



TOWN OF DRUMHELLER
REGULAR COUNCIL MEETING

AGENDA

TIME & DATE: 4:30 PM – Monday, July 22, 2024

LOCATION: ZOOM Platform and

[Live Stream on Drumheller Valley YouTube Channel](#)

1. CALL TO ORDER

2. OPENING COMMENTS

3. ADDITIONS TO THE AGENDA

4. ADOPTION OF AGENDA

4.1 **Agenda for the July 22, 2024, Regular Meeting of Council**

Proposed Motion: That Council adopt the agenda for the July 22, 2024, Regular Meeting of Council as presented.

5. MEETING MINUTES

5.1 **Minutes for the July 8, 2024, Regular Meeting of Council**

[Regular Council Meeting – July 8, 2024 – Minutes](#)

Proposed Motion: That Council approve the minutes for the July 8, 2024, Regular Meeting of Council as presented.

6. COUNCIL BOARDS AND COMMITTEES

6.1 **Minutes: Drumheller & District Solid Waste Management Association**

[Drumheller & District Solid Waste Management Association – February 15, 2024 – Minutes](#)

Proposed Motion: That Council accept as information the Drumheller & District Solid Waste Management Association February 15, 2024, regular meeting minutes as presented.

7. DELEGATION

8. PUBLIC HEARING TO COMMENCE AT 5:30 PM

8.1 **Proposed Bylaw #18.24 Midlandvale Community Hall Road Closure**

1. Mayor Opens the Public Hearing and Introduces the Matter
2. Presentation of Information – Chief Administrative Officer
3. Rules of Conduct for Public Participation
All the material related to Public Hearing will be documented and taken into consideration.
4. Public Participation – Pre-Registered to Present Remotely
5. Public Participation – Pre-Registered to Present in Person
6. Public Participation – Written Submissions
7. Final Comments
8. Mayor to Call for Public Hearing to Close

9. REPORTS FROM ADMINISTRATION

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

9.1 **Chief Administrative Officer**

9.1.1 **Request-for-Decision: Bylaw #20.22 – East Coulee River Drive West Road Closure**

[Request-for-Decision](#)

[Bylaw #20.22 – East Coulee River Drive West Road Closure](#)

Proposed Motion:

That Council gives Second Reading to Bylaw #20.22 – East Coulee River Drive West Road Closure.

Proposed Motion:

That Council gives Third and Final Reading to Bylaw #20.22 – East Coulee River Drive West Road Closure.

9.1.2 **Request-for-Decision: Bylaw #21A.22 – East Coulee East End Road Closure**

[Request-for-Decision](#)

[Bylaw #21A.22 – East Coulee East End Road Closure](#)

Proposed Motion: That Council gives Second Reading to Bylaw #21A.22 – East Coulee East End Road Closure.

Proposed Motion:

That Council give Third and Final Reading to Bylaw #21A.22 – East Coulee East End Road Closure.

9.2 **Flood Resiliency Project Director**

9.2.1 **Flood Project Update**

[Presentation Slides](#)

9.2.2 **Request-for-Decision: Drumheller Resiliency and Flood Mitigation Program – Resolution for Expropriation of One Parcel for Berm Construction affecting that portion of the north west quarter of Section 8 Township 29 Range 20 West of the 4 Meridian described as follows: commencing at the point of intersection of the north easterly limit of 3 Avenue with the northerly production of the north westerly limit of 3 Street as said avenue and street are shown on Plan Nacmine 7125DD thence northerly along said production of said limit of 3 Street to the right bank of the Red Deer River shown on Plan 53/46 thence westerly along said right bank to its intersection with the said north easterly limit of 3 Avenue thence south easterly along said limit to the point of commencement containing 0.648 hectares (1.6 acres) more or less 301 3 Street, Nacmine**

[Request-for-Decision](#)
[Certificate of Approval](#)
[Resolution of Council](#)

Proposed Motion: That Council approve the Certificate of Approval and Resolution for Expropriation pertaining to the parcel of land described as that portion of the north west quarter of Section 8 Township 29 Range 20 West of the 4 Meridian described as follows: commencing at the point of intersection of the north easterly limit of 3 Avenue with the northerly production of the north westerly limit of 3 Street as said avenue and street are shown on Plan Nacmine 7125DD thence northerly along said production of said limit of 3 Street to the right bank of the Red Deer River shown on Plan 53/46 thence westerly along said right bank to its intersection with the said north easterly limit of 3 Avenue thence south easterly along said limit to the point of commencement containing 0.648 hectares (1.6 acres) more or less; Title Number 191 049 429.

CORPORATE AND COMMUNITY SERVICES DEPARTMENT

9.3 **Director of Corporate and Community Services**

9.3.1 **Request-for-Decision: 2023 Audited Financial Statements**

[Presentation Slides](#)
[Request-for-Decision](#)
[2023 Audited Financial Statements](#)
[Letter - Management's Responsibilities for Financial Reporting](#)

Proposed Motion: That Council approve the 2023 Audited Financial Statements as presented.

10. CLOSED SESSION

10.1 **2023 Audited Financial Statements**

FOIP 24 (1)(b) – Advice from Officials

Proposed Motion:

That Council close the meeting to the public to discuss the 2023 Audited Financial Statements as per FOIP 24(1)(b) – Advice from Officials.

Proposed Motion:

That Council open the meeting to the public.

11. ADJOURNMENT

Proposed Motion: That Council adjourn the meeting.



TOWN OF DRUMHELLER
REGULAR COUNCIL MEETING

MINUTES

TIME & DATE: 4:30 PM – Monday, July 8, 2024

LOCATION: Via Zoom platform

[Live Stream on Drumheller Valley YouTube Channel](#)

IN ATTENDANCE

Mayor Heather Colberg (regrets)
Councillor Patrick Kolafa
Councillor Stephanie Price
Councillor Tony Lacher
Councillor Crystal Sereda
Councillor Lisa Hansen-Zacharuk
Councillor Tom Zariski (regrets)

Chief Administrative Officer: Darryl Drohomerski
Director of Corporate & Community Services: Victoria Chan
Director of Infrastructure: Jared Brounstein
Dir. of Emergency and Protective Services: Greg Peters
Flood Mitigation Project Manager: Deighen Blakely
Manager of Economic Development: Reg Johnston
Communications Officer: Erica Crocker
Reality Bytes IT: David Vidal
Recording Secretary: Angela Keibel

1. CALL TO ORDER

Deputy Mayor Sereda called the meeting to order at 4:31 PM.

Councillor Hansen-Zacharuk joined at 4:32 PM.

2. OPENING COMMENTS

Councillor Lacher informed the public that the Town of Drumheller is undertaking a tree planting consultation survey to solicit public input for the location of future planted trees. The Urban Forest Survey can be accessed on the Town's [website](#) or hard copies are available at Town Hall or BCF. The survey is to be completed by August 19th, 2024.

Councillor Price extended appreciation to Public Works, BCF, Pool staff and the Canada Day Parade Committee for making July 1st a special celebration. She also extended gratitude to residents for keeping the town beautiful, to the local businesses that continuously contribute to the community and participate in the parade and other activities, and to the visitors who are always welcome and add vibrancy to our special celebration in Drumheller for July 1st.

Councillor Sereda extended appreciation to the Gran Fondo event organizers and volunteers. There were over 1,000 riders participating in the event. She expressed gratitude to the bridge contractor for accommodating the volume of riders and ensuring there were no issues crossing the bridge, and to the RCMP for their presence and support during the event.

(Note: Councillor Lacher stated that the deadline for the Urban Tree Survey is August 16th, 2024. This has been corrected in the minutes to August 19th, 2024.)

3. ADDITIONS TO THE AGENDA

No Additions to the Agenda.

4. ADOPTION OF AGENDA

4.1 Agenda for July 8, 2024, Regular Council Meeting

M2024.216 Moved by Councillor Kolafa, Councillor Price that Council adopt the agenda for the July 8, 2024, Regular Council meeting as presented.

CARRIED UNANIMOUSLY

5. MEETING MINUTES

5.1 Minutes for the June 17, 2024, Regular Meeting of Council

Agenda Attachment: Regular Council Meeting – June 17, 2024 – Minutes

M2024.217 Moved by Councillor Lacher, Councillor Hansen-Zacharuk That Council approve the minutes for the June 17, 2024, Regular Meeting of Council as presented.

CARRIED UNANIMOUSLY

6. COUNCIL COMMITTEES

6.1 Minutes for the May 23, 2024, Drumheller and District Seniors Foundation (DDSF) Meeting

Agenda Attachment: Drumheller and District Seniors Foundation (DDSF) Meeting – May 23, 2024 – Minutes

M2024.218 Moved by Councillor Kolafa, Councillor Price That Council accept as information the Drumheller and District Seniors Foundation (DDSF) May 23, 2024, regular meeting minutes as presented.

CARRIED UNANIMOUSLY

7. REPORTS FROM ADMINISTRATION

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

7.1 **Chief Administrative Officer**

Timestamp: [5:38](#)

7.1.1 **Request-for-Decision: Bylaw #15.24**

Agenda Attachments: Request-for-Decision; Bylaw #15.24 – Safety Codes Permit Bylaw (3rd Reading); Bylaw #01.12 – Safety Codes Permit Bylaw (Current)

M2024.219 Moved by Councillor Lacher, Councillor Hansen-Zacharuk
That Council gives Third Reading to Safety Codes Permit Bylaw #15.24.

CARRIED UNANIMOUSLY

7.1.2 **Request-for-Decision: Bylaw #19.24**

Agenda Attachments: Request-for-Decision; Bylaw #19.24 – Midland PUL – 2

M2024.220 Moved by Councillor Lacher, Councillor Hansen-Zacharuk
That Council gives First Reading to Bylaw #19.24 – Midland PUL – 2.

CARRIED UNANIMOUSLY

M2024.221 Moved by Councillor Kolafa, Councillor Hansen-Zacharuk
That Council gives Second Reading to Bylaw #19.24 – Midland PUL – 2.

CARRIED UNANIMOUSLY

M2024.222 Moved by Councillor Lacher, Councillor Price
That Council gives unanimous consent for Third Reading to Bylaw #19.24 –
Midland PUL – 2.

CARRIED UNANIMOUSLY

M2024.223 Moved by Councillor Price, Councillor Hansen-Zacharuk
That Council gives Third and Final Reading to Bylaw #19.24 – Midland PUL 2.

CARRIED UNANIMOUSLY

7.1.3 **Request-for-Decision: Bylaw #20.24**

Agenda Attachments: Request-for-Decision; Bylaw #20.24 – Midland PUL – 1

M2024.224 Moved by Councillor Kolafa, Councillor Price
That Council gives First Reading to Bylaw #20.24 – Midland PUL – 1.

CARRIED UNANIMOUSLY

M2024.225 Moved by Councillor Lacher, Councillor Hansen-Zacharuk
That Council gives Second Reading to Bylaw #20.24 – Midland PUL – 1.

CARRIED UNANIMOUSLY

M2024.226 Moved by Councillor Kolafa, Councillor Hansen-Zacharuk
That Council gives unanimous consent for Third Reading to Bylaw #20.24 – Midland PUL – 1.

CARRIED UNANIMOUSLY

M2024.227 Moved by Councillor Price, Councillor Lacher
That Council gives Third and Final Reading to Bylaw #20.24 – Midland PUL – 1.

CARRIED UNANIMOUSLY

7.1.4 Request-for-Decision: Bylaw #21.24

Agenda Attachments: Request-for-Decision; Bylaw #21.24 – Midland ER 2

M2024.228 Moved by Councillor Price, Councillor Kolafa
That Council gives First Reading to Bylaw #21.24 – Midland ER 2.

CARRIED UNANIMOUSLY

M2024.229 Moved by Councillor Lacher, Councillor Kolafa
That Council gives Second Reading to Bylaw #21.24 – Midland ER 2.

CARRIED UNANIMOUSLY

M2024.230 Moved by Councillor Lacher, Councillor Kolafa
That Council gives unanimous consent for Third Reading to Bylaw #21.24 – Midland ER 2.

CARRIED UNANIMOUSLY

M2024.231 Moved by Councillor Kolafa, Councillor Hansen-Zacharuk
That Council gives Third Reading to Bylaw #21.24 – Midland ER 2.

CARRIED UNANIMOUSLY

7.1.5 Request-for-Decision: Bylaw #22.24 – Cambria Road Closure

Agenda Attachments: Request-for-Decision; Bylaw #22.24 – Cabria Road Closure

M2024.232 Moved by Councillor Kolafa, Councillor Hansen-Zacharuk
That Council gives First Reading to Bylaw #22.24 – Cambria 6th Avenue E Road Closure and set the Public Hearing date for Monday, August 12, 2024.

CARRIED UNANIMOUSLY

7.1.6 Request-for-Decision: Bylaw #19.22 – 9th St NW Road Closure

Agenda Attachments: Request-for-Decision; Bylaw #19.22 – 9th St NW Road Closure

M2024.233 Moved by Councillor Kolafa, Councillor Price
That Council gives Second Reading to Bylaw #19.22 – 9th St NW Road Closure as presented.

CARRIED UNANIMOUSLY

M2024.234 Moved by Councillor Kolafa, Councillor Hansen-Zacharuk
That Council gives Third and Final Reading to Bylaw #19.22 – 9th St NW Road Closure as presented.

CARRIED UNANIMOUSLY

7.2 Flood Resiliency Project Director Timestamp: [33:09](#)

7.2.1 Request-for-Decision: Flood Grant Application

Agenda Attachments: Request-for-Decision;

M2024.235 Moved by Councillor Lacher, Councillor Hansen-Zacharuk
That Council approve the request for a letter of support for the Flood Office to apply to the FCM grant programs noted, and for future applicable programs.

CARRIED UNANIMOUSLY

8. CLOSED SESSION

- 8.1.1 Flood Mitigation Land Matters and Business Development**
- FOIP 17 – Third party personal privacy**
- FOIP 23(1)(a) – Local public body confidences**
- FOIP 25(1)(c) – Disclosure harmful to economic and other interests of a public body**
- FOIP 27(1)(c) – Privileged Information**

M2024.236 Moved by Councillor Lacher, Councillor Kolafa
That Council close the meeting to the public to discuss Flood Mitigation Land Matters and Business Development as per FOIP 17 – Third party personal privacy; FOIP 23(1)(a) – Local public body confidences; FOIP 25(1)(c) – Disclosure harmful to economic and other interests of a public body and FOIP 27(1)(a) – Privileged Information.

CARRIED UNANIMOUSLY

Council closed the meeting to the public at 5:09 PM

M2024.237 Moved by Councillor Lacher, Councillor Kolafa
That Council open the meeting to the public.

CARRIED UNANIMOUSLY

Council opened the meeting to the public at 6:45 PM

9. ADJOURNMENT

M2024.238 Moved by Councillor Price, Councillor Hansen-Zacharuk
That Council adjourn the meeting.

CARRIED UNANIMOUSLY

Council adjourned the meeting at 6:45 PM

MAYOR

CHIEF ADMINISTRATIVE OFFICER

**DRUMHELLER & DISTRICT SOLID WASTE MANAGEMENT ASSOCIATION
REGULAR MEETING MINUTES
February 15, 2024, AT 1:30 PM TOWN OF DRUMHELLER COUNCIL CHAMBERS
IN PERSON AND VIA TEAMS VIDEOCONFERENCE**

PRESENT:

Mrs. Sonya Adams	Landfill Manager, DDSWMA
Mr. Pat Kolafa, Chair	Town of Drumheller
Mr. Darryl Drohomerski, Secretary-Treasurer	Town of Drumheller
Ms. Debbie Penner, Vice Chair	Kneehill County
Mr. Mark Landry	Starland County
Mr. Reg Wiebe	Village of Linden
Mr. Travis Cormier	Village of Carbon
Mr. Larry Casey	Village of Standard
Ms. Lorraine MacArthur	Village of Morrin
Mr. Tim Frank	Village of Hussar – via TEAMS
Mr. Jason Bates	Village of Acme
Mr. Bill Goodfellow	Village of Rockyford
Mr. Chris Reeds	Town of Trochu
Mrs. Jessica Schatz, Recording Secretary	Town of Drumheller
Ms. Leslie Landon	Village of Munson– via TEAMS
Mr. Jim Adams	Village of Delia
Mr. Trevor Snyder	Village of Beiseker – via TEAMS
Mr. Scott Klassen	Wheatland County

1.0 CALL TO ORDER

P. Kolafa called the meeting to order at 1:31 PM.

2.0 ADDITIONS / CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

3.0 ADOPTION OF AGENDA

Motion: L. Casey moved that the Board adopt the Agenda for the February 15, 2024, DDSWMA Regular Board Meeting as presented. Seconded by M. Landry. Carried.

4.0 MEETING MINUTES

4.1 DDSWMA Budget Meeting Minutes of December 14, 2023

S. Adams provided DDSWMA Budget Meeting Minutes of December 14, 2023, for approval.

Motion: L. MacArthur moved that the Board approve the DDSWMA Budget Meeting Minutes of December 14, 2023, as presented. Seconded by C. Reeds. Carried.

4.2 DDSWMA Regular Meeting Minutes of December 14, 2023

S. Adams provided DDSWMA Regular Meeting Minutes of December 14, 2023, for approval.

Motion: B. Goodfellow moved that the Board approve the DDSWMA Regular Meeting Minutes of December 14, 2023, as presented. Seconded by T. Frank. Carried.

