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Canadian Museum of Immigration at Pier 21 Annual Report 2010-2011

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



Canada

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Immigration at Pier 21



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l'immigration du Quai 21

Canadian Museum of Immigration at Pier 21 Annual Report 2010-2011

Canadian Museum of Immigration at Pier 21

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MESSAGE FROM THE CHAIR OF THE BOARD



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

On the Board's behalf, I would like to express our sincere appreciation to the Government of Canada for having made the historic decision to create a national museum dedicated to exploring *"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."*

We would also like to thank the Minister of Canadian Heritage and Official Languages and his officials for having laid a solid foundation for the successful launch of this, Canada's newest cultural Crown corporation.

We also extend our gratitude to the Pier 21 Society, its Foundation and the network of donors across the country, who worked tirelessly to achieve their dream. Thanks to their efforts, Canada now has a new cultural Crown corporation, dedicated to exploring Canadian immigration broadly. While one in five Canadians can trace some relationship to Pier 21, millions of immigrants have arrived through other entry points, and we are committed to telling their stories and celebrating their contributions to our nation-building.

One of the greatest strengths of the museum operated by the Society over the last 12 years—that was reflected in the day-to-day actions of its staff and its extensive network of volunteers—was a strong, value-based corporate culture that embodied a passion for research, innovation, creativity and service to the public, and for telling the story of the approximately 1.5 million immigrants, war brides, displaced children and Canadian military troops who passed through the Pier while it was one of Canada's primary ports of entry.

These values will be an important inspiration to the Canadian Museum of Immigration at Pier 21. A key priority for the Board of Trustees—and our firm commitment to staff—is to preserve and build on these values as the new organization is established.

The Museum also expects to benefit from its location within the historic Halifax Seaport. The Seaport annually hosts in excess of 550,000 visitors, and the Port Authority's redevelopment plan is expected to continue to expand the number of visitors to the Port.

The Museum's first Board of Trustees was appointed on November 25, 2010. Our inaugural meeting was on December 6-7, 2010 and we met again twice before the end of the fiscal year. At our first meeting, the Board recommended that the Government approve the corporation's first Corporate Plan and its operating budgets for the four months ending March 31, 2011. This Annual Report presents Canadians with an accounting on the Museum's progress against the commitments made in that plan.

A key responsibility of the inaugural Board has been to establish a Crown corporation—a challenge in and of itself, but one that is even more complex in that it involved the transfer of assets from a separate not-for-profit organization and its foundation.

Ours has therefore been an extremely heavy agenda; not only did we establish a strong foundation for effective governance and sound management of the corporation, but we were required to meet a complex "Closing" agenda dictated by the Definitive Agreement between the Government of Canada, the Pier 21 Society, the Foundation and the Halifax Port Authority.

Key among these obligations were to: offer positions to employees of the Pier 21 Society; establish pay rates and interim benefit plans according to the terms negotiated in the Agreement; review and approve all significant assignable contracts and agreements that had been entered into by the Society; and execute the lease with the Halifax Port Authority.

The Closing transactions were completed by February 3, 2011, and we welcomed our first employees on February 4, 2011. We were proud to host our official opening on February 7, 2011, at which time our exciting new visual identity was on full display throughout the Museum.

By that time, we had also launched a website in both Official Languages, and our signage and text panels were fully bilingual. All improvements to the facility that were required to meet health and safety and accessibility standards had also been met.

By the end of the fiscal year, we had achieved a key milestone in our capital plan on-time and under-budget: to demolish the interior of the Upper Annex—new space that came available to the Museum under the lease agreement with the Halifax Port Authority. Plans are in place to renovate the space by the fall of 2011, to provide much-needed space for staff and volunteers.

The Museum had no employees during the period leading up to Closing. During that time, we were extremely fortunate to be supported by a small Implementation Team, put in place by the Department of Canadian Heritage until the beginning of May, 2011.

In particular, we would like to express our gratitude to the Canadian Museum of Civilization corporation—with whom we had an agreement to count on the extensive experience of their Chief Operating Officer as Head of the Implementation Team—and the Department of Canadian Heritage, for lending a senior policy advisor to the Implementation Team. Their advice and professionalism were invaluable to us.

The Implementation Team prepared our first Corporate Plan; given the fact that the legislation creating the Canadian Museum of Immigration at Pier 21 only came into force near the end of 2010—and that we would not have staff until February 4, 2011—our commitments in the Plan were for the period ending March 2012. We are tremendously proud of what we have been able to accomplish in that short time. And we believe we've put in place the plans and strategies necessary to ensure we meet our commitments to the end of the fiscal year 2011-2012.

A key priority for the Board of Trustees in the next fiscal year is to work with the Government to recruit our first Director/CEO. The process is underway, and we are optimistic that the Government will be in a position to make an appointment before the end of 2011.

Another key priority in the coming year will be to begin work on a Master Exhibition Plan, which will lay the foundation for our exhibition and program development. It is our firm commitment to develop creative and innovative ways of achieving our national mandate—not only in terms of broadening the already rich content of the Pier 21 Society to cover all aspects of immigration to Canada, but also to reach out to Canadians across the country, both in their own communities and on-line.

To this end, the Board and management will hold a strategic planning session in the fall of 2011, where we will begin working on a long-term vision—one that articulates the leadership's aspirations for the unique role that the Museum will play in fulfilling its purpose over the longer-term. At that time, we will also establish the parameters for the development of the Master Exhibition Plan.

In the coming year, we will also be launching a Space Study to determine the best use of the Lower Annex and Shed 21. We are also hopeful that additional space in Shed 22 will come available to the Museum, space which would allow us to significantly expand our public programming. The optimization of our existing and potential future space will be driven by the strategic planning discussions.

It was originally expected that Closing would take place in December or early January; it was based on this timing that the budget estimates in the first Corporate Plan were developed. Since closing did not take place until February 3, 2011, both operating and capital expenditures were lower than budget, given that the original budget forecasts assumed a longer period of operations than the less-than two months between the launch and the end of the fiscal year. A number of significant capital projects had to be deferred to 2011-2012, including the replacement of windows and the exterior cladding on Shed 21; the retrofit of the second floor of the Immigration Annex, and the refit of the Heating, Ventilation and Cooling (HVAC) and electrical system. It is anticipated that funds not spend in 2010-2011 will be spent in 2011-2012.

My colleagues on the Board of Trustees join me in expressing our on-going appreciation for the outstanding work that the staff of the Museum do each and every day. Their commitment to excellence in everything they do will serve the Museum well. The Board is firmly committed to preserving and building on the values that made the Pier 21 Society such an extraordinary organization. This will form the foundation on which the Museum finalizes its organizational structure, staff positions and develops strategies and policies to nurture a positive working environment for its employees and volunteers.

We are privileged to have the opportunity to serve our country as the inaugural Board of the Canadian Museum of Immigration at Pier 21. We are firmly committed to shaping a strong future for this unique national museum—one of which all Canadians can be proud.



John E. Oliver
Chair of the Board of Trustees



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ABOUT THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21



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On June 25, 2009, the Prime Minister of Canada announced the federal Government's intention to create a new national museum dedicated to celebrating the history of immigration and the role and contribution of immigrants throughout Canada's history.

The museum would be established as a Crown corporation, making it one of only two national museums created in a generation. It would be situated at Pier 21, a National Historic Site on the Halifax waterfront, making it only the second national museum to be located outside of the National Capital Region.

THE PROUD HISTORY OF PIER 21

Between 1928 and 1971, Pier 21 welcomed hundreds of thousands of immigrants seeking adventure, employment and opportunity in Canada. They included refugees from war-torn Europe and from Hungary following the Revolution, war brides and displaced children. They would go on to contribute immeasurably to Canada's way of life and growth as a nation.

Pier 21 played another key role during the Second World War, providing a lifeline of supplies and personnel to Britain. Overall, approximately 1.5 million immigrants and Canadian military service personnel passed through Pier 21. 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

The Pier 21 Society was formed as a non-profit, charitable organization in 1988, and headed by the late J.P. Leblanc until 1993, when Ruth M. Goldbloom, O.C. became its President. Their dream was to transform the immigration shed into a world-class museum that would honour the people who passed through its doors, the importance of immigration throughout Canada's history, our country's contribution to the Second World War and the role of Pier 21 during a significant period in Canada's development as a nation.



