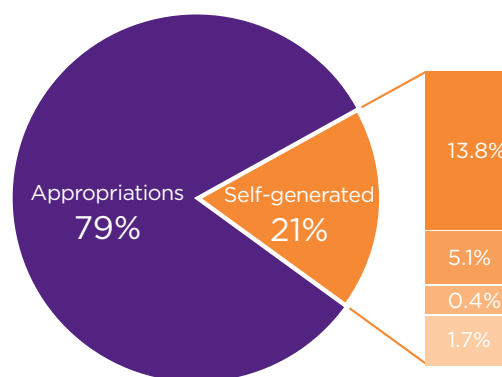
The funds available for the operations of the Museum are parliamentary appropriations and self-generated revenues, which include operating revenue, donations, interest and other, and endowment investment net income.

On an accrual basis, appropriations increased \$899,000 for the year ended March 31, 2016, from \$8,920,000 to \$9,819,000. The Museum began receiving in 2012-13 its \$7,700,000 on-going operating appropriation base as approved by Parliament. The remaining \$2,119,000 reflected in appropriations for the year ended March 31, 2016 is the amortization of deferred contributions related to capital assets.

Operating revenues, donations, and interest and other revenues were \$1,882,000 for the year ended March 31, 2016, compared to \$1,728,000 in 2014-15 and are lower than budget. The increase is mainly due to higher donations, ticket, Gift shop and Scotiabank Family History Centre sales offset by lower special events and interest and other revenues. Donations increased compared to the prior year but were still under budget for 2015-16, both fluctuations attributed to the timing of major gifts receipts. Ticket, Gift shop and Scotiabank Family History Centre sales increases are attributed

to the opening of the new exhibits. While visitation is at record levels, actual results were less than budgeted. Special events were lower than the previous year due to one less fundraising event and high yield auction items not repeated in 2015-16. Lower interest and other revenues as budgeted are due to the reduced cash balance following the completion of the capital project.

2015-16 Source of Operating Funds



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

Net income earned on the endowment investments of \$161,000 is included in the Statement of Operations for the year ended March 31, 2016. Of this amount, \$70,000 was internally restricted by the Museum for future use and \$91,000 was used for capital preservation of the endowment, in accordance with the Endowment Fund policies, as approved by the Board of Trustees. These amounts are reflected in the 2015-16 financial statements as a transfer from unrestricted net assets to internally restricted and endowment net assets, respectively.

Unrealized gains and losses on investments are not recorded as revenue but as accumulated remeasurement gains or losses in the Statement of Financial Position. A net decrease in the accumulated remeasurement gains of \$184,000

was recorded for the year, which results in an overall net negative performance for the endowment investments of \$23,000 compared to a positive performance of \$545,000 for 2014-15.

Expenses for the year ended March 31, 2016 were higher than 2015, from \$11,235,000 in 2014-15 to \$12,823,000 but were lower than budget. Increased expenses were planned in the budget and are primarily due to the Museum's expanded operations. Total expenses include the amortization of the capital assets which has increased \$878,000 compared to the same period in 2015 following the completion of the capital project. Marketing, promotion and recognition expenses increased by \$348,000 compared to the prior year for the national advertising campaign promoting the expanded museum. Rent and related costs have increased by \$313,000 for the year ended March 31, 2016 primarily because of the addition of the Shed 22 space. Personnel costs increased \$357,000 but were lower than budget. Offsetting the increases are lower costs for exhibition and programming of \$497,000 mainly due to the lower cost of developing the permanent, temporary and travelling exhibits. The other expenses netted an increase of \$189,000 mainly due to the Museum's opening celebration costs of \$55,000 and the building operation costs related to the expanded footprint.

On July 16, 2015, all National Museums were issued a Directive (P.C. 2015-1105) pursuant to section 89 of the *Financial Administration Act*, to align travel, hospitality, conference and event expenditures policies, guidelines and practices with Treasury Board policies, directives and related instruments. The Museum is in the process of updating its policies. It is anticipated that the revised travel and hospitality policies will be implemented in June 2016. The Museum also changed how some expenditures are classified to make these expenses more transparent. Some travel and hospitality expenditures were previously allocated to the activity they supported but are now being reported as a total. There was no impact on net result of

operations or net assets as a result of this expense reclassification.

