

Canadian Fossil Discovery Centre

Annual General Meeting – Agenda

April 29, 2021 7:00 pm

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 2019 Annual General Meeting
6. Business Arising from the Minutes
7. 2019 Audited Financial Statements
8. Appointment of Auditor for year 2021
9. President's Report
10. Executive Director Report
11. Nominations Committee Report
12. Election of Directors
13. New Business
14. Adjournment

1971-2021  Years of Learning Experience

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NOTE OF CERTIFICATION: These minutes were certified by a unanimous AGM vote on Thursday, April 29, 2021. The minutes were approved and certified as follows below, on a motion made by Joel Enns, seconded by Ted Nelson. The vote was unanimous in favour.

Meeting Minutes

CANADIAN FOSSIL DISCOVERY CENTRE INC.

2020 ANNUAL GENERAL MEETING – JUNE 25, 2020

ACCESS EVENT CENTRE

Chris Leach, Gerry Peters, Joel Enns, Monica Rodriguez, and Adolfo Cuetara in person.

10 members in total attendance.

1. The meeting was called to order at 7:08 pm by President Chris Leach. Secretary Dustin Boehr will take minutes.
2. No conflict of Interest was declared.
3. Welcome from the president and introduction of the Board of Directors. Monica Rodriguez and Kevin Campbell had been appointed to the Board during the term.
4. Review and Approval of AGENDA
Motion to accept the Agenda as printed in the Annual Report booklet.
Gerry; Dustin: CARRIED
5. Review and Approval of MINUTES from 2019 Annual General Meeting
Motion to approve the Minutes of 2019 Meeting as printed in the Annual Report booklet.
Joel; Gerry: CARRIED
6. Business Arising from the Minutes - NONE
7. Review and Approval of 2019 AUDITED FINANCIAL STATEMENT
Motion to approve the 2019 Audited Financial Statement as printed in the Annual Report booklet.
Joel; Aaron: CARRIED
8. APPOINT AUDITOR for 2020
Motion to appoint the firm of Jim M. Smith Chartered Accountants as Auditor for the CFDC for 2020.
Joel; Dustin: CARRIED
9. PRESIDENT'S REPORT – See Report printed in the Annual Report booklet.
10. 2019 ANNUAL REPORT HIGHLIGHTS – See Report printed in the Annual Report booklet.

11. NOMINATIONS COMMITTEE REPORT The following Board members have one year remaining on their term and will remain on the Board:

Chris Leach, Gerry Peters, Joel Enns, Dustin Boehr, Linda Sprung, Aaron Crossman

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:

Monica Rodriguez, Kevin Campbell

Peter Cantelon brought it up for the record that he thinks it is a conflict of interest for the wife of the ED to be on the board.

Gerry Peters explained that it was looked into and that it would not be a conflict of interest since the member would refrain from all discussion pertinent to the ED and abstain from voting. Ted Nelson asked how many people are on the Nominating Committee.

Gerry said that there were others but as it stands it is just himself and welcomed anyone else to join.

Motion to accept the slate of nominees of the Nominating Committee by acclamation.

Gerry; Joel: CARRIED

12. ELECTION OF DIRECTORS – No election is needed.

13. NEW BUSINESS - None

14. ADJOURNMENT

Motion to adjourn at 8:26 pm

Gerry

Next AGM April 29, 2021, 7 pm

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Financial Statements

Year Ended December 31, 2020

CANADIAN FOSSIL DISCOVERY CENTRE INC.

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Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Fossil Discovery Centre Inc.

Opinion

We have audited the financial statements of Canadian Fossil Discovery Centre Inc. (the Organization), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

(continues)

Independent Auditor's Report to the Members of Canadian Fossil Discovery Centre Inc. *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winkler, Manitoba
April 16, 2021


CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 155,701	\$ 45,957
Accounts receivable	31,830	-
Inventory	19,024	15,111
Prepaid expenses and patronage account	12,914	10,511
	219,469	71,579
CAPITAL ASSETS (Note 2)	116,545	67,753
INTANGIBLE ASSET (Note 3)	8,672	-
FOSSIL COLLECTION (Note 10)	1	1
TOTAL ASSETS	\$ 344,687	\$ 139,333
LIABILITIES		
CURRENT		
Accounts payable	\$ 9,526	\$ 11,465
Callable debt scheduled payments due in one year (Note 5)	6,606	-
Current portion of long term debt (Note 6)	-	1,000
Government remittances payable	2,442	2,428
Deferred revenue (Note 7)	6,805	3,313
Unearned revenue (Note 8)	28,914	11,156
	54,293	29,362
Callable debt scheduled payments due after one year (Note 5)	35,528	-
	89,821	29,362
LONG TERM DEBT (Note 6)	30,000	10,000
DEFERRED REVENUE (Note 7)	28,195	14,445
UNEARNED REVENUE (Note 8)	8,035	18,035
TOTAL LIABILITIES	156,051	71,842
NET ASSETS		
Unrestricted (Page 5)	188,636	67,492
TOTAL LIABILITIES AND NET ASSETS	\$ 344,687	\$ 139,334

APPROVED BY THE BOARD

_____ Director

_____ Director

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Statement of Operations

Year Ended December 31, 2020

	Budget (Unaudited) 2020	2020	2019
REVENUE			
Grants - municipal	\$ 111,000	\$ 95,000	\$ 102,000
Grants - municipal (Note 11)	89,480	89,480	89,480
Grants - municipal other (van loan)	-	11,000	-
Admissions and memberships	59,500	43,847	53,498
Programs	31,500	2,713	26,356
Gift shop	20,000	27,918	34,564
Grants - other	47,200	13,220	22,382
Fundraising and other	46,500	6,759	41,669
Building Sustainable Communities Grant	-	12,825	-
Supplementary Funding Grant	-	45,364	-
Rentals	900	-	-
Grants - provincial	55,800	42,667	55,559
Donations	7,500	25,176	6,705
Canada Emergency Benefit Account (Note 6)	-	10,000	-
Canada Emergency Wage Subsidy	-	29,368	-
Temporary Wage Subsidy	-	2,549	-
Manitoba Bridge Grant	-	5,000	-
	469,380	462,886	432,213
EXPENSES (Schedule 1)	469,379	342,170	453,697
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	1	120,716	(21,484)
OTHER INCOME (EXPENSES)			
Gain on disposal of capital asset	-	428	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 1	\$ 121,144	\$ (21,484)

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Statement of Net Assets

Year Ended December 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 67,492	\$ 88,976
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	121,144	(21,484)
NET ASSETS - END OF YEAR	\$ 188,636	\$ 67,492

