Financial statements of

Canadian Railroad Historical Association

March 31, 2026

Deloitte.

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Independent Auditor's Report

To the Members of
Canadian Railroad Historical Association

Opinion

We have audited the financial statements of Canadian Railroad Historical Association (the "CRHA"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CRHA as at March 31, 2026, 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 ("Canadian GAAS"). 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 CRHA 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 these 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 CRHA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the CRHA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CRHA'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 GAAS 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 GAAS, 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 CRHA'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 CRHA'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 CRHA 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.

Deloitte LLP[1]

July 29, 2026

[1] CPA auditor, public accountancy permit No. A131844

Canadian Railroad Historical Association
Statement of operations
Year ended March 31, 2026

	2026	2025
	$	$
Revenue	**2,884,286**	2,903,954
Expenses	**2,721,009**	2,894,278
Excess of revenue over expenses before amortization	**163,277**	9,676
Amortization		
Capital assets	**(241,532)**	(251,395)
Intangible assets	**(341)**	(1,197)
Deferred contributions related to capital assets	**180,769**	195,209
	(61,104)	(57,383)
Excess (deficiency) of revenue over expenses	**102,173**	(47,707)

The accompanying notes and supporting schedules are an integral part of the financial statements.

	Invested in long term assets	Unrestricted	Total
	$	$	$
Balance as at April 1, 2024	1,439,544	534,000	1,973,544
(Deficiency) excess of revenue over expenses	(57,383)*	9,676	(47,707)
Acquisition of capital assets	60,645	(60,645)	—
Balance as at March 31, 2025	**1,442,806**	**483,031**	**1,925,837**
Excess (deficiency) of revenue over expenses	**(61,104)***	**163,277**	**102,173**
Acquisition of capital assets	**342,113**	**(342,113)**	**—**
Increase in deferred contributions related to capital assets	**(53,015)**	**53,015**	**—**
Balance as at March 31, 2026	**1,670,800**	**357,210**	**2,028,010**

* The amount included in the *Invested in long term assets* column represents the amortization of capital assets, intangible assets and deferred contributions related to capital assets.

The accompanying notes and supporting schedules are an integral part of the financial statements.

Canadian Railroad Historical Association
Statement of financial position
As at March 31, 2026

	2026	2025
	$	$
Assets		
Current assets		
Cash	**368,434**	614,008
Investments	**257,423**	249,279
Accounts receivable	**52,214**	24,287
Grant receivable	**4,395**	2,564
Taxes receivable	**15,292**	46,773
Inventories	**77,857**	67,965
Prepaid expenses	**54,348**	48,375
	829,963	1,053,251
Capital assets	**4,853,307**	4,752,726
Collections and exhibits	**1**	1
Works of art	**69,576**	69,576
Intangible assets	**795**	1,136
	5,753,642	5,876,690
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**193,010**	253,112
Government remittances	**24,122**	24,156
Deferred revenue	**3,333**	3,333
Deferred contributions	**252,288**	289,619
	472,753	570,220
Deferred contributions related to capital assets	**3,252,879**	3,380,633
	3,725,632	3,950,853
Commitments		
Net assets		
Invested in long term assets	**1,670,800**	1,442,806
Unrestricted	**357,210**	483,031
	2,028,010	1,925,837
	5,753,642	5,876,690

The accompanying notes and supporting schedules are an integral part of the financial statements.

Approved by the Board

____________________, Director

François Gaté, Director

	2026	2025
	$	$
Operating activities		
Excess (deficiency) of revenue over expenses	**102,173**	(47,707)
Items not affecting cash		
Amortization of capital assets	**241,532**	251,395
Amortization of intangible assets	**341**	1,197
Amortization of deferred contributions related to capital assets	**(180,769)**	(195,209)
	163,277	9,676
Changes in non-cash operating working capital items and grants receivable	**(111,609)**	(71,979)
	51,668	(62,303)
Investing activities		
Acquisition of investments	**(8,144)**	(249,279)
Disposal of investments	**—**	200,000
Acquisition of capital assets	**(342,113)**	(60,645)
	(350,257)	(109,924)
Financing activities		
Increase of deferred contributions related to capital assets	**53 015**	—
Net decrease in cash	**(245,574)**	(172,227)
Cash, beginning of year	**614,008**	786,235
Cash, end of year	**368,434**	614,008

The accompanying notes and supporting schedules are an integral part of the financial statements.

1. Status and nature of activities

The Canadian Railroad Historical Association (the "CRHA") was incorporated on August 22, 1941, as a not-for-profit organization without share capital under Part II of the *Canada Corporations Act*. Its statutes were continued on June 18, 2014, under the *Canada Not-for-Profit Corporations Act*. The CRHA is exempt from income taxes under Section 149(1)(f) of the *Income Tax Act* (Canada) and Section 985.23 of the *Taxation Act* (Québec).

