



2017 - 2018
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

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l'immigration du Quai 21

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MESSAGE FROM THE CHAIR



On behalf of the Board of Trustees, I am pleased to present the 2017-18 Annual Report for the Canadian Museum of Immigration at Pier 21. I am honoured to be appointed as the third Chairperson of this incredible organization, and would like to thank the two preceding Chairs, John Oliver and Tung Chan, for their vision and leadership through the founding, opening and expansion of the Canadian Museum of Immigration at Pier 21.

I have spent my career in the immigration field in positions with Citizenship and Immigration Canada here and abroad. I am honoured to now serve the organization whose mandate is to collect, share and pay tribute to the country's immigration stories. These are the stories that reflect who we are as a nation and that illustrate the vast contributions of immigrants to Canada's culture, economy and way of life. While I joined the board near the end of the 2017-18 fiscal year, I have experienced first-hand

the core exhibitions, the new *Refuge Canada* exhibit and the impressive fund development efforts. I have also met with staff and many of the volunteers and their passion, dedication and expertise are truly inspiring.

On behalf of the Board of Trustees, I would like to commend the staff and volunteers for their many accomplishments in 2017-18, as highlighted throughout this annual report. We would also like to thank the Government of Canada for its support. And finally, we would like to acknowledge all our corporate and individual supporters: the leaders, donors, partners and friends who helped us get to this point and who will assist us in our ongoing efforts to expand the Museum's reach and impact.

This Museum is truly a national treasure, one that I encourage you to visit and explore. If you can't visit Halifax in person, visit the Museum online and explore the Collection digitally, or experience *Canada: Day 1* and our new *Refuge Canada* exhibits as they tour the country. I promise you will be moved by the many stories of immigration to Canada and will gain a lasting appreciation of the courage and sacrifice it takes to begin a new life in a new country.

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

Robert Vineberg
Chair of the Board of Trustees

MESSAGE FROM THE CEO

It is with great pride that I present the Museum's 2017-18 Annual Report. I am honoured to lead an organization which has accomplished so much since we were entrusted with the privilege of becoming Canada's sixth national Museum.

This year marked the sesquicentennial and Canada 150 events drew new partners and visitors to the Museum. Our signature project, the *Canada: Day 1* travelling exhibit, was showcased simultaneously onsite and at the Canadian Museum of History. *Canada: Day 1* tells the story of first-day experiences in Canada, from Confederation to present day and has been touring the country since 2014. In addition, mini exhibits developed with Global Affairs Canada and Immigration, Refugees and Citizenship Canada, have visited sites nationally and around the world.

Our new temporary and travelling exhibit, *Refuge Canada*, opened onsite in March and will begin to tour nationally in 2019-20. This moving exhibit explores the forces and events that drive people from their homes and shares their stories of loss, fear, and hope on their often dangerous journeys.

Telling these compelling stories of refuge and immigration – past and present – is a great honour and responsibility. I come to work every day proud of the work we do, inspired by the stories we hear, and mindful of the trust Canadians have put in us to safeguard and share their personal histories.

Thank you to all who have made this a record year on many fronts. This year we attracted a record number of visitors to the Museum, maintained our extremely high visitor satisfaction rating, and raised more through fundraising and rental revenue than ever before. We also enhanced our national reach through our travelling exhibits, enhanced online collection, and strategic marketing and communications efforts.

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



Marie Chapman

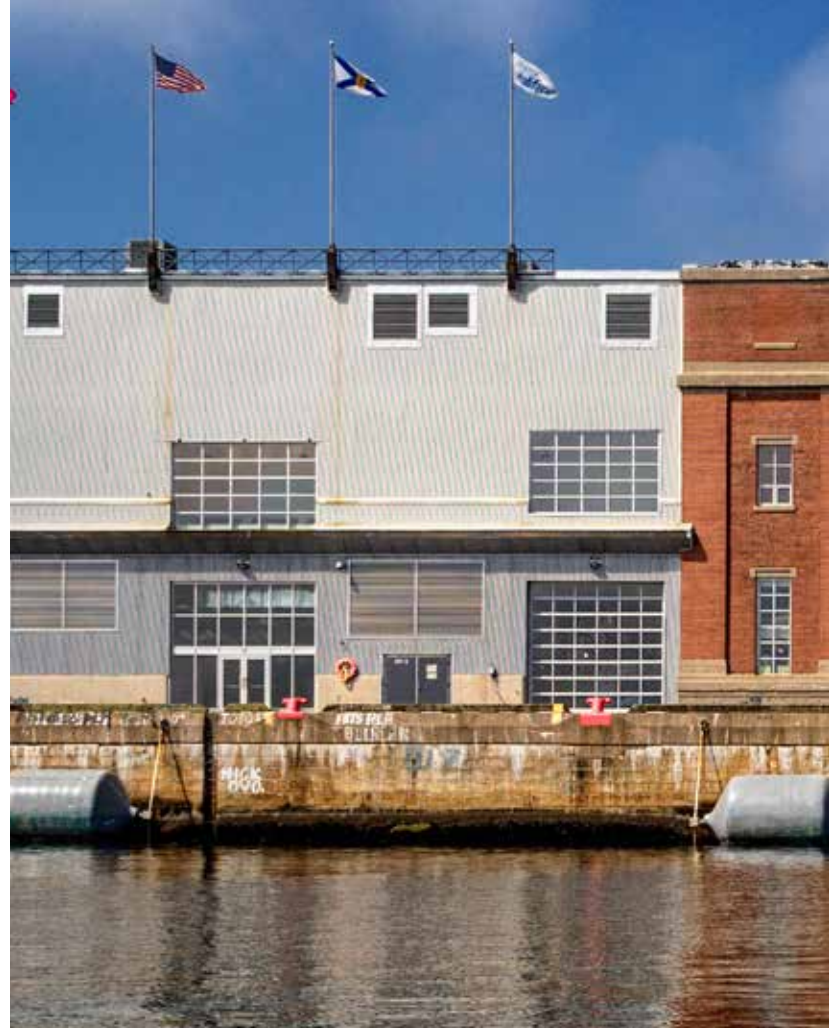
Chief Executive Officer



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.



