

CANADIAN FOSSIL DISCOVERY CENTRE ANNUAL REPORT

*A report on the activities of 2017
with the audited financial statements*

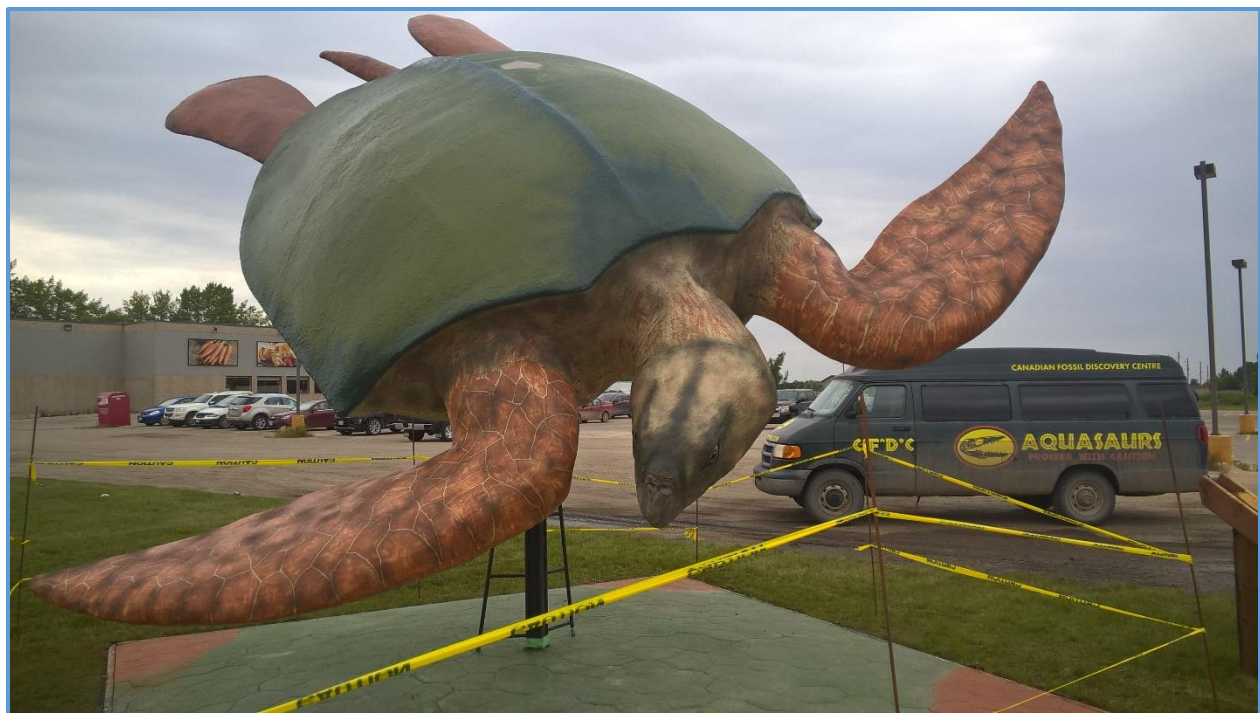


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Annual General Meeting – Agenda

- 1. Call to Order**
- 2. Conflicts of Interest**
- 3. Welcome from the President and Introduction of the Board of Directors**
- 4. Review & Approve of Agenda**
- 5. Review & Approve of Minutes from 2017 Annual General Meeting**
- 6. Business Arising from the Minutes**
- 7. 2017 Audited Financial Statements**
- 8. Appointment of Auditor for 2018**
- 9. President's Report**
- 10. 2017 Annual Report Highlights**
- 11. Nominations Committee Report**
- 12. Election of Directors**
- 13. New Business**
- 14. Adjournment**

“Draft” Minutes of the 2017 CFDC Annual General Meeting

DATE: April 27, 2017

TIME: 7:00 pm

LOCATION: Canadian Fossil Discovery Centre

PRESENT: **Directors:** Kevin Campbell (President),

Brian Fransen (Vice President), Chris Leach, Ron Cram, Joe Brown,

Executive Director: Peter Cantelon

Members: Gloria Thom, Gerry Peters, Megan Cantelon, Linda Sprung, Irvin Wiebe for the City of Morden, Joel Enns, Rick Klippenstein, Art Petkau,

Staff: Victoria Markstrom, Leslie Zacharias, Lynda MacLean

REGRETS: Ted Nelson, Shawn Bugden, Vassan Aruljothi, Michelle Charriere, Stephanie Dueck

17 people present

1. The meeting was called to order at 7:00pm by meeting Chairman Brian Fransen. Lynda MacLean will take minutes. Quorum was established by those members present. Reminder that only current members are able to vote with colored cards.

2. No conflicts of interest were presented.

3. Welcome from the President and introduction of the CFDC Board of Directors.

4. **Approval of meeting Agenda.**

Motion: Approve the Agenda as circulated.

Moved by: Joe Brown

Seconded by: Derek Wiebe

Discussion: None.

Motion carried.

5. **Review and approve minutes of the 2016 Canadian Fossil Discovery Annual General Meeting.**

Motion: Approve the Minutes as circulated.

Moved by: Rick Klippenstein

Seconded by: Kevin Campbell

Discussion: None.

Motion carried.

6. **Business arising from the Minutes –**

Joe Brown asks if there is a report from the Nominating Committee meeting in the Fall.

Chris Leach reports: The CFDC Board held session in September wherein changes were made but have not proceeded due to the fact there needs more follow-up which will happen shortly. New Bylaws will be put forward in the fall of 2017.

7. 2016 Financial Statement review by Joel Enns

2016 was another good year for surplus. CFDC's cash position has improved, liabilities have been reduced, and \$300 per month has been set aside for the Contingency Fund. This is a vast improvement from years previous. There is a discrepancy between 2016 and the actual budget and that is due to the Signature Museum Status. The Signature Museum status will now be a line in future budgets.