Financial Position

Assets decreased by \$4,547,000 to \$30,966,000 at March 31, 2016, due primarily to the decrease in cash of \$3,641,000 and accounts receivable of \$1,016,000 offset by increases in capital assets of \$30,000, endowment cash and investments of \$46,000 and inventory of \$41,000. The decrease in cash is largely attributable to acquisition of capital assets for the expansion of the Museum. The decrease in accounts receivable is mainly due to the receipt of the HST receivable on costs associated with the capital project. The increase in capital assets is primarily capital projects related to the expansion of the Museum offset by amortization. The increase in inventory reflects the new products offered following the reopening of the Museum.

Endowment cash and investments were \$7,846,000 at March 31, 2016, compared to \$7,800,000 in 2015. The increase consists of endowment contributions received of \$69,000, and the realized and unrealized endowment investment loss of \$23,000 which represents the overall net performance of the endowment fund for the year.

Total liabilities decreased by \$3,962,000 to \$20,705,000 at March 31, 2016 primarily due to a \$1,476,000 decrease in accounts payable and accrued liabilities and \$2,610,000 decrease in deferred contributions related to capital assets offset by an increase of \$124,000 in deferred revenue. The decrease in accounts payable and accrued liabilities is mainly due to costs associated with the capital project. The decrease in deferred contributions related to capital assets is attributable to the amortization. The increase in deferred revenue is due to the timing of rental and special event revenues received.

Net assets include the unrestricted net assets

and the net assets related to the endowment fund. The unrestricted net assets decreased by \$631,000 to \$2,402,000 at March 31, 2016 due to this year's net results of operations, the net endowment income internally restricted and the recapitalization of the endowment.

The net assets related to the endowment fund of \$7,859,000 at March 31, 2016, include the cumulative endowment contributions of \$7,433,000, the accumulated rereasurement net gains of \$74,000 and the internally restricted net assets of \$352,000. Endowment net assets increased by \$46,000 at March 31, 2016, due to \$69,000 in contributions received, the net endowment income internally restricted of \$70,000 and the recapitalization of \$91,000 offset by the decrease in net unrealized gains of \$184,000.

Business Risks

Financial Risks

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

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

In order to manage risk concerning the endowment cash and investments, the Museum invests in a diversified portfolio that is managed by professional investment managers. The Museum's investments are guided by an investment policy approved by the Board and reviewed on an annual basis. The Museum is assisted in the oversight and management of its portfolio by an Investment Sub-Committee that includes independent experts

with experience in the investment field. In addition, the Museum uses the services of an independent investment advisor to assist the Investment Sub-Committee in its work. As the investment markets continue to evolve, the Investment Sub-Committee recommends adjustments to the asset mix to minimize the overall risk of the portfolio and sets target allocations allowing asset class allocations to vary within a specified range.

The Board and Management have determined that all present financial risks are at an acceptable level. A detailed analysis of the financial risks is provided in the notes to the financial statements.

Other Business Risks

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

Unlike other National Museums, the Museum does not own the Pier 21 premises but leases from the Halifax Port Authority, a related party. In 2015-16, the Museum saw a significant increase in annual rent as per the 40-year lease agreement negotiated on behalf of the Museum with the additional space, and it will continue to increase

over the period of the lease. This represents a significant pressure for the Museum that is not covered by operating appropriations.

Financial pressures will become increasingly significant beyond 2016-17 when rent and salary increases, and capital expenses, are not included in appropriation levels. Budgets for the next few years are projected to be balanced; however it should be noted that it is based on stringent expense management, increased visitation and revenue generation and ambitious fundraising targets.

Financial Stability And Capacity To Generate Revenues

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

The Museum is confident that it can manage with existing resources in the short-term but will face significant challenges to long-term financial sustainability.

In 2016-17, personnel costs and non-discretionary costs to operate the building will exceed the government appropriations of \$7,700,000. While self-generated funds can cover the costs of programming, marketing, outreach and administration for the next five years, this is not sustainable over the longer term. In addition, there are capital requirements forecast for the medium to longer term that will require funding beyond what the Museum can generate on its own.

The Board of Trustees and management are firmly committed to growing the proportion of the budget that comes from self-generated revenues including tickets sales, rental revenue, gift shop, and fundraising activities which include major gifts, planned giving, special events and annual giving.



