

**DRUMHELLER RESILIENCY AND FLOOD
MITIGATION PROGRAM**

Year Ended December 31, 2023

FINANCIAL STATEMENTS

**DRUMHELLER RESILIENCY AND FLOOD
MITIGATION PROGRAM**

Schedule of Disbursements

Year Ended December 31, 2023



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BDO Canada LLP
Suite 100 179D Leva Avenue
Red Deer County AB T4E 1B9
Canada

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, 2023.

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
August 12, 2024

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

Schedule of Disbursements

For the Year Ended December 31, 2023

DISBURSEMENTS

Services

Communications and engagement	\$ 291,841
Office and administration	10,405
Professional services	1,805
Equipment rentals	4,742
Advertising and promotion	23,609
Telephone	1,505
Total expenditures for services	<u>333,907</u>

Project Expenses

Construction	12,362,423
Engineering	1,875,587
Project management	921,631
Consulting fees	632,620
Geotechnical	42,146
Mapping and geomatics	84,442
Legal	808,564
Other project costs	4,635
Total expenditures for project expenses	<u>16,732,048</u>

Capital

Properties acquired	<u>1,121,518</u>
Total expenditures for capital expenses	<u>1,121,518</u>

Total Disbursements	<u><u>18,187,473</u></u>
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DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

Notes to Schedule of Disbursements

Year Ended December 31, 2023

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>Prior Years</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Service Expenditures	\$ 1,296,910	\$ 496,817	\$ 628,673	\$ 2,422,400
Project Expenditures	6,853,822	10,756,145	16,437,282	34,047,249
Capital Expenditures	5,354,311	3,118,711	1,121,518	9,594,540
Goods & Supplies Expenditures	83,547	-	-	83,547
Total	<u>\$ 13,588,590</u>	<u>\$ 14,371,673</u>	<u>\$ 18,187,473</u>	<u>\$ 46,147,736</u>

3. SPENDING LIMITS UNDER GRANT AGREEMENTS

	<u>2023</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
Watershed Resiliency & Restoration	75,275
Total approved spending limits	<u>80,788,875</u>
Total spending limit	80,788,875
Expenditure to date	<u>(46,147,736)</u>
Remaining funds	<u>34,641,139</u>

57% of spending limit has been used to the end of 2023.

LETTERS

Drumheller Resiliency and Flood Mitigation
224 Centre St,
Drumheller, AB
T0J 0Y4

August 12, 2024

BDO Canada LLP
Chartered Professional Accountants
179D Leva Avenue
Suite 101
Red Deer Alberta
T4E 1B9

This representation letter is provided in connection with your audit of the schedule of disbursements of the Drumheller Resiliency and Flood Mitigation for the year ended December 31, 2023, for the purpose of expressing an opinion as to whether the Drumheller Resiliency and Flood Mitigation Program is in accordance with the criteria outlined in the Disaster Mitigation and Adaptation Flood related grant agreements.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Schedule of Disbursements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 4, 2024, for the preparation of the schedule of disbursements in accordance with the criteria outlined in the Disaster Mitigation and Flood related grant agreements; in particular, the schedule of disbursements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with the criteria outlined in the Disaster Mitigation and Flood related grant agreements.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the criteria outlined in the Disaster Mitigation and Flood related grant agreements.
- All events subsequent to the date of the schedule of disbursements and for which the criteria outlined in the Disaster Mitigation and Flood related grant agreements require adjustment or disclosure have been adjusted or disclosed.
- The schedule of disbursements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the schedule of disbursements, such as records, documentation and other matters.
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the schedule of disbursements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedule of disbursements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- All capital purchases and expenditures related to the flood mitigation project are appropriately allocated and accounted as per the grant agreements.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the schedule of disbursements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the schedule of disbursements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's schedule of disbursements communicated by employees, former employees, analysts, regulators, or others.

Yours truly,



Signature



Position

Signature

Position

Drumheller Resiliency and Flood Mitigation Program

Year End: December 31, 2023

Journal Entries

Date: 1999-01-12 To 2023-12-31

DD

0.10

Prepared by	Detail Rev	Gen Rev	Quality Rev
CDG 2024-06-12	MK 2024-07-18		
4th Level Rev	Tax Rev	IS Audit Rev	Other Rev

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
						0.00	0.00		
		Net Income (Loss)				-18,187,473.03			



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BDO Canada LLP
179D Leva Avenue
Suite 100
Red Deer, Alberta
T4E 1B9

June 4, 2024

Town of Drumheller
224 Centre Street
Drumheller, AB
T0J 0Y4

Dear Victoria Chan,

We understand that you wish to engage us to provide an audit opinion on your Resiliency and Flood Mitigation Program Expenditures for the period from January 1, 2023 to December 31, 2023 and subsequent periods to assist you with reporting whether the Resiliency and Flood Mitigation Program Expenditures for Town of Drumheller for the year ended December 31, 2023 is in accordance with the Drumheller Flood Mitigation along the Red Deer River Valley Project disaster mitigation and adaptation fund agreement as set out by Her Majesty the Queen in Right of Canada dated July 22, 2020.