Since 2013 the self-generated income is up 110% in growth.

No inventory count was done at the end of the year. The actual number posted is less than \$1,000 and there are no concerns with this.

Motion: Accept the 2016 Financial Statement as circulated.

Moved by: Joel Enns

Seconded by: Derek Wiebe

Discussion: none

Motion carried.

8. Appointment of Accountant/Auditor

Motion: Appoint Jim M Smith Chartered Accountant Incorporated of Winkler, Manitoba to conduct the CFDC 2017 financial review.

Moved by: Joel Enns

Seconded by: Rick Klippenstein

Discussion: None

Motion carried.

9. President's Report by Kevin Campbell

2016 has been a very good year with plenty of good news and CFDC is on a role. Achievements and thank you go to Peter, Victoria, staff, and volunteers. They are the driving force behind the CFDC.

A very significant event this year was achievement of Signature Museum Status. This is very important to our organization.

One month ago I took the time to look at the CFDC Facebook. I remember in 2014 it was basically empty – no photos. Now Facebook is full of photos. Thank you very much to Peter and staff for working on this.

Saturday, May 28 was the first CFDC Gala Evening to raise funds for the newly formed endowment fund held with the Morden Area Foundation. The Gala exceeded expectations. To date we have raised over \$24,000 for the Legacy Fund.

Saturday, May 6 is the 2nd annual Gala and this year has an excellent speaker, highly renowned, and previous supervisor of Elizabeth "Betsy" Nicholls who brought our collection into the national spotlight. Dr. Russell will be talking about Betsy, her life and contributions to CFDC. This year is a new award will be introduced in honor of Betsy Nicholls and will be awarded every year. This is sure to bring in elite researchers and larger audiences in years to come.

I would like to welcome new incoming staff, Leslie Zacharias – gift shop, Corinna Rivard – programming, and Lynda MacLean - administrative receptionist. I thank Trevor Frost for 5 plus years of service and wish him the best in future endeavours.

We have some Board members stepping down and some stepping up. I thank those that are leaving their positions and thank you for all your hard work and dedication, and I welcome all those who are coming in.

We have a number of goals to meet and lots of work to be done this year. Let's get to it!

10. 2016 Annual Report Highlights and Discussion by Peter Cantelon

This was a great year. Thank you. The cover of report is different this year. Instead of photos, they are covered with outstanding Trip Advisor reviews. We all know the CFDC is a fantastic place. We just need to get people in the doors to discover this too. The CFDC name was moved heavily into primary market of Winnipeg this year and we have realized a huge rise of revenues since 2015. Revenue is up 110%.

The not-for-profit industry is being squeezed as grants continue to get smaller and smaller. Therefore, we at the CFDC have to do more to generate our own income. A good business practice is for very cent to be used to add value for our customers' experience.

Volunteers have contributed overwhelmingly and significantly. The CFDC started as volunteer run and passion driven, which has not changed, but staff has increased. 2016 saw increase of volunteer hours by 70% to 1,540 from 897 and that's not all Rick. By adding new volunteers to existing volunteers, the time spent equates to over \$30,000 of salaries in volunteer time contributed. Now that's amazing!

The CFDC has increased our "grantless" revenue and we are growing even though we are not located in the middle of a large population area.

The CFDC has secured Signature Museum Status. For over 12 years the CFDC has been pursuing this level of recognition from the Province of Manitoba. Prior to this award, there were 6 others with Signature status. Mennonite Heritage Village, Commonwealth Air Training Plan Museum, Gimli's New Iceland Heritage Museum, Austin's Manitoba Agriculture Museum, Western Canada Aviation Museum, Le Musee de St. Boniface Museum in Winnipeg. The CFDC has now joined those ranks. Congratulations.

A new annual pass is planned to be devised allowing admission to all 6 Signature Museums. We have a reciprocal promotion. All museums have more than 110,000 visitors which ultimately will bring more people into the CFDC programming and shop in the expanding gift shop.

As a result the Government now grants \$55,800 up from \$31,500 previously. This grant must be used to improve the customer experience and work towards preservation of our collection. All in terms of attracting more people. This grant cannot be used to pay for administration of the CFDC.

The first annual CFDC Gala raised \$11,000 after costs which vaulted the CFDC Development Fund into the top 10 funds held at the Morden Area Foundation. My hope is to be the largest fund held at the MAF over the next few years.

We have been very successful at working with the City of Morden to integrate with the City's theme. The City of Morden has hitched its wagon to the CFDC with Bruce at the new Morden sign on the East end of Morden. The CFDC entrance was renovated by the City of Morden and the City also paid for all new LED lights and light fixtures within the CFDC offices.

The 45th anniversary educational exhibit has been refurbished and is now a travelling exhibit. It was at EMMS in Morden, is now at Northlands Parkway Collegiate in Winkler, and will soon be in Morden Library.

We coordinated and launched by Turnstone Press called the “Dinosaurs of the Deep” book which is now up for awards.

A new 15 foot long and wide turtle is going into the City of Morden and will be unveiled in August. Adding to Morden’s interesting highlights and attractions to see, thereby moving people around the City.

New species in 2016 named the *Hesperornis lumgairi*. A holotype, the first bone of this species ever found now in our collection. Thank you to Dave Lumgair for allowing us to dig on his property.

Saturday, April 29 TSN 2 is airing the Esso Cup final hockey game at 7pm Esso Cup. CFDC has a spectacular 4 minute clip to play during game featuring Victoria Markstrom, Field & Collection Manager as the spokesperson. There are so many great things coming up this year.

Introduction of Staff: Victoria Markstrom Field & Collections Manager, Leslie Zacharias Gift Shop Administrator, Corinna Rivard Program Coordinator, Corinna has also been assigned to recruit, retain and maintain volunteers so they feel cared for, and Lynda MacLean Administrator Receptionist.