4.3 DDSWMA Executive Meeting Minutes of January 19, 2024

S. Adams provided DDSWMA Executive Meeting Minutes of January 19, 2024, for approval.

Motion: S. Klassen moved that the Board approve the DDSWMA Executive Meeting Minutes of

January 19, 2024, as information as presented. Seconded by D. Penner. Carried.

5.0 DECISION ITEMS

5.1 Masterplan and Approval renewal RFP Award

S. Adams advised that two RFPs have been released for the Landfill Master Plan and Landfill Approval Renewal. S. Adams requested the Evaluation & Selection Committee have approval to award the project so long as it falls within the approved project budget. S. Adams clarified that the Approval Renewal is required every 10 years, and the Master Plan has no requirements for timelines. The Landfill has not had a Master Plan completed to date, so this will be the first one. B. Goodfellow asked if the master plan could be budgeted over 10 years. The group discussed that this could be reviewed at the Executive Committee.

Motion: L. Macarthur moved that the Evaluation & Selection Committee have approval to award the projects of the Landfill Masterplan and Approval Renewal within the allocated budget. Seconded by L. Casey. Carried.

Action Item A2024-8: To look at the long-term budget planning for future Landfill Master Plan and Approval Renewal at the Executive Committee level.

5.2 Truck replacement

S. Adams advised that the vehicles that were taken from the landfill have been paid out through insurance as a total loss, and that she would like to release an RFP for vehicle(s) up to \$80,000.00 less the \$25,000.00 from the payout money. This money would come from the equipment reserves. S. Adams commented that there is no need to replace both vehicles and that a used vehicle will be acceptable for the needs of the landfill.

Motion: L. MacArthur moved that The DDSWMA Board approve the Landfill Manager to purchase a replacement vehicle through a competitive open bid process, utilizing capital reserves for a maximum of \$80,000.00, less the insurance payout of \$24,859.54. Seconded by J. Adams. Carried.

5.3 Tipping Fee Schedule

S. Adams asked that the board approve the tipping fee schedule as adjusted to be per tonne rather than per axel.

Motion: S. Klassen moved that the DDSWMA Board approve the 2024 Tipping Fee Schedule as presented; effective April 1, 2024. Seconded by M. Landry. Carried.

5.4 GFL MSW Hauling Contract Extension

S. Adams advised that GFL Environmental Inc. is contracted to the DDSWMA to service its transtor sites. This contract expires on December 31, 2024. There is a provision for contract extensions of two (2) one (1) year terms. Agreement to extend the contract terms must be made on or before September 1, 2024.

Potential options (not exhaustive) for the DDSWMA MSW Hauling Contract includes the following:

- extending the terms (1 or 2 years)
- proceeding to Request for Information (RFI) to allow for others to define service optimization options
- proceeding to Request for Proposal/Tender for services

D. Drohomerski joined the meeting at 2:00 pm.

S Adams advised that if we proceed with an RFI we will receive alternate options for how to look after our garbage and can bring forward these proposals. S. Adams recommends proceeding with an RFI, extending GFL contract for one year, and proceeding with an RFP utilising the information collected from the RFI. D. Drohomerski commented that the RFI is a good idea to discover information about how to best manage these services.

Motion: L. MacArthur moved that the Landfill Manager be directed to extend the GFL MSW Hauling

contract for one year and proceed with an RFI. Seconded by J. Adams. Carried.

5.5 Waste Management Recycling hauling contract extension

S. Adams advised that Waste Management of Canada (WM) is contracted by the DDSWMA to service its members transfer and community collection sites for cardboard recycling. This contract expires on December 31, 2024. There is a provision for contract extensions of two (2) one (1) year terms. Agreement to extend the contract terms must be made on or before September 1, 2024.

With the many unknowns around how cardboard recycling will be handled within our communities, changing contracts and contractors at this time is not recommended by administration. S. Adams would like to exercise the 2-year extension on this contract.

Motion: M. Landry moved that the DDSWMA Board approve extending the contract with Waste Management of Canada for the provision of cardboard recycling hauling for the two-year extension. Seconded by T. Cormier. Carried

5.6 E360S (Whissell) Contract Extension

Whissell Waste Solutions Ltd., purchased by E360S is contracted to the DDSWMA to provide Waste Services which includes handling, compacting, and maintaining refuse accepted at the Drumheller and District Regional Landfill disposal area. The DDSWMA Board agreed to extend the Waste Services contract by one year for the operational year of 2024. An agreement to extend the contract for the 2025 operational year must be made by both parties prior to September 1, 2024 to extend the contract for the second year. Administration requested the DDSWMA Board to approve the final extension for the Waste Services Contract.

Motion: D. Drohomerski moved that the DDSWMA Board approve extending the contract with E360S for the provision of waste services for the one-year extension. Seconded by M. Landry. Carried.

6.0 DISCUSSION/INFORMATIONAL ITEMS

6.1 YTD February 9_2024 Financials – Operational

Motion: D. Drohomerski moved to accept the Year-to-Date financials as information. Seconded by L. Casey. Carried.

6.2 AB CARE Conference Registration

Some members of the DDSWMA will be attending this conference as well as S. Adams.

6.3 DDSWMA Regional Agreement

S. Adams commented that this agreement has been provided to the board previously. The reason this has not been resigned is that EPR will change the agreement drastically.

7.0 COMMITTEE REPORTS

7.1 Strategic Plan Committee

- The Strategic Plan Committee and Executive have agreed on the Strategic Plan Report and timelines. The facilitator is placing the final touches on the plan at this time. The plan will be circulated to the Board as soon as it is received and will be presented to the Board at the next Board meeting.

7.2 EPR Steering Committee

- M. Landry advised that the committee is discovering information. Any discovery meetings with the various villages can be attended by S Adams.
- S Adams advised that not all discovery meetings can be completed in one year. If you are in phase two, conversations will be after April 1, 2025.
- Terms of Reference is being developed.

7.3 Policy Committee

- Terms of Reference is being developed.
- Committee has received current policies for review.

8.0 LANDFILL MANAGERS REPORT

- Action Items were reviewed.
- L. MacArthur has requested information regarding Recycling YTD which will be brought to the next board meeting.
- Two cellphones have been ordered for the Landfill.

8.3 Siksika Contract Renewal

S. Adams advised there have been efforts over the last 6 months to renew the contract which ended at the close of 2023. Currently there has not been a lot of traction. D. Penner advised that they should receive a letter from the DDSWMA.

Motion: D. Drohomerski moved that the DDSWMA direct the Landfill Manager to send a letter to Siksika communicating that if no response is received regarding their contract renewal, that a non regional rate will be applied effective April 1st, 2024

8.4 DDSA Contract Renewal

P. Kolafa commented that the landfill has been approached for a 20-year lease agreement with the group, which has been pulled back to a 10-year lease. The gun range is located on a historic site and is likely contaminated with lead. They would like the contract to recognize that there is historic damage to the site. S. Adams advised that the contract ends in May 2024, and further information will be brought to a future DDSWMA meeting.

9.0 DDSWMA ROUNDTABLE DISCUSSION

D. Drohomerski moved to go in camera at 2:46 PM seconded by J. Bates. Carried.

M. Landry moved to go out of camera at 2:56 PM seconded by D. Penner. Carried.

10.0 DATE FOR NEXT MEETING

10.2 Executive Meeting March 15, 2024 @ 0900 hr
Town of Drumheller, Collaboration Room

10.3 Regular Board Meeting April 18, 2024 @ 1330 hr
Town of Drumheller, Council Chambers

10.0 ADJOURNMENT

Motion: J. Adams moved to adjourn the meeting at 2:58 PM. Seconded by D. Drohomerski. Carried.



Signature of DDSWMA Chair



Signature of DDSWMA Secretary-Treasurer

REQUEST FOR DECISION

TITLE:	Proposed Bylaw #20.22 – East Coulee River Drive West Road Closure (2 nd Reading)
DATE:	July 22, 2024
PRESENTED BY:	Darryl Drohomerski, C.E.T., CAO
ATTACHMENT:	Proposed Bylaw #20.22 – East Coulee River Drive West Road Closure (2 nd Reading)

SUMMARY:

As part of the Town’s Flood Mitigation Project and provincial funding agreement, a road closure bylaw is required to close a portion of the right of way along the west end of River Drive in East Coulee to facilitate the construction of a berm. Council gave first reading to Bylaw #20.22 on November 7th, 2022 (M2022.246) and held a public hearing on December 19th, 2022. The Bylaw and submissions from the public hearing were sent to Alberta Transportation for approval shortly after for the Minister’s approval. Due to some errors regarding an easement agreement with one of the utility companies, the signed package was only received back in July of 2024. Now that the signed package has been returned, second and third readings are required to close the roadway.

RECOMMENDATION:

That Council gives second and third reading to East Coulee River Drive West Road Closure Bylaw #20.22 and proceed with the closure of the public right of way.

DISCUSSION:

Under the funding agreement between the Town and Alberta Environment, the construction of any new berms shall be placed on land owned by the Town of Drumheller, including any road rights of way. This road closure bylaw will accomplish that task for the East Coulee Berm that parallels River Drive.

There is a difference between a right of way and a road. A road is the surface that is contained within the right of way and is generally 7-9 meters wide. A right of way is a legal entity under the ownership of the Province and is varies from 6 meters (for an alley) to 20-40 meters for a street or avenue. Many rights of way, at least in Drumheller area, may not have a road contained within the boundary. In the case of rights of way adjacent to the Red Deer River, the right of way extends to the water’s edge as shown in the attached drawing.

As this closure is the embankment, existing berm and a portion of the south end of the street, there is no change to access to adjacent properties from this road closure, nor is there is no physical change to the roadways in this area.

The land where the berm is being placed will be converted into Public Utility Lot to align with the other land in the valley that berms currently or will reside upon.

FINANCIAL IMPACT:

The costs to convert this land is included with the Flood Mitigation project and is a requirement of the provincial funding agreement.

STRATEGIC POLICY ALIGNMENT:

Flood Mitigation is a key strategic priority of this Council and Administration.

COMMUNICATION STRATEGY:

Once the Bylaw has been passed by Council, the Road Closure will be registered with Land Titles.

MOTION:

That Council give second reading to East Coulee River Drive West Road Closure Bylaw #20.22, as presented.

MOTION:

That Council give third and final reading to East Coulee River Drive West Road Closure Bylaw #20.22, as presented.

Mitchell Visser

Prepared by:
Mitchell Visser
Manager of Legislative Services



Approved by:
Darryl Drohomerski, C.E.T.
Chief Administrative Officer

TOWN OF DRUMHELLER
BYLAW NUMBER 20.22
DEPARTMENT: FLOOD MITIGATION / DEVELOPMENT

East Coulee River Drive West Road Closure

THIS IS A BYLAW of the TOWN OF DRUMHELLER, in the Province of Alberta for the purpose of closing portions of undeveloped roads as depicted on the attached:

SCHEDULE – ‘7’ ; being a portion of River Drive on Plan 4128 E.Q. and Extra Road ‘A’ on Plan 961 1270 within the North Half of Section 29 and the South West Quarter of Section 32, In Township 27, Range 18, West of the 4th. Meridian to public travel and acquiring title to these lands in the name of the TOWN OF DRUMHELLER pursuant to Sections 22 and 23 of the Municipal Government Act, Chapter M-26, Revised Statutes of Alberta 2000, as amended.

WHEREAS; the Town of Drumheller, the Province of Alberta and the Government of Canada have entered into an agreement to construct flood mitigation berms along portions of the Red Deer River in the Town of Drumheller to protect properties and the citizens of Drumheller from the ravages of flood waters, and

WHEREAS; it has been found that construction of flood mitigation berms in the subject area is impossible without encroaching upon and using parts of the aforementioned undeveloped roads, and

WHEREAS; the parties to this flood mitigation project have agreed that land used for berm construction must be in the name of the Town of Drumheller, and

WHEREAS; the Council of the Town of Drumheller is satisfied that this activity is in the best public interest and no one will be adversely affected by this road closure Bylaw; and

WHEREAS; a notice of this undeveloped road closure was published in the Drumheller Mail once a week for two consecutive weeks; on November 30th, 2022 and again on December 7th, 2022, the last of such publications being at least five days before the day fixed for the passing of this Bylaw; and

WHEREAS; the Council of the Town of Drumheller held a public hearing on the 19th day of December, 2022 at their regular or special meeting of Council in which all interested parties were provided an opportunity to be heard;

NOW THEREFORE; be it resolved that the COUNCIL of the TOWN OF DRUMHELLER, in the Province of Alberta does hereby enact to close portions of River Drive on Plan 4128 E.Q. and Extra Road ‘A’ on Plan 961 1270 as shown depicted on the attached Schedule – ‘7’ which is more particularly described as:

PLAN
AREAS ‘A’ and ‘B’
EXCEPTING THEREOUT ALL MINES AND MINERALS

to public travel and acquiring two titles to these lands in the name of the TOWN OF DRUMHELLER with a mailing address of; 224 Centre Street, DRUMHELLER, Alberta T0J 0Y4 pursuant to Sections 22 and 23 of the Municipal Government Act, Chapter M-26, Revised Statutes of Alberta 200, as amended.

SHORT TITLE

This Bylaw may be cited as East Coulee River Drive West Road Closure Bylaw 20.22

TRANSITIONAL

This Bylaw takes effect on the day of the third and final reading.

READ AND PASSED THE FIRST TIME BY THE COUNCIL OF THE TOWN OF DRUMHELLER, THIS 7TH DAY OF NOVEMBER, 2022.



MAYOR: HEATHER COLBERG


DARRYL E DROHOMERSKI, C.E.T
CHIEF ADMINISTRATIVE OFFICER



APPROVED BY: ALBERTA ~~INFRASTRUCTURE~~ and TRANSPORTATION *AND ECONOMIC CORRIDORS*

Seal

for 
MINISTER OF ALBERTA ~~INFRASTRUCTURE~~ AND TRANSPORTATION *AND ECONOMIC CORRIDORS*
ROOM 425, LEGISLATIVE BUILDING,
10800 97TH. AVENUE, EDMONTON, ALBERTA. T5K 2B6

READ AND PASSED THE SECOND TIME BY THE COUNCIL OF THE TOWN OF
DRUMHELLER, THIS DAY OF , 2022.

MAYOR: HEATHER COLBERG

DARRYL E DROHOMERSKI, C.E.T
CHIEF ADMINSTRATIVE OFFICER

READ AND PASSED THE THIRD TIME BY THE COUNCIL OF THE TOWN OF
DRUMHELLER, THIS DAY OF , 2022.

MAYOR: HEATHER COLBERG

DARRYL E DROHOMERSKI, C.E.T
CHIEF ADMINSTRATIVE OFFICER

EAST COULEE DISTRICT
DRUMHELLER, ALBERTA

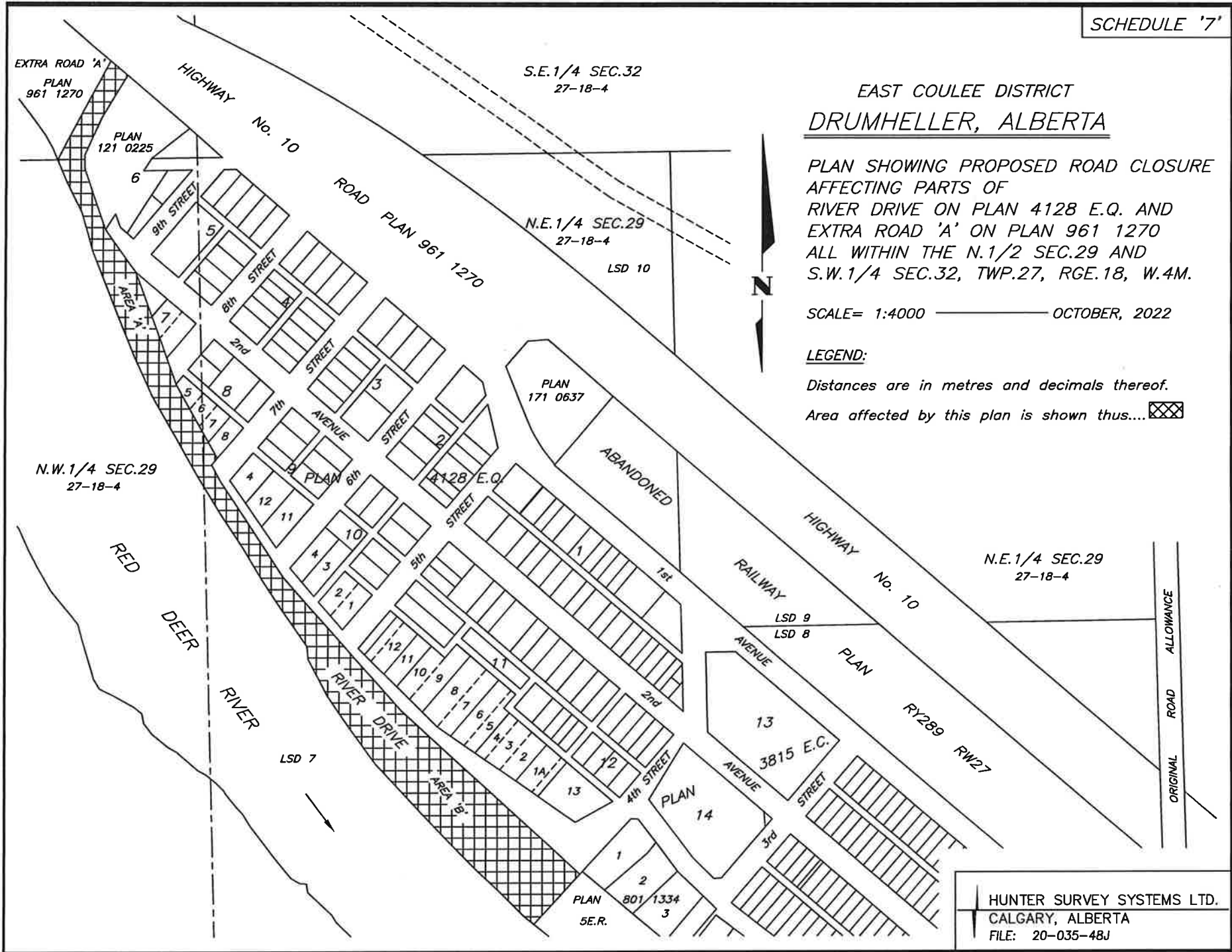
PLAN SHOWING PROPOSED ROAD CLOSURE
AFFECTING PARTS OF
RIVER DRIVE ON PLAN 4128 E.Q. AND
EXTRA ROAD 'A' ON PLAN 961 1270
ALL WITHIN THE N.1/2 SEC.29 AND
S.W.1/4 SEC.32, TWP.27, RGE.18, W.4M.