Financial Statements of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2016

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, the *Museums Act*, the Museum's by-laws and the directive under section 89 of the FAA.

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

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



Marie Chapman
Chief Executive Officer



Kendall J. Blunden, CPA, CA
Chief Financial Officer

June 16, 2016



Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

Report on the Financial Statements

I have audited the accompanying financial statements of the Canadian Museum of Immigration at Pier 21, which comprise the statement of financial position as at 31 March 2016, 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 2016, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Further, in my opinion, the transactions of the Canadian Museum of Immigration at Pier 21 that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Museums Act* and regulations, the by-laws of the Canadian Museum of Immigration at Pier 21, and the directive issued pursuant to section 89 of the *Financial Administration Act* described in Note 1 to the financial statements.



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

15 June 2016
Halifax, Canada

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position

As at March 31, 2016
(in thousands of dollars)

	2016	2015
Assets		
Current assets		
Cash	\$ 2,936	\$ 6,577
Accounts receivable (note 3)	194	1,210
Inventory	151	110
Prepaid expenses	57	64
	3,338	7,961
Endowment cash and investments (note 9 a)	7,846	7,800
Capital assets (note 4)	19,781	19,751
Collections (note 5)	1	1
	\$ 30,966	\$ 35,513
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 729	\$ 2,205
Deferred revenue (note 7)	193	69
Deferred contributions related to capital assets (note 8)	19,783	22,393
Net assets		
Unrestricted	2,402	3,033
Internally restricted (note 10)	352	282
Accumulated remeasurement gains (losses)	74	258
Endowment (note 9 b)	7,433	7,273
	10,261	10,846
	\$ 30,966	\$ 35,513

Contractual obligations (note 13)

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

On behalf of the Board of Trustees:



Tung Chan
Chair of the Board of Trustees



Troy Myers
Vice Chair of the Board of Trustees

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations

For the year ended March 31, 2016
(in thousands of dollars)

	2016	2015
Revenues		
Operating (schedule 1)	\$ 1,353	\$ 1,242
Amortization of deferred contributions related to capital assets transferred from Pier 21 Society (note 8)	408	488
Amortization of deferred contributions related to capital assets received from a related party (note 8)	83	24
Donations	494	362
Rent refund (note 11)	—	575
Interest and other	35	124
	<u>2,373</u>	<u>2,815</u>
Expenses (schedule 2)		
Visitor experience and connections	2,993	3,401
Accommodation	5,352	3,939
Internal services	4,478	3,895
	<u>12,823</u>	<u>11,235</u>
Net result of operations before appropriations and endowment investment net income	<u>(10,450)</u>	<u>(8,420)</u>
Appropriations (note 12)	9,819	8,920
Endowment investment net income (note 9)	161	224
Net result of operations	<u>\$ (470)</u>	<u>\$ 724</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, 2016

(in thousands of dollars)

	2016	2015
Accumulated remeasurement gains (losses), beginning of year	\$ 258	\$ (63)
Realized (gains) losses on endowment investments reclassified to operations	(5)	(25)
Unrealized gains (losses) on endowment investments	(179)	346
Accumulated remeasurement gains (losses), end of year	\$ 74	\$ 258

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, 2016
(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	2016	2015
Net assets, beginning of year	\$ 3,033	\$ 282	\$ 258	\$ 7,273	\$ 10,846	\$ 9,311
Net result of operations	(470)	–	–	–	(470)	724
Transfer to (from) (note 10)	(161)	70	–	91	–	–
Remeasurement gains (losses)	–	–	(184)	–	(184)	321
Contributions received for endowment (note 9 b)	–	–	–	69	69	490
Net assets, end of year	\$ 2,402	\$ 352	\$ 74	\$ 7,433	\$ 10,261	\$ 10,846

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, 2016

(in thousands of dollars)

	2016	2015
Operating activities		
Appropriations received	\$ 7,700	\$ 7,700
Other cash received	3,149	1,010
Cash paid to employees and suppliers	(11,288)	(7,859)
Interest received	33	123
	(406)	974
Capital activities		
Acquisition of capital assets	(3,074)	(8,854)
	(3,074)	(8,854)
Investing activities		
Acquisition of endowment investments	(1,315)	(2,921)
Disposal of endowment investments	1,085	2,207
	(230)	(714)
Financing activities		
Appropriations received for the acquisition of capital assets	–	2,200
Contributions received for the acquisition of capital assets	–	1,036
Contributions to endowment	69	490
	69	3,726
Decrease in cash	(3,641)	(4,868)
Cash, beginning of year	6,577	11,445
Cash, end of year	\$ 2,936	\$ 6,577