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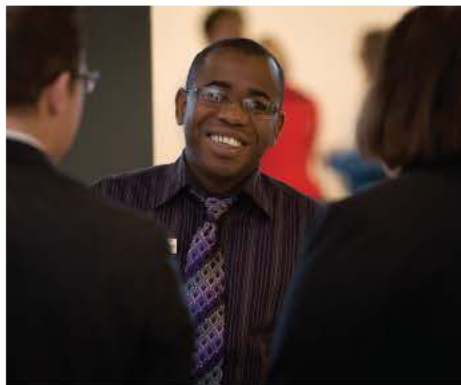
This dream became a reality when the Federal Government announced, in 1995, that the legacy of Halifax (the host city) for that year's G-7 Summit would be a pledge of \$4 million towards the museum, contingent on the Society raising an equivalent amount. By November, 1998, a highly successful national fundraising campaign had raised the required funds; the museum opened on Canada Day, 1999 in the historic building administered by the Halifax Port Authority, the organization responsible for all of Halifax's federally-owned waterfront properties.

With the support of the Pier 21 Foundation—established in 2002 to raise an endowment fund to support public programming—the Society managed to create an extremely popular attraction that welcomed 46,172 visitors in 2008-2009, many of them “alumni” of Pier 21. It also had a large, engaged and loyal volunteer base (7,460 Volunteer hours in the same year).

The Society developed a permanent exhibition—focussed on the Pier 21 experience—hosted several travelling exhibitions and implemented an impressive education and public program. One of the most inventive programs that the Society established is the *Welcome Home to Canada Program (WHTC)*, developed jointly with a wide range of community and corporate partners, including the Atlantic Canada Opportunities Agency, the Centre for Entrepreneurship, Education and Development, the Greater Halifax Partnership,

the Nova Scotia Office of Immigration, the Immigration Settlement & Immigration Services and the TD Bank Financial Group among others.

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



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Since 2004, the program has helped more than 125 newcomers, from 40 countries, gain significant Canadian work experience and enhance their employment opportunities. Participants are given a 6-month work term at Pier 21, external work placement opportunities, mentorship and professional development and network building. Over 70% of all WHTC participants since its inception have obtained meaningful employment and/or were able to further their education after completing the program.

CREATING A NEW CULTURAL CROWN CORPORATION

To launch the process of establishing the Canadian Museum of Immigration at Pier 21 as a Crown corporation, the Government signed a Statement of Intentions, later formalized through a Definitive Agreement, with the Pier 21 Society, the Pier 21 Foundation and the Halifax Port Authority. The Museum's purpose would be to explore Canadian immigration—regardless of point of entry—including both historical and more recent trends, and to emphasize the contribution that immigrants have made to Canada. The Definitive Agreement detailed the parties' respective roles, responsibilities and obligations and included the terms and conditions of a 40 year lease agreement with the Port Authority.

On June 7, 2010, just over a year after signing the Definitive Agreement, the Government tabled Bill C-34 to establish the Canadian Museum of Immigration at Pier 21 through amendments to the *Museums Act*. The legislation contained a special transitional provision for a Statutory Appropriation. This allowed Parliament to vote an initial appropriation of \$15 million to be available for use during the Museum's first 12 months of operations, conditional on the Government's approval of the Museum's first Corporate Plan and Operating and Capital Budgets.



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With the support of all Parties, the legislation received Royal Assent on June 29, 2010. The legislation came into force on November 25, 2010, and the Governor in Council appointed the Museum's inaugural Board of Trustees on the same day; two additional Trustees were appointed on December 9, 2010.

A NATIONAL MUSEUM IS BORN

The Definitive Agreement defined the "Closing" transactions required to:

- Wind-up the Society;
- Complete the transfer to the new Museum of most of the Society's assets and a substantial endowment from the Foundation; and
- Enter into the lease with the Halifax Port Authority.

Once it had approved the Museum's first Corporate Plan and Operating and Capital Budgets, the Government of Canada issued a Notice of Closing to the other four parties to the Definitive Agreement that Closing would take place on

February 3, 2011. Upon receipt of the Notice, the Pier 21 Society issued notices of termination to its full-time staff and, immediately following confirmation that the staff had received their notices, the new Museum made offers of two-year terms of employment to these individuals, effective the day after Closing. The two-year term was designed to provide time for the new corporation to establish an organizational structure and create new positions, but does not prevent it from hiring these employees on a permanent basis before the end of the two-year term.



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With the Closing transactions completed on February 3, 2011, the Museum acquired most of the assets of the Society and a substantial endowment from the Foundation. It also executed the lease with the Port Authority, pursuant to the terms established in the Definitive Agreement. It welcomed the new staff of the corporation and launched operations on February 4, 2011. The new Museum held an official event to mark the launch of its operations on February 7, 2011.

CORPORATE PROFILE

ENABLING LEGISLATION, MISSION AND MANDATE

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

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

As a National Museum, and part of the Canadian Heritage portfolio, the Museum is expected to:

- Play “an essential role, individually and together with other museums and like institutions, in preserving and promoting the heritage of Canada and all its peoples throughout Canada and abroad, and in contributing to the collective memory and sense of identity of all Canadians;” and
- Be “a source of inspiration, research, learning and entertainment that belongs to all Canadians and provides, in both Official Languages, a service that is essential to Canadian culture and available to all.”¹

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

KEY ACTIVITIES

In its first Corporate Plan, the Canadian Museum of Immigration at Pier 21 identified the primary strategic outcome to which all of its activities would be aligned: “to engage Canadians in building and exploring the stories, themes and history of Canadian immigration as it continues to unfold.” Key themes to be explored include:

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

¹ Preamble to the *Museums Act*.

To this end, the Museum established a 'Program Activity Architecture,' required of all federal organizations, as a framework within which to plan, budget, and monitor and report on performance. The Museum's Program Activity Architecture is comprised of three Program Activities:

1. **Visitor Experience and Connections**, under which the following activities are grouped:

- o Research and Content Development;
- o Interpretation and Connections (including Public Programming and Exhibits);
- o National Outreach and Partnerships; and
- o Visitor Services and Amenities (including volunteers' activities).



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• **Accommodations**, which is focused on:

- o Leasehold Improvements (including capital projects); and
- o Building Operations and Security.

• **Internal Services**, which includes:

- o Governance;
- o Resource Management; and
- o Development and Public Affairs (including Marketing, Communications, Commercial Activities, Facilities Rentals, Sponsorships and Community Partnerships).

CORPORATE STRUCTURE

THE BOARD OF TRUSTEES

The *Museums Act* provides for an eleven-member Board of Trustees that is appointed by the Minister of Canadian Heritage with the approval of the Governor-in-Council. The Governor-in-Council also establishes the remuneration for Trustees.

The Museum's Board of Trustees serves as its governing body, is independent from Management and is accountable to Parliament for the stewardship of the Museum through the Minister of Canadian Heritage and Official Languages. As of March 31, 2011, nine Trustees have been appointed to the Board, for terms ranging from one to four years; this was done to ensure all terms do not expire at the same time, allowing for more effective succession.

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

- **An Executive and Finance Committee**, to make decisions between Board meetings, to oversee the Museum's financial performance and capital projects and to establish objectives for and assess the Director/CEO's performance;
- **An Audit Committee**, to carry out the duties prescribed under section 148 of the *Financial Administration Act*;
- **A Human Resources, Governance and Nominating Committee**, to provide strategic direction and oversight to the management of the Museum's human and financial resources and to provide a focus on governance issues including nominations, orientation and Board self-assessments; and
- **A Development Committee**, to provide strategic direction and oversight to the Museum's fundraising efforts.

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

The Inaugural Board of Trustees

Chairperson:

John E. Oliver	Wallace, Nova Scotia	Two years
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Vice-Chairperson:

Tung Chan	Richmond, British Columbia	Four years
Mark Boudreau	Halifax, Nova Scotia	Three years
Ralph Chiodo	Toronto, Ontario	Four years
Ruth M. Goldbloom, O.C., O.N.S	Halifax, Nova Scotia	One year
Richard (Cy) Leblanc	Grande-Digue, New Brunswick	Four years
Phuong T.V. Ngo	Orleans, Ontario	Three years
Rosanna M. Saccomani, Q.C.	Edmonton, Alberta	Two years
Dr. Frances Swyripa	Edmonton, Alberta	Three years



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MANAGEMENT AND STAFF

While the Board is accountable for results and the business activities of the Museum, the legislation provides for a Director/ Chief Executive Officer who has day-to-day control and supervision of the Museum's work and staff. The enabling legislation provides for the first Director of the Museum to be appointed by Governor in Council, on the recommendation of the Minister of Canadian Heritage.

