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Independent Auditor's Report

To the Members of Red Deer & District Chamber of Commerce

Opinion

We have audited the financial statements of Red Deer & District Chamber of Commerce ("the Chamber"), which comprise the statement of financial position as at June 30, 2019, and the statement of operations, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Chamber as at June 30, 2019, and its results of 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. 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 Chamber 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 9 to the financial statements, which explains that certain comparative information presented for the year ended June 30, 2018 has been restated. The financial statements for the year ended June 30, 2018 (prior to the adjustments that were applied to restate certain comparative information explained in note 9) were audited by another auditor who expressed an unmodified opinion on those financial statements on September 19, 2018. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Chamber'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 Chamber or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Chamber's financial reporting process.

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Independent Auditor's Report (continued)

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Chamber'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 Chamber'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 Chamber 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.

Red Deer, Alberta
October 23, 2019

BDO Canada LLP
Chartered Professional Accountants

RED DEER & DISTRICT CHAMBER OF COMMERCE
Statement of Financial Position
June 30, 2019

	2019	2018 <i>Restated - Note 9</i>
ASSETS		
Current assets		
Cash and cash equivalents <i>(Note 3)</i>	\$ 575,651	\$ 367,712
Accounts receivable	27,982	31,280
Prepaid expenses	25,029	27,521
	628,662	426,513
Restricted cash and term deposits <i>(Note 3)</i>	866,965	1,022,357
Investments in tradeshow <i>(Note 4)</i>	45,000	10,000
Capital assets <i>(Note 5)</i>	59,141	85,018
	\$ 1,599,768	\$ 1,543,888
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$ 166,366	\$ 52,924
Wages payable	67,263	59,385
Deferred revenue	105,505	106,472
	339,134	218,781
NET ASSETS		
Invested in capital assets	59,141	85,018
Internally restricted <i>(Note 6)</i>	866,965	1,022,357
Unrestricted	334,528	217,732
	1,260,634	1,325,107
	\$ 1,599,768	\$ 1,543,888

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

RED DEER & DISTRICT CHAMBER OF COMMERCE

Statement of Operations

For the Year Ended June 30, 2019

	2019	2018 <i>Restated - Note 9</i>
Revenues		
Trade show - Agri-Trade (net)	\$ 668,500	\$ 695,443
Membership fees	229,357	228,767
Events	98,057	96,040
Investment income	22,622	16,989
Administrative	52,700	60,528
	<u>1,071,236</u>	<u>1,097,767</u>
Expenses		
Salaries and wages	590,866	668,239
Administrative	142,376	172,206
Events	89,326	82,710
Building occupancy costs	39,315	37,543
Economic development	35,000	30,000
Amortization on capital assets	25,877	27,087
Projects	11,944	14,616
Bank charges	5,868	6,176
Bad debts	861	-
	<u>941,433</u>	<u>1,038,577</u>
Excess of revenues over expenses from operations	<u>129,803</u>	<u>59,190</u>
Other expenses		
Canada Winter Games sponsorship	(50,000)	-
Canadian Finals Rodeo expense	(144,276)	-
	<u>(194,276)</u>	<u>-</u>
Excess (deficiency) of revenues over expenses	<u>\$ (64,473)</u>	<u>\$ 59,190</u>