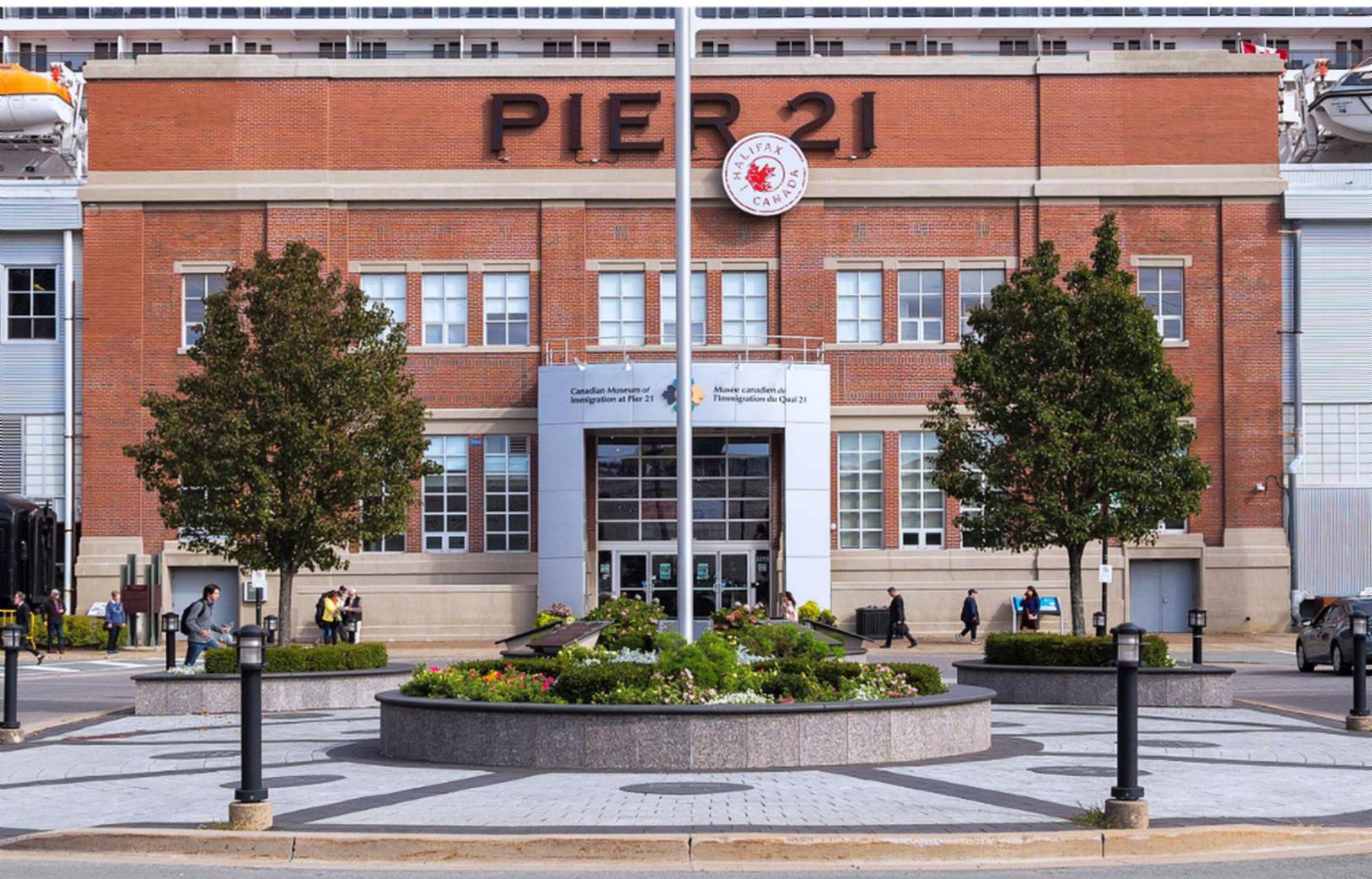


2022 - 2023

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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MESSAGE FROM THE CHAIR

On behalf of the Board of Trustees, I am pleased to present the 2022-23 Annual Report for the Canadian Museum of Immigration at Pier 21. The 2022-23 fiscal year witnessed a return to familiar patterns of visitation and activity at the Museum that we experienced pre-Pandemic.

I would like to thank the Museum's staff, volunteers, and leadership for their work throughout this past year. It has been challenging to return to our pre-Pandemic service levels at the museum while, simultaneously, maintaining our increased digital footprint that we developed during the period of physical closure of the Museum. Much of that work is made possible by the contributions of donors and partners. We are profoundly thankful for our supporters.

I also would like to extend my thanks to the Government of Canada for its ongoing support of the Museum, and, for providing COVID-19 relief funding again this past year. This supplemental funding has afforded the Museum needed stability during uncertain times.

As it always has, immigration continues to be a key economic and demographic factor in Canada. But immigration also makes our country culturally richer, more diverse, and more inclusive. Canada, despite its imperfections, remains a wonderful country attracting people seeking a new home, and a new society, where they can thrive.

The Museum collects and shares stories and artifacts that reflect the experiences of immigrants coming to our country. These profound stories relate not only the challenges and dreams of those who came to Canada but also who we are as a nation; furthermore, they illustrate the contributions immigrants have made to Canada's culture, economy, and way of life.

The study of these experiences, and how they reflect and respond to policies enacted in the past, sheds light on the human side of immigration. We preserve our past to better inform Canadians, today and into the future.



Robert Vineberg
Chair of the Board of Trustees

MESSAGE FROM THE CEO

Over three years have passed since COVID-19 hit our shores. As the memory of the initial stages of the pandemic become more distant, it's easy to forget that, at the beginning of the 2021-22 fiscal year, in Nova Scotia, most of the remaining Public Health restrictions had just only just been lifted.

It feels like an immense relief to be reporting on the first full fiscal year since 2020 without COVID-19-related closures.

It was a year that saw visitors return in large numbers. A relief.

It was a year in which our rental revenues, projected to be slow to return, roared back. A relief.

It was a year in which our staff took all in stride and managed the transition with grace and flexibility. A relief, if an unsurprising one.

In another form of relief, the Government of Canada extended its COVID-19 relief funding, helping to keep the Museum resilient and stable. We are extremely grateful to have had the government's support as we have navigated the various stages of this Public Health crisis.