11. Nominations Committee Report - by Rick Klippenstein

The Board of Directors appointed a Nominating committee in accordance with the provisions of the CFDC By-Laws. This committee was composed of Rick Klippenstein and Ernie Epp.

Notice of the Annual General Meeting was advertised and sent to the membership in accordance with the By-Laws. The Notice included the names of the candidates that had been proposed by the Nominating Committee. The Notice also indicated that any three voting members may nominate one or more additional candidates by submitting such nomination or nominations in writing and signed by each nominating member, to the Executive Director of the Corporation, postmarked at least thirty days before the AGM. No additional nominations were received from the membership-at-large.

The By-laws do not provide for nominations from the floor at the AGM. As a consequence, nominations are deemed to be closed.

The following Board members have 1 year remaining on their term and will remain on the Board:

Kevin Campbell, Chris Leach, Derek Wiebe, Shawn Bugden

As per Section 5 of the CFDC By-laws #1, the Nominating Committee recommends to the membership that the following slate of candidates be appointed for a two year term on the CFDC Board of Directors:

Joel Enns, Gloria Thom, Art Petkau, Gerry Peters, Vassan Aruljothi, Michelle Charriere.

Motion: Accept the slate of nominees of the Nominating Committee by acclamation

Moved by: Rick Klippenstein

Seconded by: Linda Sprung

Discussion: None

Motion carried.

12. Election of Officers –

In accordance with Sections 5 and 22 of the CFDC By-Laws #1, it is proposed and recommended that the following directors be elected as Officers in the Corporation by the membership:

Kevin Campbell as President,

Chris Leach as Vice President,

Joel Enns as Treasurer, and

Derek Wiebe as Secretary.

Motion: Accept the proposed list of Officers and make the appointments as recommended by the Nominating Committee

Moved by: Rick Klippenstein

Seconded by: Linda Sprung

Discussion: None

Motion carried.

13. New Business -
None

14. Adjournment motion -
Moved by: Joel Enns
Seconded by: Derek Wiebe

Meeting adjourned at 7:37 pm.

15. Next AGM meeting -
A recent decision by the CFDC Board of Directors fixed the date of the Annual General Meeting to be the 4th Thursday in April every year. The next AGM will be held on **Thursday April 26, 2018 at 7pm.**

Submitted by:

, Secretary _____
Date

Approved by:

Kevin Campbell, President _____
Date

President's Report

It is with both a sense of reflection of recent accomplishments, and anticipation for future developments, that I submit my final report as President of the Canadian Fossil Discovery Centre Board of Directors. It has been a pleasure to serve in this capacity since 2013, and to be a part of the ever evolving landscape of our organization since 2010. As with past years under the operational leadership of our Executive Director Peter Cantelon, 2017 has continued our steady upward trajectory with vibrant new developments and accolades, including new records for attendance (>12,850) and grantless revenue (17% increase over 2016).

One of the pillars of our Strategic Plan 2015-2017 was financial resilience, and I am proud to announce that the board has made significant inroads on this front as we formally established and made the first contribution towards our Sustainability Fund in 2017. This fund is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as investment in critical infrastructure. Contributions towards this fund are now a component of our yearly budget with the aim to accrue up to six months' worth of average operating costs, to help ensure our long term viability. This 'rainy day' reserve complements an endowment fund ('Canadian Fossil Discovery Centre Development Fund') launched in 2014 with the Morden Area Foundation. This fund now sits at >\$31,000 and has already generated >\$1100 in revenue that has been reinvested into the fund. I expect yearly disbursements to rapidly grow, where they will be used to help finance the development of new exhibits, to purchase needed field/lab equipment, and improve/augment the scientific collection of the CFDC.

The largest fundraiser for this fund is our inaugural Dig Deep Gala event (initiated in 2016) that raised more than \$11,000 in 2017. This year's gala presentation will be given by the first-ever recipient of the Dr. Elizabeth 'Betsy' Nicholls Award for Excellence in Palaeontology: Dr. Mary Higby Schweitzer (North Carolina State University). Dr. Schweitzer is a pioneer in molecular paleontology who has revolutionized the field. Major findings of her work—some of which overturned centuries old beliefs—included the characterization of biomolecules (blood derivatives and proteins) in preserved soft tissues of 68 to 80 million year old dinosaur specimens, and the presence of female reproductive tissue in *Tyrannosaurus rex*, which had only previously been known to occur in female birds. You will not want to miss this event, so please be sure to purchase your tickets and help support our organization in perpetuity! Our aim this year is to raise over \$20,000 for the endowment fund; we are waiting to hear the details of an announcement by the Provincial Government to provide 1:2 matching funds for museum endowments from 2018 until 2020. I would also like to congratulate long time board member and volunteer Joe Brown who was elected an Honorary Lifetime Membership in our organization in 2017; this distinction will be bestowed at the gala event later this month.

Special thanks goes to Chris Leach for his dedication in seeing the complete overhaul of our by-laws through to completion in 2017; these by-laws were formally adopted earlier this year and are in effect at this Annual General Meeting and beyond. This is the last major task identified and completed by the Governance Committee to modernize our organizational structure. The board has also approved Terms of Reference documents for all functioning committees over the past couple of years, and will focus its efforts on developing the 2018 – 2020 Strategic Plan.

I would like to take this opportunity to formally welcome Cheryl Link (Administrator) and Yevgeniya Tatarenko (Programs and Volunteer Coordinator) into the fold. It was a pleasure to work collaboratively with you, Peter, and Victoria on moving the goals of the organization forward this past year. Thanks and best wishes also go out to Lynda MacLean and Corinna Rivard for their exemplary service to our organization in 2017. The board also wishes thank the City of Morden for its ongoing support and operational funding; we value this mutually beneficial partnership and look forward to future developments. Finally, we thank our ever growing list of volunteers for their many efforts in transforming our offerings and displays; we would have never reached where we are today without your tireless dedication!

