

Quarterly Financial Reports of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

June 30, 2011

MANAGEMENT DISCUSSION

For the three months ended June 30, 2011

FINANCIAL RESULTS AND OUTLOOK

The 2011-2012 fiscal year will be the first complete year of operations for the Museum after launching its operations on February 4, 2011. In its first Corporate Plan and its 2010-2011 annual Management and Discussion Analysis, the Museum noted delays in the start of operations in 2010-2011 impacting the timing of expenses. The impact on the timing of expenses still continues but should be mostly resolved by the end of 2011-2012. Larger operating and capital expenditures are planned for the third and fourth quarters.

Capital expenditures are proceeding as per the Corporate Plan. Significant capital expenditures are planned for the last two quarters of 2011-2012. They include the retro-fit of the upper annex anticipated to be completed by December 2011, the refit of the Heating, Ventilation and Cooling (HVAC) and electrical system and the retro-fit of the lower annex and mezzanine anticipated to be complete by March 2012. The procurement process is underway and contracts have started to be awarded.

As a transitional provision, Parliament had approved a statutory appropriation not to exceed \$15 million to bridge the gap until the normal flow of parliamentary appropriations. Of this amount, \$4.5 million was received in 2010-2011, \$1.4 million in the first quarter of 2011-2012 and \$2.5 million is receivable in the second quarter. The statutory appropriation — available for both operating and capital expenditures — has enabled the Museum to operate until its appropriations were granted by Parliament through the regular appropriations cycle. On June 27, 2011, \$10 million in parliamentary appropriations were approved for the last three quarters of 2011-2012.

The Museum continues to prepare its financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The unaudited financial statements follow the same accounting policies and methods of computation as the Museum's annual audited financial statements as at and for the period ended March 31, 2011.

The note disclosures in the unaudited financial statements do not conform in all respects to the requirements of Canadian Generally Accepted Accounting Principles for annual audited financial statements but are in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations.

At its strategic planning retreat in the fall of 2011, the Board will be determining the long-term vision and values of the Museum to guide its activities and operations.

BUSINESS RISKS

The Museum has not identified any new business risks to those discussed in the 2010-2011 annual Management Discussion and Analysis.



Marie Chapman
Chief Operating Officer



Kendall Blunden, CA
Acting Chief Financial Officer

Unaudited Financial Statements of

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

June 30, 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

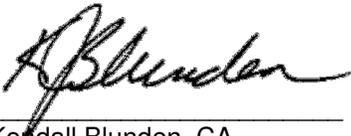
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.

These quarterly financial statements have not been audited or reviewed by an external auditor.



Marie Chapman
Chief Operating Officer



Kendall Blunden, CA
Acting Chief Financial Officer

Halifax, Canada
August 19, 2011

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

As at June 30, 2011
(in thousands of dollars)

	June 30 2011	March 31 2011
Assets		
Current assets		
Cash	\$ 4,168	\$ 3,734
Accounts receivable	156	240
Inventory	190	152
Prepaid expenses	40	19
	4,554	4,145
Endowment cash and investments	4,609	4,538
Capital assets	2,436	2,483
Collections	1	1
	\$ 11,600	\$ 11,167
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 379	\$ 671
Deferred revenue	328	166
Deferred contributions related to capital assets (note 3)	4,031	4,163
Net assets		
Unrestricted	2,279	1,649
Accumulated remeasurement (losses) gains	(46)	5
Endowment	4,629	4,513
	6,862	6,167
	\$ 11,600	\$ 11,167

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

On behalf of the Board of Trustees:



John E. Oliver
Chair



Tung Chan
Vice-Chair

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations (Unaudited)

For the three months ended June 30, 2011
(in thousands of dollars)

Revenues		
Appropriations (note 4)	\$	1,377
Operating (schedule 1)		351
Amortization of deferred contributions related to capital assets transferred from Pier 21 Society		129
Donations		144
Investment		12
		<hr/>
		2,013
Expenses (schedule 2)		
Visitor experience and connections		235
Internal services		633
Accommodation		515
		<hr/>
		1,383
		<hr/>
Excess of revenues over expenses	\$	630