There were many highlights this year involving crowds of people being in the Museum. *The World of Yousuf Karsh: A Private Essence* was, by some measures, the most successful temporary exhibition the Museum has ever hosted. We had a packed-out room of people listening to a band play Calypso music as part of African Heritage Month programming. Nearly 400 high schoolers came to hear Holocaust Survivor Fishel Goldig tell his story of survival and of loss. Kids turned out in force for our Pyjama Pancake Party and to take in *Kids Celebrate!*, a temporary exhibition that visited our Museum over the winter.

I want to thank Chair Robert Vineberg and the Museum's Board of Trustees for their support, insight and oversight this year.

I also want to thank our donors. So much of what the Museum does is made possible by your support. Please know how much we appreciate it and how valuable it is to the people of Canada.

As we begin a new year, relief gives way to genuine excitement. Our incredible staff and volunteers are more resilient than ever. Canadians are continuing to get out and do things. The Museum is buzzing with events and visitors. It feels good to be back.



Marie Chapman
Chief Executive Officer

ABOUT THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

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 JOURNEY FROM IMMIGRATION SHED TO NATIONAL MUSEUM

Pier 21 is a National Historic Site which, between 1928 and 1971, welcomed almost one million immigrants seeking opportunity, security and a new life in Canada. They included refugees, evacuees, war brides and displaced people. 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.

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 legacy would live on.

The Pier 21 Society, a non-profit charitable organization, re-opened the building on July 1, 1999, as an interpretive centre to honour the people who passed through its doors and highlight the importance of immigration throughout Canada's history.

In February 2011, the building began operating as the Canadian Museum of Immigration at Pier 21 – Atlantic Canada's only national museum. In June 2015, an expanded Museum was launched, paying tribute to not only Pier 21's history but also the broader story of immigration to our country.

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. The Museum's 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 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 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 the following 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.

TRUSTEES

Robert Vineberg, Chairperson,
Winnipeg, MB
Term: 2017-12-14 to 2024-03-08

Cynthia Price Verreault,
Vice-Chairperson, Montréal, QC
Term: 2019-01-18 to 2025-09-28

Salima Ebrahim, Edmonton, AB
Term: 2018-06-01 to 2025-09-28

Omar Farouk, Brampton, ON
Term: 2019-07-01 to 2025-09-14

Katherine Hambly, Charlottetown, PEI
Term: 2019-01-18 to 2023-01-17

Daniel Hurley*, Gabriola Island, BC
Term: 2019-01-18 to 2023-01-17

Mona Kumar, Mississauga, ON
Term: 2018-06-01 to 2025-09-28

Caroline Lavoie, Montréal, QC
Term: 2018-03-01 to 2022-02-28

Bruce Manion**, FCPA, FCMA,
Fall River, NS
Term: 2019-01-31 to 2023-01-30

Donald Obonsawin***, Stouffville, ON
Term: 2019-01-18 to 2023-01-17

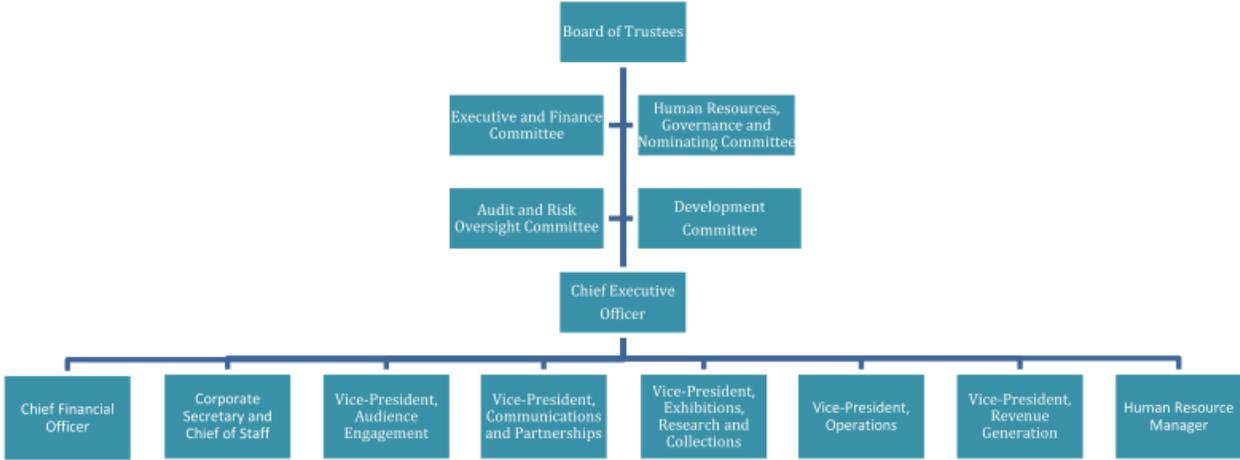
* Daniel Hurley resigned from his
position 2022-12-30

**Bruce Manion resigned from his
position 2022-06-21

***Donald Obonsawin resigned from his
position 2022-12-01

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.



THE SENIOR LEADERSHIP TEAM

- Marie Chapman, Director/Chief Executive Officer
- Kendall J. Blunden, CPA, CA, Chief Financial Officer
- Tanya Bouchard, Vice-President, Exhibitions, Research and Collections
- Ashley MacPherson, Vice-President, Operations
- John Murray, Human Resource Manager
- Emma Roach, Corporate Secretary and Chief of Staff
- Carrie-Ann Smith, Vice-President, Audience Engagement
- Jennifer Sutherland, Vice-President, Communications and Partnerships
- Fiona Valverde, Vice-President, Revenue Generation

The Museum had 55 full-time equivalent staff at the end of March 2023. In addition to the highly committed and dedicated staff, the Museum benefits from an extensive network of loyal volunteers.

CORE RESPONSIBILITIES

Consistent with the Government of Canada's Policy on Results (July 1, 2016), the Museum has adopted three core responsibilities. These core responsibilities, as well as internal services, support the overall strategic outcome for the Museum as derived from its legislated mandate.

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



RESULTS

Results for the 2022-23 fiscal year are as follows:

CORE RESPONSIBILITY 1: VISITOR EXPERIENCE AND CONNECTIONS

RESEARCH AND CONTENT DEVELOPMENT

Objective: Museum content explores the theme of Canadian immigration, regardless of point of entry, and the contribution of all immigrants to Canada's culture, economy and way of life.

