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DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE

**FINANCIAL STATEMENTS
NOVEMBER 30, 2016**

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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 Drumheller And District Chamber of Commerce, which comprise the statement of financial position as at November 30, 2016, 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.

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 generally accepted 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 Drumheller And District Chamber of Commerce as at November 30, 2016, 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, 2016 in accordance with Canadian accounting standards for not-for-profit organizations on which I issued a separate auditor's report to the members of Drumheller And District Chamber of Commerce (Support Services) dated February 14, 2017.

DRUMHELLER, Alberta
February 14, 2017


ASCEND FINANCIAL
CHARTERED PROFESSIONAL ACCOUNTANT

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Cash	\$ 157,867	\$ 301,328
Cash - Legacy fund (Note 6)	143,184	102,568
Short-term investments (Note 6)	427,470	347,407
Accounts receivable	137,649	13,048
Inventory	39,228	38,893
Prepaid expenses	16,081	16,790
Goods and services tax recoverable	-	41
	921,479	820,075
INVESTMENTS (Note 3)	37,739	43,697
CAPITAL ASSETS (Note 2)		
Tangible capital assets	557,516	635,766
	\$ 1,516,734	\$ 1,499,538
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 34,832	\$ 20,048
Goods and services tax payable	2,655	-
Current portion of long term debt (Note 11)	30,000	30,000
Deferred revenue (Note 7)	59,832	190,981
	127,319	241,029
LONG-TERM DEBT (Note 11)	132,009	181,300
	259,328	422,329
NET ASSETS		
NET ASSETS INVESTED IN CAPITAL ASSETS	395,507	424,466
UNRESTRICTED NET ASSETS	291,245	202,768
RESTRICTED NET ASSETS (Note 6)	570,654	449,975
	1,257,406	1,077,209
	\$ 1,516,734	\$ 1,499,538

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, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Chamber of Commerce (Page 6)	\$ 453,521	\$ 416,361
Tourist Information Centre (Page 7)	50,656	67,500
World's Largest Dinosaur (Page 8)	466,215	456,839
Support Services (Page 9)	2,176,281	1,973,175
	<hr/> 3,146,673	<hr/> 2,913,875
COST OF SALES (Page 8)	<hr/> 175,046	<hr/> 176,763
GROSS PROFIT	<hr/> 2,971,627	<hr/> 2,737,112
EXPENSES		
Chamber of Commerce (Page 6)	314,132	374,309
Tourist Information Centre (Page 7)	121,959	119,649
World's Largest Dinosaur (Page 8)	182,320	185,688
Support Services (Page 9)	2,176,281	1,973,175
	<hr/> 2,794,692	<hr/> 2,652,821
(LOSS) INCOME BEFORE OTHER INCOME AND EXPENSES	<hr/> 176,935	<hr/> 84,291
OTHER INCOME AND EXPENSES		
Other income World's Largest Dinosaur (Page 8)	14,645	2,293
Amortization	(81,036)	(82,852)
Insurance proceeds (Page 6)	75,610	-
Write down on investments (Page 6)	(5,957)	(8,192)
	<hr/> 3,262	<hr/> (88,751)
NET INCOME (LOSS)	<hr/> \$ 180,197	<hr/> \$ (4,460)

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, 2016

	<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 (Note 6)	120,679	-	(120,679)	-
Balance, end of year	\$ 570,654	\$ 395,507	\$ 291,245	\$ 1,257,406

	<u>Restricted Funds</u>	<u>Invested In Capital assets</u>	<u>Unrestricted</u>	<u>2015</u>
Balance, beginning of period	\$ 345,641	\$ 475,709	\$ 260,319	\$ 1,081,669
Excess of revenue over expenses	-	(82,852)	78,392	(4,460)
Investment in capital assets	-	31,609	(31,609)	-
Internally imposed restrictions	104,334	-	(104,334)	-
Balance, end of year	\$ 449,975	\$ 424,466	\$ 202,768	\$ 1,077,209