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, 2016

(in thousands of dollars)

1. Authority, objectives and operations

The Canadian Museum of Immigration at Pier 21 (the "Museum") was established on November 25, 2010 under the *Museums Act*. The transfer and assignment of assets, contracts and records from the Pier 21 Society and Pier 21 Foundation occurred on February 3, 2011. The Museum is an agent Crown corporation named in Part I of Schedule III of the *Financial Administration Act* and is not subject to the provisions of the *Income Tax Act*.

On July 16, 2015, the Canadian Museum of Immigration at Pier 21 was issued a Directive (P.C. 2015-1105) pursuant to section 89 of the *Financial Administration Act*, to align its travel, hospitality, conference and event expenditures policies, guidelines and practices with Treasury Board policies, directives and related instruments in a manner that is consistent with its legal obligations and to report on the implementation of this directive in the Museum's next corporate plan. The Museum compared its travel and hospitality policies with Treasury Board instruments, and noticed that their policies were generally aligned. Gaps identified were not considered significant; however, changes to the policies were required to fully align them with Treasury Board policies. The Museum is in the process of updating its policies. It is anticipated that the revised travel and hospitality policies will be implemented in June 2016.

The Museum's mandate is to explore the theme of immigration to Canada in order to enhance public understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada and the contributions of immigrants to Canada's culture, economy and way of life.

The Museum's operations are divided into three mutually supportive activities which work together to meet all aspects of its mandate. These activities are:

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

2. Summary of significant accounting policies

a) Basis of presentation

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

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

b) Revenue recognition

i) Appropriations

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

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

Appropriations restricted for specific expenses are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period that those expenses are incurred. Appropriations that are not restricted to a specific purpose are recognized as revenue in the Statement of Operations in the period for which the appropriation is authorized.

ii) Donations

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

Unrestricted contributions are recognized as revenue on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

b) Revenue recognition (continued)

ii) Donations (continued)

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

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

iii) Operating revenues

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

iv) Volunteer services

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

v) Contributed materials

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

c) Collections

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

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

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the average cost method.

e) Capital assets

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

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

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

Capital asset	
Leasehold improvements	5 to 15 years
Permanent exhibit	10 years
Immigration and ships database	5 years
Office and computer equipment	3 to 5 years

f) Employee future benefits

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

g) Use of estimates

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

h) Foreign currency translation

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

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

i) Financial instruments

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

i) Investments

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

ii) Other financial instruments

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

3. Accounts receivable

	2016		2015	
Accounts receivable – external	\$	60	\$	20
Accounts receivable – government departments and agencies		134		1,190
	\$	194	\$	1,210

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

4. Capital assets

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

	2015		2015	
	Cost	Accumulated amortization	Net book value	
Capital projects - work in progress	\$ 11,331	\$ –	\$ 11,331	
Leasehold improvements	13,402	5,289	8,113	
Immigration and ships database	46	38	8	
Office and computer equipment	820	521	299	
	\$ 25,599	\$ 5,848	\$ 19,751	

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

5. Collections

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

During the years ended March 31, 2016 and 2015, the Museum incurred no expenses related to the acquisition of objects for its collections and did not receive any revenues related to the sale of collection items.

6. Accounts payable and accrued liabilities

	2016	2015
Accounts payable and accrued liabilities – external	\$ 589	\$ 2,038
Accounts payable and accrued liabilities – government departments and agencies	140	167
	\$ 729	\$ 2,205

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

7. Deferred revenue

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

	2016	2015
Balance, beginning of year	\$ 69	\$ 181
Funds received during the year	445	289
Funds recognized as revenue during the year	(321)	(401)
Balance, end of year	\$ 193	\$ 69

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

8. Deferred contributions related to capital assets

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

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

	Transfer from Pier 21 Society	Appropriations	Other contributions	2015
Balance, beginning of year	\$ 896	\$ 19,795	\$ 198	\$ 20,889
Add:				
Appropriations received to acquire capital assets	–	2,200	–	2,200
Other contributions received from related party to acquire capital assets	–	–	1,036	1,036
Less:				
Amortization of deferred contributions related to capital assets	(488)	(1,220)	(24)	(1,732)
Balance, end of year	\$ 408	\$ 20,775	\$ 1,210	\$ 22,393

