

**DRUMHELLER RESILIENCY AND FLOOD  
MITIGATION PROGRAM**

STATEMENT OF EXPENDITURES

Period ended December 31, 2020

# DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

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Period ended December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of  
**The Town of Drumheller**

### *Opinion*

We have audited the statement of expenditures of Drumheller Resiliency and Flood Mitigation Program (the "Organization") for the period ended December 31, 2020 and supporting notes and schedules.

In our opinion, the statement of expenditures for the period ended December 31, 2020 has been prepared in accordance with generally accepted accounting principles applied on a consistent basis and fairly represents the expenditures of the Organization 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 Statement section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statement 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 Statement*

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statement*

Our objectives are to obtain reasonable assurance about whether the financial statement 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 statement, 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 Organization'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 Organization'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 statement 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 Organization to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial information and whether the financial statement represents 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.

**INDEPENDENT AUDITOR'S REPORT, continued**

*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 statement is prepared to assist stakeholders with management of and stewardship over the Organization. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for 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.

*Ascend*

**Ascend LLP**  
**Chartered Professional Accountants**  
**Independent Member Firm of**  
**PORTER HÉTU INTERNATIONAL**  
Hanna, Alberta  
May 28, 2021

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

Period ended December 31, 2020

	<b>2020</b>
<b>Expenditures</b>	
Services	
Professional services	\$ 491,977
Communications and engagement	173,678
Office and administration	27,240
Equipment rental	18,260
Advertising and promotion	10,974
Travel and accommodation	4,413
Telephone and utilities	241
<b>Total expenditures for services</b>	<b>726,783</b>
Goods and Supplies	
Equipment	39,937
Promotional supplies	742
<b>Total expenditures for goods and supplies</b>	<b>40,679</b>
Project Expenses	
Engineering	946,631
Project management	910,413
Mapping and geomatics	238,029
Geotechnical	156,540
Other project costs	49,441
Consulting fees	49,250
Legal	36,133
<b>Total expenditures for project expenses</b>	<b>2,386,437</b>
Capital	
Properties acquired	3,942,742
Engineering structures	201,596
Land agent services	123,946
Equipment	97,979
Buildings	46,922
<b>Total expenditures for capital expenses</b>	<b>4,413,185</b>
<b>Total expenditures</b>	<b>7,567,084</b>

The accompanying notes are an integral part of these financial statements

**DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM**  
**NOTES TO THE STATEMENT OF EXPENDITURES**  
**December 31, 2020**

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**1. NATURE OF OPERATIONS**

The Drumheller Resiliency and Flood Mitigation Program is a subunit 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 its inception up to the period-end date of December 31, 2020 and comprises all financial transactions entered into by the organization 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 Organization'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 assets are recognized as period costs in the period the expenditure occurred.