We are pleased to accept this engagement subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Will Zoebell will be the Engagement Partner for the Services we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of services.

Our Role as Auditors

We will conduct our audit in accordance with Canadian generally accepted auditing standards for audits of single financial statements and specific elements, accounts or items of a financial statement. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. 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 Drumheller Resiliency and Flood Mitigation Program.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation of the financial information 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 your internal controls.

We will communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those responsible for financial reporting oversight and/or the board of directors.



Reporting

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standards (CAS) 805. The form and content of our report may need to be amended in light of our findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

Role of Management

You acknowledge and understand that you have responsibility for:

- (a) the preparation of the Family and Community Support Services Financial Information in accordance with Canadian Public Sector Accounting Standards;
- (b) such internal controls as you determine are necessary to enable the preparation of the Family and Community Support Services Financial Information that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
 - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the Family and Community Support Services Financial Information such as records, documentation and other matters;
 - a description of the basis or framework for preparation of the financial information;
 - additional information that we may request for the purpose of the audit;
 - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence; and
 - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

Fee Estimation

We estimate our professional fees for this engagement at \$7,700. For each future year we will issue a Summary of Services providing details of our Services and fees.

We will notify you on a timely basis if there are any circumstances we encounter which could significantly affect our initial estimate of professional fees.

Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. Our billing rates may be subject to change from time to time at our discretion with or without notice to you.

We will also bill you for our out-of-pocket expenses, our administrative and technology charge, and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax. Our administrative and technology charge is calculated as 7% of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure and support staff time costs.

Our fees will be invoiced and payable as follows:



- 50% interim payment;
50% within 10 days after issuance of our final invoice along with any additional required final payments.

Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will be considered delinquent. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. **The Standard Terms and Conditions include clauses that limit our professional liability.**

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

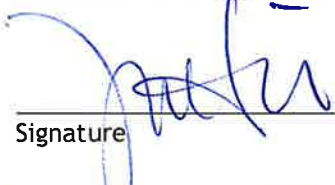



It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

Signature		Date	
Name (please print)		Position	

Please carefully review this Agreement, which includes the attached Standard Terms and Conditions, prior to signing it. A complete copy of the signed engagement letter should be returned to us.



Appendix 1 - Standard Terms and Conditions

1 Overview and Interpretation

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services, including without limitation any non-disclosure agreements entered into in advance of this Agreement. This Agreement applies to Services whenever performed (including before the date of this Agreement). To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

This Agreement - these Standard Terms and Conditions, the letter to which they are attached, supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years

Services - the services provided or to be provided under this Agreement, and any other services which we agree to provide to you subsequent to the date of this Agreement that are not covered by a separate engagement letter

We, us, our, BDO - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

You, your - the party or parties contracting with BDO under this Agreement. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - all non-public proprietary or confidential information and Personal Information, including Client Documents

Personal Information - personal information that is or could be attributed to identifiable individuals

Client Documents - information (including internal financial information and internal records and reports) provided to us by you or on your behalf in connection with the performance of the Services

2 BDO Network and Sole Recourse

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.



2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above, as well as all liability protections contained herein, as if they were a party to this Agreement. For greater certainty, you agree that other BDO Member Firms that are subcontractors may enforce any limitations or exclusions of liability available to us under this Agreement.

3 Respective Responsibilities

3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.

3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4 Working Papers and Deliverables

4.1 Ownership - All reports (including assurance reports where applicable), written advice, working papers, and internal materials created or developed by us pursuant to this Agreement are owned by us, and we retain all property rights therein. All Client Documents continue to be your property, provided that we retain copies of such documents as necessary for our internal record keeping (including as required to comply with our professional obligations).

4.2 Oral advice and draft deliverables - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.

4.3 Translated documents - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.

4.4 Reliance by Third Parties - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you, and are intended for the benefit of only you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction. The receipt by any third parties of any advice, opinions, reports or other work product is not intended to create any duty of care, professional relationship or any present or future liability between such third parties and us. For greater certainty, we expressly disclaim any liability of any nature or kind resulting from the disclosure to or unauthorized reliance by any third party on our advice, opinions, reports or other work product.

4.5 Consent to use the Report - Nothing in this Agreement shall be construed as consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.