Key Commitments to March 31, 2023

- Actively collect and share oral histories, stories, digital images, archival materials and artifacts that reflect the Museum's mandate, and strive, over time, to reflect Canada's multicultural mosaic and its linguistic duality.
- Continue to catalogue the collection and make a selection available to Canadians onsite and online.
- A digital preservation system ensures long-term preservation of the Collection.

Complete at March 31, 2023

- New Collection Development Plan came into effect June 8, 2022.
- Collections and cataloguing targets met in each category. A total of 1,880 written story records, 807 oral history records and 8,250 digital archival records are available online.
- The transfer of digital assets in the collection was substantially complete and active digital preservation and maintenance begun.

INTERPRETATION AND CONNECTIONS

Objective: Exhibitions and programming are innovative, compelling, thought-provoking and reflect the diversity of the immigrant experience within Canada.

Key Commitments to March 31, 2023

- The Museum's second travelling and temporary exhibition, *Refuge Canada*, is booked at sites across Canada through 2024-25.
- Continue planning and design for the Museum's third travelling exhibition, scheduled to launch on site in 2024-25 and as a travelling exhibition in 2025-26.
- Public programming continues to engage local and national audiences by partnering with individuals, community groups and institutions. Target: 30 public programs (including in-person, online, and hybrid events) with 10,000 participants.

Complete at March 31, 2023

- *Refuge Canada* tour fully booked through 2024-25 with four contracts signed and two in negotiation. The *Refuge Canada Tent* (smaller touring version) also has four contracts booked and two in negotiation.
- Development of the third travelling exhibition was delayed by a year.
- The Museum held 36 public programs with 8,317 participants.

VISITOR EXPERIENCE

Objective: The visitor experience makes possible personal and emotional connections; celebrates diversity and fosters inclusion; and builds audience loyalty and repeat visitation.

Key Commitments to March 31, 2023

- Maximize visitation and visitor experience at the museum, on the road and digitally.
- Visitation target of 67,000 paid visitors based on pre-pandemic visitation. Other targets include 70 virtual field trips reaching 1,400 students, 28,000 visitors to the Scotiabank Family History Centre and 530,000 online visitors.
- Onsite and online visitors utilize the Scotiabank Family History Centre for genealogical research and historical inquiries with a target of 57,400 requests.
- Visitors are satisfied or very satisfied with their overall experience.

Complete at March 31, 2023

- Onsite visitation fell slightly short of targets with 64,392 paid visitors to the Museum due partly to unplanned closures caused by Hurricane Fiona. There were 52 virtual field trips reaching 912 students and 25,021 visitors to the Scotiabank Family History Centre. Online visitation targets were exceeded with 855,747 unique online visitors.
- A total of 31,940 genealogical research and historical requests were received.
- 97% of visitors surveyed were satisfied or very satisfied with their overall experience.

ACCESS AND AWARENESS

Objective: 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, 2023

- Continue to amplify online reach particularly across Canada through educational, relevant and engaging social media content. Social media followers increase by 5% across all platforms. Social media engagements total over 250,000.
- Reach 20 travel writers/ bloggers and achieve 1,900 media mentions.
- Launch Season 3 of the Museum's podcasts, with a target of 30,000 downloads

Complete at March 31, 2023

- Increase in followers on Facebook (+16.5%) and Instagram (+19.4%) far exceeded targets; in a year when Twitter was in turmoil, followers on that platform increased only 3.2%. There were 410,956 total engagements across social media platforms.
- During the year, there were 2,619 media mentions generated and 50+ bloggers and travel writers were reached.
- Season 3 of the Museum's podcasts was launched. There were 26,054 downloads.

OUTREACH AND COLLABORATION

Objective: The Museum is viewed as a positive collaborator with key stakeholders, facilitates engaging conversations on immigration themes and aims to inspire positive action.

Key Commitments to March 31, 2023

- Continue to grow and strengthen a network of strategic partners and be seen as a positive collaborator. Engage in six significant partnerships.
- Continue to build a relationship with the Assembly of Nova Scotia Mi'kmaq Chiefs to help ensure exhibits and programming continue to be respectful and inclusive of the impact of immigration on Indigenous peoples from an Indigenous perspective.

Complete at March 31, 2023

- Partnerships were developed with My East Coast Experience, Symphony Nova Scotia, Tourism Nova Scotia (promotion), Hearts of Freedom, Montréal Holocaust Museum and North American Indigenous Games, along with other partnerships.
- Exhibitions, programming and communications departments worked with Indigenous partners to ensure inclusion and representation of first voices.

CORE RESPONSIBILITY 2: ACCOMMODATION

ACCOMMODATION

Objective: The Museum's facilities contribute to a rich, welcoming and engaging visitor experience; are safe and accessible for all and are maintained in a cost-effective manner with a focus on greening.

Key Commitments to March 31, 2023

- Continue to upgrade the facility with Rick Hansen Foundation recommendations for improvement. Includes installation of automated doors and carpeting to reduce sound bleed in exhibitions.

Complete at March 31, 2023

- Automated doors and carpeting installation completed.

CORE RESPONSIBILITY 3: FUNDRAISING AND COMMERCIAL ACTIVITY

SOUND MANAGEMENT OF RESOURCES

Objective: The organization and its resources are aligned in a way that enables the Museum to achieve its mandate.

Key Commitments to March 31, 2023

- Budget targets are met.
- Meet the target of \$2,241,366 in self-generated revenue, including \$782,650 in fund development.

Complete at March 31, 2023

- Achieved \$2,007,800 in self-generated revenues, including \$505,600 in fund development.

INTERNAL SERVICES

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

Key Commitments to March 31, 2023

- Corporate Plan commitments are incorporated in all employee performance agreements.
- 75% of permanent employees participate in learning and development opportunities.
- 50 volunteers play an important role in the Museum's culture, diversity and the organization's success.
- The *Welcome Home to Canada* program, which employs recently arrived immigrants, has 8-12 participants.
- Justice, Equity, Diversity and Inclusion (JEDI) considerations inform decisions on recruitment and advancement, exhibitions and programming.

