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DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE

**FINANCIAL STATEMENTS
NOVEMBER 30, 2017**





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INDEPENDENT AUDITORS' REPORT

To the Members of:

Drumheller And District Chamber of Commerce

We have audited the accompanying financial statements of Drumheller And District Chamber of Commerce, which comprise the statement of financial position as at November 30, 2017, and the statement of operations, statement of net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

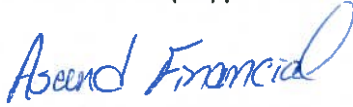
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Drumheller And District Chamber of Commerce as at November 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

Support Services (a division of Drumheller And District Chamber of Commerce) has prepared a separate set of financial statements for the year ended November 30, 2017 in accordance with Canadian accounting standards for not-for-profit organizations on which we issued a separate auditors' report to the members of Drumheller And District Chamber of Commerce (Support Services) dated March 6, 2018.

DRUMHELLER, Alberta
March 6, 2018


ASCEND FINANCIAL CPAs LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash (Note 9)	\$ 100,702	\$ 157,867
Cash - Legacy fund (Note 6)	160,758	143,184
Short-term investments (Note 6)	435,129	427,470
Accounts receivable	100,801	137,649
Inventory	38,055	39,228
Prepaid expenses	19,505	16,081
	<u>854,950</u>	<u>921,479</u>
INVESTMENTS (Note 3)	<u>31,782</u>	<u>37,739</u>
CAPITAL ASSETS (Note 2)		
Tangible capital assets	502,075	557,516
Intangible capital assets	4,780	-
	<u>\$ 1,393,587</u>	<u>\$ 1,516,734</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,712	\$ 34,832
Goods and services tax payable	-	2,655
Current portion of long term debt (Note 11)	-	30,000
Deferred revenue (Note 7)	27,600	59,832
	<u>41,312</u>	<u>127,319</u>
LONG-TERM DEBT (Note 11)	<u>-</u>	<u>132,009</u>
	<u>41,312</u>	<u>259,328</u>
NET ASSETS		
NET ASSETS INVESTED IN CAPITAL ASSETS	506,855	395,507
UNRESTRICTED NET ASSETS	249,533	291,245
RESTRICTED NET ASSETS (Note 6)	595,887	570,654
	<u>1,352,275</u>	<u>1,257,406</u>
	<u>\$ 1,393,587</u>	<u>\$ 1,516,734</u>

The financial statements have been approved by:

 _____ Director
 _____ Director

The accompanying notes are an integral part of the financial statements

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF OPERATIONS
YEAR ENDED NOVEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Chamber of Commerce (Page 6)	\$ 477,881	\$ 453,521
Tourist Information Centre (Page 7)	48,107	50,656
World's Largest Dinosaur (Page 8)	466,311	466,215
Support Services (Page 9)	2,252,941	2,176,281
	<hr/> 3,245,240	<hr/> 3,146,673
COST OF SALES (Page 8)	<hr/> 175,731	<hr/> 175,046
GROSS PROFIT	<hr/> 3,069,509	<hr/> 2,971,627
EXPENSES		
Chamber of Commerce (Page 6)	321,864	314,132
Tourist Information Centre (Page 7)	128,092	121,959
World's Largest Dinosaur (Page 8)	194,282	182,320
Support Services (Page 9)	2,252,941	2,176,281
	<hr/> 2,897,179	<hr/> 2,794,692
INCOME BEFORE OTHER INCOME AND EXPENSES	<hr/> 172,330	<hr/> 176,935
OTHER INCOME AND EXPENSES		
Other income World's Largest Dinosaur (Page 8)	12,370	14,645
Insurance proceeds (Page 6)	1,869	75,610
Loss on disposal of obsolete equipment (Page 6)	(385)	
Write down on investments (Page 6)	(5,957)	(5,957)
Amortization	(85,358)	(81,036)
	<hr/> (77,461)	<hr/> 3,262
NET INCOME	<hr/> \$ 94,869	<hr/> \$ 180,197