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, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Administration fees	\$ 164,377	\$ 128,788
Capital repair contributions	73,903	70,007
Programs and events (Schedule)	72,175	72,380
Community fund contributions	57,684	57,851
Legacy contributions	44,342	42,004
Memberships	31,918	32,725
Interest income	7,581	10,499
Other income	1,541	2,107
	<hr/> 453,521	<hr/> 416,361
EXPENSES		
Wages and benefits	94,359	95,110
Support services administration	80,685	89,408
Programs and events (Schedule)	45,525	45,520
Legacy distributions (Note 8)	28,000	70,915
Advertising and promotion	12,869	13,290
Insurance	8,909	9,135
Office supplies and postage	8,364	6,308
Long term interest	6,593	8,706
Telephone	6,450	6,387
Professional fees	4,155	5,351
Seminars, workshops and travel	3,605	6,214
Fees, dues and memberships	3,394	3,272
Repairs and maintenance	2,948	4,813
Payroll service fees	2,682	3,019
Utilities	2,596	3,478
Bank charges	1,101	1,304
Janitorial	993	430
Meetings	588	767
Vehicle fuel and maintenance	316	882
	<hr/> 314,132	<hr/> 374,309
INCOME BEFORE OTHER REVENUES AND EXPENSES	<hr/> 139,389	<hr/> 42,052
OTHER REVENUES AND EXPENSES		
Insurance proceeds (Note 14)	75,610	-
Write down on investments	(5,957)	(8,192)
	<hr/> 69,653	<hr/> 8,192
NET INCOME	<hr/> \$ 209,042	<hr/> \$ 33,860

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, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Service provision - Town of Drumheller	\$ 45,700	\$ 42,500
Grants	4,956	-
Service provision - Provincial	-	25,000
	<u>50,656</u>	<u>67,500</u>
EXPENSES		
Wages and benefits	102,321	98,801
Janitorial	6,267	6,587
Utilities	4,723	4,483
Telephone	4,003	4,453
Office supplies and postage	1,240	1,583
Insurance	789	759
Vehicle expenses	758	1,152
Travel	690	327
Repairs and maintenance	506	-
Professional fees	300	300
Training and conferences	247	134
Advertising and promotion	115	1,070
	<u>121,959</u>	<u>119,649</u>
NET LOSS	\$ (71,303)	\$ (52,149)

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, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Sales	\$ 358,713	\$ 360,711
Admissions revenue	283,431	265,990
Less: Capital repair fund	(73,903)	(70,007)
Less: Community fund	(57,684)	(57,851)
Less: Legacy fund	(44,342)	(42,004)
	<hr/> 466,215	<hr/> 456,839
COST OF SALES	<hr/> 175,046	<hr/> 176,763
GROSS PROFIT	<hr/> 291,169	<hr/> 280,076
EXPENSES		
Wages and benefits	120,730	115,839
Advertising and promotion	10,982	7,339
Insurance	8,675	9,385
Utilities	7,084	6,725
Janitorial	6,955	7,466
Professional fees	6,108	5,933
Bank charges	5,443	5,044
Telephone	5,290	5,326
Office supplies and postage	4,840	2,655
Repairs and maintenance	3,760	17,420
Seminars, workshops and travel	893	1,149
Workers' Compensation Board	876	326
Training	600	871
Vehicle expense	126	343
Cash (over) short	(42)	(133)
	<hr/> 182,320	<hr/> 185,688
NET INCOME BEFORE OTHER INCOME	<hr/> 108,849	<hr/> 94,388
OTHER INCOME		
Grants	14,235	2,033
Other revenue	290	-
Foreign exchange gain	120	260
	<hr/> 14,645	<hr/> 2,293
NET INCOME	<hr/> \$ 123,494	<hr/> \$ 96,681

The accompanying notes are an integral part of the financial statements

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF REVENUE AND EXPENSES
SUPPORT SERVICES
YEAR ENDED NOVEMBER 30, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Contracts	\$ 2,159,211	\$ 1,967,713
Other funding	17,070	5,462
	<hr/> 2,176,281	<hr/> 1,973,175
EXPENSES		
Wages - contractual	1,803,921	1,661,424
Employee benefits	164,676	154,258
Administration fees	164,377	128,788
Contract expenses	39,769	25,565
Workers' Compensation Board	3,538	3,140
	<hr/> 2,176,281	<hr/> 1,973,175
NET INCOME	<hr/> \$ -	<hr/> \$ -