SCALE= 1:4000 ————— OCTOBER, 2022

LEGEND:

Distances are in metres and decimals thereof.

Area affected by this plan is shown thus.... 



HUNTER SURVEY SYSTEMS LTD.
CALGARY, ALBERTA
FILE: 20-035-48J

REQUEST FOR DECISION

TITLE:	Proposed Bylaw #21A.22 – East Coulee East End Road Closure (2 nd Reading)
DATE:	July 22, 2024
PRESENTED BY:	Darryl Drohomerski, C.E.T., CAO
ATTACHMENT:	Proposed Bylaw #21A.22 – East Coulee East End Road Closure (2 nd Reading)

SUMMARY:

As part of the Town’s Flood Mitigation Project and provincial funding agreement, a road closure bylaw is required to close portion of the right of way along the east side of the river bank in East Coulee to facilitate the construction of a berm. Council gave first reading to Bylaw #21A.22 on March 6, 2023 (M2023.51) and held a public hearing on April 17, 2023. The Bylaw and submissions from the public hearing were sent to Alberta Transportation for approval shortly after for the Minister’s approval. Due to some errors regarding an easement agreement with one of the utility companies, the signed package was only received back in July of 2024. Now that the signed package has been returned, second and third readings are required to close the roadway.

RECOMMENDATION:

That Council gives second and third reading to East Coulee East End Road Closure Bylaw #21A.22 and proceed with the closure of the public right of way.

DISCUSSION:

Under the funding agreement between the Town and Alberta Environment, the construction of any new berms shall be placed on land owned by the Town of Drumheller, including any road rights of way. This road closure bylaw will accomplish that task for the East Coulee Berm that parallels River Drive at the east end of East Coulee as well as closes a portion of an unnamed original road allowance.

There is a difference between a right of way and a road. A road is the surface that is contained within the right of way and is generally 7-9 meters wide. A right of way is a legal entity under the ownership of the Province and is varies from 6 meters (for an alley) to 20-40 meters for a street or avenue. Many rights of way, at least in Drumheller area, may not have a road contained within the boundary. In the case of rights of way adjacent to the Red Deer River, the right of way extends to the water’s edge as shown in the attached drawing.

These portions of road closures are necessary in order to wrap the berm around, and protect, the east end, and ultimately all, of East Coulee.

The lands where the berm is being placed will be converted into Public Utility Lot to align with the other land in the valley that berms currently or will reside upon.

FINANCIAL IMPACT:

The costs to convert this land is included with the Flood Mitigation project and is a requirement of the provincial funding agreement.

STRATEGIC POLICY ALIGNMENT:

Flood Mitigation is a key strategic priority of this Council and Administration.

COMMUNICATION STRATEGY:

Once the Bylaw has been passed by Council, the Road Closure will be registered with Land Titles.

MOTION:

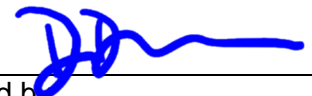
That Council give second reading to East Coulee East End Road Closure Bylaw #21A.22, as presented.

MOTION:

That Council give third and final reading to East Coulee East End Road Closure Bylaw #21A.22, as presented.

Mitchell Visser

Prepared by:
Mitchell Visser
Manager of Legislative Services



Approved by:
Darryl Drohomerski, C.E.T.
Chief Administrative Officer

TOWN OF DRUMHELLER
BYLAW NUMBER 21A.22
DEPARTMENT: FLOOD MITIGATION / DEVELOPMENT

East Coulee East End Road Closure

THIS IS A BYLAW of the TOWN OF DRUMHELLER, in the Province of Alberta for the purpose of closing portions of undeveloped roads and undeveloped original road allowance as depicted on the attached:

SCHEDULE – ‘8’; being a portion of the Original Road Allowance between the S.W. ¼ Section 28 and the S.E.1/4 Sec. 29 and portions of 1st. and 2nd. Streets on Plan 801 1334 all within Township 27, Range 18, West of the 4th. Meridian to public travel and acquiring title to these lands in the name of the TOWN OF DRUMHELLER pursuant to Sections 22 and 23 of the Municipal Government Act, Chapter M-26, Revised Statutes of Alberta 2000, as amended.

WHEREAS; the Town of Drumheller, the Province of Alberta and the Government of Canada have entered into an agreement to construct flood mitigation berms along portions of the Red Deer River in the Town of Drumheller to protect properties and the citizens of Drumheller from the ravages of flood waters, and

WHEREAS; it has been found that construction of flood mitigation berms in the subject area is impossible without encroaching upon and using parts of the aforementioned undeveloped roads, and

WHEREAS; the parties to this flood mitigation project have agreed that land used for berm construction must be in the name of the Town of Drumheller, and

WHEREAS; the Council of the Town of Drumheller is satisfied that this activity is in the best public interest and no one will be adversely affected by this road closure Bylaw; and

WHEREAS; a notice of this undeveloped road closure was published in the Drumheller Mail once a week for two consecutive weeks; on March 29, 2023 and again on April 5, 2023 the last of such publications being at least five days before the day fixed for the passing of this Bylaw; and

WHEREAS; the Council of the Town of Drumheller held a public hearing on the 17th day of April , 2023 at their regular or special meeting of Council in which all interested parties were provided an opportunity to be heard;

NOW THEREFORE; be it resolved that the COUNCIL of the TOWN OF DRUMHELLER, in the Province of Alberta does hereby enact to close a portion of the Original Road Allowance between the S.W. ¼ Section 28 and the S.E.1/4 Sec. 29 and portions of 1st. and 2nd. Streets on Plan 801 1334 all within Township 27, Range 18, West of the 4th. Meridian as shown depicted on the attached Schedule – ‘8’ which is more particularly described as:

PLAN
AREAS ‘ A’, ‘B’ and ‘C’
EXCEPTING THEREOUT ALL MINES AND MINERALS

to public travel and acquiring three titles to these lands in the name of the TOWN OF DRUMHELLER with a mailing address of; 224 Centre Street, DRUMHELLER, Alberta T0J 0Y4 pursuant to Sections 22 and 23 of the Municipal Government Act, Chapter M-26, Revised Statutes of Alberta 200, as amended.

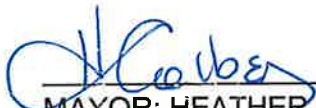
SHORT TITLE


This Bylaw may be cited as East Coulee East End Road Closure Bylaw 21A.22


TRANSITIONAL

This Bylaw takes effect on the day of the third and final reading.

READ AND PASSED THE FIRST TIME BY THE COUNCIL OF THE TOWN OF DRUMHELLER, THIS 6th DAY OF MARCH, 2023.



MAYOR: HEATHER COLBERG


DARRYL E DROHOMERSKI, C.E.T. ALBERTA
CHIEF ADMINISTRATIVE OFFICER



APPROVED BY: ALBERTA INFRASTRUCTURE ~~and~~ TRANSPORTATION ~~AND ECONOMIC CORRIDORS~~

Seal


MINISTER OF ALBERTA INFRASTRUCTURE ~~AND~~ TRANSPORTATION ~~AND ECONOMIC CORRIDORS~~
ROOM 425, LEGISLATIVE BUILDING,
10800 97TH. AVENUE, EDMONTON, ALBERTA. T5K 2B6

READ AND PASSED THE SECOND TIME BY THE COUNCIL OF THE TOWN OF
DRUMHELLER, THIS __ DAY OF __, 2023.

MAYOR: HEATHER COLBERG

DARRYL E DROHOMERSKI, C.E.T
CHIEF ADMINSTRATIVE OFFICER

READ AND PASSED THE THIRD TIME BY THE COUNCIL OF THE TOWN OF
DRUMHELLER, THIS __ DAY OF __, 2023.

MAYOR: HEATHER COLBERG

DARRYL E DROHOMERSKI, C.E.T
CHIEF ADMINSTRATIVE OFFICER



1

Status of Berm Projects							
Berm	Prelim. Design	Landowner 1:1	Community Info Session	Tender Package Ready	Land Acquisition Complete	Tree Clearing Completed	Construction Underway/Complete
Nacmine	✓	✓	✓				
Midland	✓	✓	✓	✓	✓	✓	✓
Newcastle	✓	✓	✓	✓	✓	✓	✓
North Drumheller Upgrades	✓	✓	✓	✓	✓	✓	★
N. DH Grove Plaza Berm	✓	✓	✓	✓	✓	✓	✓
Downtown Berm	✓	✓	✓	✓	✓	✓	✓
Willow Estates	✓	✓	✓	✓	✓	✓	✓
East Rosedale Berm	✓	✓	✓				
East Coulee Berm – Ph 1	✓	✓	✓	✓	✓	✓	✓
East Coulee Berm – Ph 2	✓	✓	✓	✓	✓	✓	★

2

Status of Floodway Buyout Program



- 27 Properties Targeted for Floodway Buyouts:
 - Properties in Nacmine, Rosedale and Lehigh
 - All 27 acquired to date, 5 by expropriation
 - 4 properties in Lehigh – Landowner extension to vacate/remove belongings
 - 6 properties Lehigh remaining for reclamation
- 4 remaining house sales/auctions Fall 2024
- Remaining property cleanup/restoration, road and utility removals 2025
 - Alberta Drought and Flood Protection Program (DFPP) submitted

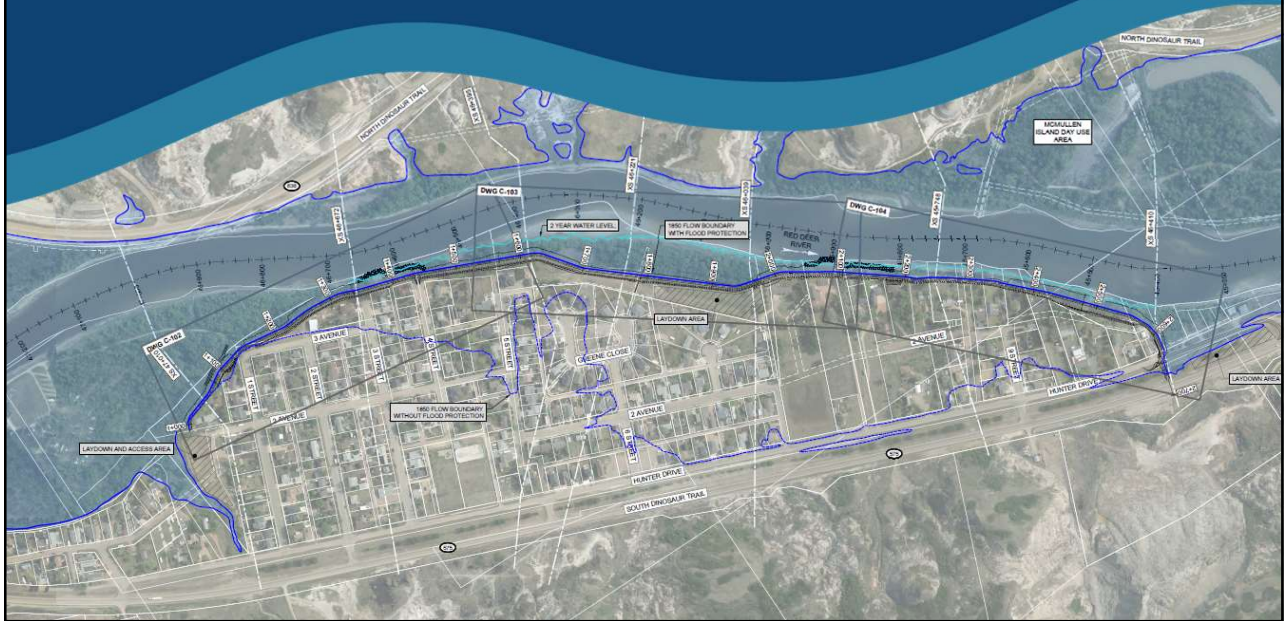
3

Land Acquisition for Berm Construction

- North Drumheller - all Land Acquired
 - Negotiations 14 properties
 - 3 Expropriations
- East Coulee Phase 2 – all land acquired
 - 4 Expropriation
- Nacmine - Land Acquisition still underway
 - Negotiations 14 properties
 - 12 Expropriations
- Rosedale parcel purchase underway
 - Negotiations 10 properties
 - 2 ongoing, 3 Expropriations

4

Nacmine Berm - Overall Site Plan

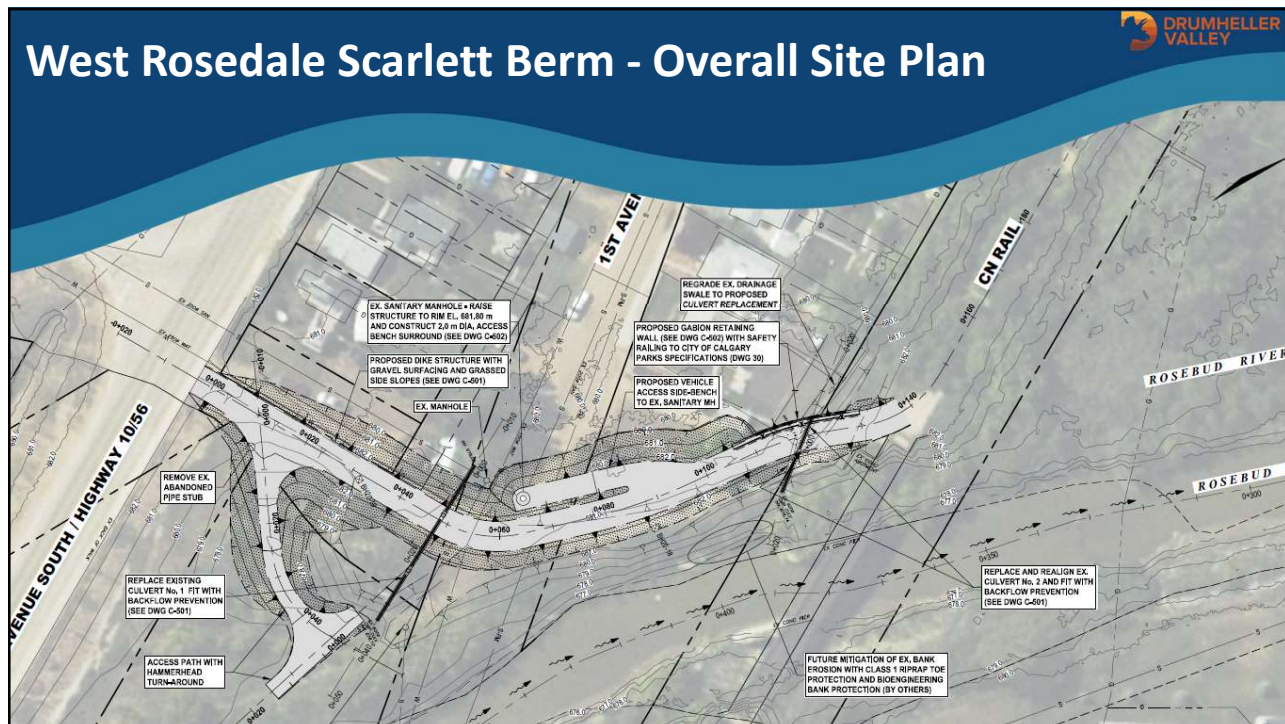


5

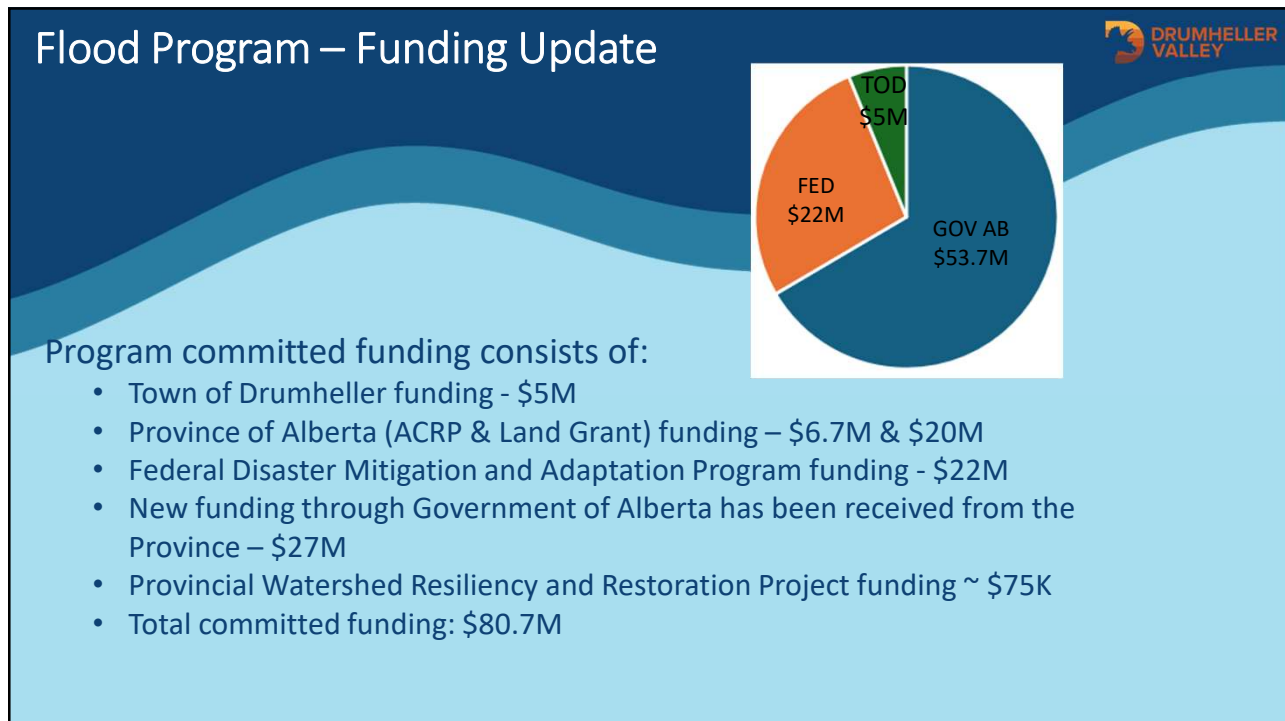
Rosedale Berm - Overall Site Plan



6



7



8

Flood Program – Funding Update



DMAF Funding (\$22M Total):

