

Quarterly Financial Reports of

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

September 30, 2011

# MANAGEMENT DISCUSSION

For the six months ended September 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; however some may continue into the next fiscal year. 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 and lower annex anticipated to be completed by June 2012, the refit of the Heating, Ventilation and Cooling (HVAC) and electrical system and the retro-fit of the mezzanine also anticipated to be completed by June 2012. The procurement process continues and it is anticipated the majority of contracts will be awarded by December 2011. The entire project is still scheduled to be completed by fiscal year 2012-2013. Adding the electrical refitting to the scope of work allows for all infrastructure construction to be completed at the same time, diminishing the interruption to operations and generating cost savings. Similarly, adding the lower annex to the scope of work allows all personnel to move at one time reducing interruptions and costs. The additions to the scope necessitated further drawings and details which moved the time frame forward.

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 will be received in the third quarter. Appropriations were not drawn upon in the second quarter due to the cash balance. 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 remainder of the year.

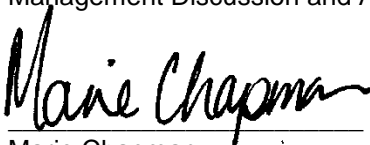
The Museum continues to prepare its financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The unaudited financial statements follow the same accounting policies and methods of computation as the Museum's annual audited financial 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 public sector accounting standards for government not-for-profit organizations for annual audited financial statements but are in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations.

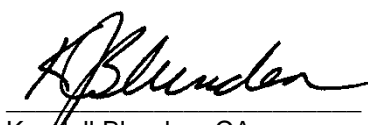
At its inaugural strategic planning retreat in the fall of 2011, the Board began the process of determining the long-term vision and values of the Museum to guide its activities and operations and directed management to incorporate them into the 2012-2013 corporate plan.

## 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 Executive Officer



Kendall Blunden, CA  
Chief Financial Officer

Unaudited Financial Statements of

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

September 30, 2011

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

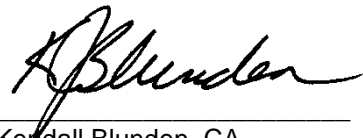
Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the 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 Executive Officer



Kendall Blunden, CA  
Chief Financial Officer

Halifax, Canada  
November 17, 2011

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Financial Position (Unaudited)

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

	September 30 2011	March 31 2011
<b>Assets</b>		
Current assets		
Cash	\$ 3,006	\$ 3,734
Accounts receivable	65	240
Inventory	175	152
Prepaid expenses	68	19
	<u>3,314</u>	<u>4,145</u>
Endowment cash and investments	4,485	4,538
Capital assets	2,486	2,483
Collections	1	1
	<u>\$ 10,286</u>	<u>\$ 11,167</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 539	\$ 671
Deferred revenue	282	166
Deferred contributions related to capital assets (note 4)	3,894	4,163
Net assets		
Unrestricted	1,207	1,649
Accumulated remeasurement (losses) gains	(327)	5
Endowment	4,691	4,513
	<u>5,571</u>	<u>6,167</u>
	<u>\$ 10,286</u>	<u>\$ 11,167</u>

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

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Statement of Operations (Unaudited)  
(in thousands of dollars)

	Three months ended September 30 2011	Six months ended September 30 2011
Revenues		
Appropriations (note 5)	\$ 8	\$ 1,385
Operating (schedule 1)	399	750
Amortization of deferred contributions related to capital assets transferred from Pier 21 Society	129	258
Donations	71	215
Investment and other	123	135
	<u>730</u>	<u>2,743</u>
Expenses (schedule 2)		
Visitor experience and connections	413	648
Internal services	805	1,438
Accommodation	584	1,099
	<u>1,802</u>	<u>3,185</u>
Excess of expenses over revenues	<u>\$ (1,072)</u>	<u>\$ (442)</u>

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)  
(in thousands of dollars)

	Three months ended September 30 2011	Six months ended September 30 2011
Accumulated remeasurement (losses) gains, beginning of period	\$ (46)	\$ 5
Unrealized losses attributed to: Endowment investments	(281)	(332)
Accumulated remeasurement losses, end of period	\$ (327)	\$ (327)

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)  
*(in thousands of dollars)*

For the three months ended September 30, 2011	Unrestricted	Accumulated remeasurement gains (losses)	Endowment	Total
Net assets, beginning of period	\$ 2,279	\$ (46)	\$ 4,629	\$ 6,862
Excess of expenses over revenues	(1,072)	-	-	(1,072)
Remeasurement losses	-	(281)	-	(281)
Contributions received for endowment	-	-	62	62
Net assets, end of period	\$ 1,207	\$ (327)	\$ 4,691	\$ 5,571

