



**Ascend  
Financial**  
Certified General Accountant

196 3<sup>rd</sup> Avenue West (Box 782)  
Drumheller, Alberta T0J 0Y0  
Phone: 403-823-1212

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

**FINANCIAL STATEMENTS  
NOVEMBER 30, 2016**



**INDEX TO FINANCIAL STATEMENTS**

	<b><u>Page</u></b>
INDEPENDENT AUDITOR'S REPORT	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-7

## 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, 2016, 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.

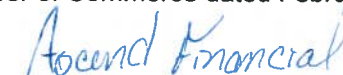
#### **Opinion**

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, 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 Matter**

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, 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 14, 2017.

DRUMHELLER, ALBERTA  
February 14, 2017

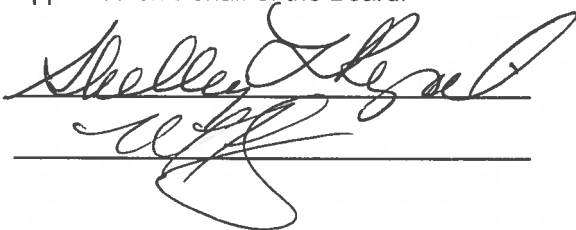


ASCEND FINANCIAL  
CHARTERED PROFESSIONAL ACCOUNTANT

**DRUMHELLER AND DISTRICT CHAMBER OF COMMERCE  
(SUPPORT SERVICES DIVISION)  
STATEMENT OF FINANCIAL POSITION  
NOVEMBER 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ -	\$ 182,099
Accounts receivable	75,879	9,563
	\$ 75,879	\$ 191,662
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ 15,865	\$ -
Accounts payable and accrued liabilities	182	681
Deferred contract revenue (Note 4)	59,832	190,981
	75,879	191,662
<b>NET ASSETS</b>		
Unrestricted Net Assets	-	-
	\$ 75,879	\$ 191,662

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  
PERIOD ENDED NOVEMBER 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Contracts	\$ 2,159,211	\$ 1,967,713
Contracts - Science Centre	17,070	5,462
<b>REVENUE BEFORE EXPENSES</b>	<b>2,176,281</b>	<b>1,973,175</b>
<b>EXPENSES</b>		
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
	<b>2,176,281</b>	<b>1,973,175</b>
<b>NET INCOME</b>	<b>\$ -</b>	<b>\$ -</b>

**CHANGES IN NET ASSETS**

	<u>2016</u>	<u>2015</u>
<b>Balance, beginning of year</b>	<b>\$ -</b>	<b>\$ (5)</b>
Adjustment	-	5
<b>BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2016**  
**(Indirect Method)**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Net income	\$ -	\$ -
<b>CHANGES IN NON-CASH WORKING CAPITAL BALANCES</b>		
Accounts receivable	(66,316)	(1,711)
Accounts payable and accrued liabilities	(499)	(58,462)
Decrease (increase) in deferred revenue	(131,149)	50,519
	(197,964)	(9,654)
<b>(DECREASE) INCREASE IN CASH</b>	(197,964)	(9,649)
Cash, beginning of year	182,099	191,748
<b>BANK INDEBTEDNESS CASH, END OF YEAR</b>	\$ (15,865)	\$ 182,099

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, 2016**

**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, 2016 the fee was 8.25% (7.25% in 2015).

**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 2016, these invoiced amounts are recorded as accounts receivable when the invoice is issued.

**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, 2016**

**2. FINANCIAL INSTRUMENTS**

The Organization's financial assets and liabilities at November 30, 2016 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>2016</u>	<u>2015</u>
Deferred Contract Revenue	\$ -	\$ 136,137
Intern grant	59,832	54,844
<b>Deferred Revenue</b>	<b>\$ 59,832</b>	<b>\$ 190,981</b>

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.

**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 resolved and there are currently no known consequences.

been