- DMAF Eligible Cost included on claims submitted to date - \$32,962,187
- Claimable Costs @ 40% of DMAF Eligible Total - \$13,184,875
- 13 Claims submitted – all have been approved and payments received
- No Claims are currently pending; we are working towards submitting a claim for Q1–2024
 - Approximately \$500,000 (claimable costs)

9

Flood Program – Funding Update



Funding Opportunities:

- The Flood Program and regularly looking for more opportunities to submit applications
- Recent application for Drought and Flood Protection Program (DFPP) to go towards plantings, restoration and Indigenous Consultation in Lehigh
- WRRP Application will be submitted fall of 2024. If funding is received this could go towards DFO Offsetting and Indigenous Consultation
- Federation of Canadian Municipalities funding available in multiple streams

10

Flood Program – Summer Agenda



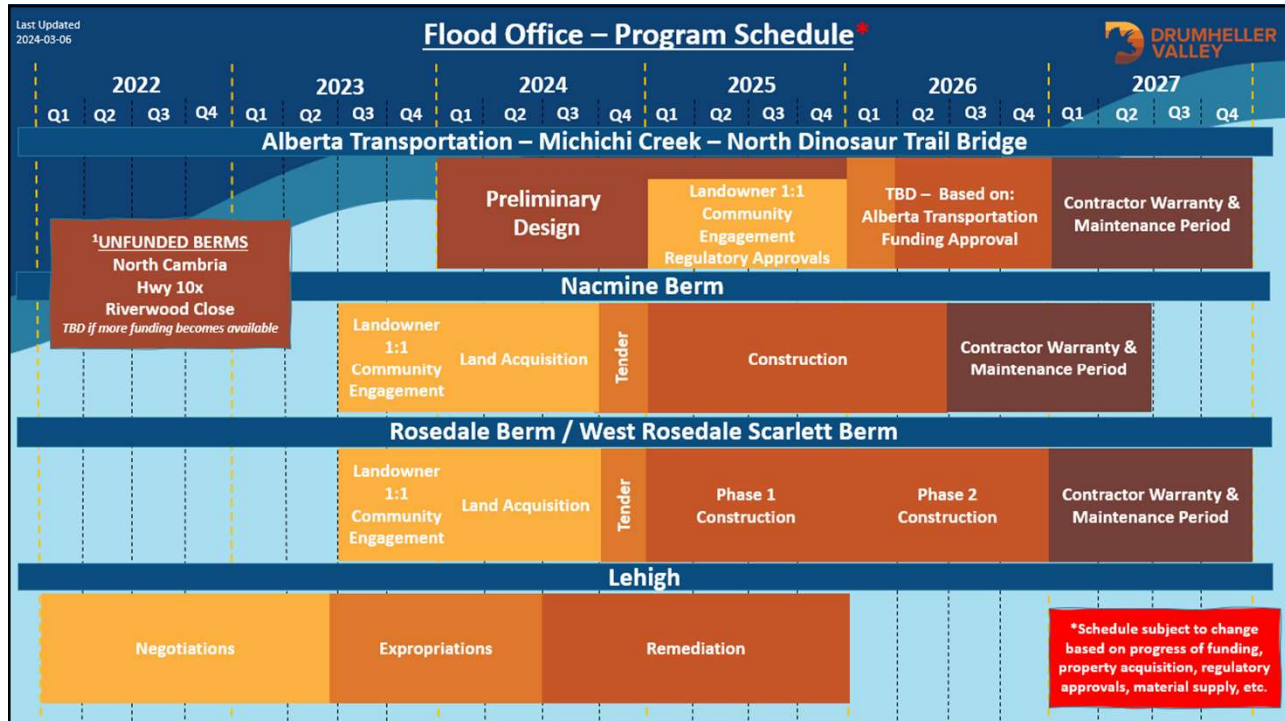
- Downtown Berm/Centennial Park - Complete
- Construction of North Drumheller Flood Improvements Projects
 - 40% Complete
 - Lift Station/forcemain still to commence
- Construction of East Coulee Phase 2
- Finalize design Rosedale and Nacmine
 - Regulatory approvals
 - Land Acquisition
 - Tender Q4
- Alberta Transportation’s North Drumheller Michichi Creek Bridge/Flood Wall Conceptual Design
- Urban tree planting strategy



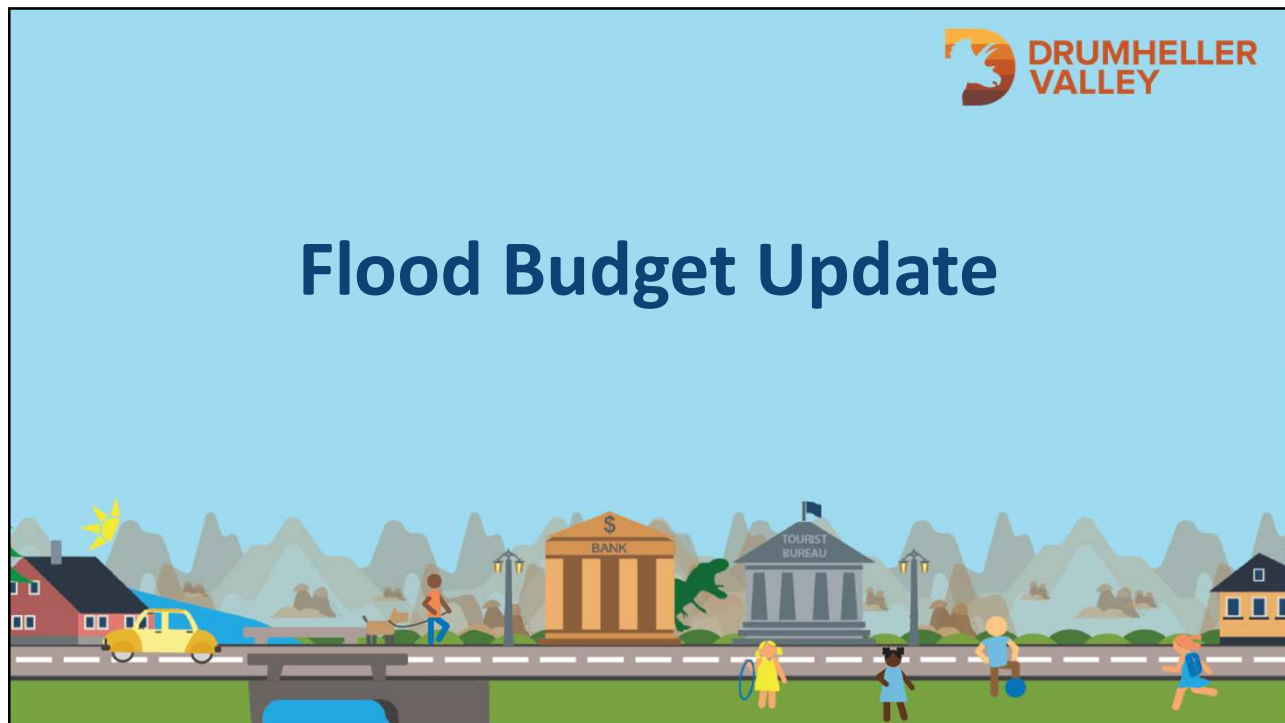
11



12



13



14

Land Acquisition

Project	Landowner Negotiations	Complete	Expropriation
Nacmine	14	2	12
Newcastle	3	3	2
Midland	1	1	0
North Drumheller	14	10	4
Downtown	2	2	0
Rosedale (incl Scarlett)	10	5	3
East Coulee	8	8	4
Buyouts (Lehigh/West Rosedale/Nacmine)	28	28	5
TOTAL	80	59	30



15

Spend History

2019	\$401,421	Town GL
2020	\$7,567,084	Ascend Audit Report July 26, 2021
2021	\$6,021,507	RSM Alberta Audit Report May 2, 2022
2022	\$14,371,673	Audit – January 29, 2024
2023	\$18,187,473	Town GL – Year End (Unaudited)
2024	\$5,476,667	Town GL to June 30, 2024
TOTAL SPEND TO DATE	\$52,017,127	

Remaining Budget \$28,682,873

Above Cost does not include 2017/18 pre-funding expenditure \$322,000



16

Communication Update



Communication Submissions January to mid-July

- 88 emails, web submissions or phone calls
- Communications now being handled by Flood Office

Recent Events

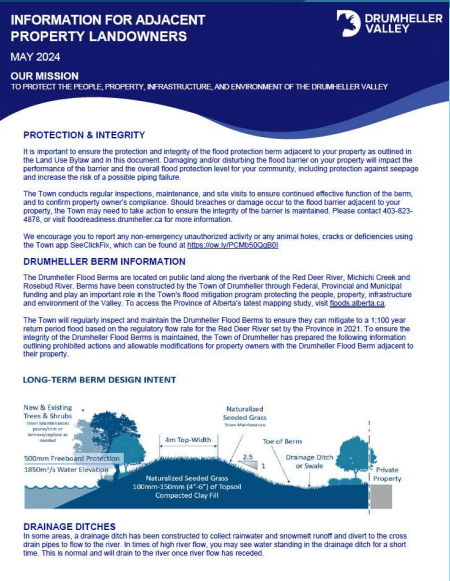
- North Drumheller Berms Fly Over Video
- Vibration Monitoring Video
- Urban Tree Plan Survey

MGA 534 Notifications - Completed Berms

- Distributed and published May
- Closes end July

17

Adjacent Landowner Pamphlet



- At the end of May an “Adjacent Landowner’s Pamphlet” was mailed to all residents that have property lines adjacent to the berms completed in 2023
- Covers berm maintenance, appropriate and inappropriate activities
- Further communication on Contractor Maintenance Period and maintenance of seeded areas ongoing

18



Construction Maintenance Concerns

Communications for regular mowing of newly constructed berms:

“Our contractors will be continually monitoring all sites where new berms have been constructed and will be trimming weeds, but the Flood Program’s intent is to keep all projects natural, using a native drought tolerant seed mix. If mowed continuously the native grass mix will not thrive as this will inhibit natural seed redistribution, we would like to extend long term restoration.”



19

North Drumheller Construction Photos



20



21



22



23

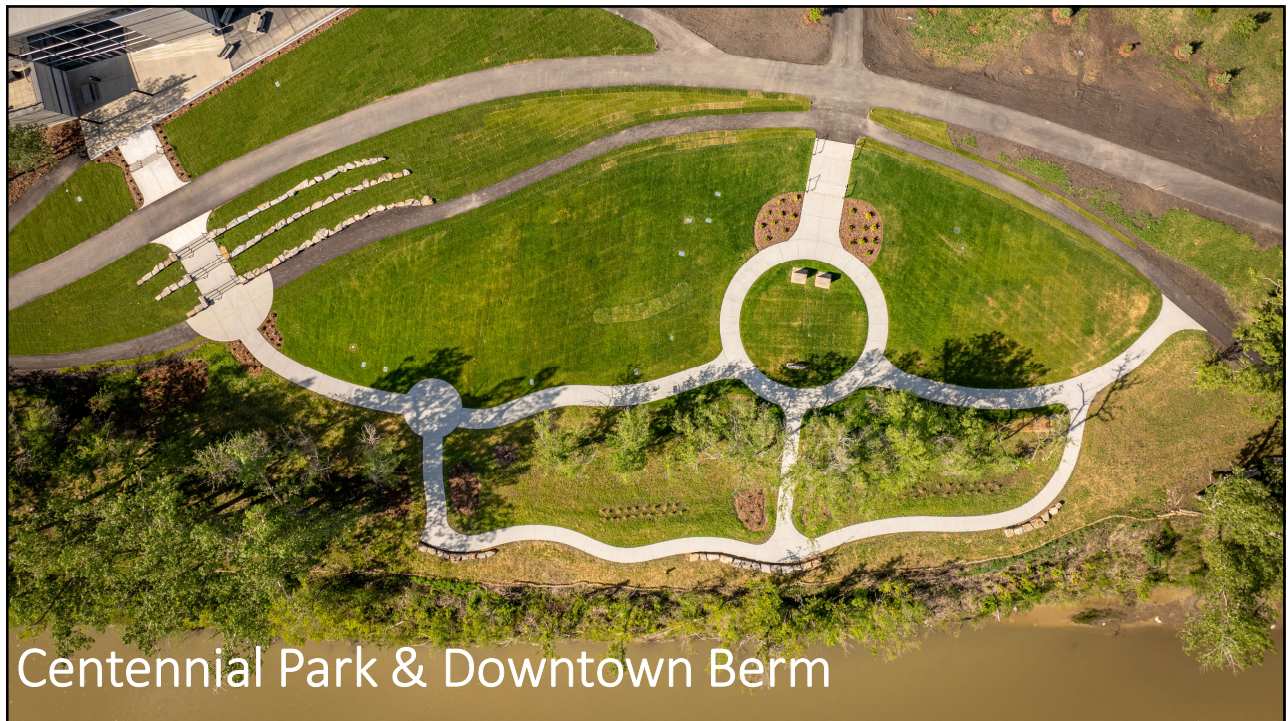


24



Centennial Park & Downtown Berm

25



Centennial Park & Downtown Berm

26



Riverside Drive Berm & Pathway


27




Downtown Berm & Centennial Park


28

Contact Us

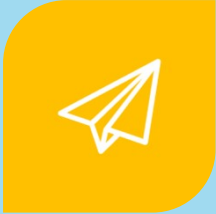





EMAIL – FLOOD OFFICE:
FLOODREADINESS@DRUMHELLER.CA



WEB:
FLOODREADINESS.DRUMHELLER.CA



EMAIL - COMMUNITY ADVISORY
FLOODCOMMITTEE@DRUMHELLER.CA



29

REQUEST FOR DECISION

TITLE:	Drumheller Resiliency and Flood Mitigation Program – Resolution for Expropriation of One Parcel for Berm Construction affecting That portion of the north west quarter of Section 8 Township 29 Range 20 West of the 4 Meridian described as follows: commencing at the point of intersection of the north easterly limit of 3 Avenue with the northerly production of the north westerly limit of 3 Street as said avenue and street are shown on Plan Nacmine 7125DD thence northerly along said production of said limit of 3 Street to the right bank of the Red Deer River shown on Plan 53/46 thence westerly along said right bank to its intersection with the said north easterly limit of 3 Avenue thence south easterly along said limit to the point of commencement containing 0.648 hectares (1.6 acres) more or less 301 3 Street, Nacmine
MEETING DATE:	July 22 nd , 2024
PRESENTED BY:	Deighen Blakely, P.Eng., Project Director Flood Resiliency Program
ATTACHMENTS:	Certificate of Approval with Parcel Map – Schedule ‘A’ Resolution to Proceed with Expropriation

SUMMARY

Through the Drumheller Resiliency and Flood Mitigation Program, The Town of Drumheller is undertaking construction of structural flood mitigation in the form of berms. To proceed with construction of the Nacmine Berm starting in the spring of 2025, full acquisition of this parcel is required. Negotiations with the impacted landowner began in August 2023, and have been ongoing over the past several months. The subject full acquisition property owner has rejected our purchase offers of Fair Market Value, as determined by an appraisal.