The accompanying notes are an integral part of the financial statements

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED NOVEMBER 30, 2017

	<u>Restricted Funds</u>	<u>Invested In Capital Assets</u>	<u>Unrestricted</u>	<u>2017</u>
Balance, beginning of period	\$ 570,654	\$ 395,507	\$ 291,245	\$ 1,257,406
Excess of revenue over expenses	-	(85,358)	180,227	94,869
Investment in capital assets	-	196,706	(196,706)	-
Internally imposed restrictions (Note 6)	25,233	-	(25,233)	-
Balance, end of year	\$ 595,887	\$ 506,855	\$ 249,533	\$ 1,352,275

	<u>Restricted Funds</u>	<u>Invested In Capital assets</u>	<u>Unrestricted</u>	<u>2016</u>
Balance, beginning of period	\$ 449,975	\$ 424,466	\$ 202,768	\$ 1,077,209
Excess of revenue over expenses	-	(81,036)	261,233	180,197
Investment in capital assets	-	52,077	(52,077)	-
Internally imposed restrictions	120,679	-	(120,679)	-
Balance, end of year	\$ 570,654	\$ 395,507	\$ 291,245	\$ 1,257,406

The accompanying notes are an integral part of the financial statements

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF REVENUE AND EXPENSES
CHAMBER OF COMMERCE
YEAR ENDED NOVEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Administration fees	\$ 180,186	\$ 164,377
Capital repair contributions	76,030	73,903
Programs and events (Schedule)	75,285	72,175
Community fund contributions	57,217	57,684
Legacy contributions	45,678	44,342
Memberships	31,121	31,918
Interest income	11,004	7,581
Other income	1,360	1,541
	<hr/> 477,881	<hr/> 453,521
EXPENSES		
Wages and benefits	105,292	94,359
Support services administration	80,037	80,685
Programs and events (Schedule)	56,419	45,525
Insurance	13,637	8,909
Advertising and promotion	13,439	12,869
Legacy distributions (Note 8)	10,256	28,000
Telephone	7,650	6,450
Office supplies and postage	7,008	8,364
Long term interest	5,403	6,593
Repairs and maintenance	3,629	2,948
Seminars, workshops and travel	3,384	3,605
Fees, dues and memberships	3,187	3,394
Utilities	3,106	2,596
Professional fees	3,050	4,155
Payroll service fees	2,253	2,682
Bank charges	1,265	1,101
Meetings	1,187	588
Janitorial	922	993
Vehicle fuel and maintenance	740	316
	<hr/> 321,864	<hr/> 314,132
INCOME BEFORE OTHER REVENUES AND EXPENSES	<hr/> 156,017	<hr/> 139,389
OTHER REVENUES AND EXPENSES		
Insurance proceeds (Note 14)	1,869	75,610
Write down on investments	(5,957)	(5,957)
Loss on disposal of obsolete equipment	(385)	-
	<hr/> (4,473)	<hr/> 69,653
NET INCOME	<hr/> \$ 151,544	<hr/> \$ 209,042

The accompanying notes are an integral part of the financial statements

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF REVENUE AND EXPENSES
TOURIST INFORMATION CENTRE
YEAR ENDED NOVEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Service provision - Town of Drumheller	\$ 46,157	\$ 45,700
Service provision - Provincial	1,950	-
Grants	-	4,956
	<u>48,107</u>	<u>50,656</u>
EXPENSES		
Wages and benefits	107,877	102,321
Janitorial	5,265	6,267
Utilities	5,074	4,723
Telephone	5,056	4,003
Office supplies and postage	2,098	1,240
Insurance	828	789
Travel	553	690
Vehicle expenses	546	758
Professional fees	300	300
Advertising and promotion	251	115
Repairs and maintenance	154	506
Training and conferences	90	247
	<u>128,092</u>	<u>121,959</u>
NET LOSS	<u>\$ (79,985)</u>	<u>\$ (71,303)</u>

