

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

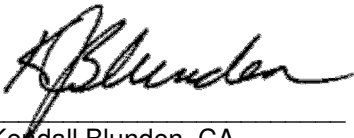
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the 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 |
| Increase in cash | <hr/> |
| | 434 |
| Cash, beginning of period | 3,734 |
| Cash, end of period | <hr/> |
| | \$ 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 |
| | | <hr/> 13,824 |
| Less: | | |
| Receivable portion of appropriation for future expenses and capital projects | | (12,450) |
| | | <hr/> 1,374 |
| Appropriations received | | 1,374 |
| Add: | | |
| Amortization of deferred contributions related to capital assets | | 3 |
| | | <hr/> 1,377 |
| Appropriations used | \$ | <hr/> 1,377 |

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 |