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 that is appointed by the Minister with the approval of the Governor in Council. Trustees continue to serve until a new appointment is made. The Board is supported by four committees:

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

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

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

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

Chair



Robert Vineberg
Winnipeg, MB
Term: 12/14/17 to 12/13/21

Vice-Chair



Troy Myers
Dartmouth, NS
Term: 3/6/14 to 3/5/18



Mark Boudreau
Halifax, NS
Term: 12/9/10 to 3/5/17



Ralph Chiodo
Toronto, ON
Term: 11/25/10 to 12/10/18



John Hachey
Baie D'urfé, QC
Term: 4/10/14 to 4/9/18



Caroline Lavoie
Montréal, QC
Term: 3/1/18 to 2/28/22



Richard (Cy) LeBlanc
Grande-Digue, NB
Term: 11/25/10 to 12/10/18



Phuong T.V. Ngo
Orleans, ON
Term: 11/25/10 to 11/24/16



Carrie Ross
Regina, SK
Term: 2/26/15 to 11/25/19



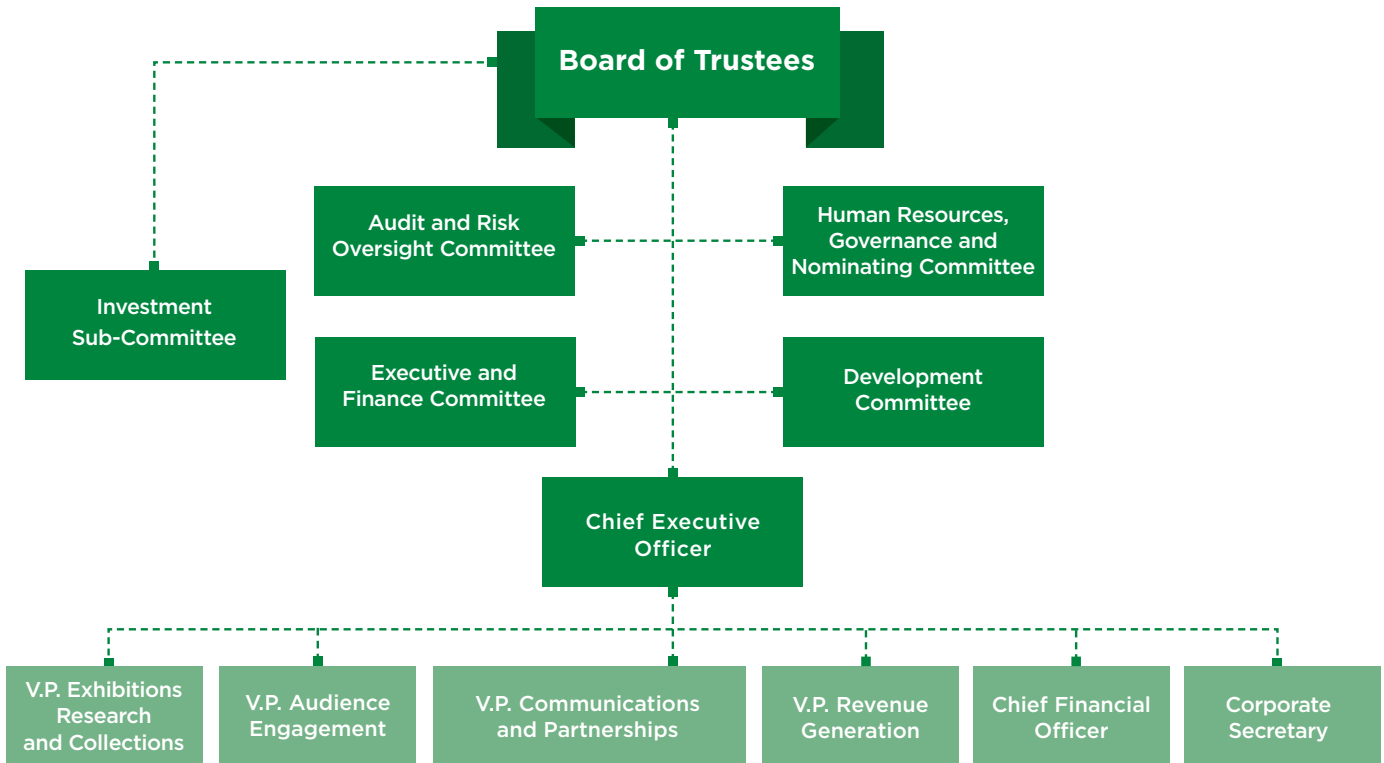
Dr. Frances Swyripa, PhD
Edmonton, AB
Term: 12/9/10 to 12/16/16



James (Bradley) Stafford, CPA, CA,
Vancouver, BC
Term: 9/29/11 to 9/28/15

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

Marie Chapman, Director/Chief Executive Officer

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

Tanya Bouchard, Vice-President, Exhibitions, Research and Collections

Carrie-Ann Smith, Vice-President, Audience Engagement

Jennifer Sutherland, Vice-President, Communications and Partnerships

Jennifer Tramble, Corporate Secretary

Fiona Valverde, Vice-President, Revenue Generation

The Museum had 55 full-time equivalent staff at the end of March 2018. In addition to the highly committed and dedicated staff, the Museum benefits from an extensive network of loyal volunteers.

STRATEGIC DIRECTION

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

Mandate

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

Vision

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

Strategic Objective

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

Strategic Priorities

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

KEY STRATEGIC PRIORITIES

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

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

To be an
**Outstanding
Employer**

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

To be an
**Outstanding
Crown
Corporation**

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

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

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



PROGRAM AREAS

To provide the government and Parliament with performance information, the Museum has three program areas that group the Museum's key activities according to expected outcomes and defines strategic priorities, key results and activities for each.

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 2017-18 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, 2018

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

Complete at March 31, 2018

- ✦ Per the Collection Development Strategy, engaging oral histories and stories that reflect the Museum's national mandate are being collected. 49 new oral history interviews were completed in 2017-18.
- ✦ A multi-year project to catalogue the Collection and make it accessible via the website continues and targets have been met. 100% of the existing artifacts, archival materials, and digital images have been catalogued. 70% of the oral history and story collections are now available online as are 5,000 images from the digital image collection.

- ✦ Drafts of all substantive chapters of the book on Pier 21 have been completed and peer reviewed.
- ✦ Academic partnerships included work with Page Rwanda at Concordia University to co-create the Rwandan refugee section for the *Refuge Canada* exhibit; Dalhousie University for the “Canada and the World” course with three classes onsite taught by the Research team; and collaboration with the University of Winnipeg Oral History Centre on a joint oral history online toolkit.