For the six months ended September 30, 2011	Unrestricted	Accumulated remeasurement gains (losses)	Endowment	Total
Net assets, beginning of period	\$ 1,649	\$ 5	\$ 4,513	\$ 6,167
Excess of expenses over revenues	(442)	-	-	(442)
Remeasurement losses	-	(332)	-	(332)
Contributions received for endowment	-	-	178	178
Net assets, end of period	\$ 1,207	\$ (327)	\$ 4,691	\$ 5,571

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)  
(in thousands of dollars)

	Three months ended September 30 2011	Six months ended September 30 2011
<b>Operating activities</b>		
Appropriations received (note 5)	\$ -	\$ 1,374
Other cash received	528	1,267
Cash paid to employees and suppliers	(1,519)	(3,119)
Interest received	112	124
	<u>(879)</u>	<u>(354)</u>
<b>Capital activities</b>		
Acquisition of capital assets	(187)	(272)
	<u>(187)</u>	<u>(272)</u>
<b>Investing activities</b>		
Increase in endowment cash and investments	(158)	(280)
	<u>(158)</u>	<u>(280)</u>
<b>Financing activities</b>		
Restricted contributions	62	178
	<u>62</u>	<u>178</u>
Decrease in cash	(1,162)	(728)
Cash, beginning of period	4,168	3,734
Cash, end of period	<u>\$ 3,006</u>	<u>\$ 3,006</u>

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 six months ended September 30, 2011  
(in thousands of dollars)

### 1. Authority and objectives

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.

### 2. 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.

### 3. Basis of presentation

The note disclosures in these unaudited financial statements do not conform in all respects to the requirements of Canadian Public Sector Accounting Standards for government-not-for-profit for annual audited financial statements. These unaudited financial statements should be read in conjunction with the Management Discussion for the six months ended September 30, 2011 and with the Museum's annual audited financial statements as at and for the period ended March 31, 2011.

### 4. 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:

For the three months ended September 30, 2011	Transfer from Pier 21 Society	Statutory appropriations	Total
Balance, beginning of period	\$ 2,312	\$ 1,719	\$ 4,031
Less: Amortization of deferred contributions related to capital assets	(129)	(8)	(137)
Balance, end of period	\$ 2,183	\$ 1,711	\$ 3,894

# CANADIAN MUSEUM OF IMMIGRATION AT PIER 21

Notes to the Unaudited Financial Statements

For the six months ended September 30, 2011  
(in thousands of dollars)

## 4. Deferred contributions related to capital assets (continued)

For the six months ended September 30, 2011	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	(258)	(11)	(269)
Balance, end of period	\$ 2,183	\$ 1,711	\$ 3,894

The unused portion of deferred contributions related to capital assets was \$1,408 at September 30, 2011 and \$1,595 at June 30, 2011 (March 31, 2011 – \$1,680).

## 5. Appropriations

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

	Three months ended September 30 2011	Six months ended September 30 2011
Statutory appropriations	\$ 3,850	\$ 3,850
Supplementary estimates	9,974	9,974
	13,824	13,824
Less:		
Portion of appropriation for future expenses and capital projects	(12,450)	(12,450)
Amount received in prior quarter	(1,374)	-
Appropriations received	-	1,374
Add:		
Amortization of deferred contributions related to capital assets	8	11
Appropriations used	\$ 8	\$ 1,385

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) (in thousands of dollars)

	Three months ended September 30 2011	Six months ended September 30 2011
Exhibition hall ticket sales	\$ 149	\$ 208
Gift shop	136	190
Hall rental	77	186
Special events	1	101
Research centre	34	49
Programming	2	16
	<b>\$ 399</b>	<b>\$ 750</b>

## Schedule 2 – Expenses (Unaudited) (in thousands of dollars)

	Three months ended September 30 2011	Six months ended September 30 2011
Personnel costs	\$ 903	\$ 1,389
Rent	275	537
Amortization of capital assets	137	269
Building operation and maintenance	107	179
Professional and special services	65	160
Cost of goods sold	71	127
Operating supplies and services	67	118
Office supplies and administration	35	111
Marketing and promotion	33	63
Utilities	32	58
Training and professional development	29	55
Payment in lieu of taxes	25	50
Travel	23	37
Exhibition and programming	-	32
	<b>\$ 1,802</b>	<b>\$ 3,185</b>