

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**  
**Financial Statements**  
**Year Ended December 31, 2025**

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Index to Financial Statements**

**Year Ended December 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2025, 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, 2025, 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.

### *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:

(continues)

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

- 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 14, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS


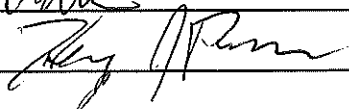
**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Statement of Financial Position**

**December 31, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 103,717	\$ 47,958
Accounts receivable	6,823	1,117
Inventory	21,504	20,171
Prepaid expenses	10,722	8,669
	<b>142,766</b>	<b>77,915</b>
CAPITAL ASSETS (Note 2)	<b>439,542</b>	<b>523,994</b>
INTANGIBLE ASSET (Note 3)	-	964
FOSSIL COLLECTION (Note 9)	1	1
DESIGN FEES AND STUDY COSTS FOR NEW FACILITY	<b>61,026</b>	<b>61,026</b>
<b>TOTAL ASSETS</b>	<b>\$ 643,335</b>	<b>\$ 663,900</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 13,147	\$ 13,764
Callable debt scheduled payments due in one year (Note 5)	10,580	6,787
Government remittances payable	4,354	3,686
Deferred revenue (Note 6)	40,027	44,856
Unearned revenue (Note 7)	7,325	304
	<b>75,433</b>	<b>69,397</b>
Callable debt scheduled payments due after one year (Note 5)	-	10,646
	<b>75,433</b>	<b>80,043</b>
DEFERRED REVENUE (Note 6)	<b>292,510</b>	<b>370,709</b>
TOTAL LIABILITIES	<b>367,943</b>	<b>450,752</b>
<b>NET ASSETS</b>		
Unrestricted (Page 5)	<b>275,392</b>	<b>213,148</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 643,335</b>	<b>\$ 663,900</b>

**APPROVED BY THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

See accompanying notes to financial statements

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Statement of Operations**

**Year Ended December 31, 2025**

	Budget (Unaudited) 2025	2025	2024
<b>REVENUE</b>			
Grants - municipal	\$ 95,500	\$ 95,000	\$ 95,000
Grants - municipal (Note 10)	168,960	168,960	168,960
Grants - municipal other	-	500	500
Admissions and memberships	63,200	75,898	67,553
Programs	29,500	29,721	21,371
Gift shop	35,000	57,843	51,311
Grants - other	-	19,821	33,782
Fundraising and sundry	5,500	6,191	6,389
Grants - Provincial - other	-	-	6,550
Donations	8,700	10,215	8,252
Donations - Signature Museum	72,000	66,234	79,407
	478,360	530,383	539,075
<b>EXPENSES (Schedule 1)</b>	478,360	521,610	529,982
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	-	8,773	9,093
<b>OTHER INCOME (EXPENSES)</b>			
Amortization	-	(49,763)	(61,995)
Amortization of intangible asset	-	(964)	(1,927)
Deferred revenue recognized	-	39,017	47,324
Gain on disposal of capital asset	-	11,881	-
Sale of Allosaurus replica	-	53,300	-
	-	53,471	(16,598)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	\$ -	\$ 62,244	\$ (7,505)

See accompanying notes to financial statements

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Statement of Net Assets**

**Year Ended December 31, 2025**

	<b>2025</b>	<b>2024</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 213,148</b>	<b>\$ 220,653</b>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<b>62,244</b>	<b>(7,505)</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 275,392</b>	<b>\$ 213,148</b>

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Statement of Cash Flows**

**Year Ended December 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses for the year	\$ 62,244	\$ (7,505)
Items not affecting cash:		
Amortization of capital assets	49,763	61,995
Amortization of intangible asset	964	1,927
Gain on disposal of capital asset	(11,881)	-
Deferred revenue recognized	(39,017)	(47,324)
	<b>62,073</b>	<b>9,093</b>
Changes in non-cash working capital:		
Accounts receivable	(5,706)	(910)
Inventory	(1,333)	7,917
Accounts payable	(615)	(6,067)
Prepaid expenses	(2,053)	14,334
Government remittances payable (receivable)	668	(6,386)
Unearned revenue	7,021	(11,011)
	<b>(2,018)</b>	<b>(2,123)</b>
Cash flow from operating activities	<b>60,055</b>	<b>6,970</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(49,943)	-
Proceeds on disposal of capital asset	15,000	-
Cash flow from (used by) investing activities	<b>(34,943)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Deferred grants received	37,500	-
Repayment of callable debt	(6,853)	(6,142)
Cash flow from (used by) financing activities	<b>30,647</b>	<b>(6,142)</b>
<b>INCREASE IN CASH FLOW</b>	<b>55,759</b>	<b>828</b>
Cash - beginning of year	47,958	47,130
<b>CASH - END OF YEAR</b>	<b>\$ 103,717</b>	<b>\$ 47,958</b>

See accompanying notes to financial statements

# CANADIAN FOSSIL DISCOVERY CENTRE INC.

## Notes to Financial Statements

Year Ended December 31, 2025

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Canadian Fossil Discovery Centre Inc. is a not-for-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.

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### 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):

Buildings	4%
Computer equipment	10% - 50%
Furniture, fixtures, equipment and signs	10% - 20%
Leasehold improvements	5%
Motor vehicle	20%

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.