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
STATEMENT OF CASH FLOWS
NOVEMBER 30, 2016
(Indirect Method)

	<u>2016</u>	<u>2015</u>
CASH PROVIDED BY OPERATING ACTIVITIES		
Net income (loss)	\$ 180,197	\$ (4,460)
Items not requiring an outlay of cash:		
Amortization	81,036	82,852
	<u>261,233</u>	<u>78,392</u>
CHANGES IN NON-CASH WORKING CAPITAL BALANCES		
Short-term investments	(80,063)	(74,698)
Accounts receivable	(124,602)	6,831
Inventories	(335)	12,507
Prepaid expenses	709	(751)
Accounts payable and accrued liabilities	14,786	(66,949)
Goods and services tax	2,696	(1,511)
	<u>(186,809)</u>	<u>(124,571)</u>
Cash provided by (used in) operating activities	<u>74,424</u>	<u>(46,179)</u>
FINANCING ACTIVITIES		
(Repayments of) long-term debt	(49,291)	(30,000)
INVESTING ACTIVITIES		
Additions to capital assets	(2,786)	(1,608)
(Decrease) increase in deferred revenue	(131,149)	50,519
Decrease in investments	5,957	8,192
Cash (used in) provided by investing activities	<u>(127,978)</u>	<u>57,103</u>
DECREASE IN CASH	(102,845)	(19,076)
CASH, beginning of year	403,896	422,972
CASH, end of year	\$ 301,051	\$ 403,896
Cash consists of:		
Bank accounts	\$ 157,867	\$ 301,328
Legacy Fund	143,184	102,568
	<u>\$ 301,051</u>	<u>\$ 403,896</u>

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2016

NATURE AND DESCRIPTION OF THE ORGANIZATION

The Drumheller & District Chamber of Commerce 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, 2016

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 50 - 55% declining balance.

h) Investments

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

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2016

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:

	2016		2015	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 237,863	\$ 234,315	\$ 3,548	\$ 4,435
Automotives	9,636	8,842	794	1,134
Computer hardware	48,053	44,631	3,422	3,765
Dinosaur	962,831	494,019	468,812	519,303
Dinosaur interior	161,662	101,230	60,432	72,603
Leasehold improvements	231,273	210,765	20,508	34,526
	\$ 1,651,318	\$ 1,093,802	\$ 557,516	\$ 635,766

Intangible capital assets:

Computer software	\$ 19,607	\$ 19,607	\$ -	\$ -
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DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2016

3. INVESTMENTS

	<u>2016</u>	<u>2015</u>
Dinosaur Trail Golf and Country Club	\$ 37,729	\$ 43,687
Drumheller Co-op	10	10
	<hr/> \$ 37,739	<hr/> \$ 43,697

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, 2016 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 counterparties. 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, 2016 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 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, 2016

5. CONTINGENT ASSETS AND LIABILITIES

As at the fiscal year ended November 30, 2016, two former employees have filed complaints against Drumheller & District Chamber of Commerce. These actions have not been resolved and there are currently no known consequences.

6. 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 \$143,184 as at November 30, 2016 (\$102,568 in 2015). Donations during the year from this fund amounted to \$28,000 to various local organizations (\$70,915 in 2015).

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 \$427,470 (\$347,407 for 2015) with the legacy fund balance of \$143,184 (\$102,568 in 2015) make up the balance of restricted net assets of \$570,654 (\$449,975 in 2015). External restrictions have been imposed by Chinook Credit Union as security for the long term debt of \$162,009 in 2016 (\$211,300 in 2015).

7. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Deferred Contract Revenue	\$ -	\$ 136,137
Intern grant	59,832	54,844
Deferred Revenue	\$ 59,832	\$ 190,981

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, these contracts require DDCC to incur the expenses before payments are made.