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, 2018

- National tour of the Museum's first travelling exhibit, *Canada: Day 1*, continuing through 2018 with exhibits onsite and at the Canadian Museum of History for Canada 150 Celebrations.
- *Canada: Day 1* mini exhibits developed with Immigration, Refugees and Citizenship Canada (IRCC) will tour 10 sites across Canada and internationally.
- Host two public programs in regions where *Canada: Day 1* is presented and deliver three public programs and one comprehensive school module for the *Canada: Day 1* exhibit onsite.
- *Refuge Canada*, the Museum's second travelling exhibit, will be complete and ready to launch in early 2018-19.
- Increase online content by 20% to more fully reflect the diversity of the immigration experience in Canada. Increase web visitation by 5% in 2017-18.
- 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, 2018

- The Museum's first travelling exhibition, *Canada: Day 1* has visited 10 cities since June 2014 and is booked through 2018. Simultaneous exhibits onsite and at the Canadian Museum of History marked Canada 150 Celebrations. Public programs included a special tour for educators at the Canadian Museum of History and three *Canada: Day 1* Artist Series events onsite.
- The *Canada: Day 1* mini exhibits visited 12 locations across Canada and internationally in 2017-18.
- The *Refuge Canada* temporary exhibit opened onsite on March 10, 2018.
- Continued expansion of the website and digital engagement strategies have increased the online content by 24% and web visitation by 10%.
- Popular programs such as the *Diversity Spotlight* film series, *Discover Culture* family program and community outreach programs attracted over 20,000 public programming visitors to the Museum.



VISITOR EXPERIENCE

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

Key Commitments to March 31, 2018

- ✦ Continue to build on the awareness generated by the Museum expansion and ensure plans generate visitation, both locally and nationally.
- ✦ Ensure the online experience reflects the expanded Museum.
- ✦ Collect qualitative and quantitative visitor data and act on key findings.
- ✦ Continue the successful guest speaker series to attract new and repeat visitors to the Museum.
- ✦ Continue the Artist-in-Residence program to enhance the visitor experience, offer programming opportunities and attract visitors.
- ✦ Launch the visiting artist program that will bring artists from across the country to the Museum to deliver programs.

Complete at March 31, 2018

- ✦ There were 127,843 visitor experiences onsite in 2017-18, including 57,391 paid visitors, 2,493 unpaid visitors, 4,739 school children, 33,932 visitors to the Scotiabank Family History Centre, and 29,288 event and public programming participants.
- ✦ 93% of respondents surveyed rated their visitor experience as satisfying or very satisfying.
- ✦ The guest speaker series consisted of two *Pier 21 Reads* events: Madeleine Thien in April 2017 and Blaise Ndala in partnership with Alliance Française in November 2017.



- ✦ The Museum's second Artist-in-Residence, Andrea Tsang Jackson, worked with visitors on the 'Here and Elsewhere' Bee. This project, inspired by the children's storybook *Selina and the Bear Paw Quilt*, invited visitors to create a "Bear Paw" quilt block. The blocks formed a larger design, representing how personal stories form a collective migration story of coming from "elsewhere".
- ✦ The visiting artist program featured two days of special events commemorating the boat peoples arrivals and included writers Mike Molloy and Peter Duschinsky as well as filmmakers Thi Be Nguyen and Marie-Helene Pannissett.



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, 2018

- ✦ Conduct a brand audit for consistency of message and experience across all touchpoints.
- ✦ Continue to implement a marketing and communications strategy to support the *Canada: Day 1* travelling exhibit.
- ✦ 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 *Canada: Day 1* travelling exhibit and Canada 150 events.
- ✦ Continue the blogger relations and travel writer outreach program.

Complete at March 31, 2018

- ✦ The brand audit has been completed and an action plan is in development for implementation in 2018-19.
- ✦ Successful launch of the *Canada: Day 1* exhibition onsite, at the Canadian Museum of History and at the Simcoe County Museum in Minesing, ON, as evidenced by positive media coverage, visitation, and mobile guide app downloads by 3,192 users in 2017-18. The exhibit will continue to travel across Canada through 2018-19.
- ✦ Partnership in Canada 150 events and activities in 2017-18 including; *Canada 150&Me*, *Walrus Foundation Talks*, NFB Exhibit - *Legacies 150*, *Atlantic to Pacific Drumming*, CBC's *Becoming Canadian* broadcast, the *Red Couch Tour*, *Journey of a Lifetime*, FIN Atlantic International Film Festival *From Film Away Competition*, and the VIA Rail PanCanadian tour.
- ✦ 4,000 subscribers to the monthly e-newsletter.
- ✦ Outreach to bloggers and travel writers and other media outlets has generated significant coverage in traditional media as well as online.



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, 2018

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

Complete at March 31, 2018

- 85% of employees participated in professional development and educational opportunities.
- 70% of full-time staff are either bilingual or are participating in language training.
- Continued engagement of more than 100 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, 2018

- ✦ Continue to refine and implement the Museum's Performance Management Framework as a tool for monitoring and reporting on performance, and for course-correction as required.
- ✦ Continue to refine and implement an enterprise risk management approach across the organization.
- ✦ Ongoing compliance with the Directive on Travel, Hospitality, Conference and Event Expenditures.
- ✦ Implement the internal audit plan and act on key findings.
- ✦ Hold the Museum's sixth Annual Public Meeting, which all Crown corporations are required to hold as a good governance practice, in Halifax in September 2017.

Complete at March 31, 2018

- ✦ Ongoing compliance with the Directive on Travel, Hospitality, Conference and Event Expenditures including enhanced proactive disclosure.
- ✦ One internal audit completed in 2017-18 of group sales, with findings addressed.
- ✦ Continued positive results from the Board of Trustees' annual governance self-assessments.
- ✦ The Museum's annual public meeting was held in Halifax in September 2017 with 54 attendees.



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, 2018

- ✦ Leverage opportunities for revenue generation and public awareness in conjunction with the expanded Museum.
- ✦ Achieve self-generated revenue targets of \$2.745 million in 2017-18, including \$1.391 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, 2018

- ✦ Achieved net self-generated revenues of \$2.89 million, exceeding the target of \$2.74 million, and up over the \$2.45 million in 2016-17. This includes \$1.31 million from fund development, a record for the Museum.



- ✦ Three new major gifts secured contributing to a total of \$820,000 in major gifts in 2017-18. A leadership level annual giving club – the Pier 21 Club – continued with 25 members. Fundraising special events surpassed its target, as did annual and planned giving and facility rentals.
- ✦ Work with other national Museums has resulted in collaboration in areas including programming, exhibits and artifact loans.