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 121,144	\$ (21,484)
Items not affecting cash:		
Amortization of capital assets	11,884	8,392
Amortization of intangible asset	964	-
Gain on disposal of capital asset	(428)	-
	133,564	(13,092)
Changes in non-cash working capital:		
Accounts receivable	(31,830)	23,447
Inventory	(3,913)	188
Accounts payable	(1,938)	(18,077)
Deferred revenue	3,492	(709)
Prepaid expenses and patronage account	(2,403)	(4,281)
GST payable (receivable)	-	1,117
PST payable (receivable)	-	(32)
Government remittances payable	14	(1,787)
Unearned revenue	17,758	3,121
	(18,820)	2,987
Cash flow from operating activities	114,744	(10,105)
INVESTING ACTIVITIES		
Purchase of capital assets	(69,749)	(2,510)
Proceeds on disposal of capital asset	9,500	-
Purchase of intangible assets	(9,636)	-
Cash flow used by investing activities	(69,885)	(2,510)
FINANCING ACTIVITIES		
Increase (decrease) in deferred revenue	13,750	(1,659)
Increase (decrease) in unearned revenue	(10,000)	18,035
Proceeds from callable debt financing	42,134	-
Proceeds from long term financing	30,000	-
Repayment of long term debt	(11,000)	(1,000)
Cash flow from financing activities	64,884	15,376
INCREASE IN CASH FLOW	109,743	2,761
Cash - beginning of year	45,957	43,196
CASH - END OF YEAR	\$ 155,700	\$ 45,957
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	\$ 1,426	\$ 1,886

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2020

Canadian Fossil Discovery Centre Inc. is a non-profit organization and 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 not-for-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. Capital assets are amortized over their estimated useful lives on a straight-line basis using the following rates (half-rate in the year of acquisition):

Motor vehicle	20%
Computer equipment	50%
Furniture, fixtures, equipment and signs	10% - 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 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 been recorded at a nominal value in the financial statements.

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CANADIAN FOSSIL DISCOVERY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2020

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

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for 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

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 35,432	\$ -	\$ 35,432	\$ -
Motor vehicle	49,806	4,981	12,960	3,888
Computer equipment	40,854	38,361	37,530	36,284
Furniture, fixtures, equipment and signs	40,948	19,306	24,329	15,257
Leasehold improvements	15,565	3,412	15,565	2,634
	\$ 182,605	\$ 66,060	\$ 125,816	\$ 58,063
Net book value	\$ 116,545		\$ 67,753	

3. INTANGIBLE ASSET

	2020	2019
Website design costs	\$ 9,636	\$ -
Accumulated amortization - straight-line amortization over five years	(964)	-
	\$ 8,672	\$ -

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2020

4. BANK INDEBTEDNESS

The organization has arranged for a line of credit in the amount of \$20,000. The interest rate is prime plus 1% (3.45% as of December 31). Security consists of a line of credit agreement in the amount of \$20,000, a registered general security agreement, first charge mortgage over land, and assignment of fire insurance.

5. CALLABLE DEBT

	2020	2019
Term loan bearing interest at the ACU base rate, repayable in monthly blended payments of \$630. The loan matures on December 31, 2026 and is secured by a vehicle, promissory note, general security agreement and multi-purpose mortgage. The loan is callable on demand.	\$ 42,134	\$ -
Scheduled principal payments due in one year	(6,606)	-
Scheduled principal payments due thereafter	\$ 35,528	\$ -

6. LONG TERM DEBT

	2020	2019
Term loan bearing interest at 0% per annum, repayable in annual principal payments of \$1,000. Principal payments are being paid via a reduction in municipal grants each year. The loan matures on September 5, 2030 and is secured by a vehicle.	\$ -	\$ 11,000
Canada Emergency Benefit Account (CEBA). The loan matures December 31, 2022. No principal or interest payments are required until maturity. No interest is charged on the loan. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% (up to \$10,000).	40,000	-
Less: CEBA recognized as revenue during the year	(10,000)	-
	30,000	11,000
Amounts payable within one year	-	(1,000)
	\$ 30,000	\$ 10,000

Principal repayment terms are approximately:

2022	\$ 30,000
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CANADIAN FOSSIL DISCOVERY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2020

7. DEFERRED REVENUE

	2020	2019
Leasehold improvements (theatre) - Access Credit Union	\$ 1,937	\$ 2,062
Leasehold improvements (theatre) - Enbridge Inc.	7,102	7,561
Leasehold improvements (photo booth)	1,634	1,740
Leasehold improvements (electrical) - Signature Museum	257	273
Furniture (speakers) - Signature Museum	1,027	1,712
Furniture (sound system) - United Way	1,199	1,680
Furniture (stanchions) - Signature Museum	1,286	1,653
Furniture (counter display) - Signature Museum	4,559	-
Computers (Square payment system) - Signature Museum	-	358
Computers (components) - Signature Museum	-	719
Equipment (microscope) - Signature Museum	6,588	-
Equipment (air compressor) - Signature Museum	739	-
Intangible (website) - Signature Museum	8,672	-
Subtotal	35,000	17,758
Current portion	(6,805)	(3,313)
	\$ 28,195	\$ 14,445

Deferred revenue includes grants to fund the purchase of furniture, computer equipment, theatre improvements and website design. Deferred revenue is included in income at the same rate that the corresponding assets are being amortized as detailed in Note 1.

8. UNEARNED REVENUE

	2020	2019
<u>Current</u>		
Signature Museum grant. These funds are to be used in programming activities.	\$ 9,069	\$ 11,156
Building Sustainable Communities grant. These funds are to be used for a feasibility study regarding a new museum facility.	11,925	-
Gala donations	7,500	-
Deposits received	420	-
	\$ 28,914	\$ 11,156
<u>Long-term</u>		
Thomas Sill Foundation. These funds are to be used to assist in covering the costs of constructing a new shark exhibit.	\$ 8,035	\$ 8,035
Funding designated towards construction costs for a new building for the Centre	-	10,000
	\$ 8,035	\$ 18,035

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2020

9. SIGNATURE MUSEUM EXPENSES

Expenses for this budget item have been reclassified according to the type of expense. Total expenses for the year relating to the Signature Museum grant were \$63,574 (2019 - \$54,360).

10. FOSSIL COLLECTION

The collection consists of approximately 1,296 (2019 - 1,296) accessioned fossil specimens. During the year, the organization added nil (2019 - 77) fossil specimens to the collection through various excavations hosted by the organization. There were no expenditures on collection items during the year and no collection items were disposed of.

11. 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 2020 and 2019.

12. ECONOMIC DEPENDENCE

During the year ending December 31, 2020, approximately 42% (2019 - 44%) 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 dependant on continued support from the City of Morden to carry on its operations.