As I reflect on my time on the board, it is amazing to have witnessed the many positive developments over the past eight years. These include major new museum exhibits (‘Suzy’, dinosaur diorama, and a forthcoming Cretaceous shark display; the research on which is nearly at publication stage), development of the Aquasaur Theatre, obtaining Signature Museum Status (\$55,800/year), the formal designation of *Tylosaurus peminensis* (‘Bruce’) as our Provincial Fossil Emblem, impressive community mosasaur and *Archelon* replicas (with a *Xiphactinus* to follow in 2018), the establishment of long term sustainability funds, and the creation or revision of nearly all of our governance and policy documents. As I look forward, the board is looking into expanding our membership base and has established a Standing Building Committee in 2017 to begin developing opportunities to either expand our facility footprint or develop a new home for the CFDC. Thus, in closing, I would like to give my best wishes to the newly appointed Board of Directors in 2018 as they work on these and other endeavors.

Respectfully submitted,

Kevin L. Campbell
President, CFDC Board of Directors

Executive Director's Report – 2017

2017 visitation is 12,854 compared to 12,033 in 2016 making 2017 a new record year in our 46 year history. 2017 Admission, Gift Shop and Programming revenue is \$117,553 or 15% higher than 2016.

In the past 20 years the CFDC has welcomed almost 158,000 visitors to the city of Morden and the Pembina Valley which translates into more than \$9 million of tourism revenue injected into the local economy.

The past year saw visitors from 47 countries, 38 American states, every Canadian province and one territory.

- Since 2013 we have more than doubled our self-generated revenues -

	Admissions	Gift Shop	Programming	TOTAL
2017	\$49,032	\$30,375	\$38,209	\$117,616
2016	\$47,724	\$30,312	\$33,133	\$111,169

Volunteers: The number of hours volunteers committed to the CFDC in 2017 jumped 10 percent to 1,696 hours compared to the 2016 total of 1,540 hours representing the work of more than 20 active volunteers.

Volunteer of the Year: Rick Klippenstein

Youth Volunteer of the Year: Rowan Francis

Administration: Staffing changed substantially at the beginning of 2017. With the departure of our long-serving administrator Trevor Frost after six years the CFDC restructured to meet more current needs. We added three part time positions – Chery Link as Administrative Receptionist; Yevgeniya Tatarenko as Interpretive Programmer and Leslie Harder as Gift Shop Administrator.

These changes have created a superb team and this has allowed us to grow and expand opportunity in all of these areas. 2017's success is in no small part due to their efforts.

Leadership and Management: 2017 was a record year in terms of financials and many other areas.

Our 2nd annual gala fundraiser was a smash hit raising more than \$7,000 and establishing the Dr. Elizabeth 'Betsy' Nicholls Award for Excellence in Palaeontology. 2017 saw our fund go from approximately \$12,000 at the beginning of the year to more than \$31,000 at the end of the year one of the largest funds the Morden Area Foundation manages.

Archelon Monument – The CFDC was able to secure the required funding to ensure the city move ahead with the installation of a life-size Archelon monument at the west end near Co-op. The monument was well received and after a naming contest was called Archie. The continued movement of the museum into the public space ensures long-term support and stability from the community.

Dino Exhibit – In February of 2017 the CFDC unveiled a substantial new exhibit – our first extensive dinosaur exhibit anchored by the loan of a 7 metre long Allosaurus from Adolfo Cuetara as well as our T-Rex skull; a Hadrosaur femur a replica of said Hadrosaur donated by Adolfo Cuetara and numerous interpretive panels and a phenomenal backdrop.

Technology – We added a two mobile device apps to our growing quiver with a new Audio Guide and an Augmented Reality Fossil Dig Adventure. Both apps enhance the visitor experience and have received rave reviews.

Visiting Research – Dr. Nizar Ibrahim, world renowned palaeontologist for his work with Spinosaurus and a National Geographic researcher visited the CFDC and spent time with our collection on our invitation. We were also invited to have a lobby display during his presentation at Winnipeg's Centennial Concert Hall.

Communication: The CFDC continued to receive a great deal of press both locally and provincially in 2017 adding to and growing our visibility.

Service activity: March 2017 was our third annual Morden Mosasaur March which continued with daily free visitation to Morden residents as a thank you to the community for its support. - Setup CFDC activities at local community events including Block Party, Corn & Apple and Winterfest. - Continued radio interviews with several Winnipeg stations on palaeontology discoveries. - Invited to speak at the Association of Manitoba Museum's annual conference. CFDC executive director co-chaired a committee to launch a new regional tourism brand.

Executive director attended and spoke as part of a panel at the Manitoba Tourism & Heritage Summit. The event was exceptional and significant relationships were forged.

Was invited to meet with the Minister of Heritage Rochelle Squires July 19 as part of a provincial heritage review. The minister brought up the possibility of provincial funding for facilities without any prompting from myself.

Assisted the Miami Museum with the development and launch of their new mosasaur exhibit. The CFDC became a Platinum Sponsor with the intent of furthering education and science outside of our walls. I hosted the unveiling on behalf of the museum.

New and/or continuing projects and initiatives: Implemented Square as a Point of Sales system in the museum and have seen significant improvements in several areas including streamlining reporting and closing; quicker and easier inventory and sales process; improved inventory tracking; improved bookkeeping; and cost savings by returning our Moneris POS which was a monthly service contract fee.

Completed installation of an Immersive Aquatic Soundscape throughout the entire east half of the museum. This was a Signature Project. The sounds add a new sensory experience for visitors. More importantly the system is equipped with a PA for emergency purposes.