The Museum's By-law provides for the appointment of three additional corporate officers: a Chief Operating Officer (COO), a Chief Financial Officer (CFO) and a Corporate Secretary. However, the Museum had no management or employees until Closing (February 3, 2011). Therefore a small Implementation Team was put in place to support the Board to establish the new corporation and oversee operations. The Implementation Team remained in place until early May, 2011.

On February 4, 2011, former Pier 21 employees—including the Chief Operating Officer—were hired by the corporation on two-year terms, with their former job descriptions. Once the final structure has been established, it will become the baseline upon which Treasury Board Secretariat will assess the corporation.

The process to recruit the Director/CEO is underway; the Board of Trustees has retained the services of an executive search firm, and is heavily involved in the process. Given that the process is expected to take some time, the Board authorized the Chair to appoint the Museum's COO as CEO on an acting basis for a period of up to 90 days, as permitted by the *Financial Administration Act*. The Board has also appointed an acting Chief Financial Officer and has retained the services of an interim Corporate Secretary on contract.

CORPORATE GOVERNANCE

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

A COMMITMENT TO SOUND GOVERNANCE

In its first Corporate Plan, the corporation made a commitment to *"meet or exceed recognized standards for Corporate Governance, including a robust performance management regime and integrated risk management"* by the end of

the five-year planning period. Key activities committed to by the end of March 2012 included to:

- Develop instruments to articulate the respective roles of the Board and Management (By-laws, Governance Policy, delegation instruments, etc);
- Establish a Board Committee structure;
- Develop a budget process that enables on-going alignment of resources with overall priorities;
- Work towards articulating a Statement of Vision and Values and adopting practices to reflect the values in day-to-day actions and decision-making;
- Develop more detailed five-year Corporate Plan, including performance measures; and
- Develop and adopt mechanisms for ongoing performance monitoring, reporting and improvement.

ESTABLISHING A STRONG FOUNDATION

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

In addition to describing the Board's fiduciary duties and its duties of: care and due diligence; to act honestly, in good faith and in the best interests of the Museum; and to disclose conflicts of interest, the Governance Policy establishes the following as the Board's key responsibilities:

- Establishing the Museum's Strategic Direction;
- Safeguarding the Museum's Resources;
- Monitoring the Museum's Performance and Reporting;
- Stakeholder Strategies and Communications;
- Succession Planning for the Board and key Management positions; and
- Periodically assessing the relevance of the Mandate.

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

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

By the end of the year, the Human Resources, Governance and Nominating Committee had also proposed a process and tools for the Board, its committees, and individual Board members to assess their performance; the Board intends to conduct the first self-assessment over the summer of 2011.

The Committee also drafted a Board Competency Profile, describing the key skills, experience, knowledge and attributes required of individual Trustees and the Board as a whole. Once the profile is complete, the Committee will be assessing the competencies possessed by existing Board members, in part to assist in the succession planning process, but also to determine what further training and development would be beneficial.

ORIENTATION AND DEVELOPMENT

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

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

A further session on financial literacy, also to be offered by the Canada School of Public Service, is planned for 2011-2012, as is a training session on risk management.

FUTURE PRIORITIES

A key priority for the Board is to work with the Government to recruit the Museum's first Director/CEO. This process is well underway, and it is hoped that it will have been completed by the fall of 2011.

The Board plans to hold a strategic planning retreat in September, 2011, with a focus on developing a vision for the future, identifying key risks, and developing strategies to move in the direction of the vision and to manage risks. A key objective is for the Board to provide strategic direction to the development of a Master Plan for exhibitions and programming.

Other priorities for the Board in the coming year include:

- Providing direction to Management's development of performance measures and an approach to monitoring and reporting on results;
- Planning the Museum's first Annual General Meeting; and
- Developing a Governance Manual containing reference material for Trustees that can become a key part of the orientation program for new Trustees.

RESULTS

The Museum's Program Activity Architecture groups the Museum's key activities according to expected outcomes and defines strategic priorities, key results and activities for each, in light of the Museum's assessment of its operating environment. Given that the Museum only became operational in February, 2011—less than two months before the end of its first fiscal year—its first Corporate Plan made results commitments for the first fourteen months of operations, to March 31, 2012.

The following section provides an overview of the Museum's results. For each Program Activity, a summary of the Activity and its expected outcome is provided, along with:

- The Key Results and Commitments to March 31, 2012 that were described in the Corporate Plan; and
- Actual results as at March 31, 2011 and projections for results by March 31, 2012.

PROGRAM ACTIVITY 1: VISITOR EXPERIENCE AND CONNECTIONS

Description:

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

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

Expected Outcome:

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

KEY RESULT #1: RESEARCH AND CONTENT DEVELOPMENT: *Museum content explores the theme of Canadian immigration regardless of point of entry—and the contribution of all immigrants to Canada's nation-building, while leveraging the intellectual assets developed by the Society.*

Key Commitments to March 31, 2012:

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

Complete at March 31, 2011:

- The Museum has acquired the first in a series of database and journal subscriptions to broaden the content available to the public both on-site and on-line; The Museum will continue to broaden the scope of its content.

On Target for March 31, 2012:

- Museum staff is developing a 'Collective Access' database to provide enhanced search and access features for visitors to the museum and its website;
- The Museum is also on target to develop a comprehensive strategy to build a rich collection of materials covering Canadian immigration broadly; and
- Staff will also be developing policies and systems for effective stewardship of these materials by March 31, 2012.

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

Key Commitments to March 31, 2012:

1. Begin developing and implementing a Master Exhibition Plan, with an initial focus on Shed 21 and the Central Office Bay. This work will take into account the recommendations developed by the Pier 21 Exhibition, Research and Education Committee (EREC).
2. Establish a transitional website that is fully bilingual and user-centered; migrate material from the Society's website as soon as it complies with the *Official Languages Act*.
3. Develop a strategy to rapidly make available broader content on Canadian immigration throughout its history.

Complete at March 31, 2011:

- By the time the Museum was launched on February 4, 2011, all interior and exterior signage and print material was bilingual;

- The Museum also launched a bilingual website; the vast repository of information on the former museum's website is being translated and, as soon as it is available, it is uploaded;
- Both websites provide for a mobile-friendly on-line experience.
- Front-line staff greet visitors in both official languages and tours are provided in both Official Languages; guides are able to communicate with visitors in a wide range of other languages.

Ongoing:

- The Museum continues to make increasing amounts of electronic material available in French on its website as it is translated;
- It has formed a working group on Official Languages and is working with the Office of the Commissioner of Official Languages, among others, to ensure that it is taking all possible measures to adhere to the letter and intent of the *Official Languages Act*; and
- It is also exploring options for using innovative technologies, both within the Museum and through virtual means, including social media where appropriate.

On Target for March 31, 2012:

- The strategic planning retreat will be a key first step in the process of developing a Master Exhibition Plan; and
- Museum staff has begun developing a comprehensive technology strategy to make increasing amounts of material available to virtual visitors and to provide a rich and compelling on-line experience.

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

Key Commitment to March 31, 2012:

1. Adopt appropriate planning processes to ensure a seamless integration between exhibition development and plans for programs, services and amenities.

Complete at March 31, 2011:

- The Museum completed the work required to upgrade the space within Shed 21 and the Central Office Bay to meet health, safety and accessibility requirements; and
- The Board's plan to hold a Strategic Planning Retreat will be a key first step in developing strategies aimed at enhancing the visitor experience.

Ongoing:

- The Museum is developing a visitor service training program that will take place in May, 2011; there will be sessions for staff, volunteers and temporary placements to ensure visitors have a welcoming and educational experience; and
- The Museum has also started capturing visitor feedback, which will be a key part of its performance monitoring and reporting strategy.