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2020

13. FINANCIAL RISKS AND UNCERTAINTIES

The organization relies on its Executive Director and 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 had to credit risk as of December 31, 2020 and 2019 were as follows.

	2020	2019
Cash	\$ 155,701	\$ 45,957
Accounts receivable	31,830	-
	\$ 187,531	\$ 45,957

Credit risk associated with cash is minimized by ensuring that cash is invested with a credit worthy institution. A substantial portion of the accounts receivable was collected in January, 2021.

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.

14. UNCERTAINTY DUE TO THE COVID-19 PANDEMIC

The spread of the Covid-19 virus in 2020 has severely impacted many local economies throughout the world. In many countries, businesses and not-for-profit organizations are being forced to cease or limit operations for significant or indefinite periods of time. Measures taken to contain the spread of the virus have triggered disruptions to local economies and caused economic slowdowns.

The Covid-19 pandemic has disrupted the organization's ability to hold fundraising and member contact / appreciation events during the year ended December 31, 2020 and thus far in fiscal 2021.

It is not known how long the Covid-19 pandemic will last or how long measures taken to contain the spread of the virus will be in place. The potential financial impacts in the future on the organization resulting from the effects of the Covid-19 pandemic cannot be reasonably estimated.

CANADIAN FOSSIL DISCOVERY CENTRE INC.

Expenses

(Schedule 1)

Year Ended December 31, 2020

	Budget (Unaudited) 2020	2020	2019
Advertising and promotion	\$ 12,340	\$ 15,622	\$ 38,513
Amortization	7,175	11,884	8,392
Amortization of intangible asset	-	964	-
Association dues	600	609	413
Bookkeeping	7,885	8,347	8,054
Donations	-	6,188	22,352
Feasibility study	-	13,000	-
Fundraising	31,000	720	19,736
Galleries and exhibits	33,200	20,552	12,536
Gift shop	-	17,167	16,777
Insurance	4,500	4,346	4,382
Interest and bank charges	2,000	1,426	1,886
Laboratory supplies	2,200	-	18
Miscellaneous	2,500	851	2,215
Office	5,350	7,487	4,897
Professional fees	6,650	11,960	6,630
Programs	8,400	1,426	5,458
Rent (Note 11)	89,480	84,480	84,480
Repairs and maintenance	3,000	1,174	1,799
Salaries and wages	200,869	121,943	198,557
Signature Museum expenses (Note 9)	39,150	-	-
Special events	1,500	-	1,234
Telephone	700	840	1,329
Travel	2,500	1,194	2,472
Utilities and property taxes	880	5,848	5,863
Vehicle	7,500	4,142	5,704
	\$ 469,379	\$ 342,170	\$ 453,697

President's Report

April 29, 2021

This is my third and final report as Chair of the Canadian Fossil Discovery Centre (CFDC) Board of Directors. The CFDC By-laws limit the term a director can serve on the Board of Directors to 4 consecutive two-year terms or 8-years. I have thoroughly enjoyed my time on the Board.

We are still living in crazy times. COVID-19, the global pandemic has changed our lives dramatically and when things start to return to normal, the 'new' normal will be much different from what it was before the pandemic arrived. COVID-19 significantly impacted the operation of the CFDC in 2020. The museum and everything else had to comply with Health Orders to limit the spread of the pandemic. As a result, the museum was closed from March 14th until June 1st and from November 9th until the end of the year (actually until February 16, 2021).

In last year's report I had the honour of introducing our new Executive Director, Adolfo Cuetara, to the membership. He started work on February 3, 2020. Just five weeks after he commenced work, the museum had to close and with a very uncertain financial outlook most of our pre-pandemic staff had to be laid off and subsequently terminated. Adolfo took the opportunity to make changes to the museum during the weeks it was closed – five new displays were built or are in process. He was able to make adjustments to meet the ever-changing pandemic requirements and access pandemic funding grants in excess of \$100,000 from the Government of Canada and the Province of Manitoba. This has enabled the CFDC to redesign and launch a website and online Gift-shop, purchase a new truck, and acquire a new collections management software. Adolfo has been able to reduce expenses, which has enabled the museum to be very resilient and thrive in these hard times. Thank you for your inspired work, Adolfo.

Although down from recent years, in 2020 the total number of museum visitors was 7,876. This is remarkable considering the museum was closed for about 18 weeks of the year. The methodology to record museum visitors was changed in 2020 to bring us in line with what is done at other museums in Canada. This will allow for our attendance numbers to be compared with other museums.

All of this would not have been possible without our hard working dedicated staff and our volunteers without whom we could not achieve what we have. Thank you to our staff prior to the March 14th COVID-19 closure: Adolfo Cuetara, Executive Director; Victoria Markstrom, Curator; Beatrice Aderemi, Volunteer & Programs Manager; Cheryl Link, Office Manager; Pat Dance; and our weekend ambassadors; Trevor Frost, Mike Waddell and Tony Klassen, as well as our bookkeeper Angie Dueck. Thank you to our staff after the March 14th closure: in addition to Adolfo and Angie; Tessa Warkentine and Breanna Vitti, Summer Students / Young Canada Works; and Veronica Cabrera. You all go 'the extra mile' and it is much appreciated. Without you all of the CFDC's success would not have been possible.

The fifth annual Dig Deep Gala Fundraiser had to be cancelled because of the pandemic. We unsuccessfully tried to reschedule the event in 2021 but it now looks like the Gala Fundraiser will next be held in April of 2022. The 2020 recipient of the Dr. Elizabeth 'Betsy' Nicholls Award for Excellence in Palaeontology will be Dr. Michael Caldwell, a Professor in the Department of Biological Sciences and the Department of Earth and Atmospheric Science at the University of Alberta in Edmonton. His research focus is on the evolution of squamate and aquatic marine reptiles through morphological and anatomical studies.

Michael has greatly contributed to the field of paleontology over the past three decades, investigating squamate morphology, phylogeny, and evolution. Michael and his team described the oldest known fossil snakes in the world dated 100 million years old. This extended the fossil record of ancient snakes by 70 million years. In 2016 Michael was part of the team that re-examined a primitive snake specimen, *Tetrapodophis*, from Brazil. This specimen implied that snake ancestors weren't burrowing terrestrial animals like originally thought but instead aquatic animals that evolved their unique body shape for eel-like swimming. Michael has worked on many mosasaur projects throughout his career mainly focusing on phylogeny, functional morphology and broader evolutionary trends. His work has drastically changed mosasaur phylogeny and has redefined the relationships both within and outside the mosasauridae family.