Escape Room – Another great success in terms of programming this year is our Escape Room. We booked approximately 2-4 Escape Room groups per week.

We were also proud to be a finalist in the category for Innovation at the Manitoba Tourism Awards.

2017 Annual Field Report

Heritage Permit # A16-17

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Submitted to:

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Submitted by:

Victoria Markstrom
Field and Collection Manager
Canadian Fossil Discovery Centre

Submission Date:

March 31st, 2018

INTRODUCTION

The Canadian Fossil Discovery Centre (CFDC) held Heritage Permit No. A16-17 in accordance with The Heritage Resources Act of 1987, issued by the Archaeological Assessment Services, Historic Resources Branch of Manitoba Culture, Heritage, and Tourism for the 2017 field season.

All fossil material collected under this permit occurred between May and October of 2017 and was indirectly supervised by CFDC Field and Collection Manager, Victoria Markstrom. All excavation occurred along the Manitoba Escarpment, specifically within the upland geographic region of Pembina Mountain. The CFDC maintains a site list of 37 different properties that have produced fossils where field work has been conducted since the inception of the museum in 1972. While many of these sites have not been revisited since the active bentonite mining in the area ended in the mid 1980's, the CFDC did visit 5 of these sites during 2017.

The premises for permit A16-17 was both qualitative and quantitative and met all of the following objectives:

- To continue providing a program of active fossil recovery in the Pembina Mountain area of the Manitoba Escarpment.

- To increase the CFDC collection of marine vertebrate fossils from the Pierre Shale and other geological formations spanning the Cretaceous deposits of Manitoba.
- Continue to research and data capture from dig sites and other supplemental geological localities in the area.
- Provide material for small travelling exhibits, educational institutions, and other museums.
- To increase public awareness and knowledge concerning palaeontology and palaeontological procedures. This includes public participation in the field through museum programming.
- To use this project to assist in generating revenue for the CFDC over the long term.
- To extract, prepare, preserve, and catalogue recovered specimens and to make some of these processes visible to the public during the winter months.
- Increase knowledge and awareness of Manitoba's unique geoheritage and associated Cretaceous marine vertebrate fossils

Both public groups and museum staff were responsible for the collection of fossil specimens and their data is currently stored and maintained in the Collections Department of the Canadian Fossil Discovery Centre, 111-B Gilmour Street in the City of Morden, Manitoba, Canada. A back up copy of the collection database is stored off of the CFDC premises in a secure facility at the City of Morden Community Resource Office within the Civic Centre.

RESEARCH GOALS AND HIGHLIGHTS

The 2017 field season had two primary goals:

1. Continue to excavate at site 13
2. Excavate and develop site 11

All of the above goals were accomplished with the field and collection manager, summer staff, volunteers, and public participants all contributing towards this end. Both tasks are ongoing and it is recommended that both receive adequate field time during the 2018 field season.

The CFDC began the field season focused primarily on excavating the specimens associated with M.2011.01.13. This is the mosasaur that was discovered during the excavation of the specimens associated with the *Xiphactinus* Kill Zone. M.2011.01.13 appeared to be oriented back into the bank of the main quarry, thus extensive overburden took place for the first few weeks of the field season simply to allow us access to the specimen during excavation. Numerous fossils associated with the specimen have been discovered in the past six years.

A semi articulated mosasaur was discovered at site 11, a site that hadn't been visited frequently in the past. Excavating the specimen was a priority and was visited multiple times throughout the summer. Though only one mosasaur was discovered at this site, our team has high hopes for this site in the near future.

CHALLENGES

There were no major incidents involving vandalism during the 2017 field season, most importantly at Site 13. Although there were signs of trespassing, no harm was caused to any fossils or tools from the dig site. Increased security would remedy the issue of trespassing, however, resources are lacking in this regard.

SITES

Site #1 -2

While these sites were active on MB Heritage Permit A16-17, no site visits were made by the CFDC during the 2017 Field Season due to time restraints and other significant discoveries requiring attention at other sites.

Site #3

This site was visited with regularity throughout the first two months of the field season as this is where most educational dig programming took place. It happens to be the same site where the first mosasaur discovery in Canada occurred in 1934 (Graham, 2009). All specimens from this site were discovered in the Pembina Member of the Pierre Shale Formation.

Six specimens collected from this site during 2018.

F.2017.05.03 – Fish

This specimen is one poorly preserved fish vertebra and one unidentified fragment that was discovered within the Pembina Member of the Pierre Shale Formation. This specimen is associated with F.2016.01.03, a specimen with upwards of 30 fish vertebrae discovered last year.

M.2017.01.03 – Mosasaur

This specimen is one poorly preserved tooth crown discovered within the Pembina Member of the Pierre Shale Formation. This specimen is unusual since mosasaur fossils are uncommon discoveries at this site.

Site #4 - 10

While these sites were active on MB Heritage Permit A16-17, no site visits were made by the CFDC during the 2017 Field Season due to time restraints and other significant discoveries requiring attention at other sites.

Site #11

Site 11 hadn't been utilized in many years until the CFDC discovered the remains of a mosasaur in early summer 2017. For the rest of the summer, our team worked on this site on multiple occasions. This site was used mostly for scientific excavations and not for public tours.

Two specimens were collected from this site in 2017.

M.2017.01.11 – Mosasaur

This specimen consists of multiple moderately to poorly preserved vertebrae and rib fragments. The specimen was discovered in the Pembina Member of the Pierre Shale Formation. The specimen was semi articulate with the vertebral column trending roughly east-west.

Site #12

While this site was active on MB Heritage Permit A16-17, no site visits were made by the CFDC during the 2017 Field Season due to time restraints and other significant discoveries requiring attention at other sites.