ACCOMMODATIONS

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

Key Commitments to March 31, 2018

- Ensure exhibit spaces, displays and technology meet all appropriate requirements and expectations and are operating as anticipated.
- Continue to manage contracts in a sound, transparent and accountable manner, on time and within budget, employing effective project and risk-management practices throughout.

Complete at March 31, 2018

- Museum spaces meet standards for air quality and environmental health and safety.
- Contracts meet Museum and government requirements.



BUILDING OPERATIONS AND SECURITY

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

Key Commitments to March 31, 2018

- ✦ 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, 2018

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



STRATEGIC PRIORITY 4

TO BE A LEADER AND OUTSTANDING COLLABORATOR

NATIONAL OUTREACH AND PARTNERSHIPS

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

Key Commitments to March 31, 2018

- ✦ Library and Archives Canada will move into Museum space, enhancing visitor experience and cross collaboration for both institutions.
- ✦ Partner in Canada 150 events and opportunities that support the Museum's mandate.
- ✦ Host public programming workshops in regions where *Canada: Day 1* is presented.
- ✦ Leverage Signature Experience status through Destination Canada, denoting the Museum as one of a select group of "once-in-a-lifetime travel experience" found only in Canada.
- ✦ Continue to implement the Community Engagement Strategy, a strategic approach to community engagement that will develop new audiences across Canada.

Complete at March 31, 2018

- ✦ Library and Archives Canada is located in the Museum and visitors are accessing services and resources of both organizations.



- ✦ 10 Canada 150 events held onsite in 2017-18.
- ✦ *Canada: Day 1* public programs included a special tour for educators at the Canadian Museum of History in Gatineau and three *Canada: Day 1* Artist Series events at the Museum.
- ✦ Signature Experience designation is in progress. The Museum is able to begin promotion and delivery of the experience regardless of timing of Signature Experience designation being achieved.
- ✦ Successful partnerships in 2017-18 include the Sobey Foundation, FIN/Atlantic Film Festival, Symphony Nova Scotia, Halifax Pride, Black Filmfest, United Way, Via Rail and Tourism Nova Scotia.





CONVICTIONS • CONVICTIONS

PETER WIERB





HIGHLIGHTS FROM 2017-18

- Canada 150
- *Canada: Day 1*
- *Journey of a Lifetime*
- Library and Archives Canada moves in
- Artist-in-Residence
- Dance at the Museum

CANADA 150



The Canadian Museum of Immigration at Pier 21 was home to Canada 150 events and celebrations all year long. Many of the travelling signature events made a stop at Pier 21 including the *Red Couch Tour*, *Canada150&Me*, *La Dictée P.G.L. 150: Travelling through History*, *The Walrus Talks – Conversations about Canada* and the *Canada C3 Tour*.

Canada Day 2017 saw an all-time record number of visitors to the Museum with enthusiastic crowds and drummers for the Atlantic to Pacific Celebration. Partnerships with the Toronto Ward Museum for *Not Just Numbers Workshop*, FIN: The Atlantic Film Festival – *From Away Film Competition and Gala*, *Journey of a Lifetime: Colonist Car Exhibit* and Play and VIA Rail's PanCanadian Tour rounded out a full complement of participatory, celebratory and exploratory experiences.



CANADA: DAY 1



A record number of people were able to walk in the footsteps of an immigrant's first day in Canada and connect with their personal stories. Supported by the RBC Foundation, *Canada: Day 1* examines immigrants' first impressions of Canada from Confederation to present day.

Throughout the summer of 2017, our Canada 150 project was installed concurrently at the Canadian Museum of Immigration at Pier 21 and at the Canadian Museum of History. The Gatineau opening was in time for the massive crowds visiting the National Capital Region for Canada's sesquicentennial. The exhibition returned to Ontario for a winter installation at the Simcoe County Museum. Mini versions of the exhibit supported by Immigration, Refugees and Citizenship Canada and Global Affairs Canada continued to travel near and far with stops in Edmonton, Calgary, Banff, Halifax, Moncton, Stockholm, Copenhagen, Athens, London and Thailand.



JOURNEY OF A LIFETIME



The Museum partnered with Calgary's Heritage Park Historical Village to launch the *Journey of a Lifetime* 12-week national tour, presented by BMO. Conceived as a Canada 150 project to pay tribute to the colonist train cars which helped settle Canada, the experience included a musical theatre piece performed twice daily and an exhibit honouring the legacy of these trains and the people who travelled on them.

LIBRARY AND ARCHIVES CANADA MOVES IN



Library and Archives Canada (LAC) took up residence at the Canadian Museum of Immigration at Pier 21 in 2017. In addition to relocating their Nova Scotia based staff, a public service point was opened within the Scotiabank Family History Centre providing visitors access to LAC reference specialists.

A signature public event hosted by Guy Berthiaume, Librarian and Archivist of Canada, featuring Bruce MacKinnon, renowned editorial cartoonist from *The Chronicle Herald* took place in honour of this new collaboration.

ARTIST-IN-RESIDENCE



Inspired by the children's book *Selina and the Bear Paw Quilt*, our second *Artist-in-Residence* Andrea Tsang Jackson created a collaborative quilt. By the time it was completed visitors had contributed almost 1,200 blocks, each one illustrating some aspect of their family's immigration story.

As she pieced the quilt together Andrea placed the blocks along thematic colour trees representing family, love, freedom and diversity, culture, hopes and dreams, nature, agriculture and work, as well as ocean travel. The *Here and Elsewhere Bee* project resulted in a gorgeous, unique and award-winning masterpiece. This project was supported by Elizabeth and Fred Fountain.

DANCE AT THE MUSEUM



This year the Museum hosted two original dance performances creatively connected to the physical space. For Remembrance Day 2017, the Museum partnered with choreographers Sara Coffin and Ruth-Ellen Kroll Jackson and the Young Company of Halifax Dance to host *Letters from the Front*. This four-part contemporary dance was inspired by the Second World War correspondence of Coffin's grandparents. The work symbolizes not only their love, but also the feeling of loss felt by those serving and sacrificing on battlefields and on the home-front.

Live dance returned to the Museum in March 2018 when the Votive Dance Company performed *HOMEPLACE*. Drawn from a residency in Ireland, *HOMEPLACE* is an exploration of identity, ancestry, mythology and magic.

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.

Consistent with the Government of Canada’s Policy on Results (July 1, 2016), the Museum has adopted three core responsibilities replacing the program areas above. These core responsibilities, as well as internal services, will be reported on in 2018-19.