In 2020 the CFDC has renewed a 2011 MOU between the CFDC and the University of Manitoba. The museum would have access to the resources of the University and the University would have access to the museum's collection. Additionally, the CFDC has entered into a new MOU with Kirstin Brink, Assistant Professor of Paleontology with the University of Manitoba's Department of Geological Sciences to serve as the CFDC Adjunct Curator of Paleontology for Vertebrates. This would be very beneficial for the CFDC as we would have access to a respected paleontologist who can help with development of our collection and dig-sites and Prof. Brink and her students from the University would have access to our collection and dig-sites for research.

I would like to thank and acknowledge my fellow Board members (Gerry Peters, Vice Chair; Joel Enns, Treasurer; Aaron Crossman, Secretary; Linda Sprung; Kevin Campbell; Monica Rodriguez; and Dustin Boehr). It has been my pleasure to work with each of you over the past year or longer. Your selfless contribution to the CFDC is sincerely appreciated.

On behalf of the Board, I would like to thank the City of Morden for its ongoing support and operational funding. The Board truly values this partnership which ensures the viability of the CFDC. In 2018 a life-sized Xiphactinus developed in partnership with the City of Morden and Dinokinetics was unveiled. Plans are in the works for future roadside monuments.

As I look ahead, amid all the concerns with COVID-19, the future still looks bright for the CFDC. The Standing Building Committee, chaired by Adolfo Cuetara, continues to forge ahead with plans to develop a new home for the CFDC. The Board has approved a motion to pursue the construction of a destination-worthy facility. This will of course be dependent on securing funding for the construction and operation of the proposed new facility.

Respectfully submitted,

Chris Leach
Chair, CFDC Board of Directors
April 29, 2021

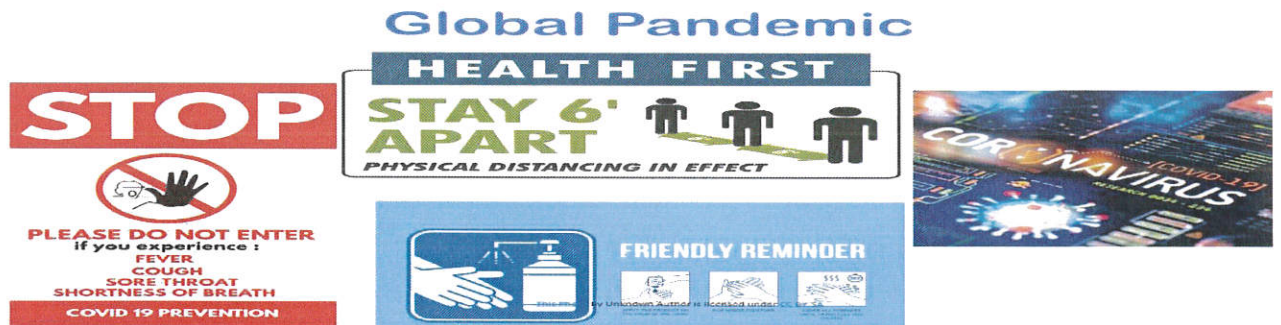
Executive Director's Report – Executive Summary 2020

Introduction

2020 has been an unprecedented year in the history of the Canadian Fossil Discovery Centre.

When I took the position of Executive Director last year on February 3rd, I came with a route map in mind, to get the future I envisioned for the Centre.

However, with the irruption of the Covid19 virus in late February-early March, quickly converted to global pandemic, planned changes in the management, and mandatory changes due to the pandemic, became mixed together. Some of those changes were coincidental, and some of them were clearly due to separate reasons, but all of them supposed a huge challenge.



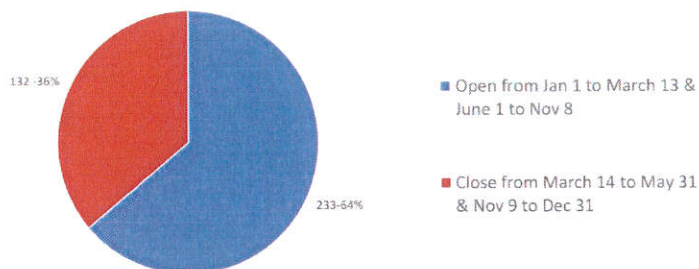
Quickly, the incoming future in early 2020 became highly unpredictable, always subject to the restrictions imposed by Public Health Orders.

Manitoba State of Emergency



The Centre was closed 132 days during 2020 due to the restrictions to Museums and Community Centres imposed by the Provincial Government.

2020 Opening/Closure Days



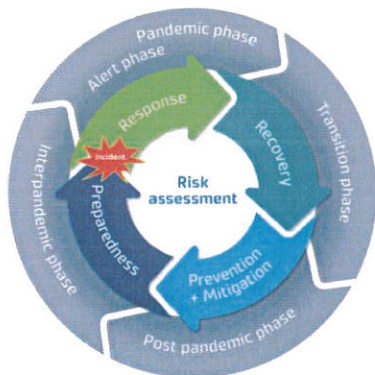
Both periods of closure and opening, were filled with uncertainty, and supposed a real challenge in many aspects, including maintaining a stable staff.

Despite of that combination of difficult circumstances, and with a high dose of resilience, the Centre

finished the year with many fundamental improvements, and a few others were initialized and developed during 2020, and they will see the light during 2021.

Covid-19 Pandemic

The response to the pandemic from the CFDC was exemplary at every moment from the beginning of this crisis. Every decision was made at any moment with the focus on obeying the law, protecting the health and safety of the staff, volunteers, and visitors, and protecting the financial situation.



During the time the Centre was closed, the staff had to complete two mandatory courses: a WHMIS Training, and a Covid-19 specific course: "Clean-it-Right", both taken through the Manitoba Tourism Education Council.

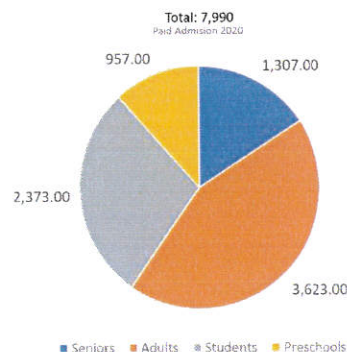
The Centre was thoroughly prepared for the future re-opening with all of the required signalling, and every action was properly recorded in a "Pandemic Preparedness Record of Action".

Staff and volunteers were instructed about proper procedures, and the information was updated as required in a weekly basis.