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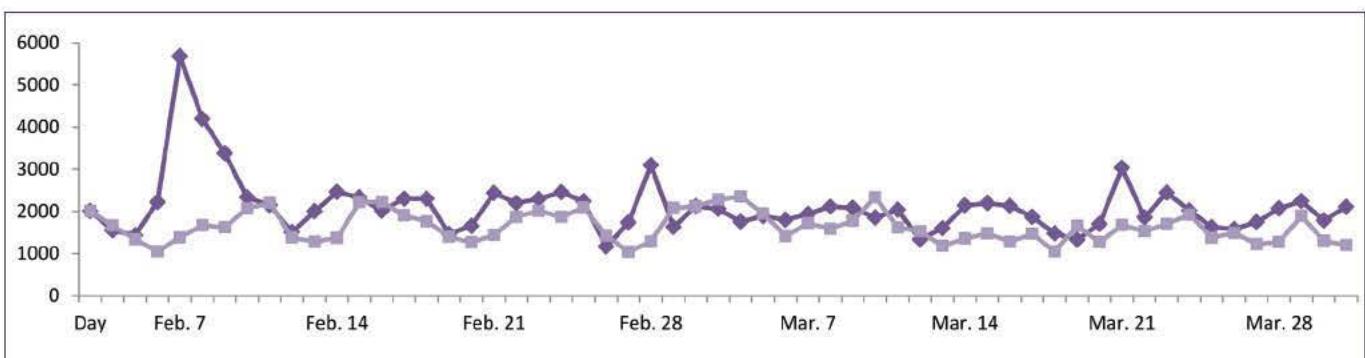
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Observations on Virtual Attendance, based on Top Content, between February 4 and March 31, 2011:

The following provides a snapshot of the top 10 pages of Top Content between February 4 and March 31, 2011. This period is of particular interest because the Canadian Museum of Immigration at Pier 21 was officially introduced to the country. On February 7th, the Museum launched its redesigned website introducing the new brand as well as small, presentational and layout changes.

How did this affect traffic on the website? In the following chart, note there was a significant spike in traffic on February 7, 2011. This coincides with the official opening and the Museum’s heightened profile in the media. Post-spike, the graph shows page visits are on-trend with the previous year’s activity. While consistent activity from year to year is usually unremarkable, in this instance, it tells us that the on-line audience made the transition to the new national museum un-interrupted.

A key factor in retaining the virtual audience base was the decision to keep the domain www.pier21.ca and not move the site to a new domain that did not have the search engine credibility, domain history or valuable inbound links that www.pier21.ca has amassed.



Top Content
Feb. 4, 2011 to Mar. 31, 2011 ■
Compared to: Feb 4, 2010 to Mar. 31, 2010 ■

KEY RESULT #4: NATIONAL OUTREACH AND PARTNERSHIPS:

The Museum reaches and establishes connections with Canadians in all parts of the country, regardless of origin; and the Museum leverages—and goes beyond—the Society’s network of national and community partnerships to generate content, programming, audiences and revenues.



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Key Commitments to March 31, 2012:

1. Begin developing and implementing a strategy to nurture and strengthen relationships, engage key stakeholders and establish throughout the country both for the purpose of content and program development and to explore opportunities to reach Canadians in their own communities.

Complete and/or Ongoing:

- Museum staff continues to nurture and expand the strong partnerships established by the Pier 21 Society, both across the country and with international museums of human movement. As examples:
 - o Staff are working with two community groups on the development of the Community Presents program, the Shambala Centre and the Ukrainian Canadian Association from the Halifax-Dartmouth area;
 - o Through the Diversity Spotlight program, a diverse range of community groups will be celebrating and communicating their cultural heritage, starting with l'Alliance Française d'Halifax and, in celebration of Asian Heritage Month, with Saint Mary's University; and
 - o Plans are underway to host a German Immigration exhibition developed by the German Emigration Centre in Bremerhaven in the fall of 2012.
- As a member of the Canadian Heritage Portfolio, the Museum has also been establishing strong working relationships and information-sharing with sister institutions in the National Capital Region and in Winnipeg; and
- The Museum hosted its first travelling exhibit, *"Lace Up: Canada's Passion for Skating,"* in collaboration with the Canadian Museum of Civilization.

PARTNERSHIP ACTIVITIES

Two key partnership activities, in addition to the Welcome Home to Canada Program, are:

Community Presents:

The Community Presents Program is an outreach/ partnership venture designed to celebrate the unique heritage of both cultural groups and community organizations. Through the program, groups and organizations have the opportunity to tell their stories through the creation of their own exhibit.

Diversity Spotlight:

The Diversity Spotlight Program is another outreach/partnership program designed to celebrate and communicate Canada's cultural heritage and diversity. Held monthly, the program encourages cultural groups to screen films at the Museum that tell their story and bring awareness of topics relating to immigration, citizenship, diversity, cultural heritage and identity.

PROGRAM ACTIVITY 2: ACCOMMODATIONS

Description:

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

Expected Outcome:

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

Key capital projects in the start-up period include:

- Upgrading the space within Shed 21 and the Central Office Bay to meet health, safety and accessibility requirements and to provide the appropriate environmental controls for archival and other materials;
- Replacing windows and exterior cladding on Shed 21; and
- Retro-fitting the second floor of the annex to provide suitable space for staff and volunteers.

KEY RESULT #1: LEASEHOLD IMPROVEMENTS: *The Museum's facilities are upgraded and/or expanded as appropriate to provide suitable and accessible space for visitors, staff, volunteers and exhibits/ programming; and construction projects are governed by an effective project management regime, including robust risk management strategies and respect the heritage aspects of the site.*

Key Commitments to March 31, 2012:

1. Develop mechanism to ensure appropriate Board oversight of capital projects.
2. Finalize design, budget and risk management strategies for expansion into the Immigration Annex and to upgrade Shed 21 and the Central Office Bay.
3. Initiate contracting process(es).

4. Manage contract(s) in a sound, transparent and accountable manner, on time and within budget, employing effective project and risk-management practices throughout.
5. Undertake space study to explore options for additional exhibition space.
6. Prior to additional exhibition space coming available, develop a strategy for using the available space that strikes the right balance between enhancing public programming and retaining open spaces for events.

Complete at March 31, 2011:

GOVERNANCE AND PROJECT MANAGEMENT:

- The Board has mandated its Executive and Finance Committee to *“oversee and hold management accountable for carrying out major capital projects;”* the Delegation of Signing Authorities stipulates that contracts over \$250,000 may only be awarded by the Board;
- Museum management reports regularly to the Board on the progress of capital projects and has in place mechanisms to manage contracts in a sound, transparent and accountable manner, with the appropriate project and risk management practices;
- Completed CAD drawings of the entire facility to mitigate risk of ‘surprises’ in future building projects;
- Engaged a project management firm to oversee upcoming expansion and renovation projects, to ensure consistency and avoid overlap and duplication across a series of related projects.

CAPITAL PROJECTS

- The contract for the demolition and abatement of the upper annex was awarded through a competitive process, and the work was completed under-budget.
- Other planned projects were also completed within-budget, including: the work required to upgrade the space within Shed 21 and the Central Office Bay to meet health, safety and accessibility requirements and to provide the appropriate environmental controls for archival and other materials.

Ongoing:

- The Museum has begun work on the space study and space balancing strategy; it will be informed in part by the strategic planning retreat.

On Target for March 31, 2012:

- The Museum launched the tendering process—to be completed early in the next fiscal year—for the renovation of the Upper Annex; the project is expected to be completed by the end of December, 2011; and
- The refits to HVAC and electrical will be complete by the end of fiscal year 2011-2012.

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

Key Commitments to March 31, 2012:

1. Develop and implement the appropriate strategies and plans to provide appropriate security for staff, volunteers, visitors and museum materials and to manage building operations in an efficient and effective manner.

Complete at March 31, 2011:

- All upgrades required to meet building codes have been completed and have provided for uninterrupted service to staff and the public; and
- The Museum continues to work with the Halifax Port Authority to provide a safe and secure visitor experience during the very busy tourist season.

PROGRAM ACTIVITY 3: INTERNAL SERVICES

Description:

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

The Canadian Museum of Immigration at Pier 21 also includes Development and Public Affairs (including Marketing, Communications, Commercial Activities, Facilities Rentals, Sponsorships and Community Partnerships) within the Internal Services Program Activity. In its first months of operations, the Museum was also required to conduct a number of one-time activities to effectively launch the corporation and to ensure the Museum's contractual obligations as defined in the Definitive Agreement were fulfilled.

Expected Outcome:

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

KEY RESULT #1: SUCCESSFUL LAUNCH OF NEW CROWN CORPORATION:

The corporation is effectively launched and the Museum's contractual obligations as defined in the Definitive Agreement are fulfilled.

Key Commitments to March 31, 2012:

1. Undertake the due diligence required to launch the Museum and execute the Closing transactions with the Society and the Halifax Port Authority in the best interests of the corporation.
2. Establish the corporate infrastructure necessary to support the effective operation of the new corporation.