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Remeasurement Gains and Losses (Unaudited)

For the three months ended June 30, 2011
(in thousands of dollars)

Accumulated remeasurement gains, beginning of period	\$	5
Unrealized losses attributed to:		
Endowment investments		(51)
Accumulated remeasurement losses, end of period	\$	(46)

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Changes in Net Assets (Unaudited)

For the three months ended June 30, 2011
(in thousands of dollars)

	Unrestricted	Accumulated remeasurement gains (losses)	Endowment	Total
Net assets, beginning of period	\$ 1,649	\$ 5	\$ 4,513	\$ 6,167
Excess of revenues over expenses	630	-	-	630
Remeasurement losses	-	(51)	-	(51)
Contributions received for endowment	-	-	116	116
Net assets, end of period	\$ 2,279	\$ (46)	\$ 4,629	\$ 6,862

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Cash Flows (Unaudited)

For the three months ended June 30, 2011
(in thousands of dollars)

Operating activities	
Appropriations received	\$ 1,374
Other cash received	739
Cash paid to employees and suppliers	(1,600)
Interest received	12
	<hr/>
	525
Capital activities	
Acquisition of capital assets	(85)
	<hr/>
	(85)
Investing activities	
Increase in endowment cash and investments	(122)
	<hr/>
	(122)
Financing activities	
Restricted contributions	116
	<hr/>
	116
<hr/>	
Increase in cash	434
Cash, beginning of period	3,734
	<hr/>
Cash, end of period	\$ 4,168

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

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Unaudited Financial Statements

For the three months ended June 30, 2011
(in thousands of dollars)

1. Accounting policies

These unaudited financial statements follow the same accounting policies and methods of computation as the Museum's annual audited financial statements as at and for the period ended March 31, 2011.

2. Basis of presentation

The note disclosures in these unaudited financial statements do not conform in all respects to the requirements of Canadian Generally Accepted Accounting Principles for annual audited financial statements. These unaudited financial statements should be read in conjunction with the Management Discussion for the three months ended June 30, 2011 and with the Museum's annual audited financial statements as at and for the period ended March 31, 2011.

3. 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 change in the deferred contributions balance is as follows:

	Transfer from Pier 21 Society	Statutory appropriations	Total
Balance, beginning of period	\$ 2,441	\$ 1,722	\$ 4,163
Less:			
Amortization of deferred contributions related to capital assets	(129)	(3)	(132)
Balance, end of period	\$ 2,312	\$ 1,719	\$ 4,031

The unused portion of deferred contributions related to capital assets was \$1,595 at June 30, 2011 (March 31, 2011 – \$1,680).

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Unaudited Financial Statements

For the three months ended June 30, 2011
(in thousands of dollars)

4. Appropriations

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

Statutory appropriations	\$	3,850
Supplementary estimates		9,974
		<u>13,824</u>
Less:		
Receivable portion of appropriation for future expenses and capital projects		(12,450)
		<u>1,374</u>
Appropriations received		1,374
Add:		
Amortization of deferred contributions related to capital assets		3
		<u>1,377</u>
Appropriations used	\$	<u>1,377</u>

Parliament approved a statutory appropriation to bridge the gap until the normal flow of parliamentary appropriations. The statutory appropriation, available for both operating and capital expenditures, has enabled the Museum to operate until its appropriations were granted on June 27, 2011 by Parliament through Supplementary estimates in the regular appropriations cycle.

CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Schedule 1 – Operating Revenue (Unaudited)

For the three months ended June 30, 2011
(in thousands of dollars)

Hall rental	\$	109
Special events		100
Exhibition hall ticket sales		59
Gift shop		54
Research centre		15
Programming		14
	\$	351

Schedule 2 – Expenses (Unaudited)

For the three months ended June 30, 2011
(in thousands of dollars)

Personnel costs	\$	486
Rent		262
Amortization of capital assets		132
Professional and special services		95
Office supplies and administration		76
Building operation and maintenance		72
Cost of goods sold		56
Operating supplies and services		51
Exhibition and programming		32
Marketing and promotion		30
Training and professional development		26
Utilities		26
Payment in lieu of taxes		25
Travel		14
	\$	1,383