Statistics

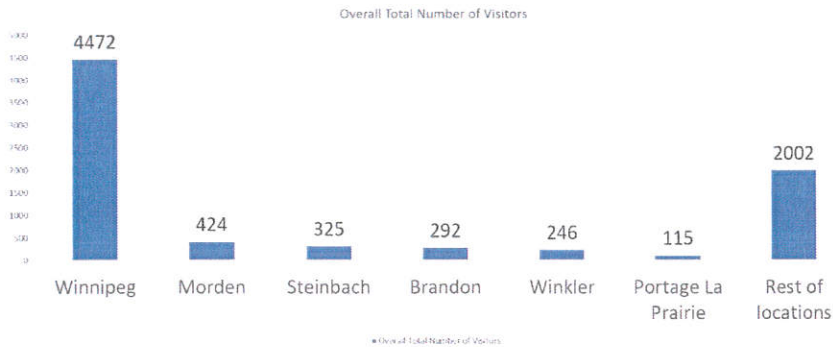
Even with the closure of the Centre during 132 days in 2020, the annual paid visitation kept the numbers in the average scope of the last few years, thanks to the higher visitation during the months the Centre was open, compensating the null visitation of the closure periods.

2020 Statistics



We need to remind that now we are strictly counting the visitors that actually paid for the admission,

Paid Visitation: 7,990



considering this only for statistics and to follow a common standard with other Museums of Paleontology in North America to be able to compare results, while counting separately any other kind of visitors, or any other kind of public reach.

That increase on daily average visitation during the opening periods was mostly due to a higher number of visitors coming from Winnipeg, after a special an intense focus on the advertising in Winnipeg.

This marketing efficiency increase was reached after a thorough examination of previous and present statistics, resulting in the decision of cutting down the local marketing expenses, and increasing the marketing efforts in Winnipeg.

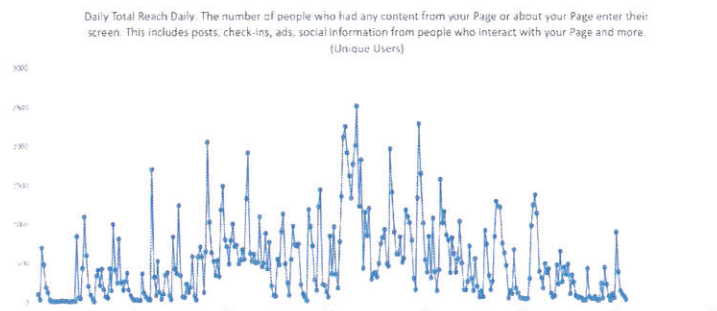
Travel Manitoba was advised to focus their efforts for the Centre in Winnipeg, as well as some other migration of advertising from local to Winnipeg.

The primary public target for the CFDC is Winnipeg for many reasons, being the most important the high population.

Also, the distance between Morden and Winnipeg makes this destination a perfect plan to spend the day visiting the CFDC and other Community attractions, which is where the tourism value of the CFDC resides, to attract visitors from outside the Community to increase the spending in different local businesses. Last year also, there was a huge effort of communication with visitors and CFDC friends

Social Media Impact

Facebook 157,617 times



through Social Media, with spectacular results. During 2020, we were able to be present in the screen of unique users 157,617 times.

Every dot in this graphic is a Facebook post. X axis is the number of people reached (unique users), and Y axis is the day of the year.

Events and Programming

The imposed restrictions due to the pandemic forced us to cancel almost any event or program involving gathering of people.

Thus, we needed to cancel the organization of the GALA, Spring Break, Dig Tours, Volunteer Appreciation Day, or our attending to cancelled events like Manitoba 150 Anniversary, Canada Day, Corn and Apple Festival, and a few other events the CFDC used to organize or attend.

Events and Programming



Events and Programming



We were able only to run the Summer Day Camps in collaboration with the City of Morden, and some reduced Museum Tours.

Events and Programming



Financial Management Assessment. Executive Summary

Initial 2020 Economic Weakness

The financial situation at the CFDC at the beginning of 2020, in the pre-pandemic time, was factually weak.



Since October 2019 until April 2020, the Checking Account, where the Operational Budget is allocated, was even unable to keep positive numbers in a consistent way, and the authorized overdraft was used

several times, increasing the bank fee expenses.

This was an uncomfortable financial situation due also to the factually oversized staff (\$200,000 annual cost), the absence of any new agreement for operational funds with the City of Morden at that time, since the previous 5-year agreement just finished on 2019, and also due to the delay in the City of Morden Budget approval; there was no such new operational agreement until June 2020, so the CFDC had to survive half of the year without those needed funds, which were not at all guaranteed at that time.

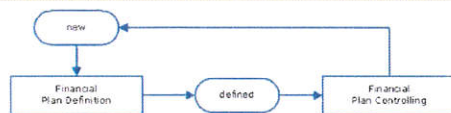
Operational Budget Agreement



Also, there was a high uncertainty about the self-generated income ability during the year due to the pandemic restrictions.

During the following few weeks, once we were allowed to re-open on June 1st, the pandemic hit that

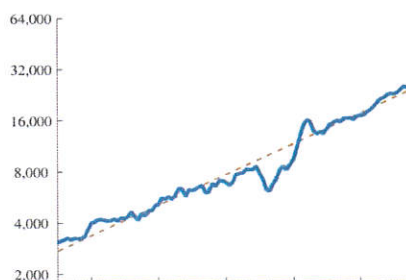
Emergency Financial Plan



CFDC's capability of self-generated income, due to the cancellation of almost all of the programs and public events like the Spring Break, the Gala or the Corn and Apple Festival during the year, and partially the admission related income. The situation was really delicate.

The initial management plan was quickly adapted to the new circumstances, and a thorough analysis

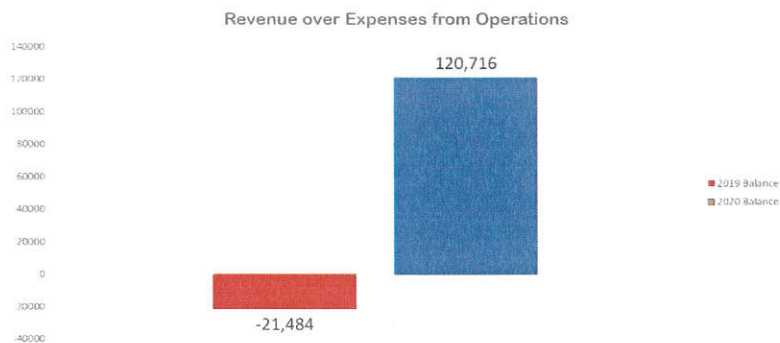
allowed to identify the reliability and the performance of every action, and every expense.



An aggressive campaign to capture Federal and Provincial grants and subsidies was initiated, since the availability of private funds was seriously weakened by the pandemic.