Complete at March 31, 2011:

- The Museum completed all the Closing transactions required under the Definitive Agreement by the date established by Canada (February 3, 2011) following extensive due diligence supported by legal counsel. This included:
 - o Offering Pier 21 museum employees two-year term positions, consistent with the requirements of the Definitive Agreement;
 - o Initiating the process to have employees covered by the federal benefit package;
 - o Reviewing and approving all assignable contracts and agreements; and
 - o Executing the lease with the Port Authority.
- The Museum officially launched its operations with a public event on February 7, 2011.

- The Museum had no staff between the appointment of the Board and Closing; during this period, and until early in the 2011-2012 fiscal year, an Implementation Team—established by the Department of Canadian Heritage with the support of the Board, assisted the Board to transfer knowledge and ensure all necessary authorities and tools were in place to launch the cooperation; key actions taken by the Implementation Team included:
 - o Advising Trustees on the the governance, legal and accountability framework for Crown corporations and on their obligations under the Definitive Agreement;
 - o Retaining expertise, on a temporary basis, to meet transitional requirements, including legal counsel and an interim Corporate Secretary;
 - o Drafting the Museum's first Corporate Plan and accompanying Treasury Board Submission;
 - o Ensuring the Museum had access to the Statutory Appropriation;
 - o Producing key governance documents;
 - o Establishing sound and effective delegations of signing authority;
 - o Establishing a MERX account and training staff on the system and process;
 - o Tendering contracts for the demolition and renovation of the Annex; and
 - o Supporting the Board through its initial meetings, implementing Board decisions and exercising delegations made by the Board of Trustees.

KEY RESULT #2: 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, 2012:

1. Develop instruments to articulate the respective roles of the Board and Management.
2. Establish Board Committee structure.
3. Work towards articulating a Statement of Vision and Values and adopting practices to reflect the values in day-to-day actions and decision-making.
4. Develop more detailed five-year Corporate Plan, including performance measures.
5. Develop and adopt mechanisms for ongoing performance monitoring, reporting and improvement.

6. Establish schedule for the development and cyclical review of corporate policies; priorities will be a Code of Ethics and policies governing: investment; contracting; human resources; donor recognition; and travel and hospitality.

Complete at March 31, 2011:

- By March 31, 2011, the Board had approved:
 - o Its first By-law to regulate the conduct of its business;
 - o A Governance Policy and clarify roles and responsibilities;
 - o A committee structure and terms of reference for four committees; and
 - o Delegations of Signing Authorities for both the pre-closing and post-closing periods.

Ongoing:

- The Board received orientation on the roles and responsibilities of Trustees (through the Canada School of Public Service) and on Conflict of Interest; it has planned additional orientation on risk management and financial literacy; and
- The Board has approved a travel policy for Trustees, two investment policies, one for cash balances and the other for the endowment fund; a key priority for 2011-2012 will be the development and/or documentation of corporate policies in a number of key areas. Some of these will be informed by the strategic planning retreat, planned for the fall of 2011.

On Target for March 31, 2012:

- At its strategic planning retreat in the fall of 2011, the Board will work on developing a long-term vision and values to guide its activities and operations;
- The planning session will allow the Board to refine its strategic direction and begin the process to develop key performance measures;
- Once key performance measures are established, the Museum will put in place mechanisms to provide the information required to monitor and report on performance; in the meantime, Management provides regular reports on operations and financial performance to the Board, against commitments made in the first Corporate Plan.

KEY RESULT #3: 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, while building a strong corporate culture; and the corporation has in place the policies, procedures and systems that are conducive to sound management and accountability.*

Key Commitments to March 31, 2012:

1. Develop a budget process that enables on-going alignment of resources with overall priorities.
2. Align organizational structure with corporate objectives.
3. Align work plans with corporate plan priorities.
4. Begin establishing appropriate operational policies, systems, structures and procedures to support sound management.

Complete at March 31, 2011:

- The Museum's budget is structured by Program Activity; at the strategic planning session, the Board will review whether the appropriate budget allocations have been made to each activity, given strategic priorities; and
- To align the work of individual employees with corporate priorities, the Museum has tied all staff performance management plans directly with the Corporate Plan; staff performance against commitments is actively monitored.

Ongoing:

- The Museum has begun developing an organizational structure aligned with priorities (see next section).

On Target for March 31, 2012:

- The bulk of operational policy development will take place in the 2011-2012 fiscal year; priorities will be:
 - o Financial Management and Control;
 - o Performance monitoring and reporting;
 - o Human Resource Management; and
 - o Information Management/ Technology.

KEY RESULT #4: SOUND MANAGEMENT OF HUMAN RESOURCES:

the corporation attracts and recruits the talent and expertise necessary both for the transition and the longer-term; and the corporation has a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, sustainable, adaptive and representative of the diversity inherent in Canadian society.

Key Commitments to March 31, 2012:

1. Issue letters of offer to permanent full time staff of the Pier 21 Society and establish an interim compensation and benefits plan.
2. Support the federal government in recruitment of the first Director/CEO.
3. Develop and begin implementing an organizational structure and long-term strategies for compensation and recruitment.
4. Recruit staff as required; in the first year, the Museum expects to hire approximately 15 FTEs, through a combination of means including permanent staffing and contracts.
5. Begin developing and implementing a framework for human resource management that leads to policies and practices that foster a fair, enabling, healthy and safe workplace and a workforce that is productive, principled, sustainable, adaptive and representative of the diversity inherent in Canadian society.
6. Develop an approach to engaging volunteers.

Complete at March 31, 2011:

- The Board issued letters of offer to former Pier 21 Society employees for two-year terms effective February 4, 2011, the day after Closing; as soon as the organizational structure has been developed, staffing will begin;
- The corporation had 22 FTEs on two-year contracts and had recruited 10 newcomers to the Welcome Home to Canada Program for a six-month work term;
- An interim compensation and benefits plan is in place, pending the application for inclusion in the federal benefits plan;
- On-site French language classes are offered to all staff, volunteers and Welcome Home to Canada participants and workshops held for staff and volunteers on key aspects of the *Official Languages Act*, led by the Canada School of Public Service.

Ongoing:

- Museum management has begun work on an organizational structure and compensation and recruitment strategies;
- In the interim, the Museum retained a number of individuals on contract and/or term positions to meet operational requirements, including an interim Corporate Secretary and a senior financial consultant;
- A key priority for the Board and Management is to nurture the vibrant and positive working environment of the Pier 21 Society's museum. Work is underway to develop a policy framework for human resources, to foster a healthy, welcoming, productive and diverse workforce;
- Management has consulted extensively with the Office of the Commissioner of Official Languages with the aim of developing policies and strategies to celebrate Canada's two official languages and to ensure that the Museum complies with the *Official Languages Act*; and
- The Museum has developed a volunteer contract to clearly outline the respective responsibilities of volunteers and the organization. Enhanced volunteer training is also underway.

On Target for March 31, 2012:

- The selection process to recruit the first Director/CEO is underway, supported by an executive search firm, and should be complete in 2011.

KEY RESULT #5: DEVELOPMENT AND PUBLIC RELATIONS: *The Museum garners a high level of awareness and public support through strong and effective marketing and communications strategies; and the corporation establishes the capacity to generate ongoing private-sector funds, both through commercial activities and fundraising/sponsorships.*

Key Commitments to March 31, 2012:

1. Develop a pro-active communications strategy for the early years of the Museum's evolution.
2. Begin developing a corporate brand/image strategy.
3. Nurture relations with donors to the Society's museum while establishing policies for recognition appropriate to a national institution.

4. Develop a framework for revenue-generation, including an appropriate mechanism for fundraising.

Self-Generated Revenues at March 31, 2011:

It was originally expected that Closing would take place in late December or early January; it was based on this timing that the estimates for revenue generation contained in the first Corporate Plan were developed. The following shows the actual totals compared with the original targets for the seven weeks of operations:

	Budget (3-4 months)	Actual (2 months)
Facility Rentals	\$ 20,000	\$29,000
Admissions	\$16,000	\$18,000
Gift Shop	\$15,000	\$ 7,000
Research Centre	\$ 4,500	\$ 5,000
Fundraising	\$230,000	\$212,000

- The Museum hosted a major fundraising event in Toronto in March; 360 people attended *Welcome Home to Canada Festa*, which netted the Museum \$140,000.

Ongoing:

- The Museum has inherited the strong focus on revenue-generation and fundraising from the Pier 21 Society Museum. Significant effort has been and will continue to be dedicated to maintaining strong relations with donors;
- The Pier 21 Foundation Endowment Fund was transferred to the Museum as was committed in the Definitive Agreement. The Board of Trustees has approved an Investment Policy, aimed at capital preservation. The Museum will be developing the appropriate structure and strategies for development and fundraising going forward.