8. LEGACY CONTRIBUTIONS

	<u>2016</u>	<u>2015</u>
East Coulee School Museum Historical Society	\$ 16,000	\$ -
Royal Canadian Legion	3,000	-
Munson Community Association	3,000	-
Drumheller Minor Soccer Association	3,000	-
Midlandvale Community Hall	3,000	-
Drumheller Association of Skateboard Enthusiasts	-	25,000
Drumheller Festival Society supporting Tough Mudder	-	25,000
Atlas Coal Mine Historical Society	-	10,000
Drumheller Society for Recovery	-	3,000
Pioneer Trail Society	-	3,000
Canadian Badlands Artists Association	-	3,000
Drumheller & District Rural Crime Watch	-	1,915
Total Contributions	\$ 28,000	\$ 70,915

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2016

8. LEGACY CONTRIBUTIONS continued

Applications for projects less than \$3,000 are accepted in March and September of each year. These applications are evaluated by a committee of past presidents who make recommendations to the Board for approval. The funds approved for distribution are based upon the amount budgeted for that particular period. All others require Board approval.

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 2.45%.

10. RELATED PARTY TRANSACTIONS

Some members of the Board of Directors have been involved in related party transactions with Drumheller and District Chamber of Commerce for the years ending November 30, 2016 and 2015. These transactions were recorded at the exchange amount, were transacted during the normal course of operations, and are not considered to be significant amounts.

11. LONG TERM DEBT

	<u>2016</u>	<u>2015</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	\$ 211,300
Current portion	30,000	30,000
Long term portion	\$ 132,009	\$ 181,300
Principal repayments in each of the next five years are as follows:		
2017	-	\$ 30,000
2018	-	30,000
2019	-	30,000
2020	-	30,000
2021 and subsequent	-	42,009
	\$ 162,009	

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	\$ 993	\$ 6,955	\$ 6,267
Utilities	2,596	7,084	4,723
Insurance	8,909	8,675	789
Professional fees	4,155	6,108	300
Telephone	6,450	5,290	4,003
Vehicle	316	126	758
	\$ 23,419	\$ 34,238	\$ 16,840

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2016**

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 under development.

14. INSURANCE PROCEEDS

In 2016, extensive third party damage to dinosaur statues resulted in net proceeds from insurance of \$75,610 being awarded to the Chamber.

DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE
SCHEDULE OF PROGRAMS AND EVENTS REVENUES AND EXPENDITURES
YEAR ENDED NOVEMBER 30, 2016

2016					
	Revenue	Expenditure	Excess of Revenue over Expenditures	Excess of Expenditures over Revenue	Total
Spring Expo	\$ 39,592	\$ 19,981	\$ 19,611	\$ -	\$ 19,611
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 administration fees	706	-	706	-	706
AGM Events	563	494	-	69	69
Networking	362	174	188	-	188
Dino Arts	-	10,000	-	(10,000)	(10,000)
July 1	-	3,117	-	(3,117)	(3,117)
Little Church	-	1,055	-	(1,055)	(1,055)
Other events	-	901	-	-	(901)
Christmas mixer	-	523	-	(523)	(523)
Election Forum	-	50	-	(50)	(50)
	\$ 72,175	\$ 45,525	\$ 42,227	\$ (14,676)	\$ 26,650

2015					
	Revenue	Expenditure	Excess of Revenues over Expenditures	Excess of Expenditures over Revenue	Total
Spring Expo	\$ 35,177	\$ 22,064	\$ 13,113	\$ -	\$ 13,113
C of C group insurance	16,102	-	16,102	-	16,102
Golf tournament	9,429	5,227	4,202	-	4,202
Small Business Week	7,945	2,733	5,212	-	5,212
VAP admini fees	2,479	-	2,479	-	2,479
AGM events	486	598	-	(112)	(112)
Networking	476	437	-	39	39
Election Forum	286	1,007	-	(721)	(721)
Dino Arts	-	6,238	-	(6,238)	(6,238)
Little Church	-	3,657	-	(3,657)	(3,657)
July 1	-	2,968	-	(2,968)	(2,968)
Christmas mixer	-	591	-	(591)	(591)
	\$ 72,380	\$ 45,520	\$ 41,108	\$ (14,248)	\$ 26,860

The accompanying notes are an integral part of the financial statements