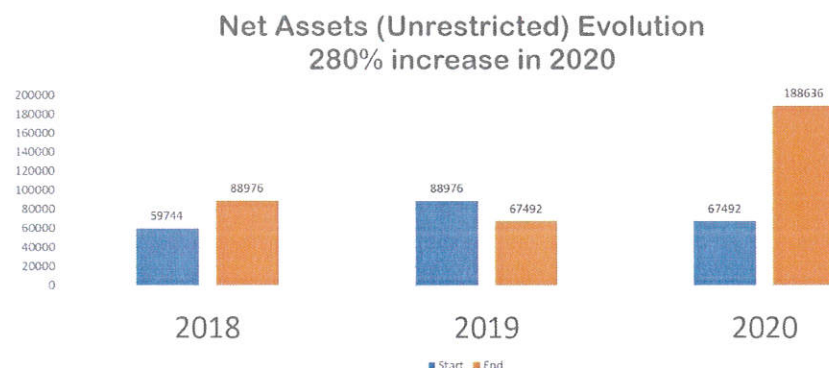
Many drastic measures were taken with the goal of strengthen the financial situation, which is one of the most important pillars for the CFDC to be able to meet its Mission and Strategic Objectives.

Consequently, in barely 10 months, CFDC came from negative operational numbers to the best financial position ever in its 50 years of existence.



All of the losses related to the pandemic were covered, and the reliability of the operations totally surpassed the net results of any other year before.

Thus, while at the end of the year 2019 there was a deficiency of \$21,484 in operations, 2020 finished with a record revenue over expenses from



operations of \$120,716.

2020 started with \$67,492 in Net Assets, and finished with the Net Assets record of \$188,636, which represents an equity growth of approximately 280%.

To summarize an explanation of the financial results at the end of the year, we can simply say that CFDC obtained as much as possible income, while optimizing the performance of every dollar spent, but also, at the same time, started an aggressive upgrading of the CFDC infrastructure.

The main idea was proportionally balancing the size of the expenses to the needs and income of the Centre.

Even noticing in the financial statements that the self-generated gross income (admissions, gift-shop, and programs) was significantly lower in 2020 than in previous years due to the consequences of the pandemic, the net income was even higher, due to the cancellation of some unprofitable services and activities, and therefore all the expenses related to them.

It is important to underline, at this point, that an audited financial statement is not, only by itself, the tool that has to be taken in account to analyze a financial situation.

There is essential information that a financial statement is not giving us, like the correlation between gross income and expenses in a specific activity.

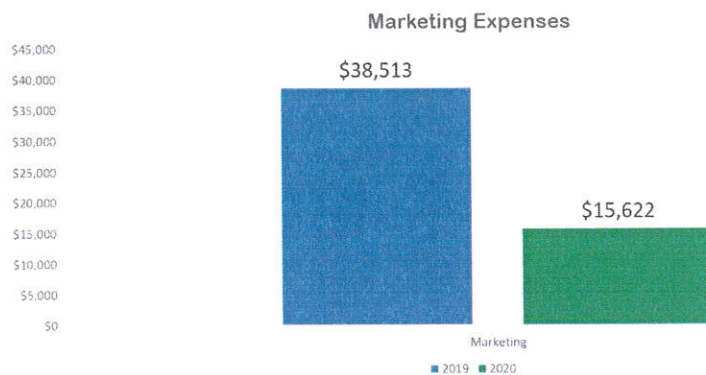
Serve as example the Dig Tours. We can see the gross income at the financial statements, but we cannot figure out that way how much the costs related to that activity were. We need to know how many hours of workforce that activity required, or how many kilometres the CFDC vehicle drove with that activity, or any other expense in direct relation with that activity, and that requires a specific accountability if we want to know if an activity is reliable or not, in order to know what we need to change to make it reliable. Just as an example, the Dig Tours in 2019 produced a gross revenue of roughly \$8,000, while the costs related to organize this activity surpassed \$13,000. That means that cancelling the Dig Tours due to the pandemic restrictions, was actually economically beneficial for the Centre.

We are committed though, to find the way to make the Dig Tours a profitable activity, because if it is not profitable, it cannot be sustainable.



So, after analyzing the reliability of every department and every activity during 2020, the expenses in wages were **reduced a 40%**.

There was also a **60% reduction** in marketing expenses, despite increasing the performance and the results of the advertising.



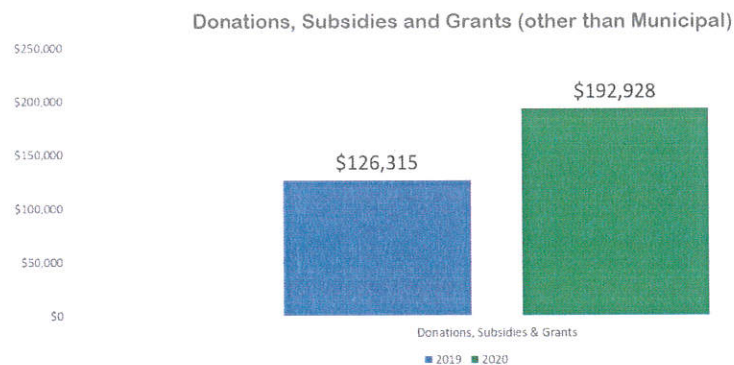


In the other hand, there was a record **increase** in expenses of 40% in Galleries and Exhibits, a 35% in Office Equipment, or a 40% in Lab Equipment.

There were also a significant investment of non-tangible infrastructure like the new website or an online gift-shop. The old website was excessive time without proper maintenance, like the update of plugins or Wordpress, while continuously uploading information, so at that time any necessary updating would cause multiple errors, making more reliable to build a new website from scratch, and contracting a professional maintenance for years to come.

Also, at the end of 2020, there were already commissioned a few other improvements, expensive but highly indispensable, like a proper Collections Management Software, with a cost of more than \$40,000 (for this project, a Provincial grant was finally obtained, after the submission of a comprehensive study showing the benefits of this Software, which it will be publicly accessible).

Furthermore, in 2020 the CFDC obtained a 35% more in grants, subsidies, and donations from Federal, Provincial, and private sources in 2020 than in 2019, coming from \$126,315 in 2019, to \$192,928 in 2020.



Private Donations: \$5,977.85

MANITOBA HERITAGE TRUST PROGRAM

Introducing a new way to support the Manitoba Crafts Museum and Library through the Manitoba Heritage Trust Fund Program.

The Province of Manitoba has allocated \$5 million for the Manitoba Heritage Trust Program to distribute from April 1, 2018 to March 31, 2021. All eligible gifts to a heritage fund, up to \$50,000, will be stretched by the MHTF. For every \$2 given to the fund, the program will stretch the gift with an additional \$1. This means a gift of \$3 becomes \$5.

