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**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)**

**FINANCIAL STATEMENTS
NOVEMBER 30, 2015**



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INDEPENDENT AUDITOR'S REPORT

To the Members of:

Drumheller And District Chamber of Commerce

I have audited the accompanying financial statements of Support Services (a division of Drumheller And District Chamber of Commerce), which comprise the statement of financial position as at November 30, 2015, and the statement of operations and net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information in conjunction with my audit of Drumheller and District Chamber of Commerce.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Support Services (a division of Drumheller And District Chamber of Commerce), as at November 30, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

Drumheller and District Chamber of Commerce has prepared a separate set of financial statements for the year ended November 30, 2015 in accordance with Canadian accounting standards for not-for-profit organizations, including Support Services' statement of operations, on which I issued a separate auditor's report to the members of Drumheller and District Chamber of Commerce dated February 9, 2016.

DRUMHELLER, ALBERTA
February 9, 2016

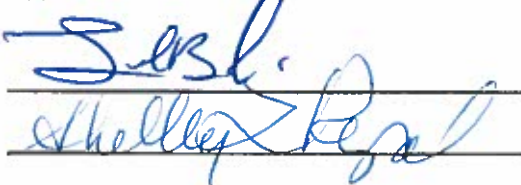


ASCEND FINANCIAL
CERTIFIED GENERAL ACCOUNTANT

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2015**

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Cash	\$ 182,099	\$ 191,748
Accounts receivable	9,563	7,852
	\$ 191,662	\$ 199,600
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 681	\$ 59,143
Deferred contract revenue (Note 4)	190,981	140,462
	191,662	199,605
NET ASSETS		
Unrestricted Net Assets	-	(5)
	\$ 191,662	\$ 199,600

Approved on Behalf of the Board:



 Shelley Real

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

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
PERIOD ENDED NOVEMBER 30, 2015**

	<u>2015</u>	<u>2014</u>
REVENUE		
Contracts	\$ 1,967,713	\$ 1,951,455
Contracts - Science Centre	5,462	128
REVENUE BEFORE EXPENSES	1,973,175	1,951,583
EXPENSES		
Wages - contractual	1,661,424	1,625,490
Employee benefits	154,259	161,584
Administration fees	128,788	135,681
Contract expenses	25,565	25,147
Workers' Compensation Board	3,139	3,681
	1,973,175	1,951,583
NET INCOME	\$ -	\$ -

CHANGES IN NET ASSETS

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ (5)	\$ (5)
Adjustment	5	-
BALANCE, end of year	\$ -	\$ (5)

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

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)
STATEMENT OF CASH FLOWS
NOVEMBER 30, 2015
(Indirect Method)

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Cash from operations		
Net income	\$ -	\$ -
CHANGES IN NON-CASH WORKING CAPITAL BALANCES		
Accounts receivable	(1,711)	38,664
Accounts payable and accrued liabilities	(58,462)	57,920
Increase in deferred revenue	50,519	(2,811)
	(9,654)	93,773
INVESTING ACTIVITIES		
(DECREASE) INCREASE IN CASH		
	(9,649)	93,773
Cash, beginning of year	191,748	97,975
CASH, END OF YEAR	\$ 182,099	\$ 191,748
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

OPERATIONS OF THE SUPPORT SERVICES

Drumheller and District Chamber of Commerce, Support Services Division, was formed to act as the contractor between Alberta Culture and Tourism and the Royal Tyrrell Museum supplying temporary labor. Operations commenced April 1, 2003. Drumheller and District Chamber of Commerce acts as the administrator of the various contracts by providing billing, payroll and other services for an administration fee based upon the total expenses incurred by each contract excluding that fee. At November 30, 2015 the fee was 7.25% (7.25% in 2014).

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been, in the board's opinion, properly prepared within reasonable limits of materiality in accordance with Canadian Accounting Standards for Not-for-Profit Organizations within the framework of the significant accounting policies summarized below:

a) Accrual Basis Of Accounting

The accrual basis of accounting is followed in the financial statement presentation, thus all revenues and expenditures are accounted for in the period to which they apply.

b) Revenue recognition

Drumheller & District Chamber of Commerce follows the deferral method of accounting for contributions to Support Services. Revenue under contract with the Province of Alberta is invoiced in periodic lump sums and is only recognized as revenue in the year in which the related expenses are incurred. Any amounts received in excess of the related expenses are repaid at the end of the contract. The contract period is April 1 through March 31 each year.

c) Cash and cash equivalents

Cash and cash equivalents consist only of cash and Credit Union shares.

d) Financial instruments

DDCC initially measures its' financial assets and financial liabilities at fair value. Subsequently, amortized cost is used. This is the amount at initial recognition minus principal repayments and minus any reduction for impairment.

Financial assets measured at amortized cost include cash and cash equivalents, short-term investments, and amounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

e) Contributed services

Volunteers contribute their services during the year to assist the Organization as board members. Because of the difficulty in determining their fair value, these services are not recognized in the financial statements.

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

2. FINANCIAL INSTRUMENTS

The Organization's financial assets and liabilities at November 30, 2015 include all current assets, accounts payable and accrued liabilities. Due to the short-term nature of these items, carrying amounts are considered to approximate fair value.

a) Fair Values of Financial Assets and Liabilities

Fair value is the consideration that would be agreed to in an arm's length transaction between knowledgeable and willing parties with no compulsion to act. Estimates respecting fair values are based on subjective assumptions and contain significant uncertainty. Fair values represent estimates of value at a particular point in time and may not be relevant in predicting future cash flows or earnings. Potential expenses that may be incurred on actual disposition have not been reflected in the fair values disclosed.

b) Credit Risk

It is the Board's opinion that Support Services is not exposed to significant credit risk arising from its financial instruments. All amounts receivable are due from the Province under contract and risk of default is considered low.

c) Interest Rate Risk

It is the Board's opinion that the Support Services is not exposed to significant interest rate risk arising from its financial instruments. There are no significant investments dependent upon interest rates.

d) Liquidity Risk

Liquidity risk is the risk that will not be able to meet a demand for for cash or fund its' obligations as they become due. Liquidity risk is managed by strategic budgeting, constant monitoring of the cash flow and prudent decision making by management and the Board.

3. ECONOMIC DEPENDENCE

The main provider of funding for Support Services is Alberta Culture and Tourism. Without this funding, the Division would cease to operate.

4. DEFERRED CONTRACT REVENUE

The deferred contract revenue is a result of the Alberta Government's contract payment schedules whereby some billings are done in advance of the related expenses being incurred. Support Services' fiscal year does not coincide with Alberta Government's March 31 year end resulting in overlapping of contracts between the two periods.

Additionally, the Canadian Science Centre grant is recognized as expenses are incurred and a portion of that grant is also deferred.