Site #13

This site continued to be one of the most visited sites by the CFDC for the seventh year in a row, as new fossil specimens and stratigraphic framework continue to abound from this locality. The Gammon Ferruginous Member of the Pierre Shale was discovered in the east bank of the ditch in 2010, and was confirmed by the Manitoba Geological Survey to have the second thickest exposure of this basal member of the Pierre Shale in the whole province (Bamburak and Nicolas, 2010). Excavations resumed in 2011 with the goal of finding more of specimens F.09.03.13 and M.09.01.13 which received so much public and media attention in 2010. However, as CFDC staff worked the site to remove additional overburden, a new mosasaur was discovered (M.2011.01.13) in the basal portion of the middle unit of the Gammon Ferruginous Member within the same site. The CFDC ended up devoting most of the 2012 season to the excavation of this previously accessioned vertebrate fossil skeleton, which in turn had had many other fossil specimens directly associated with it. The specimen continues to be worked on in the field and in the prep lab.

Twenty two specimens were collected from this site in 2017.

M.2017.02.13 – Mosasaur

This specimen consists of two poorly preserved mosasaur teeth crowns and one neural spine. The specimen was discovered Gammon Ferruginous Member of the Pierre Shale Formation.

F.2017.09.13 – Fish

This specimen consists of multiple vertebrae and unidentified fragments from different individuals. The specimen was discovered in the Pembina Member of the Pierre Shale Formation. The specimen is ossified together.

P.2017.02.13 – Plesiosaur

This specimen is a poorly preserved dentary fragment that was discovered in the Pembina Member of the Pierre Shale Formation.

Q.2017.01.13 – *Teusoteuthis*

This specimen is one moderately preserved gladius discovered in the Pembina Member of the Pierre Shale Formation. Since they are quite delicate, squid fossils are uncommon. This specimen was discovered on the opposite side of the ditch, a side we typically don't look for fossils.

Site #14 - 22

While these sites were active on MB Heritage Permit A16-17, no site visits were made by the CFDC during the 2017 Field Season due to time restraints and other significant discoveries requiring attention at other sites.

Site #23

More fossils were discovered at this site than expected so it was visited multiple times during the duration of the season. Most of the specimens were discovered along the south western edge of the property.

There were thirty five specimens collected at this site during 2017.

M.2017.02.23 – Mosasaur

This specimen is one well preserved tooth crown found in the Millwood Member of the Pierre Shale Formation. The preservation is so good on this specimen that you can still see the striations and the carinae are still well defined.

P.2017.01.23 – Plesiosaur

This specimen consists of two poorly preserved vertebrae found in the Pembina Member of the Pierre Shale Formation. These two vertebrae have been ossified together.

P.2017.02.23 – Plesiosaur

This specimen consists of two moderately preserved phalange bones discovered within the Pembina Member of the Pierre Shale Formation.

B.2017.07.23 – *Hesperornis*

This specimen consists of a fully articulated femur, tibiotarsus and tarsometatarsus discovered within the Pembina Member of the Pierre Shale Formation. The specimen was poorly preserved and unfortunately was damaged during the excavation process. We are currently working on restoring the specimen. Due to the size and shape of these bones, this specimen could possibly be a new species however more research is needed.

Site #24 - 30

While these sites were active on MB Heritage Permit A16-17, no site visits were made by the CFDC during the 2017 Field Season due to time restraints and other significant discoveries requiring attention at other sites.

Site #31

Only one specimen was collected from this site during 2017.

F.2017.01.31 – Fish

This specimen is one well preserved fish scale discovered within the Boyne Member of the Carlile Formation.

Site #32 - 35

While these sites were active on MB Heritage Permit A16-17, no site visits were made by the CFDC during the 2017 Field Season due to time restraints and other significant discoveries requiring attention at other sites.

Site #36

The CFDC only managed to visit this site twice in the 2017 field season only for scientific collection only since it's too far from our facilities. Many great fossils were discovered in at the site mostly fish and shark specimens.

GENERAL RECOMMENDATIONS

The public paleontology programs provided by the CFDC are unique within the province, providing education to people of all ages. The continuation of these programs is important not only to the museum and its research but also to the public. These programs should all continue in 2018 and continue to grow and evolve far beyond next field season.

Collaborative research efforts with researchers from other institutions should continue at the CFDC in 2018. This helps to promote the advancement of science along with interest of our fossil heritage within the scientific community.

Next field season I would recommend spending more time excavating and developing site 11. The specimen discovered this year is a promising sign that there will be more specimens further into the road cut. Two other sites that would be ideal to increase prospecting and excavation efforts at in the 2018 field season would be Site 2 and 23. These sites have produced important discoveries in the past and would be worth looking into in the coming years

CONCLUSION

Following the 2017 field season, 66 fossil specimens were accessioned into the CFDC vertebrate fossil collection. The CFDC had a productive field season, discovering numerous fossils and providing the public with knowledge and an authentic experience when joining the “Fossil Crew” in the field. The CFDC looks forward to what the New Year will bring!

ACKNOWLEDGEMENTS

In no particular order, I would like to extend thanks to the following people and organizations which helped make the 2017 field season a success: the City of Morden, Pembina Valley Passport Adventure Program, the Morden Chamber of Commerce, Travel Manitoba, Giant Tiger of Morden, the Winkler COOP, Canada Summer Jobs (Service Canada), Young Canada Works (Canadian Museums Association), Urban/Hometown Green Team (Government of Manitoba), the Historic Resources Branch of Manitoba Culture, Heritage, and Tourism, Parks & Natural Areas Branch of Manitoba Conservation, Member-of-Parliament Candice Bergen, MLA for Morden-Winkler Cam Friesen, Jean Spencer, Vince Hink, Jim Knox, James Bamburak and Michelle Nicolas of the Manitoba Geological Survey, Dr. Takuya Konishi (Brandon University), Dr. Francois Therrien (Royal Tyrrell Museum), Dr. Mike Newbrey (Columbus State University), and Tim Tokaryk (Royal Saskatchewan Museum).