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.

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

Fundraising and Commercial Activities: The Museum’s fundraising and commercial activities provide essential financial support.

Performance

In its eight year of operations, the Canadian Museum of Immigration at Pier 21 has achieved significant results against all commitments made in the 2017-18 Corporate Plan, as detailed throughout this Annual Report.

Financial Results and Outlook

Since becoming a Crown Corporation in 2010 the Museum has been working hard to transform to a national scope – one that tells the stories of immigration across Canada. In the 2015-16 fiscal year, the Museum completed a five year capital and thematic expansion enabling it to deliver on its national mandate. In 2017-18, the Museum built on the excitement and national scope as follows:

- Innovative approaches to audience attraction and audience engagement, both onsite and online, continued to be key priorities. This included enhanced programming; strategic marketing, communications and partnership efforts to expand reach, grow awareness and attract visitors; and digital engagement via the website, the mobile guide application and via social media. These efforts resulted in visitation growth both onsite and online, national and international media attention, and high levels of visitor satisfaction.
- The *Canada: Day 1* travelling exhibit continued its national tour and was hosted simultaneously onsite and at the Canadian Museum of History

for Canada 150. The smaller *Canada: Day 1* exhibitions developed with Immigration, Refugees and Citizenship Canada (IRCC) and Global Affairs Canada toured sites nationally and internationally. *Canada: Day 1*, supported by the RBC Foundation, explores the memories, impressions and experiences of immigrants on their first day in Canada, from Confederation to the present and was the Museum's signature project for Canada 150.

- The Museum was a leader, partner and active participant in 10 other Canada 150 events hosted onsite.
- Fund development, particularly major gifts, continued to be a key focus for the Museum as it grows the percentage of funding that is self-generated. Two new major gifts were secured in 2017-18.

The Museum currently has 55 full time equivalent employees, this is one less than the forecasted full complement. There were no new full time positions created in 2017-18 and none are forecast. While there are no immediate plans to staff this position, senior management will continue to assess and evaluate operational requirements in conjunction with the financial position over the 2018-19 fiscal year.

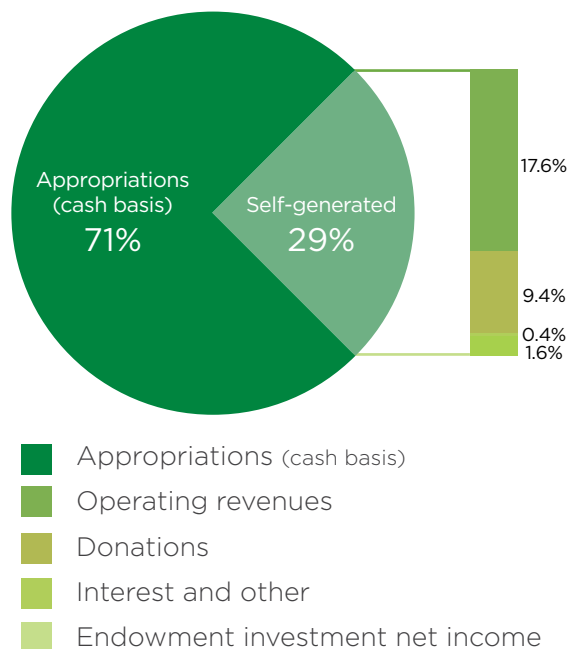
Operations

The operating results for the year yielded a net profit of \$766,000. When combined with \$3,007,000 in unrestricted net assets from 2016-17 and the current year \$178,000 recapitalization of the endowment fund, this results in unrestricted net assets at March 31, 2018 of \$3,595,000.

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.

2017-18 Source of Operating Funds



On an accrual basis, appropriations increased \$81,000 for the year ended March 31, 2018, from \$9,978,000 to \$10,059,000. The Museum received its on-going operating appropriation base of \$7,700,000 as approved by Parliament plus \$143,000 for the compensation allocation adjustment. The remaining \$2,216,000 reflected in appropriations for the year ended March 31, 2018 is the amortization of deferred contributions related to capital assets.

Operating revenues, donations, and interest and other revenues were \$3,027,000 for the year ended March 31, 2018, compared to \$2,575,000 in 2016-17 and are slightly over budget. The increase is mainly due to higher donations and operating revenues which include rentals, ticket, programming, Gift shop and Scotiabank Family History Centre. Donations increased compared to the prior year but were still under budget for 2017-18, both fluctuations attributed to the timing of major gifts receipts. Operating revenues

increases are attributed to ticket price increases and higher visitation to the expanded museum. While visitation is at record levels, actual visitation numbers were slightly less than budgeted. Special events were higher than the previous year due to very successful California Wine Dinner and Fascinating Canadian Speaker Series fundraisers.

Net income earned on the endowment investments of \$178,000 is included in the Statement of Operations for the year ended March 31, 2018. This amount was used for capital preservation of the endowment, in accordance with the Endowment Fund policies, as approved by the Board of Trustees. The amount is reflected in the 2017-18 financial statements as a transfer from unrestricted net assets to endowment net assets. For the year ended March 31, 2017, net income earned on the endowment investments was \$171,000 which was used for capital preservation of the endowment.

Unrealized gains and losses on investments are not recorded as revenue but as accumulated remeasurement gains or losses in the Statement of Financial Position. A net decrease in the accumulated remeasurement gains of \$33,000 was recorded for 2017-18, which results in an overall net positive performance for the endowment investments of \$145,000 compared to a net positive performance of \$345,000 for 2016-17.

Expenses for the year ended March 31, 2018 were higher than 2017, from \$12,040,000 in 2016-17 to \$12,591,000 in 2017-18 and were lower than budget. Total expenses include the amortization of the capital assets which has decreased \$61,000 compared to the same period in 2017 due mainly to the capital assets transferred from the Pier 21 Society being fully amortized. Personnel costs increased \$351,000 and were lower than budget. Exhibition and programming increased \$225,000 with the development of our new temporary and travelling exhibit Refuge Canada. The temporary

exhibit opened in March 2018 and will remain onsite until November 2018. It will then be adapted as a travelling exhibit planned to start touring early 2019-20. The other expenses netted a increase of \$36,000.

On July 16, 2015, all national museums were issued a Directive (P.C. 2015-1105) pursuant to section 89 of the *Financial Administration Act*, to align travel, hospitality, conference and event expenditures policies, guidelines and practices with Treasury Board policies, directives and related instruments. The Museum updated its policies and the revised travel and hospitality policies were implemented in June 2016.