The accompanying notes are an integral part of the financial statements

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF REVENUE AND EXPENSES
WORLD'S LARGEST DINOSAUR
YEAR ENDED NOVEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Sales	\$ 353,851	\$ 358,713
Admissions revenue	291,385	283,431
Less: Capital repair fund	(76,030)	(73,903)
Less: Community fund	(57,217)	(57,684)
Less: Legacy fund	(45,678)	(44,342)
	<u>466,311</u>	<u>466,215</u>
COST OF SALES	<u>175,731</u>	<u>175,046</u>
GROSS PROFIT	<u>290,580</u>	<u>291,169</u>
EXPENSES		
Wages and benefits	129,469	120,730
Repairs and maintenance	10,412	3,760
Advertising and promotion	9,118	10,982
Insurance	9,109	8,675
Utilities	7,610	7,084
Bank charges	6,474	5,443
Janitorial	5,888	6,955
Telephone	5,891	5,290
Office supplies and postage	4,595	4,840
Professional fees	3,325	6,108
Training	745	600
Workers' Compensation Board	733	876
Seminars, workshops and travel	616	893
Vehicle expense	423	126
Cash (over) short	(126)	(42)
	<u>194,282</u>	<u>182,320</u>
NET INCOME BEFORE OTHER INCOME	<u>96,298</u>	<u>108,849</u>
OTHER INCOME		
Grants	12,800	14,235
Other revenue	-	290
Foreign exchange (loss) gain	(430)	120
	<u>12,370</u>	<u>14,645</u>
NET INCOME	<u>\$ 108,668</u>	<u>\$ 123,494</u>

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF REVENUE AND EXPENSES
SUPPORT SERVICES
YEAR ENDED NOVEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Contracts	\$ 2,214,361	\$ 2,159,211
Other funding	38,580	17,070
	<hr/> 2,252,941	<hr/> 2,176,281
EXPENSES		
Wages - contractual	1,851,490	1,803,921
Administration fees	180,186	164,377
Employee benefits	174,308	164,676
Contract expenses	43,343	39,769
Workers' Compensation Board	3,614	3,538
	<hr/> 2,252,941	<hr/> 2,176,281
NET INCOME	<hr/> \$ -	<hr/> \$ -

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF CASH FLOWS
NOVEMBER 30, 2017
(Indirect Method)

	<u>2017</u>	<u>2016</u>
CASH PROVIDED BY OPERATING ACTIVITIES		
Net income	\$ 94,869	\$ 180,197
Items not requiring an outlay of cash:		
Amortization	85,358	81,036
Loss on disposal of capital assets	385	-
	<u>180,612</u>	<u>261,233</u>
CHANGES IN NON-CASH WORKING CAPITAL BALANCES		
Short-term investments	(7,660)	(80,063)
Accounts receivable	36,848	(124,602)
Inventories	1,174	(335)
Prepaid expenses	(3,424)	709
Accounts payable and accrued liabilities	(21,120)	14,786
Goods and services tax	(2,655)	2,696
	<u>3,163</u>	<u>(186,809)</u>
Cash provided by operating activities	<u>183,775</u>	<u>74,424</u>
FINANCING ACTIVITIES		
(Repayments of) long-term debt	<u>(162,009)</u>	<u>(49,291)</u>
INVESTING ACTIVITIES		
Additions to capital assets	(35,081)	(2,786)
(Decrease) increase in deferred revenue	(32,233)	(131,149)
Decrease in investments	5,957	5,957
Cash (used in) investing activities	<u>(61,357)</u>	<u>(127,978)</u>
DECREASE IN CASH	<u>(39,591)</u>	<u>(102,845)</u>
CASH, beginning of year	<u>301,051</u>	<u>403,896</u>
CASH, end of year	<u>\$ 261,460</u>	<u>\$ 301,051</u>
Cash consists of:		
Bank accounts, DDCC	\$ 170,392	\$ 173,732
Legacy Fund	160,758	143,184
Bank indebtedness, Support Services (Note 9)	(69,690)	(15,865)
	<u>\$ 261,460</u>	<u>\$ 301,051</u>

The accompanying notes are an integral part of the financial statements

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2017

NATURE AND DESCRIPTION OF THE ORGANIZATION

The Drumheller & District Chamber of Commerce (DDCC) is an organization formed to serve local businesses, the economy and community as well as oversee tourism development and act as a Chamber of Commerce for the region. The entity is a registered not-for-profit organization under the Income Tax Act and accordingly, is exempt from income taxes, provided certain requirements of the Act are met.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Drumheller & District Chamber of Commerce have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations under the going concern assumption.