A Resolution Approving Expropriation for a portion of this lot was originally approved by Council on December 4, 2023, however, it was not subsequently registered with Land Titles, as further clarification was required regarding the actual land boundary. Alberta Public Lands Water Boundaries Group provided feedback on the riverside boundary of this lot and a new Resolution Approving Expropriation was submitted on February 26, 2024 with the amended area of the partial taking. However, the property owner objected to a partial taking, so a second amended Resolution Approving Expropriation for a full parcel taking was passed by Council on April 22, 2024. Council also approved a Notice of Abandonment of Expropriation on April 22, 2024 to abandon the partial taking. The Notice of Intention to Expropriate has been served on the registered property owner and affected parties in accordance with the Expropriation Act and no Notice of Objection has been received during the 21 days following the Notice. The next step in the expropriation process is for Council to decide whether to approve or disapprove the expropriation based on the terms outlined in the attached Certificate of Approval.

RECOMMENDATION

Administration recommends that Council approve the Certificate of Approval and Resolution pertaining to 301 3 Street (that portion of the north west quarter of Section 8 Township 29 Range 20 West of the 4 Meridian described as follows: commencing at the point of intersection of the north easterly limit of 3 Avenue with the northerly production of the north westerly limit of 3 Street as said avenue and street are shown on Plan Nacmine 7125DD thence northerly along

said production of said limit of 3 Street to the right bank of the Red Deer River shown on Plan 53/46 thence westerly along said right bank to its intersection with the said north easterly limit of 3 Avenue thence south easterly along said limit to the point of commencement containing 0.648 hectares (1.6 acres) more or less), as presented.

DISCUSSION

Under Council Policy C-03-22 for Land Acquisition for the Drumheller Resiliency and Flood Mitigation Program, and the Provincial Grant Funding Agreement for 18GRSTR41, parcel acquisitions can be made at the higher of the appraised or assessed value. An offer has been made to the impacted property owner for the Nacmine Berm project on this basis and the offer has been rejected. Following service of the Notice of Intent to Expropriate, no Notice of Objection has been filed in relation to this property. Affidavits of service are retained on file.

The next step in the process is for the approving authority, in this case Council, to review and decide if it wishes to approve the expropriation, and if so, then pass a resolution to approve the Certificate of Approval to proceed with expropriation. This would be followed by Notice of Proposed Payment and Notice of Possession, with Actual Possession taking place 90 days after expropriation is effected (by registration of Certificate of Approval at Land Titles Office).

FINANCIAL IMPACT

The costs of the portion of the land purchase needed for the berm and associated legal fees for the proceedings are eligible for 100% funding under the Alberta Government 18GRSTR41 Grant. The portion of the land purchase not needed for berm construction will be covered by the Town until such time as the parcel can be subdivided and the remanent piece sold. Alberta Environment and Protected Areas has indicated that they will not compensate for land acquisition over and above the appraised value of the land which has been their practice for all other flood mitigation projects undertaken in the Province. Damages awarded to plaintiffs due to expropriation of their property may be considered for funding on a case-by-case basis by the Alberta Government. Alberta Environment and Protected Areas' legal team will review the particulars behind any damage award before a decision on whether 18GRSTR41 can be used to support these costs. Any costs deemed ineligible will be the responsibility of the Town.

WORKFORCE AND RESOURCES IMPACT

Acquisition of land by means of expropriation versus by agreement requires significant additional Flood Office staff time to prepare expropriation documents for Council, present the documents, and coordinate registration with Land Titles, estimated to be at minimum, two days of staff time per expropriation, assuming no objections are filed. Legislative Services staff also spend approximately a half day of time for expropriation to coordinate Council agendas, document signing and registrations at Land Titles. Additionally, the Town requires support from legal counsel and a professional surveyor, which results in additional costs to the Town and additional effort for coordination.

STRATEGIC POLICY ALIGNMENT

Town Bylaw 11.21 states that Council's Vision is *"through a proactive flood-mitigation strategy, we are committed to changing the channel on flood readiness with a sustainable plan to protect Drumheller from future flooding. Together, we will shape the future of our community by protecting our people, our property, our economic growth, our environment and our cultural heritage"*. Completing the expropriation is required to obtain the property necessary for the berm construction and will allow the Town free access to manage and maintain the new berms and associated infrastructure moving forward.

COMMUNICATION STRATEGY

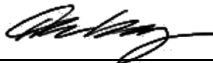
Direct Notice of the Expropriation (completed by registering the Certificate of Approval and Resolution with Land Titles), and serving the Notice of Expropriation, Notice of Possession, and Notice of Proposed Payment on the affected property owner, and all parties with a registered interest in the subject lands, will be completed as soon as practicably possible given the legislated considerations and the registration delays at Land Titles.

PROPOSED MOTION

Councillor _____ moves that Council approve the Certificate of Approval and Resolution for Expropriation pertaining to the parcel of land described as that portion of the north west quarter of Section 8 Township 29 Range 20 West of the 4 Meridian described as follows: commencing at the point of intersection of the north easterly limit of 3 Avenue with the northerly production of the north westerly limit of 3 Street as said avenue and street are shown on Plan Nacmine 7125DD thence northerly along said production of said limit of 3 Street to the right bank of the Red Deer River shown on Plan 53/46 thence westerly along said right bank to its intersection with the said north easterly limit of 3 Avenue thence south easterly along said limit to the point of commencement containing 0.648 hectares (1.6 acres) more or less; Title Number 191 049 429.



Prepared by:
Tara Paradis, EIT
DRFMO Project Assistant



Reviewed by:
Deighen Blakely, P.Eng.
DRFMO Project Director



Approved by:
Darryl E. Drohomerski, C.E.T.
Chief Administrative Officer

**Form 4
Expropriation Act
(Section 18)**

CERTIFICATE OF APPROVAL

The Town of Drumheller, whose address is 224 Centre Street, Drumheller, Alberta, T0J 0Y4, hereby approves the expropriation of the lands being depicted on the attached Schedule 'A' and more particularly described as:

**THAT PORTION OF THE NORTH WEST QUARTER OF SECTION 8
TOWNSHIP 29
RANGE 20
WEST OF THE 4 MERIDIAN
DESCRIBED AS FOLLOWS:
COMMENCING AT THE POINT OF INTERSECTION OF THE NORTH EASTERLY LIMIT
OF 3 AVENUE WITH THE NORTHERLY PRODUCTION OF THE NORTH WESTERLY LIMIT
OF 3 STREET AS SAID AVENUE AND STREET ARE SHOWN ON PLAN NACMINE 7125DD
THENCE NORTHERLY ALONG SAID PRODUCTION OF SAID LIMIT OF 3 STREET TO THE
RIGHT BANK OF THE RED DEER RIVER SHOWN ON PLAN 53/46
THENCE WESTERLY ALONG SAID RIGHT BANK TO ITS INTERSECTION WITH
THE SAID NORTH EASTERLY LIMIT OF 3 AVENUE
THENCE SOUTH EASTERLY ALONG SAID LIMIT TO THE POINT OF COMMENCEMENT
CONTAINING 0.648 HECTARES (1.6 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS**

(hereinafter referred to as the "Lands")

1. The nature of the interest in the lands expropriated is: fee simple estate.
2. The work or purpose for which the interest in the lands is expropriated is:
 - Construction and/or enhancement of existing dikes, berms, retaining walls, erosion protection, overland drainage courses, storm water outfalls, control structures and associated appurtenances;
 - for the retention and development of Natural Areas, Environmental Reserves, Municipal Reserves, Public Utility Lots, and other uses as approved by approval authorities; and
 - access for purposes of construction and/or maintenance of the above.
3. The expropriating authority is the: **Town of Drumheller**
224 Centre Street
Drumheller, Alberta, T0J 0Y4
4. The land stands in the Register of the South Alberta Land Registration District in the name of Ralph Veenhuis in Certificate of Title Number 191 049 429.

Dated this _____ day of _____, 2024.

TOWN OF DRUMHELLER

Per: _____
Darryl Drohomerski, C.E.T.
Chief Administrative Officer

RESOLUTION OF COUNCIL OF THE TOWN OF DRUMHELLER

WHEREAS a Notice of Intention to Expropriate was served by the Town of Drumheller on June 26, 2024, on the Landowner and all parties with a registered interest in the subject lands and duly published, in accordance with the *Expropriation Act*;

AND WHEREAS no Notice of Objection has been received from the Landowner or any party with a registered interest in the subject lands;

AND WHEREAS the period during which an Objection can be issued by the Landowner or any party with a registered interest in the subject lands has expired;

AND UPON consideration of the Request for a Decision dated July 22, 2024, completed by the Town of Drumheller Flood Program Director, as well as the recommendations of the Town Administration, including the Town Solicitor, Council has determined that the proposed expropriation is fair, sound, and reasonably necessary, and in the public interest and good, to achieve the objectives of the Town;

NOW THEREFORE BE IT RESOLVED:

1. THAT pursuant to its authority under the *Municipal Government Act* and the *Expropriation Act*, the Town of Drumheller, as approving authority, hereby approves the expropriation of the lands and interests being depicted on the attached Certificate of Approval (Attachment #1), without modification;
2. THAT the officers, servants or agents of the Town of Drumheller and the solicitors for the Town of Drumheller be, and are hereby authorized and directed to do all things necessary to initiate, carry out and conclude the expropriation proceedings under the provisions of the *Expropriation Act*, or otherwise, and they are hereby authorized and empowered to sign, seal, serve and publish the necessary documents to initiate, proceed with and conclude the said expropriation, as applicable.

Dated this _____ day of _____, 2024

Motion Carried

Town of Drumheller

Heather Colberg, Mayor

Darryl Drohomerski, CAO

NORTH DINOSAUR TRAIL

R/W
PLAN 841 0620

N.W.1/4 SEC.8-29-20-4
(MIDLAND PROVINCIAL PARK)

ISLAND

N.W.1/4 SEC.8-29-20-4

REMAINING RED DEER RIVER SECONDARY CHANNEL

RED DEER RIVER

BY G.W. WALLACE A.L.S. 2023

N.A.C. DITCH

N.W.1/4 SEC.8-29-20-4
AREA A

C. OF T.
191 049 429

7125 DD

B

1st STREET

3rd AVENUE

2nd STREET

3rd STREET

PLAN 7935 EM

2nd AVENUE

2nd STREET

3rd STREET

**NACMINE DISTRICT
DRUMHELLER, ALBERTA**

**PLAN SHOWING AREA TO BE ACQUIRED BY
EXPROPRIATION FOR FLOOD MITIGATION
PURPOSES**


**AFFECTING ALL OF C. OF T. 191 049 429
WITHIN THE**

N.W.1/4 SEC.8, TWP,29, RGE.20, W.4M.

SCALE= 1:2000 — 2024 — W.R.HUNTER, A.L.S.

LEGEND:

Distances are in metres and decimals thereof.

Area affected by this plan is shown thus... 
And contains 10522.2sq.m. = 113260sq.ft.

REV.	DATE	DESCRIPTION
2	April 16, 2024	FROM PART TO FULL EXPROPRIATION
1	Feb. 7, 2024	TRAVERSED REMAINING RIVER CHANNEL ADD
0	Nov. 27, 2023	ISSUED

HUNTER SURVEY SYSTEMS LTD. CALGARY, ALBERTA FILE: 23-256-C OF T NACMINE Page 48 of 88
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REQUEST FOR DECISION

TITLE:	2023 Audited Financial Statements
DATE:	July 22, 2024
PRESENTED BY:	Victoria Chan- CPA, CGA, LL.B, LL.M Chief Financial Officer/Director of Corporate and Community Services
ATTACHMENTS:	A. Audit Presentation by BDO LLP B. Draft Audited Financial Statements for year ending December 31, 2023

SUMMARY:

The *Municipal Government Act* (MGA) stipulates the requirement of audited financial statements.

RECOMMENDATION:

Administration recommends that Council to approve the 2023 Audited Financial Statements for the Town of Drumheller for reporting year ending December 31, 2023.

DISCUSSION:

Council has appointed BDO LLP as the Municipal Auditor for the Town of Drumheller as per the section of 280(1) under the MGA. Based on this official appointment, the Auditor has been granted with full access to information as supported by section 283(1) of the MGA. No information has been withheld by the Administration during the audit period.

The Auditor had qualified the previous year’s audited financial statements due to the underminable amount of contaminated sites liabilities. The Administration has made extra efforts in addressing the issues, and the Auditor is satisfied to remove the qualification on the contaminated sites liabilities. As the Financial Statements are required to show previous year’s financial comparison, the Auditor must modify their opinion due to the prior year’s qualification. In other words, once you receive a qualified opinion, it must stay for minimal two years. It is expected for the Town to receive an unqualified opinion for 2024.

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

BDO LLP is also the auditor appointed for the audited financial statements for the Flood Mitigation Program. The audit engagement has been initiated for 2023, the annual audited financial statement will be presented by BDO at a later date.

RECOMMENDATION:

Administration recommends that Council approves the 2023 Audited Financial Statements as presented.

FINANCIAL IMPACT:

2023 Audit fee is budgeted based on the existing audit engagement contract. Additional fees are expected as there are new PSAB requirements such as the Asset Retirement Obligations (ARO) and Financial Instruments.

WORKFORCE AND RESOURCES IMPACT:

N/A

STRATEGIC POLICY ALIGNMENT:

Fiscal responsibility and compliance with Provincial regulations.

COMMUNICATION STRATEGY:

The approval of the 2023 Audited Financial Statements will be announced to the public through a press release. Once approved, the 2023 Audited Financial Statements will be published on the Town's website.

MOTION:

Councillor _____

That Council approve the 2023 audited financial statements as presented.

SECONDED:

Councillor _____



Prepared by:
Victoria Chan, CPA, CGA, LL.B, LL.M
Chief Financial Officer /
Director of Corporate & Community Services



Approved By:
Darryl E. Drohomerski, C.E.T.
Chief Administrative Officer

Town of Drumheller

Audit final report to the Members of Council for the year ended December 31, 2023

START

BDO

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To the Members of Council of Town of Drumheller

For the year ended December 31, 2023

We are pleased to provide you with the results of our audit of Town of Drumheller (the "Organization") consolidated financial statements for the year ended December 31, 2023.

The enclosed final report includes our approach to your audit, including: significant risks identified and the nature, extent, and results of our audit work. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us—in discussions and in writing. We documented these representations in the audit working papers.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP
July 22, 2024

BDO



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BDO'S DIGITAL AUDIT SUITE

APT Next Gen

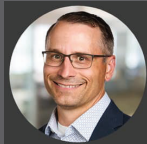
We use our APT Next Gen software and documentation tool to save time, streamline processes, and go paperless with your audit.

[LEARN MORE](#)

DISCOVER THE DIGITAL DIFFERENCE



Your dedicated BDO audit team



Will ZoBell, CPA, CA

T: (403) 328-5292
E: wzobell@bdo.ca

Will ZoBell is an assurance partner and has been working with both public and private sector audits since 1998. He serves a client base comprised of various organizations that include educations, municipalities, commissions, and owner-managed businesses. Will has taught at various events and conferences. Will volunteers with a charity organization and assists the finance functions for 14 units within this charity.

Will ZoBell will be the Engagement Partner for your assurance services.



Mitchell Kennedy, CPA, CA

T: (403) 342-8078
E: mikennedy@bdo.ca

Mitchell Kennedy is a senior manager with over 10 years of experience providing audit and accounting services to many public sector and educational organizations, not-for-profit organizations, as well as a range of private sector companies. This experience allows him to address the unique audit and operating needs his clients have.

Mitchell Kennedy will be the Engagement Manager for your assurance service and take a lead role in coordinating the in-field engagement team.



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Audit at a glance

Materiality

As communicated to you in our Planning Report to the Members of Council. Final materiality was changed to \$1,260,000 & \$4,930,000.

Two materiality's have been chosen due to the asset retirement obligation liability being a significant component. The \$4,930,000 materiality only applies to the asset retirement obligation and the benchmark for this materiality is based on 2% of total assets.

A materiality of \$1,260,000, which is based on a benchmark of 3% of revenue was used to assess all other areas of the financial statements.

Misstatements are considered to be material if they could reasonably be expected to influence the decision of users based on the financial statements.

Judgements about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or combination of both.

We communicated all corrected and uncorrected misstatements identified during our audit to the Board other than those which we determined to be "clearly trivial."

We encouraged management to correct any misstatements identified throughout the audit process.

For the year ended December 31, 2023



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Status of the audit

We have substantially completed our audit of the year ended December 31, 2023 consolidated financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the consolidated financial statements are free from material misstatement.

The scope of the work performed was substantially the same as that described in our Planning Report to the Members of Council dated January 11, 2024.

For the year ended December 31, 2023



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Audit findings

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Organization's accounting practices, including accounting policies, accounting estimates and consolidated financial statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

Financial statement areas	Risks noted	Audit findings
Revenue Recognition	There is an inherent risk related to revenue recognition and ensuring it is recorded in the correct period.	Timing of recognizing revenue was evaluated. The Town represented that services have been performed and that reasonable assurance exits regarding the measurement and collectability of consideration received.
Management Override of Controls	Management is in a unique position to override or circumvent the controls in place.	Management has represented that the risk of fraud in the entity is considered low, and that they are not aware of any fraud (actual, suspected or alleged) that may have occurred involving the entity's financial statements or other operations during the year ended December 31, 2023, or to date.
Contaminated Sites	Risk that contaminated sites is understated.	Management identified properties that required analysis to determine appropriate treatment.
Asset Retirement Obligation	Risk that Asset Retirement Obligation does not exist and is not recorded accurately.	Review capital asset schedule and discuss with management items identified as in scope of PS 3280. Determine if items identified meet the 4 recognition criteria set out in PS 3280. Audit of results, assumptions and calculations.