4.6 Consent requests - In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information



is materially inconsistent with the related financial statements. Any consent request must be made on a sufficiently timely basis to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost and will be documented in a separate engagement letter.

5 Confidentiality

- 5.1 We will use Confidential Information provided by you only in relation to the Services or for internal and administrative purposes. We will not disclose any Confidential Information, except where required by law, regulation or professional obligation. You agree, however, that we may disclose Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services, provided that such parties are bound by reasonable confidentiality obligations no less stringent than in this Agreement.

6 Analytics

- 6.1 Notwithstanding any other provision, BDO uses Confidential Information to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings and for data analytics and other insight generation, including by aggregating de-identified data. Information developed in connection with these purposes may be used or disclosed to current or prospective clients as part of service offerings, however BDO will not use or disclose any Confidential Information in a way that would permit you to be identified.

7 Privacy and Consent for Use of Personal Information

- 7.1 In order to provide our Services, we may be required to access and collect Personal Information of individuals that is in your custody. You agree that we may collect, use, store, transfer, disclose and otherwise process Personal Information as required for the purpose of providing the Services. Personal Information may be processed in various jurisdictions in which we or applicable BDO Member Firms and subcontractors providing Services operate and as such Personal Information may be subject to the laws of such jurisdictions. Personal Information will at all times be collected, used, stored, transferred, disclosed or processed in accordance with applicable laws and professional regulations and we will require any service providers and BDO Members that process Personal Information on our behalf to adhere to such requirements. Any collection, use, storage, transfer or disclosure of Personal Information is subject to BDO's Privacy Statement available at <https://www.bdo.ca/en-ca/legal-privacy/legal/privacy-policy/>.

- 7.2 You represent and warrant that:

- (a) you have the authority to provide the Personal Information to us in connection with the performance of our Services, and
- (b) the Personal Information provided to us has been provided in accordance with applicable law, and you have obtained all required consents of the individuals to whom such Personal Information relates in order to permit BDO to collect, use and disclose the Personal Information in the course of providing the Services.

8 Independence

- 8.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our Services. We will communicate to you any relationships between BDO (including its related entities) and you



that, in our professional judgment, may reasonably be thought to bear on our independence.

9 Offers of Employment

9.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed Services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

10 Professional and Regulatory Oversight and Legal Processes

10.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.

10.2 Certain law enforcement, regulatory and other governmental bodies may also have the right under law or regulation to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law or regulation, we will advise you of any such document request or production order we receive in connection with any such investigation prior to providing any documents in response to such request or order.

10.3 We are sometimes required by law, regulation, subpoena or other legal process, or upon your request, to produce documents or personnel as witnesses in connection with legal or regulatory proceedings. Where BDO is not a party to such proceedings, you shall reimburse us at our current standard billing rates for professional time and expenses, including without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance or request by you.

11 Electronic Communications

11.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

12 Limitation of Liability

12.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO's liability will be several, and not joint and several, and BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.



- 12.2 In no event shall BDO be liable for indirect, consequential, special, incidental, aggravated, punitive or exemplary damages, losses or expenses, or for any loss of revenues or profits, loss of opportunity, loss of data, or other commercial or economic loss or failure to realize expected savings, including without limitation expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 12.3 BDO shall in no event be liable under this Agreement or otherwise in connection with the Services for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Liabilities") in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
- (a) three times the fees paid to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and
 - (b) \$25,000.
- 12.4 The limitations of liability in this section apply whether or not the Liabilities asserted by you against BDO are incurred by you directly or as a result of a claim or demand against you by a third party.
- 12.5 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 12.6 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.
- 12.7 For purposes of this Section, the term "BDO" shall include BDO Canada LLP and its subsidiaries, associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section shall apply to the fullest extent of the law, regardless of the form of the claim, whether in contract, statute, tort (including without limitation, negligence) or otherwise.
- 13 Indemnity
- 13.1 To the fullest extent permitted by applicable laws, in the event of a claim or demand by a third party against BDO that arises out of or relates to the Services, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, or expenses resulting from such third party claim or demand, except to the extent that the same is finally determined to have resulted from BDO's negligence or intentional misconduct.
- 14 Alternative Dispute Resolution
- 14.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement, including any question regarding its existence, interpretation, validity, breach or termination, or the Services provided hereunder, through good faith negotiations.



