

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

FINANCIAL STATEMENT

Period ended June 30, 2021

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

TABLE OF CONTENTS

Period ended June 30, 2021

INDEPENDENT AUDITOR'S REPORT	1 - 2
STATEMENT EXPENDITURES	3
NOTES TO THE FINANCIAL STATEMENT	4

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of
The Town of Drumheller

Opinion

We have audited the accompanying financial information of the Town of Drumheller (the "Town") which is comprised of the statement of expenditures and summary of significant accounting policy and other explanatory information for the period ended June 30, 2021 in accordance with the Drumheller Resiliency and Flood Mitigation Program (the "Program").

In our opinion, the financial information for the period ended June 30, 2021 has been prepared in accordance with the Program and fairly represents the expenditures of the Town for the period then ended.

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 Information section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial information 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial information in accordance with the Program, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 statement. 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:

INDEPENDENT AUDITOR'S REPORT, continued

- ◆ Identify and assess the risks of material misstatement of the financial information, 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 Town's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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.

Basis of Accounting and Restriction of Use

Without modifying our opinion, we draw attention to Note 3 to the statement of expenditures, which describes the basis of accounting. The financial information is prepared to assist stakeholders with management of and stewardship over the Program. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the Directors of the Drumheller Resiliency and Flood Mitigation Program and the Town of Drumheller and should not be used by parties other than the Directors of Drumheller Resiliency and Flood Mitigation Program and the Town of Drumheller. According readers are cautioned that the financial information may not be suitable for any other purpose.

A handwritten signature in black ink that reads "Ascend". The signature is written in a cursive, slightly slanted style. Below the signature is a thick, black, curved underline that starts under the 'A' and ends under the 'd'.

Ascend LLP
Chartered Professional Accountants
Independent Member Firm of
PORTER HÉTU INTERNATIONAL
Hanna, Alberta
February 23, 2022

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM**STATEMENT OF EARNINGS**

Period ended June 30, 2021

	PERIOD OF JANUARY TO JUNE 2021	PROJECT TO DATE
Expenditures		
Services		
Communications and engagement	\$ 99,177	\$ 272,855
Professional services	35,916	527,893
Advertising and promotion	8,216	19,190
Office and administration	771	28,012
Equipment rental	658	18,918
Travel and accommodation	458	4,870
Telephone and utilities	-	241
Total expenditures for services	145,196	871,979
Goods and Supplies		
Equipment	15,780	55,717
Promotional supplies	-	741
Total expenditures for goods and supplies	15,780	56,458
Project Expenses		
Engineering	2,433,000	3,379,631
Project management	509,010	1,419,422
Geotechnical	88,467	245,007
Mapping and geomatics	65,014	303,043
Other project costs	42,024	91,465
Legal	13,436	49,569
Consulting fees	-	49,250
Total expenditures for project expenses	3,150,951	5,537,387
Capital		
Land agent services	239,198	363,144
Acquired land management	82,986	103,418
Properties acquired	815,000	4,737,310
Engineering structures	-	201,596
Equipment	-	97,979
Buildings	-	46,922
Total expenditures for capital expenses	1,137,184	5,550,369
Total expenditures	4,449,111	12,016,193

The accompanying notes are an integral part of these financial statements

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM
NOTES TO THE FINANCIAL STATEMENT
June 30, 2021

1. NATURE OF OPERATIONS

The Drumheller Resiliency and Flood Mitigation Program (the "Program") is a sub-unit of the Town of Drumheller which is engaged in the management of flood mitigation activities, including the acquisition of at-risk properties, construction of flood mitigation infrastructure, and updating flood emergency plans.

2. ACCOUNTING PERIOD

The statement of expenditures is presented for the period of January 1, 2021 and June 30, 2021. Corresponding figures represent all expenditures incurred by the project and comprise all financial transactions entered into by the Town prior to the period-end date.

3. BASIS OF ACCOUNTING

The statement of expenditures is prepared in accordance with generally accepted accounting principals, consistent with reporting requirements for the Town's grant funding.

Expenditures are recognized on the date services are performed or goods are received.

Expenditures towards work-in-progress are recognized immediately and are not deferred.

Expenditures for the purchase or construction of land, structures, and other tangible capital assets are recognized as period costs in the period the expenditure occurred.