Thank you all for your contributions to a successful 2017 CFDC field season!

REFERENCES

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2017 Audited Financial Statements

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Financial Statements

Year Ended December 31, 2017

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Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Fossil Discovery Centre Inc.

We have audited the accompanying financial statements of Canadian Fossil Discovery Centre Inc., which comprise the statement of financial position as at December 31, 2017, and the statements of operations, net assets and cash flows for the year then ended, 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 accounting standards for not-for-profit organizations, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Fossil Discovery Centre Inc. as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winkler, Manitoba
April 17, 2018


CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Statement of Financial Position

December 31, 2017

	2017	2016
ASSETS		
CURRENT Cash	\$ 56,059	\$ 59,491
Accounts receivable	616	998
Inventory	10,050	11,044
Prepaid expenses	2,656	2,386
	69,381	73,919
<u>CAPITAL ASSETS (Note 2)</u>	<u>58,956</u>	<u>56,967</u>
	\$ 128,337	\$ 130,886
LIABILITIES		
CURRENT		
Accounts payable	\$ 10,027	\$ 7,840
Callable debt due in one year (Note 4)	-	931
Goods and services tax payable	93	76
Provincial sales tax payable	862	826
Employee deductions payable	2,824	6,242
Deferred revenue (Note 5)	3,840	5,251
Unearned revenue (Note 6)	38,761	34,315
	56,407	55,481
<u>DEFERRED REVENUE (Note 5)</u>	<u>15,207</u>	<u>15,661</u>
	71,614	71,142
NET ASSETS		
Unrestricted (Page 4)	56,723	59,744
	\$ 128,337	\$ 130,886

APPROVED BY THE BOARD

_____ Director

_____ Director

See accompanying notes to financial statements

Jim M. Smith Chartered Professional Accountants Inc.

Statement of operations

Year Ended December 31, 2017

	Budget 2017 (Unaudited)	2017	2016
REVENUE			
Grants - municipal	\$ 104,000	\$ 105,000	\$ 118,000
Grants - municipal (Note 8)	89,480	89,480	89,480
Admissions and memberships	53,100	49,164	47,724
Programs	36,900	24,979	33,133
Gift shop	30,000	30,374	30,312
Grants - other	28,000	46,642	27,126
Fundraising and other	2,200	6,270	1,851
Rentals	-	-	170
Grants - provincial	56,700	45,491	22,837
Grants - federal	-	200	200
Donations	2,000	23,991	7,897
	402,380	421,591	378,730
EXPENSES			
Advertising and promotion	43,650	34,405	35,408
Amortization	-	6,543	4,947
Association dues	1,210	1,821	1,871
Bookkeeping	10,170	11,907	6,073
Foundation and grant costs	-	-	4,002
Galleries and exhibits	21,600	23,756	1,562
Gift in kind - replicas etc.	-	16,500	2,300
Gift shop	-	15,014	15,099
Insurance	5,500	4,011	2,859
Interest and bank charges	1,800	2,038	1,544
Interest on callable debt	-	3	142
Laboratory supplies	625	3,141	718

See accompanying notes to financial statements

Jim M. Smith Chartered Professional Accountants Inc.

Miscellaneous	2,650	6,480	3,905
Office	2,200	6,491	5,254
Professional fees	5,000	6,741	7,560
Programs	1,775	1,020	1,522
Rent <i>(Note 8)</i>	84,480	84,480	84,480
Repairs and maintenance	1,500	3,158	2,474
Salaries and wages	202,773	180,575	171,204
Special events	3,350	2,487	-
Telephone	2,500	2,079	2,591
Travel	1,350	2,193	1,227
Utilities and property taxes	5,950	5,906	5,850
Vehicle	6,000	3,863	3,718
	404,083	424,612	366,310
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (1,703)	\$ (3,021)	\$ 12,420

See accompanying notes to financial statements

Jim M. Smith Chartered Professional Accountants Inc.

Statement of Net Assets

Year Ended December 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 59,744	\$ 47,324
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(3,021)	12,420
NET ASSETS - END OF YEAR	\$ 56,723	\$ 59,744

See accompanying notes to financial statements

Jim M. Smith Chartered Professional Accountants Inc.

Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (3,021)	\$ 12,420
Item not affecting cash:		
Amortization of capital assets	6,543	4,947
	<u>3,522</u>	<u>17,367</u>
Changes in non-cash working capital:		
Accounts receivable	382	(644)
Inventory	994	(3,587)
Accounts payable	2,190	(2,528)
Deferred revenue	(1,411)	1,979
Prepaid expenses	(270)	(1,237)
GST payable (receivable)	17	(209)
PST payable (receivable)	36	269
Employee deductions payable	(3,418)	3,142
Unearned revenue	4,446	23,357
	<u>2,966</u>	<u>20,542</u>
<u>Cash flow from operating activities</u>	<u>6,488</u>	<u>37,909</u>
INVESTING ACTIVITY		
Purchase of capital assets	(8,535)	(5,888)
FINANCING ACTIVITIES		
Increase (decrease) in deferred revenue	(454)	(1,487)
Repayment of callable debt	(931)	(5,318)
	<u>(1,385)</u>	<u>(6,805)</u>
INCREASE (DECREASE) IN CASH FLOW	(3,432)	25,216
<u>Cash - beginning of year</u>	<u>59,491</u>	<u>34,275</u>
CASH - END OF YEAR	\$ 56,059	\$ 59,491
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	\$ 2,040	\$ 1,686

See accompanying notes to financial statements

Jim M. Smith Chartered Professional Accountants Inc.