The financial statements have been, in the Board's opinion, properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Measurement Uncertainty

The preparation of these 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 and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

b) Revenue recognition

(i) Contributions

The Drumheller & District Chamber of Commerce follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets if applicable.

(ii) Investment Income

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(iii) Gift Shop and Admissions

Revenue from the World's Largest Dinosaur gift shop and admission to the Dinosaur are recognized as income at the time the goods or service are provided.

(iv) Membership fees

Chamber members are invoiced annually and the revenue from those fees are recognized as income in the period to which they apply.

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2017

c) Cash and cash equivalents

Cash and cash equivalents consist of cash and investments which are readily converted into cash and are not subject to significant risk of changes in value.

d) Short-term investments

Short-term investments are represented by term deposits held for the purpose of capital repairs that may be needed to the dinosaur in future periods.

e) Inventories

Inventory is made up of all of the various goods offered for sale in the gift shop and is valued at the lower of cost and net realizable value using the average cost method. Any damaged or obsolete items are reviewed and written down accordingly.

f) Prepaid expenses

Prepaid expenses primarily consist of advance payments made to vendors in the current fiscal year for goods and services to be received in the next fiscal year. Prepaid expenses are recognized as expenses in the period in which the goods or services are received.

g) Capital assets

Capital assets are capitalized upon meeting the requirement for recognition as capital assets and are recorded at cost. Capital assets held for use are measured and amortized as described in the applicable accounting policies.

The organization performs impairment testing on capital assets held for use whenever events or circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the assets' carrying value exceeds its' fair value. Any impairment is included in earnings for the period. An impairment loss is not reversed if the fair value of the capital asset subsequently increases. Prices for similar items are used to measure fair value of capital assets.

(i) Tangible assets

Tangible assets consist of equipment, furniture, leasehold improvements and the dinosaur. These assets are measured at cost less accumulated amortization and impairment losses.

Amortization is provided by using the following methods and annual rates:

Furniture & Fixtures	20% declining balance
Computer hardware	30% to 100% declining balance
Dinosaur	30 years straight line
Dinosaur Interior	30 years straight line
Leaseholds	10 years straight line
Automotives	30% declining balance

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts, and the resulting loss or gain on disposal is included in income.

(ii) Intangible assets

Intangible assets consist of separately acquired computer application software measured at cost less accumulated amortization and impairment losses. Amortization is provided for using the straight line method as determined by the expected life of the software before an update is required.

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2017

h) Investments

Investments are valued at the lower of cost and net realizable value.

i) Contributed Services and materials

Volunteers contribute their services during the year to assist the Drumheller & District Chamber of Commerce as board members. Because of the difficulty of determining their fair value, contributed services and materials are not recognized in the financial statements.

j) 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.

k) Allocation of expenses

The Chamber incurs various general support and administrative expenditures that are common to the operation of the Organization and each of its' functions. Certain of these expenditures have been allocated to the World's Largest Dinosaur gift shop and the Tourist Information Centre based on an approximate applicable percentage of usage of each expense.

2. CAPITAL ASSETS***Tangible capital assets:***

	2017		2016	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 237,863	\$ 235,041	\$ 2,822	\$ 3,548
Automotives	9,636	9,080	556	794
Computer hardware	63,541	46,633	16,908	3,422
Dinosaur	962,831	544,509	418,322	468,812
Dinosaur interior	166,104	114,206	51,898	60,432
Leasehold improvements	233,861	222,292	11,569	20,508
	\$ 1,673,836	\$ 1,171,761	\$ 502,075	\$ 557,516

Intangible capital assets:

Computer software	\$ 25,990	\$ 21,210	\$ 4,780	\$ -
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DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2017

3. INVESTMENTS

	<u>2017</u>	<u>2016</u>
Dinosaur Trail Golf and Country Club	\$ 31,772	\$ 37,729
Drumheller Co-op	10	10
	<hr/>	<hr/>
	\$ 31,782	\$ 37,739

A 1998 agreement between Dinosaur Trail Golf and Country Club and the Drumheller Chamber of Commerce provided for 25 years of use of the golf course for an annual fund raising event in exchange for the elimination of Dinosaur Trail's debt. The original amount of the debt is being amortized over the twenty-five years on the straight line basis.