Complete at March 31, 2023

- Performance agreements all contain reference to corporate plan commitments.
- 91% of staff completed professional development and education opportunities, including language training.
- 68 active volunteers provided more than 2,303 hours of service to the Museum in 2022-23.
- Nine participants engaged in the *Welcome Home to Canada* program, working in roles across departments in the Museum.
- JEDI training planned for hiring managers. Accessibility review and accessibility plan completed.

MANAGEMENT DISCUSSION AND ANALYSIS

The Museum's operations are divided into three core responsibilities, as well as internal services, to support the overall strategic outcome derived from its mandate. These responsibilities are:

- a) 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.
- b) 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.
- c) Fundraising and commercial activities: The Museum's fundraising and commercial activities provide essential financial support.
- d) Internal services: Sound governance practices are in place and resources are effectively managed to support the achievement of the Museum's mandate.

PERFORMANCE AND OUTLOOK

The 2022-23 fiscal year began with most provincial public health restrictions related to the COVID-19 pandemic removed. The Museum projected a return to pre-pandemic levels in most areas except for donations and hall rentals, where it was anticipated that the conference industry, particularly international conferences, would be slower to recover. Visitation revenue was 97% of budget and rental revenue was significantly higher than anticipated. Donations, specifically major gift donations, however, were lower than budgeted due to timing. One major gift payment came in after the end of the fiscal year and another major gift donor requested to begin their pledge payments in 2023-24. It is taking longer to build back major gift support, though there are several major gifts in the queue and others in cultivation.

The World of Yousuf Karsh: A Private Essence, a temporary exhibition on loan from the Montreal Museum of Fine Arts, which was open March 12, 2021 – October 16, 2022, was seen by 45,749 visitors. It had the highest average monthly visitation (6,536 people per month) of any temporary exhibition in the Museum's history and 75% of Museum visitors viewed the exhibition.

The year featured a diverse range of other temporary exhibitions. Among these, *Weaving Cultural Identities* presents a series of woven prayer rugs created by collaborating artists from Coast Salish and Vancouverite Muslim communities; *Kids Celebrate!*, designed especially for kids, explores 12 special times of year celebrated by different communities in Canada; *Canada and Germany: Partners from Immigration to Innovation* honours the German-Canadian friendship; *Enemy Aliens* looks First World War internment in Canada; and *Broken Promises* tells the story of Japanese-Canadian internment, dispossession and dispersal during the Second World War.

While temporary exhibitions from other institutions visited this site, the Museum's own travelling exhibition, *Refuge Canada*, continued to help it achieve the national scope of its mandate. The Exhibition has various forms: a large format and a smaller format (*The Refuge Canada Tent*) of which there are two editions. In its various forms, *Refuge Canada* had stops in North Battleford, Saskatchewan; Simcoe County, Napanee, Mississauga and the CN Tower in Ontario; Charlottetown (the Museum's first visit to PEI); and Mount Allison University in New Brunswick, among others.

The Museum launched season three of its podcasts, *Countless Journeys* and *D'innombrables voyages* and hosted a large number of public programs that showcase the diversity of Canadian immigrants. Readings from authors, musical and dance performances and film screenings helped to mark both African and Asian Heritage months and other important dates such as Holocaust education week.

The Museum had three successful fundraising special events in 2022-23, the *California Wine Dinner* (also held in 2021-22) and two events in the *Fascinating Canadian* speaker series which resumed for the first time since the pandemic. Events were held in both Halifax and Toronto.

The Museum published its accessibility plan in December 2022 in accordance with its obligation as a Crown corporation under the *Accessible Canada Act*. The first three-year plan was the result of consultation with staff, volunteers and other stakeholders. The initial plan has 49 action items, being managed by a cross-departmental team of accessibility champions.

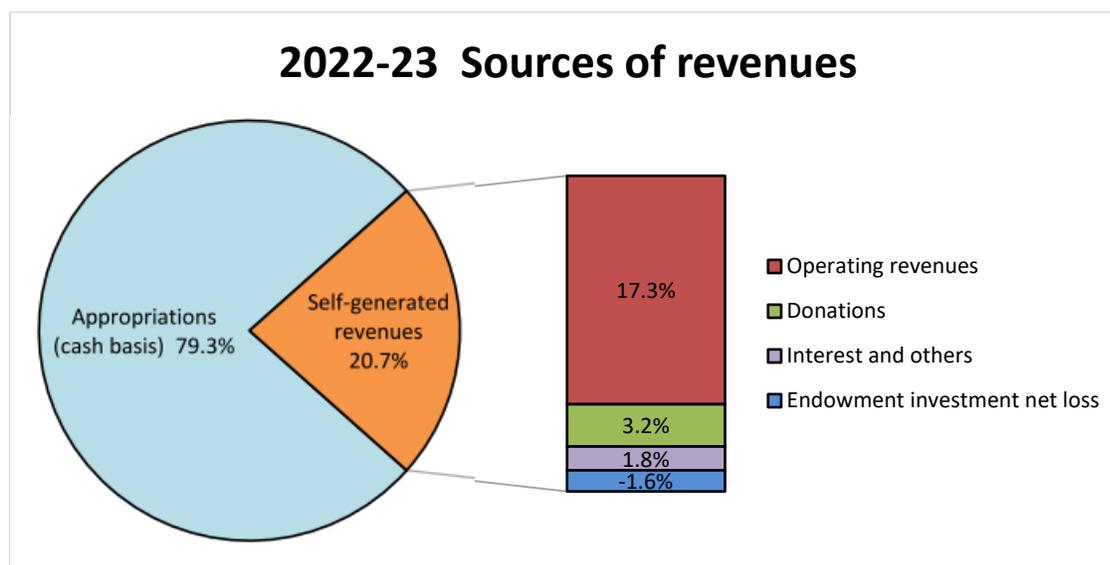
The Museum had 55 full-time equivalent staff positions filled and one vacancy at March 31, 2023. On April 28, 2022, the Museum signed its first collective bargaining agreement with the Service Employees International Union Local 2, Brewery, General and Professional Workers' Union. The agreement covers full-time and part-time Museum employees with the exception of 17 who are managerial exclusions.

FINANCIAL RESULTS

Operations

The net operating results for the year were \$151,000. When combined with \$6,421,000 in unrestricted net assets from 2021-22, this results in unrestricted net assets at March 31, 2023 of \$6,572,000.