MHTF is administered by The Winnipeg Foundation with support from:

Manitoba Crafts Museum and Library Inc. Fund: <https://www.mcmuseum.com/s/2/wpgfms/donate/fund-1020>

We were even capable to deposit \$5,977.85 from different private donations in our Manitoba Heritage Trust Fund in 2020, which is certainly remarkable considering the cancellation of the GALA and the general difficult circumstances for private sponsors

2021 Trend



After reviewing the good results of the 2021 first quarter, we can confirm that the growing tendency is continuing in 2021, mostly depending on the evolution of the pandemic, and the subsequent ability to keep the doors open during the summer high season.

The core of this Strategic Financial Plan is to establish a path to the self-sustainability, while using available funds to grow as a Museum, Research and Educational Centre, as well as a tourism destination.

Strategic Planning Cycle



In order to be ready for the challenge of a new stand-alone facility, this is certainly the necessary evolution the CFDC has to undertake.

The goal is to build a financial self-reliance and a strong credibility; those are the necessary steps to become a centre of reference for preservation and research of the Manitoba Fossil Heritage, and a solid tourism destination.

Centre Improvements

The huge increase of net liquidity at the end of the year **was not** at all on account of a lack of operations.

Very much to the contrary, 2020 was a very busy year in improvements of all sort, primarily focusing in expensive but necessary infrastructural updates, creation of new exhibits, as well as new agreements for research.

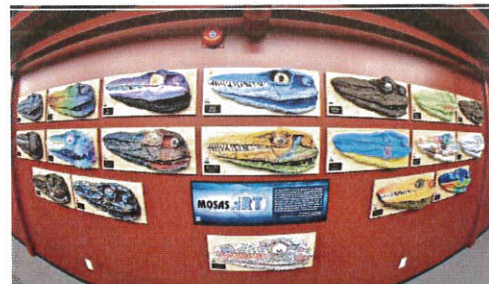
Main improvements and/or achievements completed before the end of 2020:

- New thematic display about Plate Tectonics, explaining the Continental Drift
- New assembling and permanent exhibition of the Mosasart Elements
- New Interactive Microeye Microscope Display

Centre Improvements



Centre Improvements



Centre Improvements



- New relocation of the replica skeletons at the Mosasaur Hall, to make room for new exhibits.



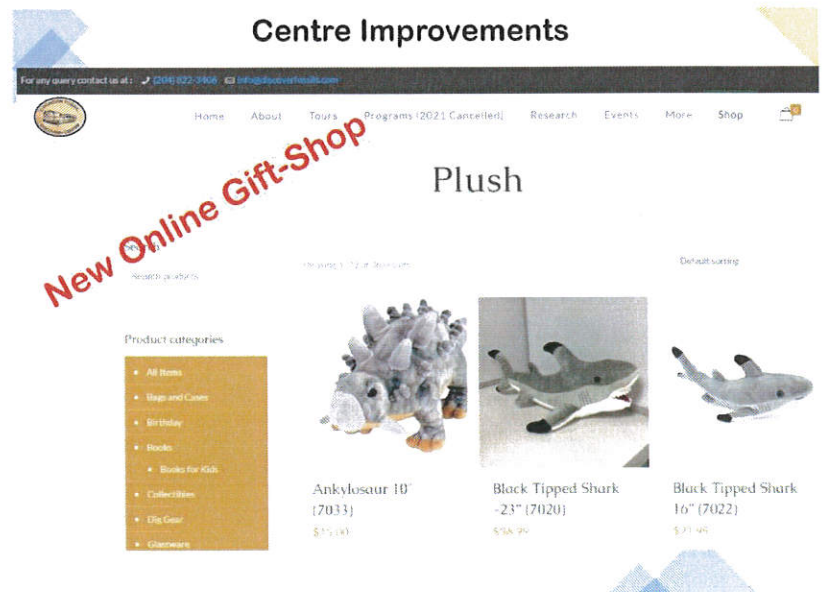
Centre Improvements

- New Website



Centre Improvements

- New Online Gift-Shop





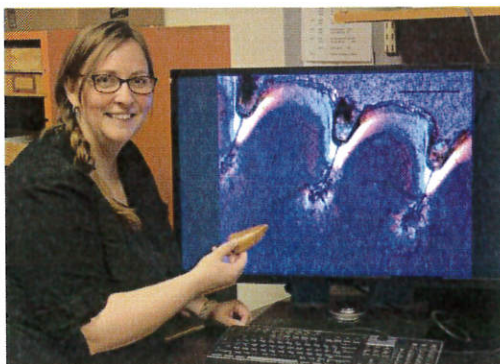
Centre Improvements

- New thematic CFDC Truck, which is a working horse and mobile advertising at the same time

Marketing



- New advertising plan and orientation of marketing resources resulting in an increase of visitation and public reach



Kirstin Brink
New Adjunct
Curator in
Vertebrates

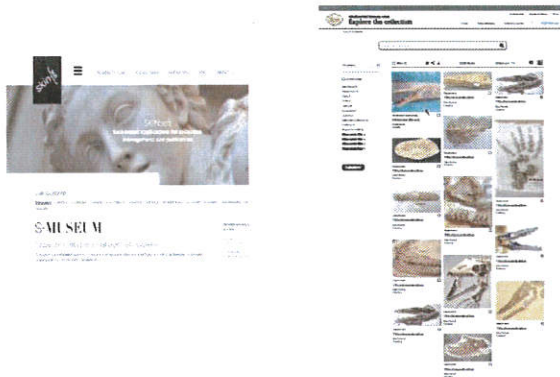
Thank you Kirstin!!

- New appointment of an Adjunct Curator of Vertebrates, Kirstin Brink, after the activation of a Memorandum of Understanding with the University of Manitoba. Her expertise and advice, together with the connection with the UofM she brings over, is a huge asset for the CFDC

Ongoing Projects

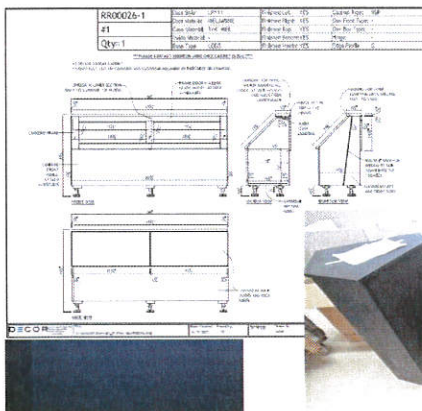
Some of the most ambitious projects for the CFDC were initialized during the first semester of 2020, developed during the second semester, and will see their completion in 2021. Those projects are already in an advanced stage:

Collections Management Software



- State-of-the-art Collection Management System commissioned to the French company Skinsoft, specialized in Management Software for Museum Collections, complemented with a publishing Software to be able to share publicly all of the available data of CFDC Collections. Skinsoft was selected after a thorough research about the best and user-friendly software for Museum Collections in the market initiated in early summer. After a process of selection,

Skinsoft was primarily contacted in October 2020, and currently the project is 80% complete.