Financial Position

Assets decreased by \$1,678,000 to \$28,331,000 at March 31, 2018, due primarily to the decrease in capital assets of \$2,254,000 offset by increases in cash of \$258,000 and endowment cash and investments of \$190,000. The decrease in capital assets is primarily due to the amortization. The increase in cash is mainly due to the net results of operations.

Endowment cash and investments were \$8,553,000 at March 31, 2018, compared to \$8,363,000 in 2017. The increase consists of endowment contributions received of \$45,000, and the realized and unrealized endowment investment gain of \$145,000 which represents the overall net performance of the endowment fund for the year.

Total liabilities decreased by \$2,456,000 to \$16,170,000 at March 31, 2018 primarily due to a \$2,189,000 net decrease in deferred contributions related to capital assets attributable to the amortization.

Net assets include the unrestricted net assets and

the net assets related to the endowment fund. The unrestricted net assets increased by \$588,000 to \$3,595,000 at March 31, 2018 due to this year's net results of operations and the recapitalization of the endowment. The net assets related to the endowment fund of \$8,566,000 at March 31, 2018 include the cumulative endowment contributions of \$7,999,000, the accumulated remeasurement net gains of \$215,000 and the internally restricted net assets of \$352,000. Endowment net assets increased by \$190,000 at March 31, 2018, due to \$45,000 in contributions received, the decrease in net unrealized gains of \$33,000 and the recapitalization of \$178,000.

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 meet the overall acceptable risk of the portfolio and sets target allocations allowing asset class allocations to vary within a specified range.

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

Other Business Risks

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

Unlike other national museums, the Museum does not own the Pier 21 premises but leases from the Halifax Port Authority, a related party. In 2015-16, the Museum saw a significant increase in annual rent as per the 40-year lease agreement negotiated on behalf of the Museum with the

additional space, and it will continue to increase over the period of the lease. This represents a significant pressure for the Museum that is not covered by operating appropriations.

Financial Stability And Capacity To Generate Revenues

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

The Museum has sufficient funds for the next five years but will face increased pressure in the longer term. Personnel costs and non-discretionary costs for the facilities (rent, PILT, utilities, repairs and maintenance) exceed the amount of appropriations. The Museum forecasts increased self-generated revenues based on ambitious fundraising targets, increased visitation and revenue generation resulting from the expanded Museum, but the amount that can be raised has its limitations.



Financial Statements of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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



Marie Chapman
Chief Executive Officer



Kendall J. Blunden, CPA, CA
Chief Financial Officer

June 13, 2018



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

Report on the Financial Statements

I have audited the accompanying financial statements of the Canadian Museum of Immigration at Pier 21, which comprise the statement of financial position as at 31 March 2018, 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 2018, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

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



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

13 June 2018
Halifax, Canada

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position


As at March 31, 2018
(in thousands of dollars)

	2018	2017
Assets		
Current assets		
Cash	\$ 3,843	\$ 3,585
Accounts receivable (note 4)	208	228
Inventory	173	151
Prepaid expenses	228	102
	<u>4,452</u>	<u>4,066</u>
Endowment cash and investments (note 10 a)	8,553	8,363
Capital assets (note 5)	15,325	17,579
Collections (note 6)	1	1
	<u>\$ 28,331</u>	<u>\$ 30,009</u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 540	\$ 787
Deferred revenue (note 8)	206	226
Deferred contributions related to capital assets (note 9)	15,424	17,613
Net assets		
Unrestricted	3,595	3,007
Internally restricted (note 11)	352	352
Accumulated remeasurement gains	215	248
Endowment (note 10 b)	7,999	7,776
	<u>12,161</u>	<u>11,383</u>
	<u>\$ 28,331</u>	<u>\$ 30,009</u>

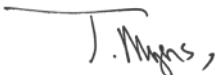
Contractual obligations (note 13)

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

On behalf of the Board of Trustees:



Robert Vineberg
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, 2018

(in thousands of dollars)

	2018	2017
Revenues		
Operating (schedule 1)	\$ 1,941	\$ 1,819
Amortization of deferred contributions related to capital assets received from a related party (note 9)	93	92
Donations	1,041	729
Interest and other	45	27
	<u>3,120</u>	<u>2,667</u>
Expenses (schedule 2)		
Visitor experience and connections	3,293	2,860
Accommodation	4,952	5,031
Internal services	4,346	4,149
	<u>12,591</u>	<u>12,040</u>
Net result of operations before appropriations and endowment investment net income	(9,471)	(9,373)
Appropriations (note 12)	10,059	9,978
Endowment investment net income (note 10)	178	171
Net result of operations	<u>\$ 766</u>	<u>\$ 776</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, 2018

(in thousands of dollars)

	2018	2017
Accumulated remeasurement gains, beginning of year	\$ 248	\$ 74
Realized losses on endowment investments reclassified to operations	60	56
Unrealized gains (losses) on endowment investments	(93)	118
Accumulated remeasurement gains, end of year	\$ 215	\$ 248

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, 2018

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	2018	2017
Net assets, beginning of year	\$ 3,007	\$ 352	\$ 248	\$ 7,776	\$ 11,383	\$ 10,261
Net result of operations	766	—	—	—	766	776
Transfer to (from) (note 11)	(178)	—	—	178	—	—
Remeasurement gains (losses)	—	—	(33)	—	(33)	174
Contributions received for endowment (note 10 b)	—	—	—	45	45	172
Net assets, end of year	\$ 3,595	\$ 352	\$ 215	\$ 7,999	\$ 12,161	\$ 11,383

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, 2018

(in thousands of dollars)

	2018	2017
Operating activities		
Appropriations received	\$ 7,843	\$ 7,700
Other cash received	3,162	2,718
Cash paid to employees and suppliers	(10,638)	(9,559)
Interest received	43	25
	410	884
Capital activities		
Acquisition of capital assets	(94)	(264)
	(94)	(264)
Investing activities		
Acquisition of endowment investments	(4,249)	(1,747)
Disposal of endowment investments	4,026	1,404
	(223)	(343)
Financing activities		
Appropriations received for the acquisition of capital assets	120	200
Contributions to endowment	45	172
	165	372
Increase in cash	258	649
Cash, beginning of year	3,585	2,936
Cash, end of year	\$ 3,843	\$ 3,585

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, 2018

(in thousands of dollars)

1. Authority, objectives and operations

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

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

The Museum's operations are divided into three 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 exhibitions; national outreach and partnerships; and visitor services and amenities including volunteers' activities.
- b) Accommodation
To manage accommodation focussing on building operations; security; and leasehold improvements including capital projects.
- c) Internal services
To provide governance; resource management; development and public affairs which include marketing, communications, commercial activities, facilities rentals, sponsorships and community partnerships.