4. FINANCIAL INSTRUMENTS

The Organization's financial assets and liabilities at November 30, 2017 include all current assets, investments, 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**
 The Organization is exposed to credit risk arising from the possibility that parties may default on their financial obligations or if there is a concentration of transactions with the same party. DDCC does not hold any collateral as security for financial obligations due from counter parties. The diversity of customers minimizes the credit risk.
- c) **Interest Rate Risk**
 Interest rate risk refers to the risk that fair value of financial instruments or future cash flows associated with those instruments will fluctuate due to changes in market interest rates. The exposure to interest rate risk is from the interest bearing assets such as cash, cash equivalents and short-term investments. At November 30, 2017 interest rate risk is associated with the normal fluctuations in the prime rate which will not have a significant impact on the results of DDCC's operations.
- d) **Liquidity Risk**
 Liquidity risk is the risk that DDCC will not be able to meet a demand for cash or fund its' obligations as they become due. Liquidity risk is managed by strategic budgeting of capital purchases, constant monitoring of the cash flow and prudent decision making by management and the Board.

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2017

5. CONTINGENT LIABILITIES

As at the fiscal year ended November 30, 2017, a former employee has filed a complaint against Drumheller & District Chamber of Commerce. This action has not been resolved and there are currently no known consequences.

6. INTERNALLY RESTRICTED FUNDS

a) Legacy fund

The legacy account was established for the specific purpose of providing resources for community not-for-profit organizations and has a balance of \$160,758 as at November 30, 2017 (\$143,184 in 2016). Donations during the year from this fund amounted to \$10,256 to various local organizations (\$28,000 in 2016).

b) Short-term investments

The short-term investment represents term deposits for the specific purpose of capital replacement and capital repairs with respect to the World's Largest Dinosaur. This balance of \$435,129 (\$427,470 for 2016) with the legacy fund balance of \$160,758 (\$143,184 in 2016) make up the balance of restricted net assets of \$595,887 (\$570,654 in 2016). External restrictions were imposed by Chinook Credit Union as security for the long term debt of \$162,009 in 2016. Since the debt was repaid in full in 2017, there are no further external restrictions.

7. DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
Intern grant	\$ 27,600	\$ 59,832
Deferred Revenue	\$ 27,600	\$ 59,832

The current year deferred revenue relates to Natural Resources Canada funding whereby payments are determined in advance of the related expenses being incurred. In prior years, contracts with the Alberta Government were determined in the same way resulting in deferred revenue. For the current and prior year, these contracts require DDCC to incur the expenses before payments are made.

8. LEGACY CONTRIBUTIONS

	<u>2017</u>	<u>2016</u>
Drumheller Minor Ball Association	\$ 3,000	\$ -
Canadian Badlands Aquatic Club	3,000	-
Pioneer Trail Society	3,000	-
Wayne Community Association	3,000	-
Drumheller Off Road Vehicle Association	2,106	-
Drumheller Scouts	400	-
East Coulee School Museum Historical Society	(4,250)	16,000
Royal Canadian Legion	-	3,000
Munson Community Association	-	3,000
Drumheller Minor Soccer Association	-	3,000
Midlandvale Community Hall	-	3,000
Total Contributions	\$ 10,256	\$ 28,000

In 2016, the Board committed to a donation of \$16,000 to be paid, in 2017, to East Coulee School Museum Historical Society. This request was subsequently revised to \$11,750. The remaining \$4,250 was not donated.

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2017

8. LEGACY CONTRIBUTIONS continued

Applications for projects less than \$2,500 will be accepted throughout the year. These applications are evaluated by the executive committee who make recommendations to the Board for approval. The funds approved for distribution are based upon the amount budgeted for that particular period. In future, a maximum of \$20,000 per year will be approved for distribution.

9. LINE OF CREDIT

A line of credit of \$350,000 is in place with ATB Financial. This line of credit is necessary given the renegotiation of the Alberta Government Support Services contracts requiring the Chamber to incur the expenses before invoices are prepared. Interest on the LOC is currently 2.95%. At November 30, 2017, Support Services bank indebtedness amounted to \$69,690 (\$15,865 in 2016) and is included in the DDCC balance for Cash.