The unused portion of deferred contributions related to capital assets was \$2 at March 31, 2016 (2015 – \$2,642). Other contributions received from a related party were received from the Halifax Port Authority as per the lease of the Pier 21 premises for leasehold improvements to the premises.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016

(in thousands of dollars)

9. Endowment

a) Endowment cash and investments

Endowment cash and investments consist of the following:

	2016		2015	
	Cost	Fair value	Cost	Fair value
Cash and cash equivalents	\$ 66	\$ 66	\$ 203	\$ 203
Investment funds				
Fixed income	4,699	4,666	4,517	4,581
Alternatives	3,007	3,114	2,822	3,016
	7,706	7,780	7,339	7,597
	\$ 7,772	\$ 7,846	\$ 7,542	\$ 7,800

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

	2016	2015
Endowment net assets	\$ 7,433	\$ 7,273
Prior years cumulative endowment investment net income recognized	266	266
Current year endowment investment net income recognized	161	224
Current year preservation of capital	(91)	(224)
Current year endowment investment net income deferred	3	3
Accumulated remeasurement gains (losses)	74	258
Endowment cash and investments (at fair value)	\$ 7,846	\$ 7,800

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

9. Endowment (continued)

b) Endowment net assets

Endowment contributions totaling \$69 (2015 – \$490) were received by the Museum during the fiscal year. In addition, \$91 was recorded as a direct increase to the endowment for the preservation of capital (2015 – \$224).

Endowment net assets generated net realized investment income of \$161 (2015 – \$224). At March 31, 2016, the endowment had \$74 of unrealized gains (2015 – \$258 of unrealized gains).

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

	2016	2015
Contributions received from Pier 21 Foundation	\$ 4,874	\$ 4,874
Other contributions received for endowment	2,145	2,076
Capital preservation	414	323
Endowment net assets, end of year	\$ 7,433	\$ 7,273

10. Internally restricted net assets

Internally restricted net assets represents investment income earned on the general endowment that was unspent. The Museum restricts, as approved by the Board of Trustees, amounts to be spent at a later date or for the preservation of capital. In 2016, \$70 was restricted for spending at a later date (2015 – nil) and \$91 was restricted for the preservation of capital on endowment (2015 – \$224). The amount is reflected in the financial statements as a transfer from unrestricted net assets to internally restricted net assets and to endowment net assets.

11. Rent refund

As per the agreement with the Halifax Port Authority for the lease of the Pier 21 premises, the rent includes an amount which represents the Museum's proportionate share of the property's operating costs (also known as common area costs). The costs are estimated by the landlord and are reconciled to reflect actual amounts on a regular basis. In the fiscal year 2014-15, it was determined the Museum's common area costs were overestimated for the previous three years resulting in a refund of \$575. Future rent payments related to such operating costs have been reduced and are reflected in the contractual obligations in note 13.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

12. Appropriations

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

	2016	2015
Parliamentary appropriations provided		
Main estimates	\$ 7,700	\$ 9,900
Previous year's appropriations used in the current year	2,642	8,437
Appropriations deferred for future capital projects	(2)	(2,642)
Appropriations used to purchase amortizable capital assets	(2,640)	(7,995)
	7,700	7,700
Amortization of deferred contributions related to capital assets	2,119	1,220
Appropriations recognized as revenue	\$ 9,819	\$ 8,920

13. 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, 2016, the estimated obligations are as follows:

	Related party	Other	Total
2017	\$ 1,532	\$ 85	\$ 1,617
2018	1,532	—	1,532
2019	1,532	—	1,532
2020	1,532	—	1,532
2021	1,578	—	1,578
2022 to 2051	54,995	—	54,995
	\$ 62,701	\$ 85	\$ 62,786

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

14. Employee future benefits

All eligible employees of the Museum are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Museum. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate depends on the employee's employment start date. For employment start dates before January 1, 2013, the Museum's contribution rate effective at year-end was 1.15 times the employee's contribution (2015 – 1.28); and for employment start dates after December 31, 2012, the Museum's contribution rate effective at year-end was 1.11 times the employee's contribution (2015 – 1.28) for a defined salary threshold. On the portion of salaries above the defined threshold, the Museum is required to contribute on a ratio of 6.67 times the employees' contributions (2015 – 7.13 times). Total employer contributions of \$492 (2015 – \$457) were recognized as an expense in the current year.