On Target for March 31, 2012:

- The Museum has begun developing a communications strategy to raise national awareness and attract physical and virtual attendance; this strategy will be further informed by the results of the September strategic planning retreat, as will strategies for enhanced revenue generation; and
- The Museum also launched an exciting and vibrant branding strategy in time for the official launch on February 7, 2011; it will continue to roll-out the brand over the course of 2011-2012.

MANAGEMENT DISCUSSION AND ANALYSIS

The Implementation Team drafted the first Corporate Plan of the Canadian Museum of Immigration at Pier 21, based on the assumption that the legislation would come into force in the early fall and that Closing would take place in late December 2010, or early January 2011.

The budgets covered the roughly four-month period from its expected approval date to the end of March 31, 2011. Given the short timeframe before the end of the fiscal year, key commitments made were to the end of March 2012.

However the Museum did not launch its operations until February 4, 2011—on the completion of its obligations prescribed in the Definitive Agreement. In its first Corporate Plan, the Museum noted that it expected that actual expenditures would be significantly lower than the budget forecasts, given that it would only be operational for less than two months. The impact of this timing consideration is discussed throughout the following section.

STRATEGIC PRIORITIES

The Museum's primary purpose is defined in the amendments to the *Museums Act* that created it as a Crown corporation. Its core business is to engage Canadians in building and exploring the stories, themes and history of Canadian immigration as it continues to unfold. It does this through three Program Activities:

- Visitor Experience and Connections;
- Accommodations; and
- Internal Services.

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

One of the key issues identified was the range of challenges associated with successfully creating a new Crown corporation—only the second new National Museum to be created in a generation.

However, while the Museum is a distinct legal identity with a very different mandate than that of the Pier 21 Society, there is a tremendous legacy to be leveraged in terms of corporate culture, partnership development, excellence in delivering unique and engaging visitor experiences; commitment to service to the public, and ability to attract private sector funding.

A key conclusion was therefore that, as it creates its own identity, a key, priority underlying all others is *"to manage the establishment of a federal cultural Crown corporation in a way that leverages the extraordinary social capital and other assets developed by the Pier 21 Society."*

Within that context, the following are the Museum's key strategic priorities against which it is reporting; the Board of Trustees will be reviewing these priorities at its September strategic planning session and adjusting them as appropriate:

- **Developing museum content** that explores Canadian immigration regardless of point of entry—and the contribution of all immigrants to Canada's nation-building, while leveraging the human and social capital and other assets developed by the Society;
- **Developing innovative, compelling, thought provoking and inspiring exhibitions and programming** that reflect the diversity of the immigrant experience within Canada;
- **Leveraging technology** to provide visitors, both on-site and virtual, unique and innovative content and experiences in both Official Languages;
- **Offering experiences and services** that create personal and emotional connections with Canadians across the country, regardless of origin;
- **Building on the Society's network of national and community partnerships** to develop content and programming and to develop strong, loyal audiences and generate revenues;
- **Renovating and expanding the facility** to provide suitable and accessible space for visitors, staff and volunteers and programming, while respecting the facility's status as a National Historic Site;
- **Effectively launching the new corporation** and fulfilling the contractual obligations of the Definitive Agreement;
- **Establishing a sound governance framework** in compliance with the regime governing federal Crown corporations;
- **Aligning the organization and its resources** to enable it to achieve its new mandate and to adopt sound and efficient governance and stewardship practices, anchored in strong corporate values; and
- **Establishing the capacity to generate ongoing private-sector funds**, both through commercial activities and fundraising/ sponsorships.

PERFORMANCE

The Board held its inaugural meeting on December 6-7, 2010 and the Museum became operational following the completion of the Closing transactions on February 3, 2011. Despite the fact that the Canadian Museum of Immigration at Pier 21 had no staff prior to Closing and was operational for less than eight weeks, it managed to achieve a tremendous set of results during that time. The Corporate Plan committed the Museum to a number of key activities for the first 14 months of operations, to March 31, 2012, one of which is to develop a performance management strategy, with both qualitative and quantitative indicators.

By March 31, 2011:

- The Museum had completed its contractual obligations under the Definitive Agreement, including making offers of employment to former employees of the Pier 21 Society;
- A wide range of key governance instruments were adopted and the infrastructure was in place to support the effective operation of the new corporation;
- The Museum's budget and internal planning processes are aligned with its Program Activity Architecture; work is underway to develop and/or document key stewardship policies and practices;
- The Museum has developed a distinctive visual identity and branding strategy and launched it in time for the official opening on February 7, 2011;
- Attendance exceeded targets for the period, benefitting from the Canada Winter Games. This national celebration took place for two weeks in February. The Museum worked with the organizing committee to ensure participants and their families were aware of the Museum, and the results exceeded expectations, with visitors from coast to coast during that period;
- Work is under way to expand on-site and virtual content to cover the broad themes of immigration to Canada; this work will continue throughout 2011-2012 with a strategic planning retreat planned for September; this will launch the process to develop a Master Exhibition Plan;
- A website—in both Official Languages—has been launched; strategies are in place and/or under development to provide visitors, both on-site and virtual, unique and innovative content and experiences in both English and French;

- The first phase of the expansion project—demolition and abatement of the Upper Annex—was completed on schedule and within budget; the Museum is on track to complete the renovation of the Upper Annex by the late fall of 2011;
- A range of other upgrades to Shed 21 were also completed as planned by the end of the fiscal year, also within budget;
- The Museum had 22 FTEs in place on 2-year terms.

FINANCIAL RESULTS AND OUTLOOK

The Museum has prepared its financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations. It has applied the Section 4200 series of Canadian public sector accounting standards applicable to government not-for-profit organizations.

Bill C-34 contained a transitional provision whereby, subject to the Government's approval of the Museum's Corporate Plan, Parliament approved a statutory appropriation not to exceed \$15 million. These funds—available for both operating and capital expenditures—have enabled the Museum to operate until its appropriations are granted by Parliament through the regular appropriations cycle.

Of this approved amount, the Museum received \$4.5 million in 2010-2011 for operating and capital expenses. The Parliamentary calendar will determine when the Museum can begin accessing regular appropriations.

The Museum took every measure possible to contain costs, including limiting the cost of travel, hospitality and conferences. The Board approved a policy governing its own travel that is in line with Treasury Board guidelines.

Capital expenditures were lower than budget. Although the Museum was able to successfully launch a number of construction and other capital projects, the projects cannot be completed until the 2011-2012 fiscal year due to the shorter-than-anticipated timeframe. This has resulted in a shift of capital from 2010-2011 to 2011-2012 but is not expected to affect future years.

Significant capital expenditures planned for the future include: the replacement of windows and the exterior cladding on Shed 21; the retro-fit of the annex second floor, the refit of the HVAC and electrical system and the upgrades required to provide appropriate environmental controls for archival and other materials.

On February 4, 2011, the Pier 21 Society sold, assigned and transferred its inventory, collections and capital assets to the Museum for a nominal value of \$5. The Pier 21 Foundation also transferred its endowment assets and the outstanding pledges to the Museum. The endowment assets are subject to externally imposed restrictions stipulating that the endowment principal be maintained permanently. Investment income earned on endowed funds is unrestricted and is spent on programming, education and other such areas.

The Board approved an Investment Policy in March 2011 to establish objectives and govern the management of the endowed funds. At its strategic planning retreat in the fall of 2011, the Board will be determining its vision for fundraising including how it wishes to utilize investment income earned on endowed funds.

BUSINESS RISKS

FINANCIAL RISKS

The Museum has identified and assessed its exposure with respect to financial risk related to the Endowment investments as follows:

- a) Credit risk: The Museum manages its exposure to credit risk arising from endowment investments of \$4.53 million by limiting the investment to bonds, guaranteed investment certificates, and pooled or mutual funds.

As directed by the Museum's Investment Policy for the endowment fund, endowment investments are to be held in a diversified portfolio of fixed income instruments, and Canadian and international equity investments through pooled funds and mutual funds. The Museum's endowment investment strategy targets 50% of the portfolio held in fixed income instruments, and the remainder in equity.

At a minimum, investments in fixed income must be in investment grade instruments – those rated BBB by the Dominion Bond Rating Service. Money market fund investments must be rated no lower than R-1 Low. For equity investments held through pooled funds and mutual funds, no more than 10% of the total portfolio can be invested in a single fund or similar vehicle for Canadian equities and no more than 5% of the total portfolio can be invested in a single fund or similar vehicle for US and international equity.

