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CHARTERED ACCOUNTANTS



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TOWN OF DRUMHELLER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

AUDITORS' REPORT

TO: The Mayor and Council

Town of Drumheller

We have audited the consolidated statement of financial position of the Town of Drumheller as at December 31, 2006 and the consolidated statements of financial activities with change in fund balances and the consolidated statement of changes in financial position for the year then ended. These financial statements are the responsibility of municipal administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by administration, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2006 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Stettler, Alberta
May 15, 2007



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