The CRHA's principal activities are the ownership and operation of an accredited museum known as Exporail, the Canadian Railway Museum, located in Saint-Constant and Delson, Québec. Exporail is the largest railway museum in Canada and has been recognized by the House of Commons as Canada's national railway museum. Its objectives are to retain, protect and preserve a collection of railroad objects for public exhibition, education and research purposes. The CRHA also possesses Canada's largest collection of railway-related documents in its archives and produces and distributes a journal, Canadian Rail, to its members.

2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

Presentation of the controlled Foundation

The Canadian Railroad Historical Association Foundation, which is controlled by the CRHA, is not consolidated in the financial statements of the CRHA.

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the CRHA becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the CRHA in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost, except for the investments which are measured at fair value at the balance sheet date. The fair value of these investments is based on the closing price.

Fluctuations of fair value, which include interest earned, interest accrued, dividend earned, realized gains and losses on disposal and unrealized gains and losses, are included in statement of results as investment revenue.

Transaction costs

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as investment revenue.

2. Accounting policies (continued)

Financial instruments (continued)

Impairment

With respect to financial assets measured at cost or amortized cost, the CRHA recognizes an impairment loss, if any, in the statement of operations when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

Revenue recognition

The CRHA uses the deferral method to account for contributions. Restricted contributions are recognized as revenue in the period in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured.

Revenue from admissions, sales from the gift shop, the memberships and rental is recognized when the service is rendered.

Capital assets

Capital assets are recorded at cost and amortized over their useful life according to the following methods and rates:

Property fence and land improvements	Straight-line	20 years
Building	Diminishing balance	5%
Building improvements	Diminishing balance	5%
Furniture and equipment	Diminishing balance	20%
Machinery, material and equipment	Diminishing balance	20%
Rolling stock	Diminishing balance	20%
Computer equipment	Diminishing balance	30%

Intangible assets

Intangible assets are recorded at cost and amortized over their useful life using the diminishing balance method at the annual rate of 30%.

Impairment of capital assets and intangible assets

When conditions indicate that a capital asset or an intangible asset is impaired, the net carrying amount of the tangible capital asset, or the intangible asset shall be written down to the asset's fair value or replacement cost. The write-downs of capital assets and the tangible assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

Inventories

Merchandise inventories of finished goods are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

Collections and exhibits

Collections and exhibits are reflected in the expenses upon acquisition and are recorded at a nominal amount of $1.

2. Accounting policies (continued)

Deferred contributions related to capital assets

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Expenses allocation

Wages and benefits are classified in proportion to the estimated time that employees allocate to various activities.

The amounts allocated to activities are disclosed in Note 9 to the financial statements.

Use of estimates

The preparation of financial statements in conformity 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ from these estimates.

3. Investments

	2026	2025
	$	$
Cash	**8,779**	469
Canadian bonds, face value of $246,000 ($245,000 as at March, 31 2025), bearing interest from 3.06% to 4.61%, (2.44 % to 4.61% as at March, 31 2025) maturing from May 2026 to January 2032 (June 2025 to January 2032 as at March, 31 2025)	**248,644**	248,810
	257,423	249,279

4. Inventories

The inventories recognized as an expense during the year amount to $88,514 ($94,750 in 2025), which is included in Schedule B under *Gift shop*.

5. Capital assets

			2026	2025
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Phases I and II				
Land	**68,205**	**—**	**68,205**	68,205
Property fence and land improvements	**93,436**	**93,436**	**—**	—
Buildings	**10,409,048**	**7,106,050**	**3,302,998**	3,471,827
Furniture and equipment	**208,291**	**206,676**	**1,615**	2,019
	10,778,980	**7,406,162**	**3,372,818**	3,542,051
Others				
Land	**506,593**	**—**	**506,593**	506,593
Property fence and land improvements	**262,849**	**250,112**	**12,737**	16,375
Buildings	**1,458,066**	**977,976**	**480,090**	164,804
Buildings improvements	**649,113**	**281,688**	**367,425**	386,764
Furniture and equipment	**241,513**	**207,692**	**33,821**	42,277
Machinery, material and equipment	**544,201**	**509,464**	**34,737**	43,422
Rolling stock	**91,095**	**82,846**	**8,249**	10,311
Computer equipment	**220,799**	**183,962**	**36,837**	40,129
	3,974,229	**2,493,740**	**1,480,489**	1,210,675
	14,753,209	**9,899,902**	**4,853,307**	4,752,726

6. Intangible assets

			2026	2025
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Software	**67,348**	**66,553**	**795**	1,136