- b) 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 endowment investments mainly include short to medium term investments that earn interest at fixed rates.

The Museum manages its interest rate risk by maintaining a mix of investments in fixed rate bonds issued by the Government of Canada, select provincial governments, government organizations and stable Canadian corporations, as well as highly liquid guaranteed investment certificates. Based on the interest rates offered on the money market in 2010-2011, the Museum realized an average return of 3.3% during the fiscal year.

OTHER BUSINESS RISKS:

A key risk during the start-up period was that the Museum had no staff during the period between when the letters of offer were issued to staff and Closing. During this time, the Board of Trustees needed to perform a number of significant duties, including due diligence and execution of the obligations under the DA, issuing construction contracts and adopting key governance instruments and financial systems and controls. This was mitigated through the establishment of the Implementation Team.

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

- The Museum commissioned Computer Assisted Drawings of the space to ensure accurate depictions of the space as part of the tendering process;
- The project management team of Costello Fitt was engaged to manage the current phase of the construction project. Their extensive experience with the Halifax Port Authority and the Pier 21 site will assist in identifying potential areas of time or cost overruns; and
- A separate engineering firm was contracted to do an HVAC study, to provide the successful design bidder with technical specifications and options for the potentially costly and time consuming HVAC installation.

CAPABILITY TO DELIVER RESULTS

The Museum is highly optimistic that it will be able to attract on-site audiences and to reach Canadians through a mix of virtual and physical programming. The Pier 21 Society's museum claimed a connection to one in five Canadians. In 2008-2009, although the largest proportion of the over 46,000 visitors to the museum originated from Ontario (30.8%) and Nova Scotia (10.5%), 16.5 % of museum visitors were from Alberta and British Columbia. It is expected that a national museum, with a broader mandate, a larger space, more comprehensive exhibitions, an enhanced travelling exhibit program and a significant on-line presence will draw a significantly larger audience.

The Halifax Seaport has become a significant destination for local residents, tourists and cruise passengers. In addition to the Pier 21 museum, the Seaport consists of dedicated Cruise Pavilions, public spaces, cafés, office and retail space. The Halifax Seaport annually hosts in excess of 550,000 visitors.

Over the past 5 years, significant private and public funds have been invested in its infrastructure, as the Port Authority began implementing a major redevelopment project between Piers 19 and 23. The project is expected to continue to expand the number of visitors to the Port. This provides a significant opportunity for the Canadian Museum of Immigration at Pier 21 to tap into an expanding local and tourist market. The challenge will be to tap into this growing local market, while also ensuring access for all Canadians to the Museum's public programming through outreach, travelling exhibitions, the website and other virtual tools. Developing a compelling and unique brand and marketing strategy will need to be key priorities.

It is recognized among museum professionals that the key to repeat attendance, successful fundraising, and building audience loyalty is a holistic approach to the museum experience—from the moment a person thinks of visiting to the moment they leave the site. This holistic approach requires an integrated set of strategies covering a wide range of aspects, including marketing, services, amenities, rentals, community engagement, fundraising and sponsorship development. The Canadian Museum of Immigration at Pier 21 will be leveraging the Society's past achievements in this area while exploring additional means of creating unique and engaging experiences.

REVENUE GENERATION

Focusing on the visitor experience will also help the Museum to meet the Government's expectations that its national museums build the capacity to generate revenues. These objectives will be pursued with vigour by the Museum, building on the previous success of the Society and the Foundation. The Board of Trustees is firmly committed to augmenting its resource base beyond its government appropriations. The Society's development efforts have been extremely fruitful, and the Pier 21 Foundation had tremendous success in raising a \$7 million endowment fund in 8 years; the new Museum will be in a good position to leverage the support and enthusiasm the Foundation generated across the country. A key priority for the Museum will be to determine the most effective strategy and mechanism(s) to support it in its fund-raising efforts.



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The Museum also hopes to capitalize on new opportunities to generate revenues. As a private organization, the Society had significant success attracting donors. However, fundraising for federal corporations tends to be a bigger challenge, as potential donors question whether their contributions will have the same level of impact. It will also be important to manage relationships with previous donors, many of whom were given naming rights. The Museum will need to develop a progressive approach to donor recognition while retaining good-will with previous donors.

Financial Statements of

**THE CANADIAN MUSEUM OF
IMMIGRATION AT PIER 21**

For the period November 25, 2010 to March 31, 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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



Marie Chapman
Acting Chief Executive Officer



Kendall Blunden, CA
Acting Chief Financial Officer

June 21, 2011



INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and
Official Languages

Report on the Financial Statements

I have audited the accompanying financial statements of the Canadian Museum of Immigration at Pier 21 which comprise the statement of financial position as at 31 March 2011, and the statement of operations, statement of remeasurement gains and losses, statement of changes in net assets and statement of cash flows for the period from 25 November 2010 to 31 March 2011, 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 generally accepted accounting principles, 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 2011, and the results of its operations, changes in its net assets and its cash flows for the period from 25 November 2010 to 31 March 2011 in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

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

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

21 June 2011
Halifax, Canada

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position

As at March 31, 2011
(in thousands of dollars)

	2011
Assets	
Current assets	
Cash	\$ 3,734
Accounts receivable (notes 4 and 13)	240
Inventory	152
Prepaid expenses	19
	<u>4,145</u>
Endowment cash and investments (notes 9(b) and 13)	4,538
Capital assets (note 5)	2,483
Collections (note 10)	1
	<u>\$ 11,167</u>
Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued liabilities (note 13)	\$ 671
Deferred revenue (note 6)	166
Deferred contributions related to capital assets (note 7)	4,163
Net assets	
Unrestricted	1,649
Accumulated remeasurement gains	5
Endowment (note 9(a))	4,513
	<u>6,167</u>
	<u>\$ 11,167</u>

Contractual obligation (note 11)

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

On behalf of the Board of Trustees:



Chair



Vice-Chair

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

	2011
Revenues	
Statutory appropriations (note 8)	\$ 2,854
Contributions received from Pier 21 Society (note 2)	127
Operating (schedule 1)	221
Amortization of deferred contributions related to capital assets transferred from Pier 21 Society (note 7)	86
Donations	25
Investment	25
	<u>3,338</u>
Expenses (schedule 2)	
Visitor experience and connections	148
Internal services	1,058
Accommodation	484
	<u>1,690</u>
Excess of revenues over expenses	<u>\$ 1,648</u>

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Remeasurement Gains and Losses

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

	2011
Unrealized gains attributed to:	
Endowment investments (notes 9(b) and 13)	\$ 5
Accumulated remeasurement gains, end of period	\$ 5

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Changes in Net Assets

For the period November 25, 2010 to March 31, 2011

(in thousands of dollars)

	Unrestricted	Accumulated remeasurement gains	Endowment	2011
Excess of revenues over expenses	\$ 1,648	\$ –	\$ –	\$ 1,648
Remeasurement gains (notes 9(b) and 13)	–	5	–	5
Transfer of collections from Pier 21 Society (note 2)	1	–	–	1
Transfer of endowment from Pier 21 Foundation (notes 2 and 9(a))	–	–	4,399	4,399
Contributions received for endowment (note 9(a))	–	–	114	114
Net assets, end of period	\$ 1,649	\$ 5	\$ 4,513	\$ 6,167

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Cash Flows

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

	2011
Operating activities	
Statutory appropriations received	\$ 2,853
Other cash received	157
Cash paid to employees and suppliers	(956)
Interest received	25
	<u>2,079</u>
Capital activities	
Acquisition of capital assets	(43)
	<u>(43)</u>
Investing activities	
Increase in endowment cash and investments	(139)
	<u>(139)</u>
Financing activities	
Statutory appropriation for the acquisition of capital assets	1,723
Restricted contributions	114
	<u>1,837</u>
Increase in cash	3,734
Cash, beginning of period	–
Cash, end of period	<u>\$ 3,734</u>

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

1. Authority, objectives and operations

Under the *Museums Act*, the Canadian Museum of Immigration at Pier 21 (the "Museum") was established and 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 came into force November 25, 2010 and the transfer and assignment of assets, contracts and records from the Pier 21 Society and Pier 21 Foundation occurred on February 3, 2011.

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

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

(a) Visitor experience and connections

To provide research and content development; interpretation and connections including public programming and exhibits; national outreach and partnerships; and visitor services and amenities including volunteers' activities.

