

**DRUMHELLER RESILIENCY AND FLOOD
MITIGATION PROGRAM**

Schedule of Disbursements

Year Ended December 31, 2022



Independent Auditor's Report

To the Directors of Drumheller Resiliency and Flood Mitigation Program

Opinion

We have audited the schedule of disbursements of Drumheller Resiliency and Flood Mitigation Program (the "Organization") for the period ended December 31, 2022.

In our opinion, the accompanying schedule of disbursements is prepared, in all material respects, in accordance with the criteria outlined in the Disaster Mitigation and Flood related grants.

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 schedule of disbursements section of our report*. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the schedule of disbursements 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 - Basis of Accounting

We draw attention to Note 1 of the schedule of disbursements, which describes the basis of accounting. The schedule of disbursements is prepared to assist the stakeholders with management of the stewardship over the Organization. As a result, the schedule of disbursements may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

Other Matter - Restriction of Use

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, the Town of Drumheller and funders of the Program.

Responsibilities of Management and Those Charged with Governance for Schedule of Disbursements

Management is responsible for the preparation and fair presentation of the schedule of disbursements in accordance with the criteria outlined in the Federal Disaster Mitigation and Adaptation Fund and Flood related grant agreements, and for such internal control as management determines is necessary to enable the preparation of schedule of disbursements that are free from material misstatement, whether due to fraud or error.

In preparing the schedule of disbursements, 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 Group 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.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Schedule of Disbursements

Our objectives are to obtain reasonable assurance about whether the schedule of disbursements 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 Schedule of Disbursements. 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 schedule of disbursements, 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 schedule of disbursements 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 schedule of disbursements including the disclosures, and whether the schedule of disbursements 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.

Chartered Professional Accountants,
Red Deer County, Alberta
January 29, 2024

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

Schedule of Disbursements

For the Year Ended December 31, 2022

DISBURSEMENTS

Services

| | |
|---------------------------------|----------------|
| Communications and engagement | \$ 362,360 |
| Office and administration | 98,604 |
| Professional services | 26,965 |
| Equipment rentals | 5,216 |
| Advertising and promotion | 3,444 |
| Telephone | 228 |
| Total expenditures for services | <u>496,817</u> |

Project Expenses

| | |
|---|-------------------|
| Construction | 7,530,163 |
| Engineering | 1,476,383 |
| Project management | 864,839 |
| Consulting fees | 497,568 |
| Geotechnical | 92,406 |
| Mapping and geomatics | 42,663 |
| Legal | 227,233 |
| Other project costs | 24,890 |
| Total expenditures for project expenses | <u>10,756,145</u> |

Capital

| | |
|---|------------------|
| Properties acquired | <u>3,118,711</u> |
| Total expenditures for capital expenses | <u>3,118,711</u> |

| | |
|---------------------|--------------------------|
| Total Disbursements | <u><u>14,371,673</u></u> |
|---------------------|--------------------------|

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

Notes to Schedule of Disbursements

Year Ended December 31, 2022

1. BASIS OF ACCOUNTING

The schedule of disbursements is prepared in accordance with the criteria outlined in the Federal Disaster Mitigation and Adaptation Fund and Provincial Flood related grant agreements.

Grant revenues are recognized on the same basis as eligible expenditures.

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

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

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

2. TOTAL DISBURSEMENTS TO DATE

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>Total</u> |
|-------------------------------|---------------------|---------------------|----------------------|----------------------|
| Service Expenditures | \$ 726,783 | \$ 570,127 | \$ 496,817 | \$ 1,793,727 |
| Project Expenditures | 2,386,437 | 4,467,385 | 10,756,145 | 17,609,967 |
| Capital Expenditures | 4,413,185 | 941,126 | 3,118,711 | 8,473,022 |
| Goods & Supplies Expenditures | 40,678 | 42,869 | - | 83,547 |
| Total | <u>\$ 7,567,083</u> | <u>\$ 6,021,507</u> | <u>\$ 14,371,673</u> | <u>\$ 27,960,263</u> |

3. SPENDING LIMITS UNDER GRANT AGREEMENTS

| | <u>2022</u> |
|--------------------------------------|---------------------|
| Approved Grants: | |
| Disaster Mitigation Adaptation Fund | \$ 22,000,000 |
| Alberta Community Resilience Program | 6,413,600 |
| 18GRSTR41-1 Grant | 47,300,000 |
| Town of Drumheller | 5,000,000 |
| Total approved spending limits | <u>80,713,600</u> |
| Total spending limit | 80,713,600 |
| Expenditure to date | <u>(27,960,263)</u> |
| Remaining funds | <u>52,753,337</u> |

35% of spending limit has been used to the end of 2022.