7 | Town of Drumheller

For the year ended December 31, 2023



BDO'S DIGITAL AUDIT SUITE

BDO Portal

We use BDO Portal to help you collaborate with your audit team in a seamless way—placing everything you need in one accessible, secure place.

[LEARN MORE](#)

DISCOVER THE DIGITAL DIFFERENCE



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Internal control matters

- ▶ During the audit, we performed the following procedures regarding the Organization's internal control environment:
- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.
- ▶ We considered the results of these procedures in determining the extent and nature of audit testing required.



We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.

A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that merits the attention of those charged with governance.

The audit expresses an opinion on the Organization's consolidated financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the consolidated financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, are of significant importance to discuss.

For the year ended December 31, 2023

8 | Town of Drumheller





How we audit financial statements: Our audit process

IDENTIFY AND ASSESS RISK

Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

REPORT

Communicate our opinion and details of matters on which we are required to report

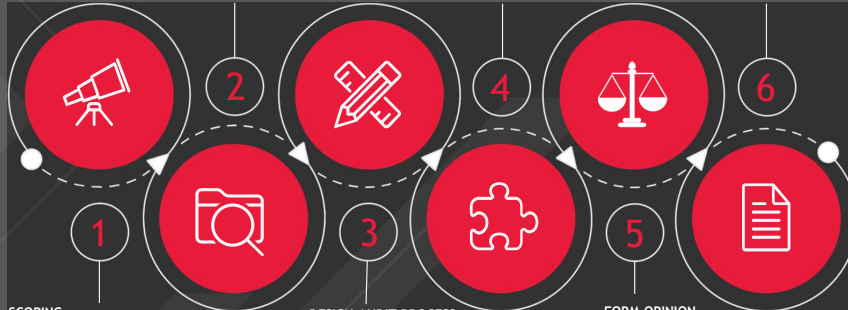
New Standard for Audit Quality



ISQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.

[SEE THE STANDARD](#)



SCOPING

Complete a preliminary review to plan the audit, determine the materiality level, and define the audit scope

DESIGN AUDIT PROCESS

Design an appropriate audit strategy to obtain sufficient assurance and enable us to report on the financial statements

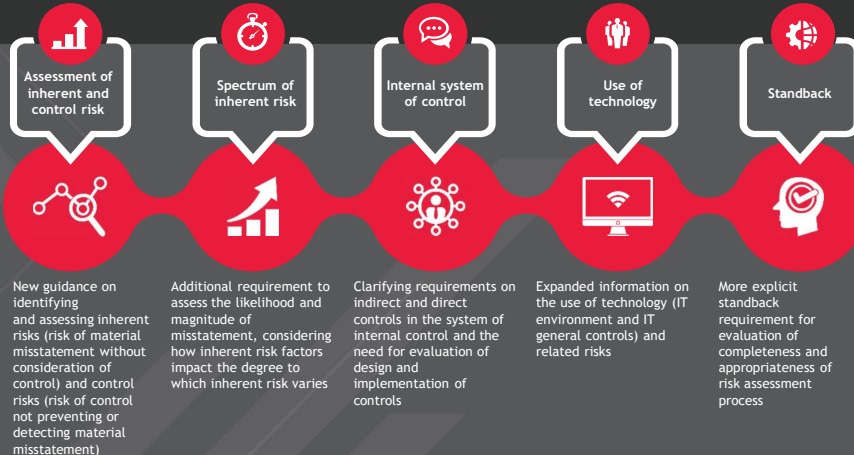
FORM OPINION

Evaluate whether we have enough evidence to conclude that the financial statements are free from material misstatement, and consider the effect of any potential misstatements found



Updates to our audit process

Canadian Auditing Standard 315, *Identifying and Assessing the Risks of Material Misstatement*, was significantly revised with a greater focus on more robust risk identification, assessment and response procedures. The standard is effective for periods beginning on or after December 15, 2021. Key enhancements include:



Assessment of inherent and control risk



New guidance on identifying and assessing inherent risks (risk of material misstatement without consideration of control) and control risks (risk of control not preventing or detecting material misstatement)

Spectrum of inherent risk



Additional requirement to assess the likelihood and magnitude of misstatement, considering how inherent risk factors impact the degree to which inherent risk varies

Internal system of control



Clarifying requirements on indirect and direct controls in the system of internal control and the need for evaluation of design and implementation of controls

Use of technology



Expanded information on the use of technology (IT environment and IT general controls) and related risks

Standback



More explicit standback requirement for evaluation of completeness and appropriateness of risk assessment process

What's the impact to you?

More inquiry, observation, and inspection procedures, especially for risks related to the use of technology

No change to communicating significant risks

Audit procedures focused on addressing risks identified

More consistent and effective audits with improved responses to identified risks improving audit quality for all stakeholders



Our audit approach: Responsiveness in action

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit. It also helps our team gain a better understanding of your organization. Our audit process differs from the typical audit in our use of in-field reviews, subject to COVID-19 safety protocols. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly. We offer clients the full-service expertise of a national firm. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from over 100 years of working within local communities.



CONSISTENCY
Drives consistency and quality in audit execution throughout BDO, enabling us to be responsive to your size and location needs

A DIGITAL APPROACH
We promote a paperless audit where we perform and document our audit and exchange information with you and your team using technology

EXCEPTIONAL DELIVERY
Using our highly trained teams, underpinned by an exceptionally intuitive audit methodology, to enable timely and efficient delivery of your audit

Discover how we're accelerating audit quality



Audit Quality Report

We collected our core beliefs around audit quality, the very practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Follow our progress](#)



BDO's digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients' operations and people.



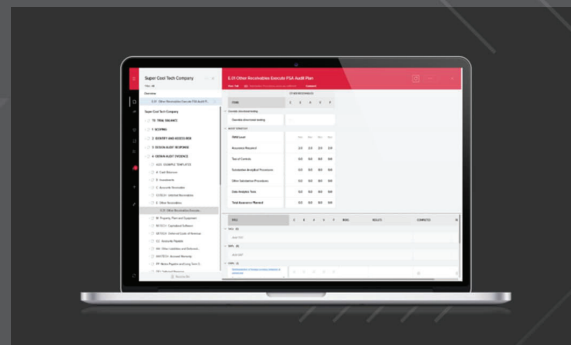
APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

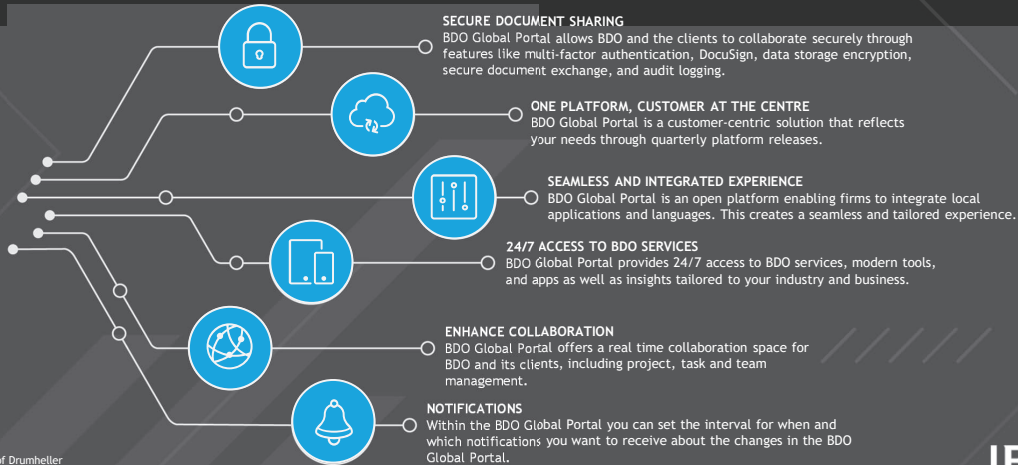
Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.





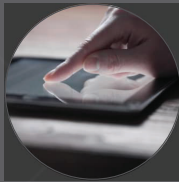
BDO Global Portal

BDO Global Portal transforms and enhances your digital experience with your BDO advisors. Available at any time, Portal enables you to access all services, tools, apps, and information and to collaborate with your advisors in a seamless way through a flexible, appealing, and secure environment.



Recommended resources

Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

[ACCESS OUR KNOWLEDGE CENTRE](#)

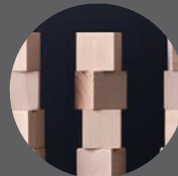
2023 Federal Budget



Understand the key elements of the 2023 Federal Budget and how it will impact you and your business

[STAY ON TOP OF TAXES](#)

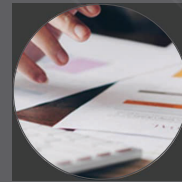
7 powerful steps to financial audit readiness



Getting and staying prepared for an audit simplifies the process, cuts turnaround time, and improves your chances of overall success. Learn how you can be audit ready.

[7 STEPS](#)

Asset Retirement Obligations (ARO): A Practical Approach to Section PS 3280



This publication will walk through a practical approach to applying Section PS 3280 including: identification, recognition and measurement of an obligation, and the different options available to entities on transition.

[READ ARTICLE](#)



Spotlight on sustainability

Fast-moving world events are pushing sustainability up the agenda of Canadian organizations. Now organizational leaders, investors, and customers are responding on three fronts: environmental, social, and governance (ESG).

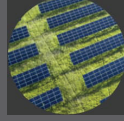
Regulators and issuers of standards are doing their part by supporting sustainability in the reporting ecosystem. Increasingly, organizations will need to go beyond the financials—and demonstrate sustainability with non-financial metrics.

5 reasons why businesses should care about ESG



[SEE 5 REASONS](#)

How climate change became a business issue worth reporting



[READ ARTICLE](#)

10 Questions about sustainability reporting



[EXPLORE QUESTIONS](#)

Accounting for going green



[LEARN MORE](#)

Why CFOs should make sustainability a part of their financial reporting today



[BUILD BACK SUSTAINABLY](#)

Rethinking sustainability: the ESG roadmap



[SEE ROADMAP](#)

Independent Auditor's Report

To the Mayor and Members of Council for the Town of Drumheller

Qualified Opinion

We have audited the consolidated financial statements of the Town of Drumheller and its controlled or owned organizations (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations, consolidated change in net financial assets, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects on the comparative information of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated results of its operations, change in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

In the prior year, the Group had identified potential contaminated sites which required future reclamation. The Group had not undertaken to estimate the liability in respect to these contaminated sites and therefore did not record a provision for this liability.

In accordance with Canadian public sector accounting standards, the Entity corrected the error in the current year's figures rather than correcting the comparative information. Our opinion on the current year's financial statements is modified because of the effects of this matter on the comparability of the current year's figures and the comparative information.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, Alberta
June 22, 2024

**Town of Drumheller
Consolidated Financial Statements
Year Ended December 31, 2023**

DRAFT

Town of Drumheller
Index to Consolidated Financial Statements
Year Ended December 31, 2023

Auditor's Report

Consolidated Financial Statements

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Statement of Cash Flows	7
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Town of Drumheller
Consolidated Statement of Financial Position

	Restated	
December 31	2023	2022
Financial assets		
Cash and cash equivalents (Note 2)	\$ 10,464,246	\$ -
Short-term investment (Note 3)	30,539,240	36,664,298
Taxes receivable (Note 4)	769,563	921,108
Accounts receivable (Note 5)	14,043,132	9,787,485
Accrued interest receivable	182,710	256,959
	55,998,891	47,629,850
Liabilities		
Bank indebtedness (Note 2)	-	435,880
Accounts payable and accrued liabilities	5,221,302	7,501,168
Employee benefit obligation (Note 6)	744,393	850,482
Deferred revenue (Note 7)	29,667,385	12,009,177
Long-term debt	5,605,506	6,367,676
Asset retirement obligation (Note 9)	3,924,813	3,765,209
Contaminated sites liability (Note 10)	1,207,784	-
	46,371,183	30,929,592
Net financial assets	9,627,708	16,700,258
Non-financial assets		
Tangible capital assets (Note 11)	186,791,745	165,065,285
Land held for resale (Note 12)	2,693,017	2,514,396
Inventory for consumption	895,500	699,693
Prepaid expenses	269,497	234,999
	190,649,759	168,514,373
Accumulated surplus (Note 14)	\$ 200,277,467	\$ 185,214,631
Debenture debt limits (Note 16)		
Contingencies (Note 17)		
Commitments (Note 18)		

Town of Drumheller
Consolidated Statement of Operations

For the year ended December 31	Budget 2023	2023	Restated 2022
Revenue			
Net municipal taxes	\$ 9,643,975	\$ 9,738,050	\$ 9,212,285
Government transfers for operating	1,031,065	1,436,194	1,079,314
Sales and user fees	8,529,517	8,968,922	7,614,746
Rental revenue	456,450	569,063	533,739
Franchises and concessions	1,913,545	1,986,191	2,023,698
Investment income	500,000	86,987	523,273
Penalties and costs on taxes	182,000	141,715	177,366
Other	160,559	604,801	552,850
	<u>22,417,111</u>	<u>23,531,923</u>	<u>21,717,271</u>
Expenditures			
General government	2,560,286	2,766,228	2,555,304
Protective services	3,801,511	3,741,360	3,541,417
Transportation services	3,236,614	4,429,499	3,999,729
Water and wastewater	5,909,563	6,704,434	5,658,047
Waste management	377,810	424,378	401,994
Planning and development	678,422	2,119,512	892,959
Recreation and parks	5,251,919	5,899,377	6,301,008
Public health and welfare	582,764	582,919	590,207
	<u>22,398,889</u>	<u>26,667,707</u>	<u>23,940,665</u>
Deficiency of revenue over expenditures - before other	18,222	(3,135,784)	(2,223,394)
Other			
Government transfers for capital	19,301,247	19,263,038	18,855,715
Other capital revenues	-	153,438	224,245
Loss on disposal of tangible capital assets	-	(1,194,096)	(2,205,944)
Impairment of land held for resale	-	(23,760)	(1,009,023)
	<u>19,319,469</u>	<u>15,062,836</u>	<u>13,641,599</u>
Accumulated surplus, beginning of the year	<u>185,214,631</u>	<u>185,214,631</u>	<u>171,573,032</u>
Accumulated surplus, end of year	<u>\$ 204,534,100</u>	<u>\$ 200,277,467</u>	<u>\$ 185,214,631</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Town of Drumheller
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2023	2023	Restated 2022
Excess of revenue over expenditures	19,319,469	15,062,836	13,641,599
Acquisition of tangible capital assets	\$ (19,301,247)	\$ (28,293,397)	\$ (22,431,018)
Amortization of tangible capital assets	3,774,960	5,120,099	5,383,697
Net loss on sale of tangible capital assets	-	1,194,096	2,205,944
Proceeds on sale of tangible capital assets	-	228,985	245,513
	3,793,182	(6,687,381)	(954,265)
Change in prepaid expenses	-	(34,498)	24,371
Change in land held for resale	-	(178,621)	(385,058)
Use/consumption of prepaid expenses and inventory of supplies	-	(195,810)	494,751
Impairment of land held for resale	-	23,760	1,009,023
Net change in net financial assets	3,793,182	(7,072,550)	188,822
Net financial assets, beginning of year,	16,700,258	16,700,258	16,511,436
Net financial assets, end of year	\$ 20,493,440	\$ 9,627,708	\$ 16,700,258

Town of Drumheller
Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
Operating transactions		
Excess of revenue over expenditures	\$ 15,062,836	\$ 13,641,599
Items not involving cash		
Income from government business enterprise	159,604	143,392
Amortization	5,120,099	5,383,697
Net loss on disposal of tangible capital assets	1,194,096	2,205,944
Impairment of land held for resale	23,760	1,009,023
Accretion	159,604	143,392
Changes in non-cash operating balances		
Taxes receivable	151,545	(81,177)
Accounts receivable	(4,255,650)	(3,529,292)
Accrued interest receivable	74,248	(55,709)
Land held for resale	(178,621)	(385,058)
Prepaid expenses	(34,498)	24,371
Accounts payable and accrued liabilities	(2,279,865)	3,032,182
Inventory for consumption	(195,807)	494,751
Employee benefit obligation	(106,089)	289,781
Deferred revenue	17,658,208	(11,983,205)
Liability for contaminated sites	1,207,784	-
	<u>33,601,650</u>	<u>10,190,299</u>
Capital transactions		
Acquisition of tangible capital assets	(28,293,397)	(22,431,018)
Proceeds on sale of tangible capital assets	228,985	245,513
	<u>(28,064,412)</u>	<u>(22,185,505)</u>
Investing transactions		
Purchase of investments	-	(3,200,000)
Proceeds on redemption of investments	6,125,058	11,611,188
	<u>6,125,058</u>	<u>8,411,188</u>
Financing transactions		
Repayment of long-term debt	(762,170)	(729,945)
	<u>(762,170)</u>	<u>(729,945)</u>
Net change in cash and cash equivalents	10,900,126	(4,313,963)
Cash and cash equivalents, beginning of year	(435,880)	3,822,934
Cash and cash equivalents (Bank indebtedness), end of year	\$ 10,464,246	\$ (435,880)

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

**Management's
Responsibility for the
Financial Statements**

The consolidated financial statements of the Town of Drumheller (the "Town") are the representations of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources. Included with the municipality are the following:

Town of Drumheller Public Library

The schedule of taxes levied also includes operational requisitions for educational, health, social and other external organizations that are not part of the municipal reporting entity.