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



On an accrual basis, appropriations decreased \$1,363,000 for the year ended March 31, 2023, from \$11,473,000 to \$10,110,000. The Museum received appropriations through the main and supplementary estimates of \$8,918,000 (net of \$39,000 used for capital assets purchases) which included \$845,000 in additional funding to address financial pressures caused by COVID-19. The remaining \$1,192,000 reflected in appropriations for the year ended March 31, 2023 is the amortization of deferred contributions related to capital assets.

Operating revenues, donations, and interest and other revenues were \$2,511,000 for the year ended March 31, 2023, compared to \$1,399,000 in 2021-22. Operating revenue includes exhibition hall ticket sales, hall rentals, programming, special events, gift shop and Scotiabank Family History Centre sales. The increase in operating revenues is primarily due to higher ticket and gift shop sales, hall rentals, and special events, although there were increases in all sources of operating revenue. The Museum welcomed 64,400 paid visitors in 2022-23 compared to 17,500 paid visitors in 2021-22. Donations were lower mainly due to the timing of major gifts.

For the year ended March 31, 2023, a net loss on the endowment investments of \$185,000 is included in the Statement of Operations compared to net income of \$96,000 in 2021-22.

At March 31, 2023, the endowment investments had accumulated unrealized gains of \$183,000 compared to accumulated unrealized gains of \$320,000 at March 31, 2022. 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 \$137,000 was recorded for 2022-23, which results in an overall net negative performance for the endowment investments of \$322,000 compared to a net positive performance of \$66,000 for 2021-22.

Expenses for the year ended March 31, 2023 were slightly higher, from \$12,172,000 in 2021-22 to \$12,363,000 in 2022-23. The \$191,000 increase is mainly due to the increase in personnel costs, cost of goods sold and travel and hospitality, offset by lower amortization expense. The increase in personnel costs is mainly due to the return of hourly staff to pre-COVID levels and economic increases. The cost of goods sold increased due to higher gift shop sales and the three special events held in 2022-23 versus the one in 2021-22. Travel for Museum employees and Board members was reinstated in 2022-23. Amortization expense decreased with leasehold improvements from 2011-12 and 2012-13 now fully amortized.

FINANCIAL POSITION

Assets decreased by \$1,404,000 to \$23,235,000 at March 31, 2023, due primarily to the decrease in capital assets of \$1,225,000 and in endowment cash and investments of \$123,000. The decrease in capital assets is primarily due to amortization. The decrease in endowment cash and investments is due to the negative performance of the endowment fund for the year.

Total liabilities decreased by \$1,625,000 to \$7,138,000 at March 31, 2023, primarily due to a \$1,231,000 net decrease in deferred contributions related to capital assets attributable mainly to the amortization and lower accounts payable and accrued liabilities. Net assets include the unrestricted net assets and the net assets related to the endowment fund. The unrestricted net assets were \$6,572,000 at March 31, 2023. The net assets related to the endowment fund of \$9,525,000 at March 31, 2023, include the cumulative endowment contributions of \$8,990,000, the accumulated remeasurement net gains of \$183,000 and the internally restricted net assets of \$352,000.

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).

In accordance with the Museum's Investment Policy approved by the Board, the capital of the endowment funds is protected in perpetuity and the Museum can only draw upon the endowment earnings to fund educational and public programming, national outreach, travelling exhibitions, exhibition development and other similar priorities of the Museum. The overall investment objective is to provide sufficient liquidity to meet the annual anticipated spending requirements allowable from endowment earnings, while providing adequate growth to maintain the purchasing power of the endowment fund's capital. The capital funds are held in perpetuity so liquidity is not an issue. A reserve has been established to cover the annual requirements in times where the endowment does not generate the annual income required. The Board and management are committed to prudent management of the endowment funds resources. The Museum is assisted in the oversight and management of its portfolio by the services of an investment consultant and invests in a diversified portfolio. Management works with the investment consultant to determine the best asset mix to meet the overall acceptable risk of the portfolio and reports to the Board periodically. The current Investment Policy, approved by the Board in November 2022, sets target allocations allowing asset class allocations to vary within a specified range. The Board and management have determined that all current financial risks for the endowment fund are at an acceptable level. A detailed analysis of the financial risks is provided in the notes to the financial statements.

Other Business Risks

With the Museum located at the mouth of the Halifax Harbour on the waterfront, risks related to the effects of climate change are getting more significant. As weather events become more frequent, and with greater impact, the risks to Museum facilities and the Collection increase. Actions are being undertaken to mitigate the risks but some of the risks must be accepted given the Museum's inability to change location. After hurricane Fiona hit the Atlantic coast of Canada in September 2022, the Museum had to close for three days due to a power outage and to allow exhibitions and collections teams to protect the artifacts. Thankfully, Halifax was spared the worst of the damage and the Museum did not sustain any damage.

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 with the additional space and will continue to have periodic increases as per the 40-year lease agreement negotiated on behalf of the Museum, with the latest increase in 2020-21. This represents a significant pressure for the Museum that is not covered by operating appropriations.

Payments in Lieu of Taxes (PILT) does not yet represent a significant financial pressure for the Museum, unlike for the 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.

FINANCIAL STABILITY AND CAPACITY TO GENERATE REVENUES

The Museum is committed to financial sustainability and continues to work on plans to maximize revenue generation and minimize costs. However, the Museum's sustainability is being eroded over time as the purchasing power of the parliamentary appropriation diminishes. As salaries and rent continue to increase, the non-indexed appropriation covers less and less of those costs.

Since 2015-16, personnel costs and the non-discretionary costs for the facilities have exceeded the Museum's Parliamentary appropriation. This means that all funds for programming, operating expenses (other than personnel and building operations), and some capital requirements must be covered by self-generated revenue. These self-generated revenues, combined with the Museum's unrestricted net assets and earnings from the Endowment Fund, have historically been sufficient to fund the Museum's requirements. With more and more self-generated revenue flowing toward personnel and non-discretionary costs for the facilities, this is no longer the case, and there are attendant risks to program integrity. The Museum, jointly with the other national museums and Government, is evaluating the funding required to address this structural shortfall and to cover new costs.