The organization has adopted a policy whereby capital assets costing \$2,000 or more will be included in the statement of financial position at cost and amortized over their expected useful life. Capital assets costing less than \$2,000 will be expensed in the year of purchase.

#### 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.

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**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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

Fossil collection

The accessioned vertebrate fossil collection has been recorded at a nominal value in the financial statements.

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

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 87,034	\$ -	\$ 87,034	\$ -
Buildings	259,397	31,128	259,397	20,752
Computer equipment	89,601	57,006	180,301	68,274
Furniture, fixtures, equipment and signs	191,012	122,132	149,936	94,910
Leasehold improvements	27,067	9,715	27,067	8,362
Motor vehicle	60,630	55,218	60,630	48,073
	<b>\$ 714,741</b>	<b>\$ 275,199</b>	<b>\$ 764,365</b>	<b>\$ 240,371</b>
Net book value	<b>\$ 439,542</b>		<b>\$ 523,994</b>	

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

**3. INTANGIBLE ASSET**

	<b>2025</b>	<b>2024</b>
Website design costs	\$ 9,636	\$ 9,636
Accumulated amortization - straight-line amortization over five years	<b>(9,636)</b>	<b>(8,672)</b>
	\$ -	\$ 964

**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% (5.45% as of December 31, 2025). 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**

	<b>2025</b>	<b>2024</b>
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.	\$ 10,580	\$ 17,433
Scheduled principal payments due in one year	<b>(10,580)</b>	<b>(6,787)</b>
Scheduled principal payments due thereafter	\$ -	\$ 10,646

**6. DEFERRED REVENUE**

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 415,566	\$ 462,890
Additions during the year	<b>37,500</b>	-
Less: recognized as revenue	<b>(39,017)</b>	<b>(47,324)</b>
Less: included in gain on disposal of capital asset	<b>(81,512)</b>	-
Balance, end of year	<b>332,537</b>	415,566
Current portion	<b>(40,027)</b>	<b>(44,856)</b>
Long term portion	\$ 292,510	\$ 370,710

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

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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7. UNEARNED REVENUE

	2025	2024
Morden Area Foundation grant	\$ 6,800	\$ -
Deposits received	304	304
Gift certificates	221	-
	<b>\$ 7,325</b>	<b>\$ 304</b>

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8. 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 \$66,234 (2024 - \$69,573).

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9. FOSSIL COLLECTION

The collection consists of approximately 2,383 (2024 - 2,291) accessioned fossil specimens. During the year, the organization added 92 (2024 - 225) 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.

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10. GRANTS - MUNICIPAL

Effective December 31, 2021, the organization entered into a lease agreement with the City of Morden to lease the building space it occupies for an amount of \$168,960 per year. The agreement ends on December 31, 2031. The amount charged approximates fair market value rent. The City of Morden will be giving 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 2025 and 2024.

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11. ECONOMIC DEPENDENCE

During the year ending December 31, 2025, approximately 18% (2024 - 18%) of the organization's revenue was received from the City of Morden in the form of cash. The organization also received in-kind grants (Note 10) from the City of Morden accounting for approximately 32% (2024 - 31%) of revenue. The organization is economically dependant on continued support from the City of Morden to carry on its operations in their present form.

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# CANADIAN FOSSIL DISCOVERY CENTRE INC.

## Notes to Financial Statements

Year Ended December 31, 2025

### 12. FINANCIAL INSTRUMENTS AND RELATED RISKS AND UNCERTAINTIES

Financial assets measured at amortized cost include cash and accounts receivable as presented on the statement of financial position. Financial liabilities measured at amortized cost include accounts payable and callable debt as presented on the statement of financial position.

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

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, 2025 and 2024 were as follows.

	2025	2024
Cash	\$ 103,717	\$ 47,958
Accounts receivable	6,823	1,117
	<b>\$ 110,540</b>	<b>\$ 49,075</b>

Credit risk associated with cash is minimized by ensuring that cash is invested with a credit worthy institution. The majority of accounts receivable were collected after December 31.

#### 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 callable debt has a floating interest rate. Accordingly fluctuations in interest rates will affect 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.

### 13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**CANADIAN FOSSIL DISCOVERY CENTRE INC.**

**Expenses**

**(Schedule 1)**

**Year Ended December 31, 2025**

	Budget (Unaudited) 2025	2025	2024
Advertising and promotion	\$ -	\$ 30,831	\$ 31,032
Association dues	-	1,314	600
Bookkeeping	-	7,799	9,589
Fundraising	-	102	3,081
Galleries and exhibits	-	12,692	12,253
Gift shop	8,450	18,462	21,973
Insurance	7,000	7,372	7,466
Interest and bank charges	3,350	3,495	2,763
Interest on callable debt	1,800	707	1,418
Laboratory supplies	-	5,191	803
Miscellaneous	-	2,443	2,268
Office	3,000	7,729	5,016
Professional fees	-	20,622	26,663
Programs	5,000	18,840	19,421
Rent (Note 10)	168,960	163,960	163,960
Repairs and maintenance	-	1,925	1,191
Salaries and wages	204,100	203,242	204,482
Signature Museum expenses (Note 8)	72,000	-	-
Telephone	2,200	2,013	2,031
Travel	-	553	515
Utilities	-	5,000	5,000
Property taxes	2,500	1,928	1,506
Vehicle	-	5,390	6,951
	\$ 478,360	\$ 521,610	\$ 529,982