The statement excludes trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

**Cash and Cash
Equivalents**

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

Financial Instruments Cash and equity instruments quoted in an active market are measured at fair value (hierarchy level one - quoted market prices). The Town has elected to treat Principal Protected Notes purchased prior to January 1, 2023 at amortized cost. Principal Protected Notes purchased after January 1, 2023 are recorded at either amortized cost or at fair value depending on the characteristics of the PPN. All other financial instruments, are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

For portfolio measurements measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

Land held for resale Land held for resale is recorded at lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

Inventory for consumption Inventory for consumption is valued at the lower of cost or net realizable value with cost determined using the average cost method.

Excess Collections and Under-levies Excess collections arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	10 to 45 years
Buildings	25 to 50 years
Engineered Structures	
Water system	45 to 75 years
Wastewater system	45 to 75 years
Road system	5 to 65 years
Machinery, equipment and furnishings	5 to 40 years
Vehicles	10 to 40 years

Deferred Revenue Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

- Government Transfers** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be determined. Transfers where stipulations give rise to a liability are recognized as revenue as the stipulation liabilities are settled.
- Tax Revenue** Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal reserve. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.
- Revenue Recognition** Taxes are recognized as revenue in the year they are levied. Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.
- Sales of service and other revenue is recognized on an accrual basis.
- Liability for Contaminated Sites** A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to the remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded at net of any expected recoveries.

Town of Drumheller Summary of Significant Accounting Policies

December 31, 2023

Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Management estimates are used in determining the useful life of tangible capital assets, assumptions in determining asset retirement obligations and site contamination liabilities, and assumptions in employee benefit obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction has or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The Town uses a cost escalation or current estimates, which approximates the estimated cost if work was to be completed as of the financial statement date.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. At each financial reporting date, the Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, or the amount of the original estimate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net financial assets for the year.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

1. Change in Accounting Policy: PS 3280 Asset Retirement Obligation (ARO)

PS 3280 ARO, a new standard establishes guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. Information presented for comparative purposes is restated unless the necessary financial data is not reasonably determinable.

Effective January 1, 2023 the Town adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On the effective date of the PS 3280 standard, the Town recognized the following to conform to the new standard:

- asset retirement obligations adjusted for accumulated accretion to the effective date;
- asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- accumulated amortization on the capital cost; and
- adjustment to the opening balance of the accumulated surplus/deficit.

Amounts are measured using information, assumptions and inflation rates where applicable that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

	<u>2022 as Reported</u>	<u>Adjustment</u>	<u>2022 Restated</u>
Statement of Operations:			
Expenses	\$ 23,778,147	162,518	\$ 23,940,665
Excess of revenue over expenditures	\$ 13,859,264	(217,665)	\$ 13,641,599
Accumulated surplus, beginning of the year	\$ 174,634,613	(3,061,581)	\$ 171,573,032
Accumulated surplus, end of the year	\$ 188,493,877	(3,279,246)	\$ 185,214,631
Statement of Financial Position:			
Liability	\$ 27,164,383	3,765,209	\$ 30,929,592
Net Financial Assets	\$ 20,465,467	(3,765,209)	\$ 16,700,258
Non-Financial Assets	\$ 168,028,410	485,963	\$ 168,514,373
Statement of Change in Net Financial Assets			
Excess of revenue over expenditures	\$ 13,859,264	(217,665)	\$ 13,641,599
Net Financial Assets beginning of the year	\$ 20,078,107	(3,566,671)	\$ 16,511,436
Net Financial Assets end of the year	\$ 20,465,467	(3,765,209)	\$ 16,700,258

PS 3450 Financial Instruments, provides guidance on the recognition, measurement, presentation, and disclosure of financial instruments including derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the Town. Management has reviewed the standard and all the financial statements and determined the Town does not have derivative or equity instruments. The financial instruments have been measured based on the significant accounting policy. Refer to Note 23 on the Town's financial instrument risk.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

2. CASH AND CASH EQUIVALENTS (BANK INDEBTEDNESS)

	2023	2022
Cash	\$ 10,464,246	\$ (435,880)

Included in cash is \$18,647 (2022 - \$100,608) which is held in trust for future capital purchases related to the flood mitigation project.

The Town has a demand revolving loan to a maximum of \$10,000,000, bearing interest at prime minus 0.75%. As at December 31, 2023 there was \$NIL drawn under this facility (2022 -\$754,499).

3. INVESTMENTS

	2023	2022
Term Deposits	\$ 444,421	\$ 2,400,555
Fixed income notes	18,000,793	20,761,032
Principal protected notes	12,088,900	13,497,715
Other	5,126	4,996
	\$ 30,539,240	\$ 36,664,298

Term Deposits bear interest at 5.92% per annum and mature on January 4, 2024.

Fixed income notes bear interest at 2.00% to 4.86% per annum and mature March 7, 2023 to January 28, 2033 and have a fair market value of \$16,807,569 (2022 - \$18,824,586).

Principal protected notes mature September 18, 2028 to October 18, 2032 and have a book value of \$12,088,900 (2022 - \$12,797,694). Fair market value information is not available for all PPN's.

Included in investments is a restricted amount of \$27,581,365 (2022 \$4,133,975) from various grant programs and held exclusively for approved projects. Also, Included in investments is an internally restricted amount of \$2,957,875 (2022 - \$18,584,459) to fund reserves.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

4. TAXES RECEIVABLE

	2023	2022
Current taxes and grants in place	\$ 649,769	\$ 600,985
Non-current taxes and grants in place	844,760	869,682
Less: Allowance for doubtful accounts	(724,966)	(549,559)
	<u>\$ 769,563</u>	<u>\$ 921,108</u>

5. ACCOUNTS RECEIVABLE

	2023	2022
Trade receivables	\$ 1,957,526	\$ 1,607,182
Government grants receivable	12,122,058	8,211,379
Less: Allowance for doubtful accounts	(36,452)	(31,076)
	<u>\$ 14,043,132</u>	<u>\$ 9,787,485</u>

Included in trade receivable is \$725,074 (2022 - \$696,626) of goods and service tax receivable.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

6. EMPLOYEE BENEFIT OBLIGATION

	2023	2022
Accrued vacation pay	\$ 243,847	\$ 365,091
Accrued sick leave benefit	250,000	250,000
Accrued long-term service benefits	250,546	235,391
	<u>\$ 744,393</u>	<u>\$ 850,482</u>

Accrued vacation pay is comprised of the vacation that employees are deferring to future years.

Accrued long-term service benefits are calculated per policy at 2 days per year of service over 10 years at the current rate of pay. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

Significant inputs used in the estimate for long-term service benefit include employee 2023 accrued days and their 2023 salary rates. Other key assumptions that should impact this calculation have not been considered.

The Town provides paid sick leave at a rate of two days per month. Sick leave can accumulate from year to year to a total of 120 calendar days or 86 work days. Sick leave is not paid out upon termination.

Significant inputs used in the estimate of sick leave accrual include employee 2023 hourly rate of pay and accrued sick leave hours. Management then recorded approximately 35% of this total as consideration of other assumptions that should impact the calculation.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

7. DEFERRED REVENUE

	Opening balance	Contributions received	Revenue recognized	Ending balance
MSI grant	\$ 2,390,130	\$ 824,841	\$ (1,326,747)	\$ 1,888,224
Gas Tax fund	1,163,137	499,686	35,482	1,698,305
Policing grant	90,964	-	-	90,964
Kneehill	525,239	-	(75,034)	450,205
Flood Mitigation	6,116,682	27,300,000	(9,853,406)	23,563,276
STIP	1,264,495	275,388	(221,999)	1,317,884
AMWWP Grant	7,143	357,000	(364,143)	-
Other	451,387	253,273	(46,133)	658,527
	\$ 12,009,177	\$ 29,510,188	\$ (11,851,980)	\$ 29,667,385

Grants

Under various grant agreements with the Government of Canada and the Province of Alberta, the Town is required to account for grants provided and to complete the projects or program in accordance with standards detailed in the various agreements. If these requirements are not adhered to, grants provided will become repayable to the source government. Excess funds are repayable to the source government upon final accounting. Funds are deferred until related expenditures under the specific grant agreement have been incurred. The funds are included in accounts receivable and investments.

Municipal Sustainability Initiative Capital (MSI)

The Government of Alberta provides conditional grant funding through this program to assist with various capital expenditures in the Municipality. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Gas Tax Fund (GTF)

The GTF is a permanent source of annual funding to provinces and territories who, in turn, flow this funding to their municipalities to support local infrastructure priorities. Municipalities select how best to direct the funds and have the flexibility to make strategic investments across 18 different project categories.

Policing Support Grant (PSG)

The PSG helps municipalities meet the costs of policing services. Municipalities are expected to use the funds to ensure adequate and effective policing and policing oversight, to assist in implementation of provincial policing initiatives, and/or to enhance policing services to residents. All municipalities that pay for their own policing qualify for this program. The grant is issued annually and no application is required.

Kneehill

Per this agreement Kneehill provides capital contributions to the Town of Drumheller for the ongoing water supply. These capital contributions are a user's contribution towards maintaining the network.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

Flood Mitigation (Disaster Mitigation and Adaptation Fund - DMAF)

The DMAF grant is provided by the Government of Canada to municipalities to fund public infrastructure growth that helps to mitigate the potential economic, environmental and social impacts of climate change. The TOD incurs all expenses related to the building of berms along the river due to flooding, and then applies to have the amounts refunded. Any amounts not approved are the responsibility of the Town.

Strategic Transportation Infrastructure Program (STIP)

The Government of Alberta provides conditional grant funding through this program to assist the development and maintenance of local transportation infrastructure. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Alberta Municipal Waste Water Partnership (AMWWP)

The AMWWP provides cost-shared funding to TOD to help build facilities for water supply and treatment, and wastewater treatment and disposal. Grant amounts are determined based on official population.

Other

Other deferred amounts are made up of 23 other liabilities, ranging from FCSS programs, meals on wheels, youth engagements and community partnerships.

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

8. LONG -TERM DEBT

Net long-term debt reported on the statement of financial position is comprised of the following:

	2023	2022
Alberta Capital Finance Authority Debentures	\$ 5,605,506	\$ 6,367,676

Alberta Capital Finance Authority Debentures bear interest between 2.765% to 5.012% per annum, before provincial subsidy, and matures between June 15, 2027 to June 15, 2038. Debenture debt is issued on credit and security of the Town at large.

Principal and interest payments relating to the long term debt are due as follows:

	Principal Repayments	Interest Payments	Total
2024	\$ 762,170	\$ 262,041	\$ 1,024,211
2025	795,839	228,372	1,024,211
2026	831,011	193,200	1,024,211
2027	867,755	156,457	1,024,212
2028	819,377	118,071	937,448
Thereafter	1,529,354	134,934	1,664,288
	\$ 5,605,506	\$ 1,093,075	\$ 6,698,581

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

9. Asset Retirement Obligation

The Town owns several buildings which consisted of or are presumed to consist of asbestos due to the age of the building and, therefore, the town is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability of \$3,924,813 is based on the sum of discounted future cash flows for abatement activities using 4.25% inflation and a discount rate of 4.25%, useful life ranging from 40 - 75 years. The Town has not designated assets for settling the abatement activities.

	2023	Restated 2022
Balance, beginning of the year	\$ 3,765,209	\$ 3,621,818
Accretion expense	159,604	143,391
Estimated total liability	3,924,813	3,765,209

10. Liability for Contaminated Sites

The Town of Drumheller's financial statements include an expense of \$1,207,784 (2022 \$NIL) for the remediation of the Old Public Works (\$853,717) and Old Hospital sites (\$354,067). The expense for remediation results from chemicals that have seeped into the soil. The expense has been estimated using a net present value technique with a discount rate of 4.25% (2022 NIL) and one year, as the Town plans to remediate the contamination in 2024.

The Town has not completed Environmental Site Assessment II studies on other properties that could have potential contamination over an environmental standard, which could result in a liability that would be required to be accrued.

The Town owns a property obtained through tax foreclosure in a previous period, that was used by an auto wreckage business. The property contains an undetermined amount of contamination; however since the Environmental Protection and Enhancement Act indemnifies a municipality against responsibility for existing contamination that occurred prior to the municipality's possession, no provision has been recorded with respect to any future reclamation in these financial statements. Any expense will be recognized if and when management has the reclamation work done.

	2023	2022
Balance, beginning of the year	\$ -	\$ -
Contaminated sites liability expense	1,207,784	-
Estimated total liability	\$ 1,207,784	\$ -

Town of Drumheller
Summary of Significant Accounting Policies

December 31, 2023

11. TANGIBLE CAPITAL ASSETS

								2023
	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Work in Progress	Total
Cost, beginning of year	\$ 16,961,998	\$ 4,397,988	\$ 45,261,211	\$172,248,374	\$ 10,464,097	\$ 4,408,185	\$ 26,652,999	\$280,394,852
Additions	461,436	692,212	970,145	8,239,014	912,960	679,762	16,337,868	28,293,397
Transfers	-	2,535,493	116,196	14,607,190	-	49,431	(17,308,310)	-
Write-downs & disposals	(58,103)	-	(1,343,039)	(19,021)	-	(267,649)	(8,175)	(1,695,987)
Cost, end of year	\$ 17,365,331	\$ 7,625,693	\$ 45,004,513	\$195,075,557	\$ 11,377,057	\$ 4,869,729	\$ 25,674,382	\$306,992,261
Accumulated amortization, beginning of year	\$ -	\$ 3,476,628	\$ 15,457,949	\$ 87,565,638	\$ 5,995,005	\$ 2,834,347	\$ -	\$115,329,566
Amortization	-	160,469	934,999	3,114,767	633,561	276,303	-	5,120,099
Disposals	-	-	-	(7,608)	-	(241,540)	-	(249,148)
Accumulated amortization, end of year	\$ -	\$ 3,637,097	\$ 16,392,948	\$ 90,672,797	\$ 6,628,566	\$ 2,869,110	\$ -	\$120,200,516
Net carrying amount, end of year	\$ 17,365,331	\$ 3,988,596	\$ 28,611,565	\$104,402,760	\$ 4,748,491	\$ 2,000,619	\$ 25,674,382	\$186,791,745

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

TANGIBLE CAPITAL ASSETS (continued)

Restated - 2022

	Land	Land Improvements	Buildings Restated - Note 1	Engineered Structures Restated - Note 1	Machinery and Equipment	Vehicles	Work in Progress	Total
Cost, beginning of year	\$ 18,616,478	\$ 3,981,433	\$ 43,252,114	\$ 170,964,496	\$ 10,393,585	\$ 3,971,914	\$ 10,514,443	\$ 261,694,463
Additions	3,317,555	416,555	86,339	1,410,095	596,371	46,096	16,558,007	22,431,018
Transfers	(4,403,535)	-	4,265,748	(85,309)	(259,611)	390,175	92,532	-
Write-downs	(568,500)	-	(2,342,990)	(40,908)	(266,248)	-	(511,983)	(3,730,629)
Cost, end of year	<u>\$ 16,961,998</u>	<u>\$ 4,397,988</u>	<u>\$ 45,261,211</u>	<u>\$ 172,248,374</u>	<u>\$ 10,464,097</u>	<u>\$ 4,408,185</u>	<u>\$ 26,652,999</u>	<u>\$ 280,394,852</u>
Accumulated amortization, beginning of year	\$ -	\$ 3,430,728	\$ 14,280,018	\$ 84,508,647	\$ 5,581,478	\$ 2,415,151	\$ -	\$ 110,216,022
Amortization		45,900	1,177,931	3,107,159	633,511	419,196	-	5,383,697
Amortization on disposals		-	-	(50,168)	(219,984)	-	-	(270,152)
Accumulated amortization, end of year	<u>\$ -</u>	<u>\$ 3,476,628</u>	<u>\$ 15,457,949</u>	<u>\$ 87,565,638</u>	<u>\$ 5,995,005</u>	<u>\$ 2,834,347</u>	<u>\$ -</u>	<u>\$ 115,329,567</u>
Net carrying amount, end of year	<u>\$ 16,961,998</u>	<u>\$ 921,360</u>	<u>\$ 29,803,262</u>	<u>\$ 84,682,736</u>	<u>\$ 4,469,092</u>	<u>\$ 1,573,838</u>	<u>\$ 26,652,999</u>	<u>\$ 165,065,285</u>

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Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

12. LAND HELD FOR RESALE

	2023	2022
Land held for resale	\$ 2,693,017	\$ 2,514,396

During the year there was an addition of \$360,091 in land and total disposals of \$181,470 in the year.