Financial Statements of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2023

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 on her audit 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 14, 2023



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 Audit of the Financial Statements

Opinion

We have audited the financial statements of the Canadian Museum of Immigration at Pier 21 (the Museum), which comprise the statement of financial position as at 31 March 2023, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at 31 March 2023, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Museum in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Museum or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Museum's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Museum's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Museum's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Museum to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Canadian Museum of Immigration at Pier 21 coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are 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*.

In our opinion, the transactions of the Canadian Museum of Immigration at Pier 21 that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Canadian Museum of Immigration at Pier 21's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Canadian Museum of Immigration at Pier 21 to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



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

Halifax, Canada
14 June 2023

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position

As at March 31, 2023

(in thousands of dollars)

	2023	2022
Assets		
Current assets		
Cash	\$ 6,671	\$ 6,670
Accounts receivable (note 4)	213	235
Inventory	119	129
Prepaid expenses	159	184
	<u>7,162</u>	<u>7,218</u>
Endowment cash and investments (note 10 a)	9,778	9,901
Capital assets (note 5)	6,294	7,519
Collections (note 6)	1	1
	<u>\$ 23,235</u>	<u>\$ 24,639</u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 623	\$ 1,037
Deferred revenue (note 8)	221	201
Deferred contributions related to capital assets (note 9)	6,294	7,525
Net assets		
Unrestricted	6,572	6,421
Internally restricted (note 11)	352	352
Accumulated remeasurement gains	183	320
Endowment (note 10 b)	8,990	8,783
	<u>16,097</u>	<u>15,876</u>
	<u>\$ 23,235</u>	<u>\$ 24,639</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
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Cynthia Price Verreault
Vice-Chair of the Board of Trustees

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations

For the year ended March 31, 2023

(in thousands of dollars)

	2023	2022
Revenues		
Operating (schedule 1)	\$ 1,948	\$ 635
Amortization of deferred contributions related to capital assets received from a related party (note 9)	78	93
Donations	360	731
Interest and other	203	33
	<u>2,589</u>	<u>1,492</u>
Expenses (schedule 2)		
Visitor experience and connections	4,569	3,876
Accommodation	4,102	5,118
Fundraising and commercial activities	1,337	1,028
Internal services	2,355	2,150
	<u>12,363</u>	<u>12,172</u>
Net result of operations before appropriations and endowment investment net income (loss)	<u>(9,774)</u>	<u>(10,680)</u>
Appropriations (note 12)	10,110	11,473
Endowment investment net income (loss) (note 10)	(185)	96
Net result of operations	<u>\$ 151</u>	<u>\$ 889</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, 2023

(in thousands of dollars)

	2023	2022
Accumulated remeasurement gains, beginning of year	\$ 320	\$ 350
Realized losses on endowment investments reclassified to operations	339	37
Unrealized losses on endowment investments	(476)	(67)
Accumulated remeasurement gains, end of year	\$ 183	\$ 320

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, 2023

(in thousands of dollars)

	Unrestricted	Internally restricted	Accumulated remeasurement gains (losses)	Endowment	2023	2022
Net assets, beginning of year	\$ 6,421	\$ 352	\$ 320	\$ 8,783	\$ 15,876	\$ 15,008
Net result of operations	151	—	—	—	151	889
Net remeasurement losses	—	—	(137)	—	(137)	(30)
Contributions received for endowment (note 10 b)	—	—	—	207	207	9
Net assets, end of year	\$ 6,572	\$ 352	\$ 183	\$ 8,990	\$ 16,097	\$ 15,876

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, 2023

(in thousands of dollars)

	2023	2022
Operating activities		
Appropriations received	\$ 8,918	\$ 9,236
Cash received from clients and donors	2,352	1,494
Cash paid to suppliers	(5,005)	(4,987)
Payments related to salary and benefits	(6,527)	(5,145)
Interest received	201	29
	(61)	627
Capital activities		
Acquisition of capital assets	(170)	(254)
	(170)	(254)
Investing activities		
Acquisition of endowment investments	(3,380)	(1,744)
Disposal of endowment investments	3,366	1,643
	(14)	(101)
Financing activities		
Appropriations for the acquisition of capital assets	39	311
Contributions to endowment	207	9
	246	320
Increase in cash	1	592
Cash, beginning of year	6,670	6,078
Cash, end of year	\$ 6,671	\$ 6,670

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, 2023
(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 core responsibilities, as well as internal services, to support the overall strategic outcome derived from its mandate. These responsibilities are:

- a) 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.
- b) 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.
- c) Fundraising and commercial activities: The Museum’s fundraising and commercial activities provide essential financial support.
- d) Internal services: Sound governance practices are in place and resources are effectively managed to support the achievement of the Museum’s mandate.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023
(in thousands of dollars)

1. Authority, objectives and operations (continued)

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 since then has met the requirements of the directive.

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 considered contributions related to capital assets and 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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

b) Revenue recognition (continued)

i) Appropriations (continued)

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.

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.

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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

b) Revenue recognition (continued)

iii) Operating revenues

Revenues from the Museum's operations include ticket sales for general admission, hall rentals including a percentage of catering sales, gift shop sales, Family History Centre sales, special events and programming including travelling exhibits. They are recognized in the year in which goods are delivered or services are provided.

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) Contributions related to capital assets

Contributions related to capital assets represent restricted contributions for the acquisition of capital assets. Deferred contributions related to capital assets are amortized to income and over the same periods as the related capital assets acquired.

v) 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.

vi) Contributed materials

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

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.

d) Inventory

Inventory, which consists of resale goods for the gift shop, 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
Equipment	5 years

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

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 and the fair market value of the endowment investments 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.

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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

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 fixed income bonds and fund holdings in global equity 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, 2023
(in thousands of dollars)

2. Summary of significant accounting policies (continued)

j) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

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

- i) Inter-entity transactions are recorded 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.
- ii) Goods or services received without charge between commonly controlled entities are not recorded.

3. Adoption of new accounting standard

On April 1, 2022, the Museum adopted the new accounting standard for Asset Retirement Obligations (PS 3280). This new standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The adoption of this new standard did not result in any financial impact on the Museum's financial statements.