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

15. Related party transactions

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

In addition to the related party transactions disclosed elsewhere in these financial statements, the Museum incurred expenses totaling \$2,158 (2015 – \$1,728) consisting primarily of rent expenses and payment in lieu of taxes under Accommodation of \$1,792 (2015 – \$1,484) and revenue of \$12 (2015 – \$579) with related parties.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

16. Financial instruments

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

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

In order to manage risk, the Museum invests in a diversified portfolio that is managed by professional investment managers. The Museum's investments are guided by an investment policy which is approved by the Board of Trustees and reviewed on an annual basis. The Museum is assisted in the oversight and management of its portfolio by an Investment Committee that includes independent experts with experience in the investment field. In addition, the Museum uses the services of an independent investment advisor to assist the Investment Committee in its work. As the investment markets continue to evolve, the Investment Committee recommends adjustments to the asset mix to minimize the overall risk of the portfolio and sets target allocations allowing asset class allocations to vary within a specified range. At March 31, 2016 and 2015, the target allocations were 60% fixed income, 10% in global equity and 30% alternative assets.

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

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

a) Credit risk

Credit risk is the risk of financial loss to the Museum associated with a counterparty's failure to fulfill its financial obligations and arises principally from the Museum's cash, endowment cash and investments and accounts receivable. The Museum has determined that the credit risk is not significant.

i) Cash

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

ii) Endowment cash and investments

Per the Museum's investment policy for the endowment fund, endowment investments are to be held in a diversified portfolio of cash and cash equivalents, fixed income instruments, Canadian, US and global equity and alternative assets through pooled funds and mutual funds.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

16. Financial instruments (continued)

- a) Credit risk (continued)
 - ii) Endowment cash and investments (continued)

Cash and cash equivalents have a maximum term of maturity of one year. Fixed income, equity and alternative investments are primarily held through pooled and mutual funds. Investments in the fixed income pooled fund are comprised of a mix of bonds, mortgages, emerging debt and other fixed income instruments. Fair value of the fixed income portfolio investments is measured using the fair market value plus any accrued interest and is based on the net asset value as reported by the administrators of the pooled funds. Alternative assets provide a lower overall volatility and correlation to traditional equity indices and their objective is to generate positive returns regardless of market conditions. The alternative portfolio includes long-short strategies, low-volatility fixed income strategies, global market neutral equity strategies with minimal net equity market exposure and a trend-following managed futures trading program that obtains exposure to a diversified portfolio of financial instruments across a range of global markets. Fair value for level 1 alternative portfolio investments that trade with sufficient frequency and volume to be considered traded in an active market are recorded at the unadjusted net asset value as reported by the external administrators or managers of the funds. Alternative portfolio investments that do not trade in an active market are classified as level 2 investments and are recorded at the unadjusted net asset value as reported by the external administrators or managers of the funds. The Museum currently holds no level 3 investments.

Through its investments in fixed income, equity and alternative, the Museum is indirectly exposed to the credit risk of the underlying investments of those funds. These risks are managed at the investment manager level. Their objectives are to invest in high quality financial instruments with creditworthy counterparties, by limiting the amount that can be invested in any one counterparty and by using other limits set out in the Museum's investment policy.

- iii) Accounts receivable

The Museum is exposed to credit risk from customers in the amount of \$194 (2015 – \$1,210) in the normal course of business. The accounts receivable are net of applicable allowance for doubtful accounts, which is established based on specific credit risk associated with individual accounts and other relevant information. Concentration of credit risk with respect to receivables is limited, due to the small value of transactions with parties other than government departments.

As at March 31, 2016, \$1 accounts receivable were past due (over 30 days) (2015 – \$7). 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, 2016
(in thousands of dollars)

16. 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 \$1,376 (2015 – \$1,361) of underlying investments in fixed income and alternatives classifications containing unhedged foreign currency exposure. The foreign currency risk has been determined to be low to moderate as they represent less than 18% of the portfolio. In addition, the funds denominated in Canadian dollars with foreign currency exposure normally enter into forward currency transactions or similar vehicles to insulate the funds from significant price changes due to the change in exchange rates. Furthermore, the funds denominated in US dollars have a three business day settlement and can be transitioned back to Canadian dollars denominated funds within that time.