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022 Restated
Tangible capital assets	\$ 306,992,261	\$ 280,394,852
Accumulated amortization	(120,200,516)	(115,329,567)
Asset retirement obligation	(3,924,813)	(3,765,209)
Long-term debt	(5,605,506)	(6,367,676)
	\$ 177,261,426	\$ 154,932,400

14. ACCUMULATED SURPLUS

	2023	2022 Restated
Equity in tangible capital assets	\$ 177,261,426	\$ 154,932,400
Unrestricted (deficit)/surplus	-	786,006
	177,261,426	155,718,406
Restricted surplus		
Equipment	3,448,887	4,258,915
Facilities	3,558,620	4,377,532
Offsite Levies	461,727	451,879
Water	6,634,002	8,526,985
Wastewater	4,416,513	4,463,753
Storm Drain	1,437,731	1,238,104
Municipal Reserve	12,236	12,236
Sandstone	241,000	201,000
Transportation	2,714,961	3,829,599
Other	90,364	2,136,222
	23,016,041	29,496,225
	\$ 200,277,467	\$ 185,214,631

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

15. CHANGE IN ACCUMULATED SURPLUS

	Unrestricted surplus	Restricted surplus	Equity in tangible capital assets	2023	Restated 2022
Balance, beginning of year	\$ 786,006	\$ 29,496,225	\$ 154,932,400	\$ 185,214,631	\$ 171,573,032
Excess of revenue over expenses	15,062,836	-	-	15,062,836	13,641,599
Net operating transfers to restricted surplus	6,480,184	(6,480,184)	-	-	-
Debenture principal payments	(762,170)	-	762,170	-	-
Acquisition of capital	(28,293,397)	-	28,293,397	-	-
Disposals and write-down of tangible capital assets	1,606,442	-	(1,606,442)	-	-
Amortization	5,120,099	-	(5,120,099)	-	-
Change in accumulated surplus	\$ (786,006)	\$ (6,480,184)	\$ 22,329,026	\$ 15,062,836	\$ 13,641,599
Balance, end of year	\$ -	\$ 23,016,041	\$ 177,261,426	\$ 200,277,467	\$ 185,214,631

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

16. DEBT LIMIT

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation for the Town be disclosed as follows:

	2023	2022
Total debt limit	\$ 35,297,883	\$ 32,575,907
Total debt	5,605,506	6,367,676
Total debt limit available	29,692,377	26,208,231
Debt servicing limit	5,882,981	5,429,318
Debt servicing	1,024,211	1,024,211
Total debt servicing limit available	\$ 4,858,770	\$ 4,405,107

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

17. CONTINGENCIES

The Town is a member of the Alberta Local Municipal Insurance Exchange (Munix). Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The Town has been named as defendant in various claims in the ordinary course of operations. The Town has retained a legal counsel who has advised that it is premature to make any determination of the possible outcome or possible settlement amount of these claims at this stage. Consequently, no provision for these claims has been made in the financial statements.

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

18. COMMITMENTS

The Town has entered into agreements with the Government of Canada and the Government of Alberta to implement the Drumheller Flood Mitigation System. The total cost of the program is expected to be approximately \$55 million and will span over a period of approximately 5 years. Under the terms of the agreements, the Provincial government will provide fifty (50) percent of the funding, the Federal government will provide forty (40) percent of the funding, and the Municipality will provide ten (10) percent of the funding required to purchase and construct assets as part of the Drumheller Flood Mitigation System. As part of the program, the Town will be awarding contracts to several contractors over the life of the project.

The Town has a contract with the Government of Canada to provide policing services through March 31, 2032. Under the contract, the Town pays for 70% of the operating costs. The annual contract cost for 2023 is \$1,573,000 (2022 - \$1,984,000)

The Town has a forward purchase agreement to obtain electricity from January 2024 to December 2026 at a fixed rate of \$53.99 for contract volumes of \$6,954 MWh.

The Town has an agreement to obtain physical supply of natural gas expiring September 30th, 2026 at a fixed rate of \$5.58/GJ up to a maximum of 34,264 GJs/year. The Town has a partial-hedge product in place for natural gas whereby 65% of the Town's weather-normalized historical volumes (34,264 GJs previously mentioned) were purchased at the fixed price of \$5.58/GJ. The remaining 35% of the volume is floating on the monthly average AECO Spot price for natural gas.

19. NET MUNICIPAL TAXES

	Budget 2023	2023	2022
Real property	\$ 12,360,884	\$ 12,280,372	\$ 11,873,957
Machinery and equipment	42,661	39,723	37,836
Linear property	468,943	501,777	458,081
Local improvement	56,000	56,953	57,152
	<u>12,928,488</u>	<u>12,878,825</u>	<u>12,427,026</u>
Requisitions			
Alberta School Foundation Fund	(2,721,534)	(2,568,550)	(2,661,762)
Sunshine Senior's Lodge	(562,979)	(552,225)	(552,979)
Travel Drumheller	-	(20,000)	-
	<u>(3,284,513)</u>	<u>(3,140,775)</u>	<u>(3,214,741)</u>
Available for general municipal purposes	<u>\$ 9,643,975</u>	<u>\$ 9,738,050</u>	<u>\$ 9,212,285</u>

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

20. GOVERNMENT TRANSFERS

	Budget 2023	2023	2022
Operating			
Federal government	\$ 37,200	\$ 36,000	\$ 60,900
Provincial government	993,865	1,400,194	1,018,414
	<u>\$ 1,031,065</u>	<u>\$ 1,436,194</u>	<u>\$ 1,079,314</u>
Capital			
Federal government	\$ 6,445,911	\$ 6,445,911	\$ 4,768,708
Provincial government	12,855,336	12,817,127	14,087,007
	<u>\$ 19,301,247</u>	<u>\$ 19,263,038</u>	<u>\$ 18,855,715</u>
Total government transfers	<u>\$ 20,332,312</u>	<u>\$ 20,699,232</u>	<u>\$ 19,935,029</u>

21. EXPENSES BY OBJECT

	Budget 2023	2023	Restated 2022
Salaries and wages	\$ 8,230,131	\$ 8,352,394	\$ 7,710,881
Contracted and general services	4,398,241	5,827,276	4,751,163
Purchases from other governments	1,869,780	1,573,298	1,984,259
Materials, goods and utilities	3,023,611	3,211,587	2,914,602
Transfer to local agencies and individuals	641,115	406,159	450,679
Bank charges and short term interest	24,550	116,787	29,692
Interest on long-term debt	349,326	258,378	290,471
Amortization	3,774,960	5,120,099	5,383,697
Accretion	-	159,604	143,392
Other expenditures	87,175	1,642,125	281,829
	<u>\$ 22,398,889</u>	<u>\$ 26,667,707</u>	<u>\$ 23,940,665</u>

December 31, 2023

22. MUNICIPAL EMPLOYEES PENSION PLAN

Local Authorities Pension Plan

Certain employees of the Town are eligible to be members of the Local Authorities Pension Plan (LAPP), a multi-employer pension plan which is covered by the Public Sector Pension Plans Act. The Plan serves about 275,000 people and 420 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

The Town contributes to the Plan at a rate of 8.45% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 12.23% for the excess. Employees contribute to the Plan at a rate of 7.45% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 11.23% for the excess.

Contributions for the year were:

	2023	2022
Employer contributions	\$ 441,279	\$ 380,276
Employee contributions	393,034	339,053
	<u>\$ 834,313</u>	<u>\$ 719,329</u>

As this is a multi-employer pension plan, these contributions are the Town's pension benefit expense. No pension liability for this type of plan is included in the Town's financial statements. The most recent valuation as at December 31, 2022 indicates a surplus of \$12.7 billion (2021 - \$11.9 billion) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers.

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

23. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials and designated officers as required by Alberta Regulation 313/2000 is as follows:

	<u>Salary</u>	<u>Benefits & Allowances</u>	<u>Total 2023</u>	<u>Total 2022</u>
Mayor Colberg	\$ 48,572	\$ 8,749	\$ 57,321	\$ 56,833
Councillor Hansen-Zacharuk	26,179	6,555	32,734	31,364
Councillor Zariski	26,959	2,170	29,129	30,481
Councillor Lacher	26,139	2,378	28,517	27,994
Councillor Sereda	25,139	6,651	31,790	33,439
Councillor Kolafa	26,959	6,760	33,719	33,164
Councilor Price	25,919	6,698	32,617	33,989
Chief Administration Officer	216,594	33,512	250,106	228,458

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances include employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, health care, extended health, vision, group life, accidental death and long and short-term disability plans.

Benefits for the CAO include the use of an automobile.

24. BUDGET

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to fund current year operation and capital activities. In addition, the budget expensed all tangible capital asset expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the budget adopted by Council, with adjustments as follows:

	<u>2023</u>
Budget reported in the financial statements	\$ 19,319,469
Less:	
Capital expenditures	(19,301,247)
Budgeted transfers from reserves	(18,222)
Budgeted capital excess (deficiency) of revenue over expenditures	\$ (18,222)
Financial budget approved by Council	\$ -

December 31, 2023

25. SEGMENTED INFORMATION

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Protective Services

Protective services is comprised of police, bylaw enforcement and fire protection. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

Transportation Services

Transportation services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of park and open space, and street lighting.

Water and Wastewater Services

Water and wastewater provides drinking water to the Town's citizens and collects and treats wastewater. The Town processes and cleans sewage and ensures the water system meets all Provincial standards.

Waste Management Services

Waste management provides collection disposal and recycling programs.

Planning and Development

The planning department provides a number of services including town planning and enforcement of building and construction codes and review of all property development plans through its application process.

Recreation and Parks

This service area maintains recreation infrastructure such as parks, arenas, aquatic centres and community centres as well as provides recreational programs and cultural programs at those locations.

Public Health and Welfare

This service area provides and administers community support programs.

General Government

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

25. SEGMENTED INFORMATION continued

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation revenue has been allocated to general government except where specific tax revenues can be directly allocated to a service area.

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

SEGMENTED INFORMATION (continued)

For the year ended December 31	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	2023 Total
Revenue									
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,738,050	\$ 9,738,050
Government transfers for operating	3,124	-	-	-	10,000	26,000	351,215	1,045,855	1,436,194
Government transfers for capital	17,048,685	834,704	364,294	-	-	1,015,355	-	-	19,263,038
Sales and user fees	361,282	208,328	6,402,379	397,557	700,914	672,970	62,928	162,603	8,968,961
Franchises and concessions	-	-	-	-	-	-	-	1,986,191	1,986,191
Investment income	-	-	-	-	-	-	-	86,987	86,987
Fines and costs	-	-	24,599	-	-	-	-	117,117	141,716
Rental revenue	-	4,000	-	-	131,370	433,650	-	-	569,020
Impairment of land held for resale	-	-	-	-	(23,760)	-	-	-	(23,760)
Other	5,336	200,448	201,628	58	43,668	167,836	63,020	76,248	758,242
Loss on disposal of assets	(1,235,037)	38,141	-	2,800	-	-	-	-	(1,194,096)
	<u>16,183,390</u>	<u>1,285,621</u>	<u>6,992,900</u>	<u>400,415</u>	<u>862,192</u>	<u>2,315,811</u>	<u>477,163</u>	<u>13,213,051</u>	<u>41,730,543</u>
Expenses									
Salaries and wages	1,269,978	1,262,813	1,778,767	1,569	136,291	2,343,698	352,682	1,206,597	8,352,395
Contracted and general services	428,712	652,600	1,500,422	421,933	530,103	1,215,208	169,425	908,873	5,827,276
Purchases from other governments	1,573,298	-	-	-	-	-	-	-	1,573,298
Materials, goods and utilities	103,366	1,033,886	1,137,116	876	74	811,491	8,756	116,022	3,211,587
Transfer to local agencies	-	-	-	-	95,912	267,547	42,700	-	406,159
Bank charges and short-term interests	-	8,737	669	-	64	24,134	-	83,183	116,787
Interest on long-term debt	-	-	140,814	-	-	117,564	-	-	258,378
Amortization	336,969	1,408,377	2,045,000	-	106,589	1,057,820	9,356	155,988	5,120,099
Other	8,228	45,190	64,633	-	1,240,665	1,777	-	281,631	1,642,124
Accretion	20,809	17,896	37,013	-	9,814	60,138	-	13,934	159,604
	<u>3,741,360</u>	<u>4,429,499</u>	<u>6,704,434</u>	<u>424,378</u>	<u>2,119,512</u>	<u>5,899,377</u>	<u>582,919</u>	<u>2,766,228</u>	<u>26,667,707</u>
Net surplus (deficit)	<u>\$ 12,442,030</u>	<u>\$ (3,143,878)</u>	<u>\$ 288,466</u>	<u>\$ (23,963)</u>	<u>\$ (1,257,320)</u>	<u>\$ (3,583,566)</u>	<u>\$ (105,756)</u>	<u>\$ 10,446,823</u>	<u>\$ 15,062,836</u>

Town of Drumheller
Notes to consolidated Financial Statements

December 31, 2023

SEGMENTED INFORMATION (continued)

For the year ended December 31	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	2022 Total
Revenue									
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,212,284	\$ 9,212,284
Government transfers for operating	363,856	-	2,100	-	21,840	73,800	320,573	297,145	1,079,314
Government transfers for capital	14,448,460	2,123,610	952,268	-	-	1,331,376	-	-	18,855,714
Sales and user fees	379,240	229,702	5,958,262	135,944	127,772	561,703	55,419	166,704	7,614,746
Franchises and concessions	-	-	-	-	-	-	-	2,023,698	2,023,698
Investment income	-	-	-	-	-	-	-	523,273	523,273
Fines and costs	-	-	20,185	-	-	-	-	157,181	177,366
Rentals	-	4,500	-	-	85,177	444,063	-	-	533,740
Impairment	-	-	-	-	(1,009,023)	-	-	-	(1,009,023)
Other	20,709	8,020	104,882	13	177,002	230,056	79,791	156,623	777,096
Gain on disposal of assets	(2,219,590)	24,547	-	-	-	(10,901)	-	-	(2,205,944)
	<u>12,992,675</u>	<u>2,390,379</u>	<u>7,037,697</u>	<u>135,957</u>	<u>(597,232)</u>	<u>2,630,097</u>	<u>455,783</u>	<u>12,536,908</u>	<u>37,582,264</u>
Expenses									
Salaries and wages	961,719	1,000,691	1,663,450	18,523	248,507	2,248,548	387,767	1,181,676	7,710,881
Contracted and general services	269,602	710,087	936,439	383,471	404,220	1,080,365	156,594	810,385	4,751,163
Purchases from other governments	1,984,259	-	-	-	-	-	-	-	1,984,259
Materials, goods and utilities	108,365	1,059,155	890,055	-	38,222	681,729	15,085	121,991	2,914,602
Transfer to local agencies	116	-	-	-	92,080	333,577	24,906	-	450,679
Bank charges and short-term interest	-	6,751	635	-	132	16,118	17	6,039	29,692
Interest on long-term debt	-	-	159,568	-	-	130,902	-	-	290,470
Amortization	197,397	1,205,062	1,972,397	-	106,589	1,744,451	5,839	151,962	5,383,697
Other	131	815	13,510	-	(6,605)	4,097	-	269,882	281,830
Accretion	19,961	17,166	35,504	-	9,815	47,580	-	13,366	143,392
	<u>3,541,550</u>	<u>3,999,727</u>	<u>5,671,558</u>	<u>401,994</u>	<u>892,960</u>	<u>6,287,367</u>	<u>590,208</u>	<u>2,555,301</u>	<u>23,940,665</u>
Net surplus (deficit)	<u>\$ 9,451,125</u>	<u>\$ (1,609,348)</u>	<u>\$ 1,366,139</u>	<u>\$ (266,037)</u>	<u>\$ (1,490,192)</u>	<u>\$ (3,657,270)</u>	<u>\$ (134,425)</u>	<u>\$ 9,981,607</u>	<u>\$ 13,641,599</u>

December 31, 2023

23. Financial Instruments

The Town is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Town's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Town is exposed to credit risk through its cash, accounts receivable, and investments.

The Town manages its credit risk by credit approval process and holding cash at federally regulated chartered banks and cash accounts insured up to \$100,000. The Town measures its exposure to credit risk based on historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined in Note 5. Accounts receivable arise primarily as a result of sales receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The Town manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by maintaining its investments are in compliance with Town Investment Regulations. As a result, the Town has reduced exposure to market or value risk.

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to liquidity risk through its accounts payable, long-term debt, and investments.

The Town manages this risk by maintaining a balance of short term or highly liquid investments and staggers maturity dates of investments for cash flow needs. Also to help manage the risk, the Town has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Town measures its exposure to liquidity risk based on extensive budgeting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town is exposed to interest rate risk through its portfolio investments and long-term debt. The Town manages interest rate risk by holding all debt through Alberta Capital Finance Authority at a fixed rate and holding term and fixed income investments with fixed rates. Therefore, fluctuations in the market interest rates would not impact future cash flows and operations relating to long-term debt and term deposit and fixed income notes investments. See notes 3 and 8 for interest rates and maturity dates related thereto.

December 31, 2023

24. COMPARATIVE FIGURES

Wherever necessary, comparative figures have been reclassified to conform with current year financial statement presentation.

25. APPROVAL OF FINANCIAL STATEMENTS

Council and Management approved these financial statements.

DRAFT

Management's Responsibility for Financial Reporting

Management of the Town of Drumheller is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the town's financial position as of December 31, 2023, and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, and assets are properly accounted for and safeguarded.

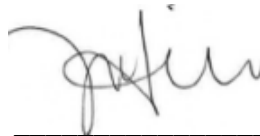
These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The elected Council of the Town of Drumheller is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Council approves the engagement or re-appointment of the external auditors and reviews the quarterly financial reports.

The consolidated financial statements have been audited by BDO Canada LLP, Chartered Professional Accountants, independent external auditors appointed by the town, in accordance with Canadian auditing standards on behalf of Council, residents and ratepayers of the Town.



Darryl Drohomerski
Chief Administrative Officer
July 22, 2024



Victoria Chan
Chief Financial Officer
July 22, 2024