4. Accounts receivable

	2023	2022
Accounts receivable – government departments and agencies	\$ 151	\$ 164
Accounts receivable – other	62	71
	\$ 213	\$ 235

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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

5. Capital assets

	Cost	Accumulated amortization	2023 Net book value
Leasehold improvements	\$ 22,395	\$ 17,899	\$ 4,496
Core exhibitions	6,271	4,547	1,724
Immigration and ships database	46	46	–
Equipment	965	891	74
	<u>\$ 29,677</u>	<u>\$ 23,383</u>	<u>\$ 6,294</u>

	Cost	Accumulated amortization	2022 Net book value
Leasehold improvements	\$ 22,390	\$ 17,289	\$ 5,101
Core exhibitions	6,271	3,920	2,351
Immigration and ships database	46	46	–
Equipment	925	858	67
	<u>\$ 29,632</u>	<u>\$ 22,113</u>	<u>\$ 7,519</u>

During 2023 and 2022, no capital assets were written off.

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, 2023 and 2022, 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, 2023

(in thousands of dollars)

7. Accounts payable and accrued liabilities

	2023	2022
Accounts payable and accrued liabilities – government departments and agencies	\$ 16	\$ –
Accounts payable and accrued liabilities – other	607	1,037
	\$ 623	\$ 1,037

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:

	2023	2022
Balance, beginning of year	\$ 201	\$ 100
Funds received during the year	838	362
Funds recognized as revenue during the year	(818)	(261)
Balance, end of year	\$ 221	\$ 201

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

9. Deferred contributions related to capital assets

The changes in the deferred contributions balance for the years ended March 31 are as follows:

	Appropriations	Other contributions	2023
Balance, beginning of year	\$ 6,955	\$ 570	\$ 7,525
Add:			
Appropriations to acquire capital assets	39	–	39
Less:			
Amortization of deferred contributions related to capital assets	(1,192)	(78)	(1,270)
Balance, end of year	\$ 5,802	\$ 492	\$ 6,294

	Appropriations	Other contributions	2022
Balance, beginning of year	\$ 8,881	\$ 663	\$ 9,544
Add:			
Appropriations to acquire capital assets	311	–	311
Less:			
Amortization of deferred contributions related to capital assets	(2,237)	(93)	(2,330)
Balance, end of year	\$ 6,955	\$ 570	\$ 7,525

The unused portion of deferred contributions related to capital assets was nil at March 31, 2023 (2022 – \$6). Other contributions were received from a related party, the Halifax Port Authority, for leasehold improvements as per the lease of the Pier 21 premises.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

10. Endowment

a) Endowment cash and investments

Endowment cash and investments consist of the following:

	2023		2022	
	Cost	Fair value	Cost	Fair value
Cash and short-term investments	\$ 23	\$ 23	\$ 271	\$ 271
Investments				
Fixed income	3,516	3,350	4,229	3,953
Global equity	4,565	4,879	4,105	4,643
Alternatives	1,491	1,526	976	1,034
	9,572	9,755	9,310	9,630
	\$ 9,595	\$ 9,778	\$ 9,581	\$ 9,901

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

	2023	2022
Endowment net assets	\$ 8,990	\$ 8,783
Prior years cumulative endowment investment net income recognized	795	798
Current year endowment investment net income (loss) recognized	(185)	96
Current year preservation of capital	–	(96)
Current year endowment investment net income (loss) deferred	(5)	–
Accumulated remeasurement gains	183	320
Endowment cash and investments (at fair value)	\$ 9,778	\$ 9,901

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

10. Endowment (continued)

b) Endowment net assets

Endowment contributions totaling \$207 (2022 – \$9) were received by the Museum during the fiscal year. In 2023, no amount was recorded as a direct increase to the endowment for the preservation of capital (2022 – \$96).

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

	2023	2022
Contributions received from Pier 21 Foundation	\$ 4,874	\$ 4,874
Other contributions received for endowment	2,837	2,630
Capital preservation	1,279	1,279
Endowment net assets, end of year	\$ 8,990	\$ 8,783

11. Internally restricted net assets and preservation of endowment capital

As approved by the Board of Trustees, the Museum may restrict unspent endowment investment net income as internally restricted net assets as a reserve to be spent at a later date or utilize the net income for the preservation of the endowment capital. In 2023 and 2022, there were no changes to the internally restricted net assets of \$352 (2022 – \$352). In 2023, no amount was utilized for the preservation of endowment capital (2022 – \$96). The preservation amount is 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, 2023

(in thousands of dollars)

12. Appropriations

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

	2023	2022
Parliamentary appropriations provided		
Main estimates	\$ 8,112	\$ 8,112
Supplementary estimates	845	1,435
	8,957	9,547
Appropriations deferred for future capital projects	–	(6)
Appropriations used to purchase amortizable capital assets	(39)	(305)
	8,918	9,236
Amortization of deferred contributions related to capital assets	1,192	2,237
Appropriations recognized as revenue	\$ 10,110	\$ 11,473

In 2023, the Museum received emergency funding of \$845 in Budget 2022 to address financial pressures caused by COVID-19 (2022 – \$1,435).

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. The Museum has also entered into service agreements for digital preservation, web design and database maintenance.

At March 31, 2023, the estimated obligations are as follows:

	Related party	Other	Total
2024	\$ 1,611	\$ 224	\$ 1,835
2025	1,611	136	1,747
2026	1,659	88	1,747
2027	1,694	–	1,694
2028	1,694	–	1,694
2029 to 2051	43,506	–	43,506
	\$ 51,775	\$ 448	\$ 52,223

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(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 1.02 times the employee’s contribution (2022 – 1.02); 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 (2022 – 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 5.29 times the employees’ contributions (2022 – 5.91 times). Total employer contributions of \$490 (2022 – \$440) were recognized as an expense in the current year.

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

15. Related party transactions

The Museum is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. Related parties also include 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. In addition to the related party transactions disclosed elsewhere in these financial statements, the Museum incurred expenses totaling \$1,898 (2022 – \$1,882) 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, 2023
(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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023
(in thousands of dollars)

16. Financial instruments (continued)

a) Fair value measurement hierarchy (continued)

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

	Level 1	Level 2	Level 3	2023
Financial assets:				
Endowment cash and investments				
Cash and short-term investments	\$ 23	\$ –	\$ –	\$ 23
Investment funds - Fixed income	1,820	1,530	–	3,350
Investment funds - Global equity	–	4,879	–	4,879
Investment funds - Alternatives	–	1,526	–	1,526
	\$ 1,843	\$ 7,935	\$ –	\$ 9,778

	Level 1	Level 2	Level 3	2022
Financial assets:				
Endowment cash and investments				
Cash and short-term investments	\$ 271	\$ –	\$ –	\$ 271
Investment funds - Fixed income	2,079	1,874	–	3,953
Investment funds - Global equity	–	4,643	–	4,643
Investment funds - Alternatives	–	1,034	–	1,034
	\$ 2,350	\$ 7,551	\$ –	\$ 9,901

Cash and short-term investments have a maximum term to maturity of three months and are redeemable on demand without prior notice or penalty. Short-term investments including notes and money market instruments are valued at cost plus accrued interest.