7. Deferred contributions

	2026	2025
	$	$
Donations for a future project	**83,753**	83,753
Dedicated donation for the restoration of railway vehicles	**106,910**	136,720
Dedicated donation from CN for the exhibit on railway security	**1,266**	1,266
Dedicated donation to the archives	**14,310**	16,990
Grant from Bibliothèque et Archives nationales du Québec for the support of archive processing	**5,310**	7,807
Dedicated donation to build the John Molson passenger car	**40,739**	43,083
	252,288	289,619

Changes that have occurred in the balance of deferred contributions are as follows:

	2026	2025
	$	$
Balance, beginning of year	**289,619**	338,260
Amounts received during the year	**63,722**	104,122
Portion recognized as revenue	**(101,053)**	(152,763)
Balance, end of year	**252,288**	289,619

8. Deferred contributions related to capital assets

	2026	2025
	$	$
Balance, beginning of year	**3,380,633**	3,575,842
Contributions received during the year	**53,015**	—
Amortization	**(180,769)**	(195,209)
Balance, end of year	**3,252,879**	3,380,633

8. Deferred contributions related to capital assets (continued)

The ending balance includes:

			2026	2025
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Phase I				
Economic Development Canada	**3,000,000**	**2,077,925**	**922,075**	970,606
Ministère de la Culture et des Communications	**3,415,000**	**2,365,375**	**1,049,625**	1,104,868
CLD de Roussillon	**26,100**	**18,076**	**8,024**	8,446
	6,441,100	**4,461,376**	**1,979,724**	2,083,920
Phase II				
Economic Development Canada	**1,200,000**	**847,428**	**352,572**	371,128
Ministère de la Culture et des Communications	**1,200,000**	**847,429**	**352,571**	371,128
	2,400,000	**1,694,857**	**705,143**	742,256
Permanent exhibit				
Volet B				
North American Railway Foundation	**130,633**	**73,134**	**57,499**	60,525
Ministère de la Culture et des Communications	**486,360**	**268,562**	**217,798**	229,261
	616,993	**341,696**	**275,297**	289,786

8. Deferred contributions related to capital assets (continued)

	2026			2025
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Other projects				
Heller-Smith Family Foundation	**35,000**	**32,553**	**2,447**	6,598
Bibliothèque et Archives Canada	**48,980**	**41,983**	**6,997**	9,996
Living Memory Project	**6,047**	**2,564**	**3,483**	4,354
BAnQ aide au virage numérique	**10,341**	**6,034**	**4,307**	6,153
Reorganization of the reserves from the Museums Assistance Program	**21,128**	**10,986**	**10,142**	12,677
Replacement of HVAC units	**53,015**	**1,324**	**51,691**	—
	174,511	**95,444**	**79,067**	39,778
Renewal of the permanent exhibit				
Canadian Heritage	**205,252**	**60,224**	**145,028**	152,658
Ministère de la Culture et des Communications	**97,602**	**28,982**	**68,620**	72,235
	302,854	**89,206**	**213,648**	224,893
	9,935,458	**6,682,579**	**3,252,879**	3,380,633

9. Expenses allocation

Wages and benefits are distributed as follows:

	2026	2025
	$	$
Demonstration, education and railway experience	**488,893**	457,703
Administrative and office supplies	**238,160**	225,534
Archives, collections and documentation	**197,435**	215,433
Rental of rooms and gift shop expenses	**112,600**	121,356
Exhibits	**70,636**	74,626
Communications and advertising	**51,967**	57,722
Maintenance of the buildings and the site	**62,365**	36,938
Philanthropic development and fundraising activities	**43,954**	24,311
	1,266,010	1,213,623

10. Commitments

The CRHA is committed under agreements for services and equipment rental until 2030. The total payments amount is $123,401 and is as follows:

	$
2027	100 206
2028	14 047
2029	7 826
2030	1 322

11. Canadian Railroad Historical Association Foundation

The Canadian Railroad Historical Association Foundation (the "Foundation"), incorporated under Part II of the *Canada Corporations Act*, constituted under the *Canada Not-for-profit Corporations Act*, is a public foundation whose objective is to retain, present, interpret and publish information on the Canadian railroad heritage, and to solicit funds, bequests and other contributions to benefit the CRHA, as well as to manage these funds. The CRHA controls the Foundation since the majority of the Foundation's directors are also the CRHA's directors.

The financial statements of the Foundation are as follows:

	2026	2025
	$	$
Statement of financial position		
Assets	**4,838,662**	4,173,035
Liabilities	**185,005**	155,450
Net assets*	**4,653,657**	4,017,585

* Net assets as at March 31, 2026, include endowments received during the year in the amount of $163,490 ($151,750 in 2025).