In limited instances, the Museum remits certain payments to suppliers denominated in US dollars. At March 31, 2016 and 2015, the Museum did not have any liabilities in a foreign currency which would be exposed to changes in exchange rates. Fluctuations in the Canadian dollar compared to the US dollar would have an insignificant impact on the Museum's net results of operations.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Financial assets and financial liabilities with variable interest rates expose the Museum to cash flow interest rate risk. The interest earned on the cash balance fluctuates because of changes in the market interest rates. The Museum's cash balance and its endowment investments, which include cash and cash equivalents and fixed income funds, earn interest at fixed rates or have values dependent on interest rates. The Museum does not directly hold debt instruments at March 31, 2016, but holds fixed income investments through pooled and mutual funds.

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

The sensitivity of the cash balance to a 0.25% decrease in the interest rate would be a reduction in interest income of \$10 for the year ended March 31, 2016 (2015 – \$27).

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

16. 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 \$1,637 in funds with underlying equity investments (2015 – \$1,537). Included in these funds are \$1,637 (2015 – \$1,537) in alternative allocations that have a low correlation to the stock market index and equities in general. In addition, these alternative allocations serve to reduce the price risk and volatility associated with the other funds.

The sensitivity of the endowment investment is calculated using a 5% decrease in the market prices. The sensitivity rate is determined using the standard deviation for the total fund as determined by the investment and portfolio managers. At March 31, 2016, 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 \$32 due to the decrease in the fair value of financial assets (2015 – \$115).

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, 2016, 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, 2016

(in thousands of dollars)

16. 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.

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

	Level 1	Level 2	Level 3	2016
Financial assets:				
Endowment cash and investments				
Investment funds - Fixed income	\$ 4,666	\$ –	\$ –	\$ 4,666
Investment funds - Alternatives	598	2,516	–	3,114
	\$ 5,264	\$ 2,516	\$ –	\$ 7,780

	Level 1	Level 2	Level 3	2015
Financial assets:				
Endowment cash and investments				
Investment funds - Fixed income	\$ 4,581	\$ –	\$ –	\$ 4,581
Investment funds - Alternatives	1,570	1,446	–	3,016
	\$ 6,151	\$ 1,446	\$ –	\$ 7,597

During the year ended March 31, 2016, the Museum transferred one of its alternative investment fund from Level 1 into Level 2 because the fund is no longer traded in an active market. There were no transfers from Level 2 into Level 1 in the year and no transfers in either direction for 2015.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2016
(in thousands of dollars)

17. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period. Certain expenses in Schedule 2 to the financial statements have been reclassified to include all of the Museum's travel and hospitality expenses under one expense line item. Some travel and hospitality expenses were previously allocated to the activity they supported. In addition, the Statement of Cash Flows, which previously presented the investing activities on a net basis, has been adjusted to present the investing activities on a gross basis. The 2015 net increase in endowment cash and investments of \$714 consisted of acquisitions of \$2,921 and disposals of \$2,207.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2016

Schedule 1 – Operating Revenue

(in thousands of dollars)

	2016	2015
Exhibition hall ticket sales	\$ 408	\$ 250
Hall rental	306	301
Gift shop	285	265
Special events	194	276
Family history centre	101	87
Programming	59	63
	\$ 1,353	\$ 1,242

Schedule 2 – Expenses

(in thousands of dollars)

	2016	2015
Personnel costs	\$ 5,449	\$ 5,092
Amortization of capital assets	2,610	1,732
Rent and related costs	1,612	1,299
Marketing, promotion and recognition	692	344
Repairs and maintenance and building operation	407	354
Exhibition and programming	353	850
Utilities	342	247
Operating supplies and services	278	387
Professional and special services	248	216
Cost of goods sold	217	265
Office supplies and administration	203	159
Payment in lieu of taxes	180	166
Travel and hospitality *	177	124
Museum opening costs	55	–
	\$ 12,823	\$ 11,235

* Includes \$23 of hospitality donated in-kind (2015 – \$3). Offsetting revenues of the same amount were recorded under Donations.