Select fixed income securities, including government and corporate bonds, are held directly in an effort to reduce trading costs. Fair value of the fixed income portfolio investments is measured using the average of the bid and ask prices.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023
(in thousands of dollars)

16. Financial instruments (continued)

a) Fair value measurement hierarchy (continued)

Equity and alternative investments are held through pooled and mutual fund trusts. Global equity assets include long-only equity securities that trade across a range of global exchanges. The fair value of securities which are actively traded are valued at the close price on the recognized stock exchange on which the securities are listed or principally traded. Investments for which reliable quotations are not readily available, or for which there is no closing price, are classified as Level 2.

Alternative strategies have traditionally provided a lower overall volatility and correlation to traditional equity indices. Their objective is to generate positive returns regardless of market conditions. The alternative portfolio includes exposure to Canadian banks, Canadian dividend-paying equities, and European dividend-paying equities, with the mitigation of downside risk using covered call options. Alternative portfolio investments are classified as Level 2.

During the years ended March 31, 2023 and 2022, 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).

In accordance with the Museum's Investment Policy approved by the Board, the capital of the endowment fund is protected in perpetuity and the Museum can only draw upon the endowment earnings to fund educational and public programming, national outreach, travelling exhibitions, exhibition development and other similar priorities of the Museum. The overall investment objective is to provide sufficient liquidity to meet the annual anticipated spending requirements, allowable from endowment earnings, while providing adequate growth to maintain the purchasing power of the endowment fund's capital.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

The Board and management are committed to prudent management of the endowment fund resources, in a manner consistent with the prior year. In order to manage risk, the Museum utilizes the services of an investment consultant and invests in a diversified portfolio. The 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. The current Investment Policy, approved by the Board in November 2022, has permissible ranges of 0-10% cash and short-term investments, 20-60% fixed income, 30-65% global equity and 0-40% alternative assets.

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 minimizes its credit risk by dealing only with reputable and high-quality financial institutions and by investing in high-quality financial instruments per limits set out in the Museum's Investment Policy. The Museum has determined that its credit risk is not significant.

i) 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 short-term investments, fixed income instruments, global equity and alternative assets through pooled funds and mutual funds. Through its investments in fixed income, global 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.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(1) Credit risk (continued)

ii) Accounts receivable

The Museum is exposed to credit risk from customers in the amount of \$213 (2022 – \$235) 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, 2023, \$2 in accounts receivable were past due (over 30 days) (2022 – \$9) of which none (2022 – 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 \$3,836 (2022 – \$4,080) of underlying investments in fixed income, global equities and alternatives classifications containing unhedged foreign currency exposure. The funds denominated in Canadian dollars with foreign currency exposure may enter into forward currency transactions or similar vehicles to insulate the funds from significant price changes due to the change in exchange rates. The foreign currency risk has been determined to be moderate as such funds represent 39% of the portfolio at March 31, 2023 (2022 – 41%).

At March 31, 2023 and 2022, the Museum did not have any liabilities in a foreign currency which would be exposed to fluctuations in exchange rates.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023

(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(2) Market risk (continued)

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 Museum's cash balance and its endowment investments, which include cash and short-term investments and fixed income funds, earn interest at fixed rates or have values dependent on interest rates.

The Museum manages its interest rate risk by maintaining a mix of fixed income investments which meet the criteria outlined in the Investment Policy. The investment consultant monitors exposures to interest rate risk per the Investment Policy.

The sensitivity of the cash balance to a 0.25% decrease in the interest rate would be a reduction in interest income of \$17 for the year ended March 31, 2023 (2022 – \$16).

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 fund declined its year over year net growth in fair market value at March 31, 2023.

The endowment investments include \$4,879 in funds with underlying equity investments (2022 – \$4,643). In addition, there is \$1,526 in alternative assets which are correlated to the stock market indices in Canada and Europe (2022 – \$1,034).

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the year ended March 31, 2023
(in thousands of dollars)

16. Financial instruments (continued)

b) Risk management (continued)

(2) Market risk (continued)

iii) Other price risk (continued)

The sensitivity of the endowment investment is calculated using a 5% decrease in the market prices. At March 31, 2023, 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 \$320 due to the decrease in the fair value of financial assets (2022 – \$286). As a percentage of the total endowment portfolio, such losses would represent a decline of 3.3% (2022 – 2.9%).

(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 has determined that its liquidity risk is not significant.

As at March 31, 2023, all accounts payable and accrued liabilities of the Museum were due within three months.

17. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period. Certain expenses in Schedule 2 to the financial statements have been reclassified from repairs and maintenance and building operation to office supplies and administration and to operating supplies and services. The reclassification also impacted the three core responsibilities and internal services in the Statement of Operations.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

For the year ended March 31, 2023

Schedule 1 – Operating Revenue

(in thousands of dollars)

	2023	2022
Exhibition hall ticket sales	\$ 687	\$ 180
Hall rental	521	78
Special events	294	195
Gift shop	294	93
Programming	76	61
Family history centre	76	28
	\$ 1,948	\$ 635

Schedule 2 – Expenses

(in thousands of dollars)

	2023	2022
Personnel costs	\$ 6,318	\$ 5,622
Rent and related costs	1,703	1,706
Amortization of capital assets	1,270	2,330
Operating supplies and services	418	368
Utilities	390	300
Marketing, promotion and recognition	363	338
Professional and special services	361	349
Repairs and maintenance and building operation	330	423
Cost of goods sold	296	128
Office supplies and administration	284	238
Exhibition and programming	273	183
Payment in lieu of taxes	195	176
Travel and hospitality *	162	11
	\$ 12,363	\$ 12,172

* Includes \$6 of hospitality donated in-kind (2022 – nil). Offsetting revenues of the same amount were recorded under Donations.