New 20 Custom-Made Glass Cabinets

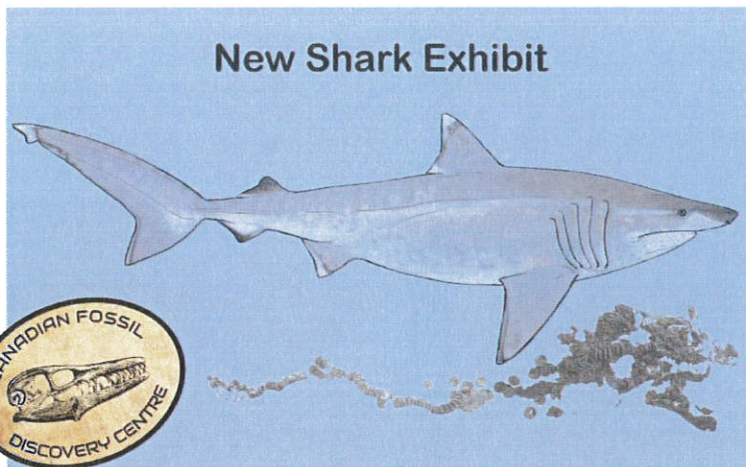


- Design and installation, by local company Décor Cabinets, of 20 glass cabinets with light system surrounding all of the replicas at the Mosasaur Hall in order to display the original fossils of those replicas. Those cabinets will be purchased at a very reduced price, thanks to the sponsorship by Décor Cabinets.



Platycarpus Skeleton Assembling

- New display with a real-fossil complete 25 ft long *Platycarpus mosasaur* skeleton, first actual mosasaur complete skeleton ever assembled at the CFDC



- New, big, spectacular exhibit, about a new shark species from the CFDC Collections.



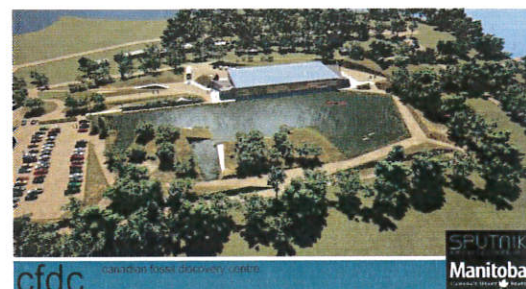
- New Exhibit about one of the most important and prolific fossil sites in Manitoba: The Fossil Amber from Cedar Lake

- Feasibility Study, Engineering Proposal, Business Plan, and Museography Project, for a new stand-alone facility for the CFDC

Feasibility Study

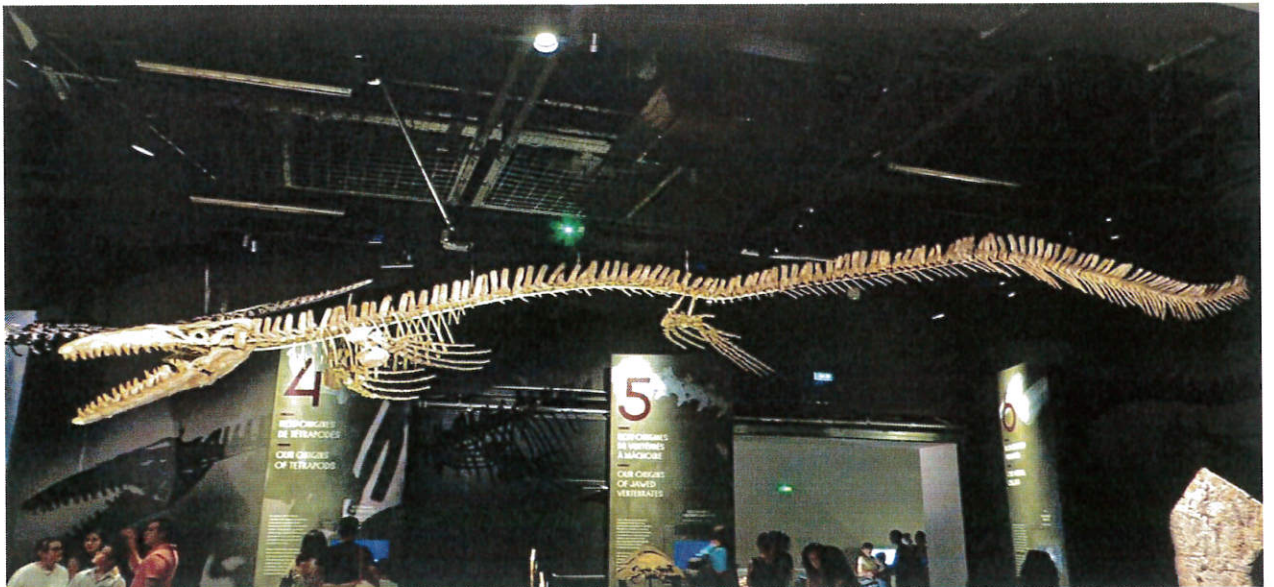


Engineering Proposal





Museography Project



Curatorial and Research

2020 has been also a difficult year to be able to organize any new digging with any new addition to the CFDC Collections.

However, there were also significant advances in Research and Collections related matters.

Research and Collections



Thanks to the intermediation of Kirstin Brink and Kevin Campbell, we were able to obtain a few thousand pieces of Manitoban fossil amber from Cedar Lake, on loan from the Canadian National Collection of Insects, Arachnids, and Nematodes from Ottawa, and a Paleontology student from Dalhousie University in Halifax, Larissa Schinkel, was hired for three months to search for fossil remains.

Also, two students, Larissa Schinkel and Tessa Warkentine, were working part time at the lab opening and preparing contents from field jackets from previous years.

Although the most important improvement, which it will have a huge impact for the CFDC at many levels, will be the new Collection Management Software, currently under completion.

Staff and Volunteers

Finally, I specially want to thank our employees and volunteers, because their resilience and understanding during closures and pandemic have made possible the good results in 2020, and the good starting in 2021.

Staff and Volunteers



Many Thanks!!!!

Thank you everyone.

Nominating Committee Report:

The following board members have one year remaining on their term and will remain on the board: Monica Rodriguez, Kevin Campbell.

Current board members whose two-year term is up and have agreed to stand for re-election: Dustin Boehr, Aaron Crossman, Gerry Peters, Linda Sprung.

Four new people have agreed to stand for election to a two-year term: Kirstin Brink, Allison Halstead, Trevor Frost, Henry Penner.

To date no nominees have been submitted by the CFDC membership. Therefore, as the total number of board members would not exceed twelve, the Nominating Committee recommends the slate of nominees be appointed for a two-year term.

Gerry Peters

CFDC Nominating Committee Chair