(b) Internal services

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

(c) Accommodations

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

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

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

The following assets were sold and transferred to the Museum:

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

The transfer of inventory is an unrestricted contribution from the Pier 21 Society to the Museum, and is recognized as revenue at an amount equal to the carrying value of the inventory which approximates fair market value.

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

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

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

3. Summary of significant accounting policies

(a) Basis of presentation

The financial statements have been prepared in accordance with Canadian public sector accounting standards including the 4200 series of accounting standards applicable 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) Donations

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

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

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

(ii) Statutory appropriations

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

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

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

3. Summary of significant accounting policies (continued)

(iii) Volunteer services

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

(iv) Contributed materials

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

(v) 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.

(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 year of acquisition. Objects donated to the Museum for its collections are not recorded.

(d) Inventory

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

3. Summary of significant accounting policies (continued)

(e) Capital assets

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

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

Asset	
Leasehold improvements	5 to 10 years
Immigration and ships database	5 years
Office and computer equipment	3 to 5 years

(f) Employee future benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Museum's contributions to the plan reflect the full cost of the employer contributions. The amount is currently based on a multiple of the employee's required contributions, and may change over time depending on the experience of the Plan. The Museum's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The Museum is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(g) Use of estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those reported. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period which they become known.

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

3. Summary of significant accounting policies (continued)

(h) Financial instruments

The Museum elected to early adopt Public Sector Accounting Standard 3450 on Financial Instruments.

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

(i) Investments

The Museum's endowment investments, comprised of fixed income bonds and guaranteed investment certificates, are classified in the fair value category. These investments are measured at fair value with unrealized gains or losses from changes in valuation recognized in the Statement of Remeasurement Gains and Losses. Realized gains or losses on the investments are recognized in the excess of revenues over expenses in the period in which they arise. The fair value measurements of these investments are based upon quoted prices for the investments in active markets.

(ii) Other financial instruments

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

4. Accounts receivable

	2011
Accounts receivable – external	\$ 97
Accounts receivable – government departments and agencies	143
	\$ 240

5. Capital assets

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

6. Deferred revenue

Deferred revenue recorded by the Museum at March 31, 2011 is as follows:

	2011
Funds received during the period	\$ 245
Funds recognized as revenue during the period	(79)
Balance, end of period	\$ 166

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

7. Deferred contributions related to capital assets

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

	Transfer from Pier 21 Society	Statutory appropriations	2011
Opening balance	\$ -	\$ -	\$ -
Add:			
Tangible capital assets transferred from Pier 21 Society	2,527	-	2,527
Appropriations received in current period to acquire capital assets in future years	-	1,680	1,680
Current period appropriations used to purchase capital assets	-	43	43
Less:			
Amortization of deferred contributions related to capital assets	(86)	(1)	(87)
	\$ 2,441	\$ 1,722	\$ 4,163

The unused portion of deferred contributions related to capital assets was \$1,680 at March 31, 2011.

8. Statutory appropriations

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

	2011
Statutory appropriations provided for capital and operating activities	\$ 4,576
Appropriations deferred for future capital projects	(1,680)
Appropriations used to purchase amortizable capital assets	(43)
Amortization of deferred contributions related to capital assets - Statutory appropriations	1
Statutory appropriations used	\$ 2,854

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

9. Endowment

(a) Endowment net assets

Endowment net assets are subject to externally imposed restrictions stipulating that the endowment principal be maintained permanently. Investment income earned on the endowment is unrestricted, and is recognized as revenue by the Museum in the period earned.

Of the principal amount, \$4,399 was contributed to the Museum from the Pier 21 Foundation. Additional endowment contributions totaling \$114 were received by the Museum during the period.

(b) Endowment cash and investments

Endowment investments are comprised of the following:

			2011	
	Cost	Unrealized gains (losses)	Fair value	
Cash	\$ 81	\$ -	\$ 81	
Investments				
Guaranteed Investment Certificates	2,819	7	2,826	
Bonds	1,633	(2)	1,631	
	4,452	5	4,457	
	\$ 4,533	\$ 5	\$ 4,538	

10. 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.

During the period ended March 31, 2011, the Museum incurred no expenses related to the acquisition of items for its collections.

The Museum did not receive any revenues for the period ended March 31, 2011 related to the sale of collection items.

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

11. Contractual obligation

The Museum has entered into an agreement to lease the Pier 21 premises until February 2051. The estimated payments are as follows:

2012	\$	973
2013		985
2014		985
2015		985
2016		991
2016 to 2051		45,284
	\$	50,203

12. Related party transactions

The Museum is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Museum is also related to the Pier 21 Foundation in terms of economic interest. The Museum enters into transactions with these entities in the normal course of business. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and is under normal credit terms. During the period, the Corporation incurred administrative expenses totaling \$362 and earned operations revenue of \$1 with related parties. The Museum also has contractual obligations with related parties for the building lease of the Pier 21 premises (see note 11). The relationship and the transactions with the Pier 21 Foundation are described in more detail in note 2.

As at March 31, 2011, the Museum recorded the following amounts in the Statement of Financial Position for transactions with related parties:

	2011
Accounts receivable	\$ 141
Accounts payable and accrued liabilities	\$ 185
Deferred revenue	\$ 70

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

13. Financial instruments

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

(a) Credit risk

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

(i) Endowment investments

The Museum manages its exposure to credit risk arising from endowment investments of \$4,538 by limiting the investment to bonds, guaranteed investment certificates, and pooled or mutual funds. Per the Museum's investment policy for the endowment fund, endowment investments are to be held in a diversified portfolio of fixed income instruments, and Canadian and international equity investments through pooled funds and mutual funds. The Museum's endowment investment strategy targets 50% of the portfolio held in fixed income instruments, and the remainder in equity. At a minimum, investments in fixed income must be in investment grade instruments – those rated BBB by the Dominion Bond Rating Service. Money market fund investments must be rated no lower than R-1 Low. For equity investments held through pooled funds and mutual funds, no more than 10% of the total portfolio can be invested in a single fund or similar vehicle for Canadian equity, and no more than 5% of the total portfolio can be invested in a single fund or similar vehicle for U.S. and international equity.

(ii) Accounts receivable

The Museum is exposed to credit risk from customers of \$240 in the normal course of business. The accounts receivable are net of applicable allowance for doubtful accounts, which are established based on specific credit risk associated with individual clients and other relevant information. Concentration of credit risk with respect to receivables is limited, due to the small value of transactions with clients other than Government departments.

As at March 31, 2011, \$7 of accounts receivable were past due (over 30 days), but not impaired. The Museum did not classify any accounts receivable as impaired as they generally relate to government clients which are considered low risk with respect to collection.

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

13. Financial instruments (continued)

(b) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Museum's net results of operations or the fair value of its holdings of financial instruments. The Museum has determined that the risk is not significant.

(i) Foreign currency risk

In limited instances, the Museum remits certain payments to suppliers denominated in U.S. dollars. At March 31, 2011, the Museum did not hold any assets, or incur any liabilities in a foreign currency which would be exposed to changes in exchange rates. Fluctuations in the Canadian dollar compared to the U.S. 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 Museum's endowment investments mainly include short to medium term investments that earn interest at fixed rates. The Museum does not have any debt instruments at March 31, 2011.

The Museum manages its interest rate risk by maintaining a mix of investments in fixed rate bonds issued by the Government of Canada, select provincial governments, government organizations and stable Canadian corporations, as well as highly liquid guaranteed investment certificates.

Based on the interest rates offered on the money market in 2010-2011, the Museum realized an average return of 3.3% during the period. Had monthly interest rates been reduced by 0.3%, the Museum's investment revenue from interest on its endowment investments would have been approximately \$2.5 lower.

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Financial Statements

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

13. Financial instruments (continued)

(c) Liquidity risk

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

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

As at March 31, 2011, all accounts payable and accrued liabilities of the Museum were due within three months.

(d) Fair value measurement hierarchy

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

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

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

THE CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Schedule 1 – Operating Revenue

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

	2011
Special events	\$ 162
Hall rental	29
Exhibition hall ticket sales	18
Gift shop	7
Research centre	5
	\$ 221

Schedule 2 – Expenses

For the period November 25, 2010 to March 31, 2011
(in thousands of dollars)

	2011
Professional and special services	\$ 579
Personnel costs	302
Building operation and maintenance	234
Rent	150
Amortization of capital assets	87
Office supplies and administration	70
Operating supplies and services	63
Cost of goods sold	54
Travel	46
Marketing and promotion	41
Utilities	38
Training and professional development	20
Exhibition and programming	6
	\$ 1,690