Travel, hospitality, conference and event expenditures

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

In June 2016, the Museum aligned its policies and practices to the Treasury Board instruments and reported on this directive in its 2016-17 corporate plan.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(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, 2018
(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, 2018
(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 core exhibitions.

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

Capital asset	
Leasehold improvements	5 to 15 years
Core exhibitions	10 years
Immigration and ships database	5 years
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, 2018
(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) Cash

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

ii) Investments

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

iii) Other financial instruments

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

j) Related party transactions

i) Inter-entity transactions

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

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

ii) Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. The Museum is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. Related party also includes key management personnel having authority and responsibility for planning, directing and controlling the activities of the Museum. This includes the Senior Leadership Team, all members of the Board of Trustees and close family members thereof. The Museum enters into transactions with related parties in the normal course of business on normal trade terms applicable to all individuals and enterprises.

3. Adoption of new accounting standards

The Public Sector Accounting Board (PSAB) issued new accounting standards effective for fiscal years beginning on or after April 1, 2017.

As a result, the Museum adopted an accounting policy for inter-entity transactions (PS 3420). This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The adoption of this new standard did not result in any financial impact on the Museum's financial statements. See Note 2 j) for the Museum's inter-entity accounting policy.

The Museum also adopted the new accounting standards: related party disclosures (PS 2200), assets (PS 3210), contingent assets (PS 3320), and contractual rights (PS 3380). These new accounting standards only impact note disclosures. The adoption of PS 2200, PS 3210, PS 3320 and PS 3380 did not result in a significant impact in the disclosures included in the Museum's financial statements.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

4. Accounts receivable

	2018		2017	
Accounts receivable – external	\$	86	\$	93
Accounts receivable – government departments and agencies		122		135
	\$	208	\$	228

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

5. Capital assets

	Cost		Accumulated amortization		2018 Net book value
Leasehold improvements	\$	21,822	\$	10,581	\$ 11,241
Immigration and ships database		46		46	–
Office and computer equipment		963		896	67
Core exhibitions		5,631		1,614	4,017
	\$	28,462	\$	13,137	\$ 15,325

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

6. Collections

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

During the years ended March 31, 2018 and 2017, the Museum incurred no expenses related to the acquisition of objects for its collections and did not receive any revenues related to the sale of collection items.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018

(in thousands of dollars)

7. Accounts payable and accrued liabilities

	2018	2017
Accounts payable and accrued liabilities – external	\$ 410	\$ 647
Accounts payable and accrued liabilities – government departments and agencies	130	140
	<u>\$ 540</u>	<u>\$ 787</u>

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

8. Deferred revenue

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

	2018	2017
Balance, beginning of year	\$ 226	\$ 193
Funds received during the year	544	510
Funds recognized as revenue during the year	(564)	(477)
Balance, end of year	<u>\$ 206</u>	<u>\$ 226</u>

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

9. Deferred contributions related to capital assets

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

	Appropriations	Other contributions	2018
Balance, beginning of year	\$ 16,578	\$ 1,035	\$ 17,613
Add:			
Appropriations received to acquire capital assets	120	–	120
Less:			
Amortization of deferred contributions related to capital assets	(2,216)	(93)	(2,309)
Balance, end of year	\$ 14,482	\$ 942	\$ 15,424

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

The unused portion of deferred contributions related to capital assets was \$99 at March 31, 2018 (2017 – \$34). Other contributions were received from a related party, the Halifax Port Authority, as per the lease of the Pier 21 premises for leasehold improvements to the premises.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

10. Endowment

a) Endowment cash and investments

Endowment cash and investments consist of the following:

	2018		2017	
	Cost	Fair value	Cost	Fair value
Cash and money market funds	\$ 39	\$ 39	\$ 170	\$ 170
Investment funds				
Fixed income	4,599	4,597	4,925	4,995
Global equity	431	440	–	–
Alternatives	3,269	3,477	3,020	3,198
	8,299	8,514	7,945	8,193
	\$ 8,338	\$ 8,553	\$ 8,115	\$ 8,363

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

	2018	2017
Endowment net assets	\$ 7,999	\$ 7,776
Prior years cumulative endowment investment net income recognized	336	336
Current year endowment investment net income recognized	178	171
Current year preservation of capital	(178)	(171)
Current year endowment investment net income deferred	3	3
Accumulated remeasurement gains	215	248
Endowment cash and investments (at fair value)	\$ 8,553	\$ 8,363

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

10. Endowment (continued)

b) Endowment net assets

Endowment contributions totaling \$45 (2017 – \$172) were received by the Museum during the fiscal year. In addition, \$178 was recorded as a direct increase to the endowment for the preservation of capital (2017 – \$171).

Endowment net assets generated net realized investment income of \$178 (2017 – \$171). At March 31, 2018, the endowment had \$215 of unrealized gains (2017 – \$248 of unrealized gains).

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

	2018	2017
Contributions received from Pier 21 Foundation	\$ 4,874	\$ 4,874
Other contributions received for endowment	2,362	2,317
Capital preservation	763	585
Endowment net assets, end of year	\$ 7,999	\$ 7,776

11. Internally restricted net assets

Internally restricted net assets represent investment income earned on the general endowment that was unspent. The Museum restricts, as approved by the Board of Trustees, amounts to be spent at a later date or for the preservation of capital. In 2018, \$178 was restricted for the preservation of capital on endowment (2017 – \$171). The amounts are reflected in the Statement of Changes in Net Assets as a transfer from unrestricted net assets to endowment net assets.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

12. Appropriations

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

	2018	2017
Parliamentary appropriations provided		
Main estimates	\$ 7,820	\$ 7,700
Supplementary estimates	143	200
Previous year's appropriations used in the current year	34	2
Appropriations deferred for future capital projects	(99)	(34)
Appropriations used to purchase amortizable capital assets	(55)	(168)
	7,843	7,700
Amortization of deferred contributions related to capital assets	2,216	2,278
Appropriations recognized as revenue	\$ 10,059	\$ 9,978

13. Contractual obligations

The Museum has contractual obligations with the Halifax Port Authority, a related party, for the lease of the Pier 21 premises until February 2051. At March 31, 2018, the estimated obligations are as follows:

2019	\$ 1,532
2020	1,532
2021	1,578
2022	1,611
2023	1,611
2024 to 2051	51,774
	\$ 59,638

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(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 1.01 times the employee's contribution (2017 – 1.01); and for employment start dates after December 31, 2012, the Museum's contribution rate effective at year-end was 1.00 times the employee's contribution (2017 – 1.00) for a defined salary threshold. On the portion of salaries above the defined threshold, the Museum is required to contribute on a ratio of 3.20 times the employees' contributions (2017 – 7.74 times). Total employer contributions of \$465 (2017 – \$428) 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

In addition to the related party transactions disclosed elsewhere in these financial statements, the Museum incurred expenses totaling \$1,780 (2017 – \$1,810) in rent and related costs and payment in lieu of taxes paid to the Halifax Port Authority which is included under Accommodation expenses.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

16. Financial instruments

a) Fair value measurement hierarchy

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

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

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

	Level 1	Level 2	Level 3	2018
Financial assets:				
Endowment cash and investments				
Cash and money market funds	\$ 39	\$ –	\$ –	\$ 39
Investment funds - Fixed income	4,510	87	–	4,597
Investment funds - Global equity	96	344	–	440
Investment funds - Alternatives	222	3,255	–	3,477
	\$ 4,867	\$ 3,686	\$ –	\$ 8,553
	Level 1	Level 2	Level 3	2017
Financial assets:				
Endowment cash and investments				
Cash and money market funds	\$ 170	\$ –	\$ –	\$ 170
Investment funds - Fixed income	4,995	–	–	4,995
Investment funds - Alternatives	315	2,883	–	3,198
	\$ 5,480	\$ 2,883	\$ –	\$ 8,363

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

16. Financial instruments (continued)

a) Fair value measurement hierarchy (continued)

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

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

Global equity assets include long-only equity securities that trade across a range of global exchanges. Fair value of the global equity portfolio investments is measured using the fair market value of the securities 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, and global market neutral equity strategies with minimal net equity market exposure. 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 alternative portfolio investments.

During the years ended March 31, 2018 and 2017, there were no transfers between levels in either direction.

b) Risk management

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

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

In order to manage risk, the Museum invests in a diversified portfolio that is managed by professional investment managers. The Museum's investments are guided by an investment policy which is approved by the Board of Trustees and reviewed on an annual basis. The Museum is assisted in the oversight and management of its portfolio by an Investment Committee that includes independent experts with experience in the investment field. In addition, the Museum uses the services of an independent investment advisor to assist the Investment Committee in its work. As the investment markets continue to evolve, the Investment Committee recommends adjustments to the asset mix to meet the overall acceptable risk of the portfolio and sets target allocations allowing asset class allocations to vary within a specified range. At March 31, 2018 and 2017, the target allocations were 60% fixed income, 10% in global equity and 30% alternative assets.

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

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

(1) Credit risk

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

i) Cash

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

ii) Endowment cash and investments

Per the Museum's investment policy for the endowment fund, endowment investments are to be held in a diversified portfolio of cash and money market funds, fixed income instruments, 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, 2018

(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(1) Credit risk (continued)

ii) Endowment cash and investments (continued)

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

iii) Accounts receivable

The Museum is exposed to credit risk from customers in the amount of \$208 (2017 – \$228) 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, 2018, \$3 accounts receivable were past due (over 30 days) (2017 – \$2) of which \$2 (2017 – nil) were fully provisioned by an allowance for doubtful accounts. The Museum did not classify other accounts receivable as impaired as they generally relate to government clients which are considered low risk with respect to collection.

(2) Market risk

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

i) Foreign currency risk

The endowment investments include \$1,271 (2017 – \$1,376) of underlying investments in fixed income and alternatives classifications containing unhedged foreign currency exposure. The foreign currency risk has been determined to be low to moderate as they represent 15% (2017 – 17%) of the portfolio.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(2) Market risk (continued)

i) Foreign currency risk (continued)

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 two 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, 2018 and 2017, the Museum did not have any liabilities in a foreign currency which would be exposed to changes in exchange rates. Fluctuations in the Canadian dollar compared to the US dollar would have an insignificant impact on the Museum's net results of operations.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Financial assets and financial liabilities with variable interest rates expose the Museum to cash flow interest rate risk. The interest earned on the cash balance fluctuates because of changes in the market interest rates. The Museum's cash balance and its endowment investments, which include cash and money market funds and fixed income funds, earn interest at fixed rates or have values dependent on interest rates. The Museum does not directly hold debt instruments at March 31, 2018, 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, 2018 (2017 – \$9).

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2018
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(2) Market risk (continued)

iii) Other price risk

Other price risk arises when the fair value of equity funds changes due to a decrease in a stock market index or other risk variables. The endowment investments include \$1,897 in funds with underlying equity investments (2017 – \$1,468). Included in these funds are \$1,457 (2017 – \$1,468) in alternative allocations that have a low correlation to the stock market index and equities in general. In addition, \$431 (2017 - nil) of the endowment's total investments are allocated to alternative strategies and assets without underlying equity positions such as real estate, infrastructure, insurance and commodity strategies. These alternative allocations serve to reduce the price risk and volatility associated with the other funds and the global markets.

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, 2018, 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 \$40 due to the decrease in the fair value of financial assets (2017 – \$111).

(3) Liquidity risk

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

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

As at March 31, 2018, all accounts payable and accrued liabilities of the Museum were due within three months.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2018

Schedule 1 – Operating Revenue

(in thousands of dollars)

	2018	2017
Exhibition hall ticket sales	\$ 564	\$ 515
Hall rental	463	437
Special events	392	326
Gift shop	333	340
Family history centre	110	115
Programming	79	86
	\$ 1,941	\$ 1,819

Schedule 2 – Expenses

(in thousands of dollars)

	2018	2017
Personnel costs	\$ 5,630	\$ 5,279
Amortization of capital assets	2,309	2,370
Rent and related costs	1,621	1,620
Exhibition and programming	517	292
Repairs and maintenance and building operation	398	394
Marketing, promotion and recognition	344	354
Utilities	317	316
Cost of goods sold	282	287
Operating supplies and services	277	279
Office supplies and administration	269	233
Professional and special services	256	211
Travel and hospitality *	212	215
Payment in lieu of taxes	159	190
	\$ 12,591	\$ 12,040

* Includes \$22 of hospitality donated in-kind (2017 – \$10). Offsetting revenues of the same amount were recorded under Donations.