10. RELATED PARTY TRANSACTIONS

Some members of the Board of Directors may be involved in related party transactions with Drumheller and District Chamber of Commerce. These transactions are recorded at the exchange amount, transacted during the normal course of operations, and are not considered to be significant amounts.

11. LONG TERM DEBT

	<u>2017</u>	<u>2016</u>
Due to the Chinook Credit Union, repayable in annual installments of \$30,000, with monthly interest payments at 3.95%.		
Capital repair term deposits were pledged as collateral	\$ -	\$ 162,009
Current portion	-	30,000
<u>Long term portion</u>	<u>\$ -</u>	<u>\$ 132,009</u>

This debt was repaid in full in 2017.

12. ALLOCATION OF EXPENSES

Certain administrative expenses have been allocated to their respective functions as follows:

	<u>DDCC</u>	<u>WLD</u>	<u>TIC</u>
Janitorial	\$ 922	\$ 5,888	\$ 5,265
Utilities	3,106	7,610	5,074
Insurance	13,637	9,109	828
Professional fees	3,050	3,325	300
Telephone	7,650	5,891	5,056
Vehicle	740	423	546
	<u>\$ 29,105</u>	<u>\$ 32,246</u>	<u>\$ 17,069</u>

13. SUBSEQUENT EVENTS

The Board continues to address the findings of an engineering assessment done on the World's Largest Dinosaur in 2015 to identify structural and other maintenance requirements for both short term and long term maintenance. A strategic plan is still under development.

14. INSURANCE PROCEEDS

In 2016, extensive third party damage to dinosaur statues resulted in estimated proceeds from insurance of \$75,610. An additional \$1,869 was received in 2017.

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
SCHEDULE OF PROGRAMS AND EVENTS REVENUES AND EXPENDITURES
YEAR ENDED NOVEMBER 30, 2017

2017					
	Revenue	Expenditure	Excess of Revenue over Expenditures	Excess of Expenditures over Revenue	Total
Spring Expo	\$ 30,362	\$ 21,678	\$ 8,684	\$ -	\$ 8,684
Group insurance	15,877	-	15,877	-	15,877
Golf tournament	12,097	8,754	3,343	-	3,343
Small Business Week	7,954	7,015	939	-	939
Networking	3,679	1,797	1,882	-	1,882
Culture Days	2,452	1,487	-	-	965
Other events	1,623	-	1,623	-	1,623
AGM Events	674	508	166	-	166
VAP administration fee	424	-	424	-	424
Dino Arts	-	10,025	-	(10,025)	(10,025)
July 1	-	2,889	-	(2,889)	(2,889)
Little Church	-	1,216	-	(1,216)	(1,216)
Christmas mixer	-	578	-	(578)	(578)
Election Forum	143	472	-	(329)	(329)
	\$ 75,285	\$ 56,419	\$ 32,938	\$ (15,037)	\$ 18,866

2016					
	Revenue	Expenditure	Excess of Revenues over Expenditures	Excess of Expenditures over Revenue	Total
Spring Expo	\$ 39,592	\$ 19,981	\$ 19,611	\$ -	\$ 19,611
C of C group insurance	15,736	-	15,736	-	15,736
Golf tournament	8,351	4,474	3,877	-	3,877
Small Business Week	6,865	4,756	2,109	-	2,109
VAP admini fees	706	-	706	-	706
Networking	362	174	188	-	188
AGM events	563	494	69	-	69
Dino Arts	-	10,000	-	(10,000)	(10,000)
Little Church	-	1,055	-	(1,055)	(1,055)
July 1	-	3,117	-	(3,117)	(3,117)
Other events	-	901	-	(901)	(901)
Christmas mixer	-	523	-	(523)	(523)
Election Forum	-	50	-	(50)	(50)
	\$ 72,175	\$ 45,525	\$ 42,296	\$ (15,646)	\$ 26,650

The accompanying notes are an integral part of the financial statements



**Ascend
Financial**
Certified General Accountant

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

**FINANCIAL STATEMENTS
NOVEMBER 30, 2017**



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INDEPENDENT AUDITORS' REPORT

**To the Members of:
Drumheller And District Chamber of Commerce**

We 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, 2017, 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 our 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.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Support Services (a division of Drumheller And District Chamber of Commerce), as at November 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

Drumheller and District Chamber of Commerce has prepared a separate set of financial statements for the year ended November 30, 2017 in accordance with Canadian accounting standards for not-for-profit organizations, including Support Services' statement of operations, on which we issued a separate auditors' report to the members of Drumheller and District Chamber of Commerce dated March 6, 2018.