- 14.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation using a mediator chosen by mutual agreement of the parties.
- 14.3 All disputes remaining unsettled for more than 60 days following the parties first mediation session with a mediator, or such longer period as the parties mutually agree upon, shall be referred to and finally resolved by arbitration. The parties agree that one arbitrator shall be appointed within twenty (20) days of receipt of the request for arbitration. If the parties cannot agree on the appointment of an arbitrator in such period then either party may immediately apply for the appointment of an arbitrator to a court of competent jurisdiction in the Province of the governing law as contained herein pursuant to such Province's applicable *Arbitration Act*. The place of arbitration shall be in the capital of the Province of the governing law as contained herein. Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the parties. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision whatsoever. The parties hereby waive any such right of appeal or judicial review which may otherwise be provided for in any provincial arbitration statute. Judgement upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element thereof (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony and other oral submissions and any awards made) shall not be disclosed beyond the arbitrator(s), the parties, their counsel and any person to whom disclosure is necessary to the conduct of the proceeding except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

15 Limitation Period

- 15.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 15.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 15.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

16 Québec Personnel

- 16.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. Any limitation of liability clauses in this Agreement shall therefore not apply to limit the personal civil liability of partners and



employees who are members of the Ordre des comptables professionnels agréés du Québec.

17 Termination

17.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).

17.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

18 Governing Laws

18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of Alberta in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

19 Survival

19.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20 Force Majeure

20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21 Assignment

21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22 Severability

22.1 The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of this Agreement shall not be affected, impaired or invalidated, and each such remaining provision shall be valid and enforceable to the fullest extent permitted by law.

FINANCIAL INFORMATION

Drumheller Resiliency and Flood Mitigation Prog

0.06

Year End: December 31, 2023

Leadsheet Summary

Prepared by CDG 2024-06-12	Detail Rev MK 2024-07-18	Gen Rev WZ 2024-07-18	Quality Rev
4th Level Rev	Tax Rev	IS Audit Rev	Other Rev

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 12/22	Amount	Chg	%Chg
212 COMMUNICATION	291,840.62	0.00	0.00	291,840.62		362,359.52	-70,518.90	-19	
236 INSPECTIONS - MAPPING GE	84,442.50	0.00	0.00	84,442.50		42,662.50	41,780.00	98	
238 GEOTECHNICAL	42,146.24	0.00	0.00	42,146.24		92,405.87	-50,259.63	-54	
292 CONTRACTED SERVICE - PR	921,630.59	0.00	0.00	921,630.59		864,839.04	56,791.55	7	
293 CONSTRUCTION	12,362,422.72	0.00	0.00	12,362,422.72		7,530,163.35	4,832,259.37	64	
295 LAND PURCHASES	1,121,518.28	0.00	0.00	1,121,518.28		3,118,711.28	-1,997,193.00	-64	
541 UTILITIES: LAND PURCHASES	4,635.25	0.00	0.00	4,635.25		24,889.88	-20,254.63	-81	
520 Expenses	14,828,636.20	0.00	0.00	14,828,636.20		12,036,031.44	2,792,604.76	23	
221 ADVERTISING AND PROMOTI	23,609.30	0.00	0.00	23,609.30		3,444.18	20,165.12	585	
520. 1	23,609.30	0.00	0.00	23,609.30		3,444.18	20,165.12	585	
233 CONSULTING	628,672.47	0.00	0.00	628,672.47		496,883.96	131,788.51	27	
294 INDIGENOUS CONSULTING	3,947.26	0.00	0.00	3,947.26		684.13	3,263.13	477	
520. 15	632,619.73	0.00	0.00	632,619.73		497,568.09	135,051.64	27	
262 EQUIPMENT RENTAL	4,742.15	0.00	0.00	4,742.15		5,215.71	-473.56	-9	
520. 32	4,742.15	0.00	0.00	4,742.15		5,215.71	-473.56	-9	
291 OTHER GENERAL SERVICES	10,404.70	0.00	0.00	10,404.70		98,604.04	-88,199.34	-89	
520. 63	10,404.70	0.00	0.00	10,404.70		98,604.04	-88,199.34	-89	
237 Legal	808,563.87	0.00	0.00	808,563.87		227,233.43	581,330.44	256	
239 Professional Services	1,805.00	0.00	0.00	1,805.00		26,965.00	-25,160.00	-93	
520. 67	810,368.87	0.00	0.00	810,368.87		254,198.43	556,170.44	219	
235 ENGINEERING	1,875,586.63	0.00	0.00	1,875,586.63		1,476,382.51	399,204.12	27	
520. 80	1,875,586.63	0.00	0.00	1,875,586.63		1,476,382.51	399,204.12	27	
216 TELEPHONE	1,505.45	0.00	0.00	1,505.45		227.66	1,277.79	561	
520. 84	1,505.45	0.00	0.00	1,505.45		227.66	1,277.79	561	
	18,187,473.03	0.00	0.00	18,187,473.03		14,371,672.06	3,815,800.97	27	
Net Income (Loss)	-18,187,473.03			-18,187,473.03		-14,371,672.06	-3,815,800.97	27	