	2026	2025
	$	$
Statement of operations		
Revenue	**752,832**	660,632
Expenses	**280,250**	203,806
Excess of revenue over expenses	**472,582**	456,826

During the fiscal year, the Foundation received an unrestricted bequest of $91,474 ($200,000 in 2025).

The Foundation's Board of Directors, by resolution, created a permanent Infrastructure Fund (the "Fund") making it eligible to apply for and to receive matching grants from the Mécénat Placements Culture Program (the "Program") of the ministère de la Culture et des Communications du Québec providing that the matching grants respect the rules, regulations and general requirements of the Program. The Board of Directors, by resolution, designated that the bequest of $91,474 ($200,000 in 2025) be added to the Fund in perpetuity, thus allowing for an application to the Programme for a matching grant.

The accounting policies adopted by the Foundation are identical to those of the CRHA.

11. Canadian Railroad Historical Association Foundation (continued)

During the year, the Foundation donated $210,816 ($178,204 in 2025) to the CRHA, which has been recorded in the CRHA's donations revenue. The Foundation also provided support to the CRHA for its philanthropic activities in the amount of $27,631 (nil in 2025).

These transactions were made in the normal course of activities and have been recorded at the exchange amount.

12. Other information

Contributions received in the form of capital assets, supplies, services, collections and exhibits equipment

Management has determined that volunteers donated approximately 25,993 hours of work to the CRHA throughout the year (25,131 hours in 2025). These hours were not recorded in the books. Management estimates that the cost of this work, if contracted out, would vary from $20 to $50 per hour.

Management has determined that, throughout the year, it has received collections and exhibits contributions valued at approximately $29,913 ($47,048 in 2025), which have not been recorded.

Municipal taxes

Ville de Delson and Ville de Saint-Constant support the CRHA's activities by way of a municipal tax exemption.

13. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the CRHA's financial instruments will fluctuate because of changes in market prices. Market risk includes currency risk, interest rate risk and other price risk. The CRHA is exposed to a risk, as described in the following paragraph:

Interest rate risk

Bond investments bear interest at fixed rates. Consequently, a change in market interest rates will affect the fair value of these investments.

Credit risk

The CRHA provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains provisions for doubtful accounts.

This risk also arises from the fact that the CRHA holds investments in bonds. As a result, there is a risk that a bond issuer may fail to meet its obligations to the CRHA, which would affect the CRHA's assets.

Liquidity risk

Liquidity risk is the risk of the CRHA not being able to meet its financial obligations when they are due. The CRHA monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2026, the most significant financial liabilities were accounts payable and accrued liabilities.

14. Comparative figures

Certain figures for the 2025 financial year have been reclassified to conform to the presentation adopted in 2026.

Revenue – Schedule A

	2026	2025
	$	$
Admissions	**835,756**	755,365
Donations	**835,720**	533,697
Rental of rooms and site	**93,901**	290,750
Sales from the gift shop	**174,402**	164,165
Memberships	**35,888**	34,857
Investments revenues	**8,566**	22,298
Contribution received from the Foundation for fundraising expenses	**27,631**	—
Other revenue	**26,846**	39,547
	2,038,710	1,840,679
Grants and contributions		
Ministère de la Culture et des Communications	**600,000**	553,610
Ministère de la Culture et des Communications – Free Sundays	**26,511**	235,368
Museums Assistance Program	**—**	73,468
Ville de Saint-Constant	**67,245**	65,127
Bibliothèque et Archives nationales du Québec	**66,218**	55,122
Employment and Social Development Canada	**39,971**	29,357
Canadian Heritage	**23,482**	25,205
Ville de Delson	**15,200**	15,200
MRC Roussillon	**3,000**	7,000
Soutien à l'action bénévole	**2,500**	—
Carrefour Jeunesse-emploi	**1,449**	1,418
Ministère de l'Emploi Québec	**—**	2,400
	845,576	1,063,275
	2,884,286	2,903,954
Amortization of deferred contributions related to capital assets	**180,769**	195,209
	3,065,055	3,099,884

Expenses – Schedule B

	2026	2025
	$	$
Demonstration, education and railway experience	**725,593**	685,083
Maintenance of the buildings and the site	**406,432**	545,098
Administrative and office supplies	**446,433**	440,677
Archives, collection and documentation	**230,708**	236,510
Exhibits	**85,686**	215,889
Insurance	**129,841**	144,381
Communications and advertising	**173,839**	143,322
Rental of rooms and gift shop expenses	**124,048**	130,776
Professional fees	**95,370**	99,871
Gift shop	**90,392**	97,154
Publications	**54,899**	84,164
Conservation and restoration	**48,501**	44,221
Philanthropic development and fundraising activities	**109,267**	27,132
	2,721,009	2,894,278
Amortization of capital assets	**241,532**	251,395
Amortization of intangible assets	**341**	1,197
	2,962,882	3,146,870