DRUMHELLER, ALBERTA
March 6, 2018


ASCEND FINANCIAL CPAs LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2017**

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Accounts receivable	\$ 97,290	\$ 75,879
	<hr/>	<hr/>
	\$ 97,290	\$ 75,879
	<hr/>	<hr/>
LIABILITIES		
CURRENT		
Bank indebtedness (Note 6)	\$ 69,690	\$ 15,865
Accounts payable and accrued liabilities	-	182
Deferred contract revenue (Note 4)	27,600	59,832
	<hr/>	<hr/>
	97,290	75,879
NET ASSETS		
Unrestricted Net Assets	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	\$ 97,290	\$ 75,879
	<hr/>	<hr/>

Approved on Behalf of the Board:



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
YEAR ENDED NOVEMBER 30, 2017**

	<u>2017</u>	<u>2016</u>
REVENUE		
Contracts	\$ 2,214,361	\$ 2,159,211
Contracts - Science Centre	38,580	17,070
REVENUE BEFORE EXPENSES	2,252,941	2,176,281
EXPENSES		
Wages - contractual	1,851,490	1,803,921
Administration fees	180,186	164,377
Employee benefits	174,308	164,676
Contract expenses	43,343	39,769
Workers' Compensation Board	3,614	3,538
	2,252,941	2,176,281
NET INCOME	\$ -	\$ -

CHANGES IN NET ASSETS

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ -	\$ -
BALANCE, end of year	\$ -	\$ -

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, 2017
(Indirect Method)

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Cash from operations		
Net income	\$ -	\$ -
CHANGES IN NON-CASH WORKING CAPITAL BALANCES		
Accounts receivable	(21,411)	(66,316)
Accounts payable and accrued liabilities	(182)	(499)
Decrease (increase) in deferred revenue	(32,232)	(131,149)
	(53,825)	(197,964)
(DECREASE) IN CASH	(53,825)	(197,964)
Bank indebtedness, Cash beginning of year	(15,865)	182,099
BANK INDEBTEDNESS , END OF YEAR	\$ (69,690)	\$ (15,865)

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, 2017**

OPERATIONS OF SUPPORT SERVICES

Drumheller and District Chamber of Commerce (DDCC), 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. DDCC 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, 2017 the fee was 9.25% (8.25% in 2016).

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 based on expenses incurred in the period and is recognized as revenue in the year in which the related expenses are incurred. For 2017, these invoiced amounts are recorded as accounts receivable when the invoice is issued or expenses incurred.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash and line of credit advances.

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, 2017**

2. FINANCIAL INSTRUMENTS

The Organization's financial assets and liabilities at November 30, 2017 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. The line of credit is dependent upon interest rate increases and decreases but does not pose a significant risk to the Organization.

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

	<u>2017</u>	<u>2016</u>
Intern grant	\$ 59,832	\$ 59,832
Deferred Revenue	\$ 59,832	\$ 59,832

The current year deferred revenue relates to Natural Resources Canada funding whereby payments are determined in advance of the related expenses being incurred. In prior years, contracts with the Alberta Government were determined in the same way resulting in deferred revenue. For the current year and prior year, these contracts require DDCC to incur the expenses before payments are made.

5. CONTINGENT LIABILITIES

As at the fiscal year ended November 30, 2017, a former employee has filed a complaint against Drumheller & District Chamber of Commerce. This action has not been resolved and there are currently no known consequences.

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
(SUPPORT SERVICES DIVISION)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2017**

6. BANK INDEBTEDNESS

A line of credit of \$350,000 is in place with ATB Financial. This line of credit is necessary given the renegotiation of the Alberta Government Support Services contracts requiring DDCC to incur the expenses before invoices are prepared. Interest on the LOC is currently 2.95%. At November 30, 2017, Support Services bank indebtedness amounted to \$69,690 (\$15,865 in 2016).