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Canadian Fossil Discovery Centre Inc. is a non-profit organization and is a registered charity exempt from income tax under the Income Tax Act. The purpose of the organization is the collection,

preservation, study, exhibition and interpretation of paleontological specimens from Southern Manitoba and human artifacts from prehistoric times through to pioneer settlement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for notfor-profit organizations.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on an average cost basis.

Capital assets

Capital assets are stated at cost less accumulated amortization. In the year of addition, capital assets are amortized at half-rate. Capital assets are amortized over their estimated useful lives on a straight-line basis using the following rates:

Motor vehicles	20%
Computer equipment	50%
Furniture and fixtures	20%
Leasehold improvements	5%

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

The organization follows the deferral method of accounting for contributions and grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from museum, admissions, programs, and rental of the premises is recognized at the time the services are provided. Gift shop revenue is recognized when title passes to the customer, which

generally occurs at the point of sale. Fundraising and donation revenues are recorded when received.

Fossil collection

The accessioned vertebrate fossil collection has not been capitalized in the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for notfor profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Contributed services

The organization is thankful for the many hours contributed by volunteers which assist greatly in allowing it to fulfill its purpose. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Impairment of long lived assets

The carrying value of capital assets is periodically reviewed for impairment. The organization reviews capital assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Capital assets may be impaired if they are no longer being used by the organization or if the long term service potential of the asset diminishes over time. Impairment losses are recognized in the statement of operations in the year they occur.

2. CAPITAL ASSETS

	2017		2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 35,432	\$ -	\$ 35,432	\$ -
Motor vehicles	5,200	3,640	5,200	2,600
Computer equipment	32,548	30,519	31,102	27,639
Furniture and fixtures	16,600	11,152	11,302	9,262
Leasehold improvements	15,565	1,078	13,776	344
	\$ 105,345	\$46,389	\$96,812	\$ 39,845
Net book value	\$58,956		\$56,967	

3. BANK INDEBTEDNESS

The organization has arranged for a line of credit in the amount of \$20,000. The interest rate is prime plus 1% (4.2% as of December 31). Security consists of a line of credit agreement in the amount of \$20,000 and the security listed in note 4.

4. CALLABLE DEBT

	2017	2016
Term loan bearing interest at prime plus 1% per annum, repayable in monthly blended payments of \$455. The loan matures on January 28, 2017 and is secured by a registered general security agreement, first charge mortgage over land, and assignment of fire insurance. The loan is callable on demand.	\$ -	\$ 931
Principal due in one year	-	(931)
	\$ -	\$ -

5. DEFERRED REVENUE

	2017	2016
Furniture - Morden Area Foundation Inc.	\$ 233	\$ 699
Furniture - Community Futures Heartland Inc.	83	249
Furniture - Winkler & District United Way	150	450
Furniture - Canadian Museums Association	100	300
Vehicle - various donors	1,410	2,350
Computers - Travel Manitoba	945	3,435
Leasehold improvements (theatre) - Access Credit Union	2,312	2,437
Leasehold improvements (theatre) - Enbridge Inc.	8,478	8,936
Leasehold improvements (photo booth) -	1,950	2,056
Leasehold improvements (electrical) - Signature Museum	304	-
Furniture (speakers) - Signature Museum	3,082	-
Subtotal	19,047	20,912
Current portion	(3,840)	(5,251)
	\$ 15,207	\$ 15,661

Deferred revenue includes grants to fund the purchase of furniture, a van, a computer and theatre improvements. Deferred revenue is included in income at the same rate that the corresponding assets are being amortized as detailed in Note 2.

6. UNEARNED REVENUE

Unearned revenue includes \$8,035 (2016 - \$10,512) received from the Thomas Sill Foundation. These funds are to be used to assist in covering the costs of constructing a new shark exhibit. It also includes \$30,726 (2016 - \$23,803) received from the Signature Museum grant. These funds are to be used in programming activities.

7. FOSSIL COLLECTION

The collection consists of approximately 1,133 (2016 - 1,061) accessioned vertebrate fossil specimens. During the year, the organization added 72 (2016 - nil) fossil specimens to the collection through various excavations hosted by the organization.

8. GRANTS - MUNICIPAL

The organization has entered into a lease agreement with the City of Morden to lease the building space it occupies for an amount of \$84,480 per year. The agreement ends on May 5th, 2021. This

lease amount approximates fair market value rent. The City of Morden has given the organization an in-kind grant in lieu of requiring payment for the lease.

The City of Morden also does not require the organization to pay for water and sewer utilities. An estimated value of \$5,000 has been recorded in the financial statements as an in-kind grant and utilities expense for both 2017 and 2016.

9. ECONOMIC DEPENDENCE

During the year ending December 31, 2017, approximately 46% (2016 - 53%) of the organization's revenue was received from the City of Morden in the form of cash and in-kind grants. The organization is economically dependent on the continued support of the City of Morden to carry on its operations.

10. FINANCIAL RISKS AND UNCERTAINTIES

The organization relies on its Executive Director and the Board of Directors to manage financial risk.

Credit risk

The organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The organization does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposures that the organization has to credit risk as of December 31, 2017 and 2016 are as follows.

	2017	2016
Cash	\$ 56,059	\$ 59,491
Accounts receivable	616	998
	\$ 56,675	\$ 60,489

Credit risk associated with cash is minimized by ensuring that cash is invested with a credit worthy institution. The accounts receivable balance is relatively insignificant.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet a demand for cash or fund its obligations as they become due. The organization meets its liquidity requirements by preparing an annual budget, monitoring cash flows and cash balances throughout the year and by arranging for financing to cover temporary cash shortfalls.

Interest rate risk

The organization's bank indebtedness and callable debt have a floating interest rate. Accordingly fluctuations in interest rates will affect the excess (deficiency) of revenue over expenses for the year.

Currency and other price risk

The Executive Director and Board believe that the organization has minimal or no exposure to these risks.

