

Village of Nampa

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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Management's Responsibility

To the Mayor and Council of Village of Nampa:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Council is composed entirely of Councillors who are neither management nor employees of the Village. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. Council is responsible for the appointment of the Village's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

May 23, 2019


Chief Administrative Officer

Independent Auditor's Report

To the Mayor and Council Village of Nampa:

Opinion

We have audited the consolidated financial statements of the Village of Nampa (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of financial activities, accumulated operating surplus, changes in net debt, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2018, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality 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 opinion.

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

Management is responsible for the preparation and fair presentation of the 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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 Municipality 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.

Peace River, Alberta

May 23, 2019

MNP **LLP**

Chartered Professional Accountants

MNP

VILLAGE OF NAMPA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

| | 2018 \$ | 2017 \$ (Restated) Note 19 |
|--|-------------------|-------------------------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 2) | 2,207,702 | 1,737,503 |
| Receivables | | |
| Taxes and grants in lieu of taxes (Note 3) | 353,911 | 328,929 |
| Receivable from other governments | 19,892 | 17,272 |
| Trade and other receivables | 414,579 | 708,842 |
| Land inventory held for resale | 76,511 | 76,511 |
| | <u>3,072,595</u> | <u>2,869,057</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 432,284 | 647,621 |
| Deposit liabilities | 5,760 | 6,060 |
| Deferred revenue (Note 4) | 112,116 | 144,847 |
| Due to related party (Note 7) | 392,338 | 558,172 |
| Post closure liability | 778,920 | 698,625 |
| Long term debt (Note 5) | 1,844,101 | 1,992,048 |
| | <u>3,565,519</u> | <u>4,047,373</u> |
| NET FINANCIAL DEBT | <u>(492,924)</u> | <u>(1,178,316)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 2) | 3,980,715 | 3,800,819 |
| Tangible capital assets of Peace Regional Waste Management Company (Note 8) | 994,131 | 1,078,211 |
| Tangible capital assets of NEW Water Ltd. (Note 8) | 18,293,148 | 18,498,498 |
| Inventory for consumption | 1,604 | 1,604 |
| Prepaid expenses | 29,760 | 35,778 |
| | <u>23,299,358</u> | <u>23,414,910</u> |
| ACCUMULATED SURPLUS (Note 10) | <u>22,806,434</u> | <u>22,236,594</u> |

Commitments and contingencies - See Note 13

Approved by

Mayor

Chief Administrative Officer

See accompanying notes to the financial statements

**VILLAGE OF NAMPA
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget \$ | 2018 \$ | 2017 \$ (Restated) Note 19 |
|--|--------------------------|---------------------------------|-------------------------------------|
| REVENUE | | | |
| Net municipal property taxes (Schedule 3) | 499,151 | 467,302 | 463,641 |
| User fees and sale of goods | 253,450 | 243,706 | 253,271 |
| Government transfers for operating (Schedule 4) | 882,113 | 899,401 | 833,212 |
| Peace Regional Waste Management Company | 594,329 | 604,396 | 521,555 |
| NEW Water Ltd. | 355,000 | 351,294 | 315,321 |
| Investment income | 5,000 | 30,597 | 14,955 |
| Penalties and costs on taxes | - | 16,778 | 12,948 |
| Other revenues | 57,063 | 49,096 | 57,574 |
| Total revenues | <u>2,646,106</u> | <u>2,662,570</u> | <u>2,472,477</u> |
| EXPENSES | | | |
| Operating | | | |
| Legislative | 54,500 | 68,293 | 48,715 |
| Administration | 229,168 | 293,288 | 290,609 |
| Family and community support | 3,424 | 17,113 | 16,043 |
| Fire and bylaws enforcement | 35,000 | 61,691 | 45,647 |
| Roads, streets, walks lighting | 543,003 | 414,922 | 391,166 |
| Peace Regional Waste Management Company | 745,367 | 694,945 | 676,066 |
| Water supply and distribution | 248,871 | 243,668 | 285,783 |
| Waste management | 37,643 | 35,404 | 35,428 |
| Subdivision land development | 24,000 | 28,783 | 24,556 |
| Recreation and parks | 191,000 | 124,245 | 226,588 |
| NEW Water Ltd. | 631,474 | 621,591 | 556,497 |
| Culture, library and other | 36,581 | 36,334 | 10,014 |
| Total Expenses | <u>2,780,031</u> | <u>2,640,277</u> | <u>2,607,112</u> |
| DEFICIENCY OF REVENUE OVER EXPENSES - BEFORE OTHER | (133,925) | 22,293 | (134,635) |
| OTHER | | | |
| Contributed assets | - | - | 59,460 |
| Government transfers for capital (Schedule 4) | 300,000 | 547,547 | 1,952,179 |
| EXCESS OF REVENUE OVER EXPENSES | <u>166,076</u> | <u>569,840</u> | <u>1,877,004</u> |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR AS PREVIOUSLY STATED | 22,154,735 | 22,154,735 | 20,359,590 |
| PRIOR PERIOD ADJUSTMENT (Note 19) | <u>-</u> | <u>81,859</u> | <u>-</u> |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR AS RESTATED | 22,154,735 | 22,236,594 | 20,359,590 |
| ACCUMULATED SURPLUS, END OF YEAR | <u><u>22,320,811</u></u> | <u><u>22,806,434</u></u> | <u><u>22,236,594</u></u> |

See accompanying notes to the financial statements

**VILLAGE OF NAMPA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget \$ | 2018 \$ | 2017 \$ (Restated) Note 19 |
|---|------------------|------------------|-------------------------------------|
| EXCESS OF REVENUES OVER EXPENSES | <u>166,076</u> | <u>569,840</u> | <u>1,877,004</u> |
| Acquisition of tangible capital assets | (77,286) | (676,958) | (2,570,378) |
| Proceeds on disposal of tangible capital assets | - | 11,248 | - |
| Contributed assets | - | - | (59,460) |
| Amortization of tangible capital assets | 585,714 | 775,244 | 760,661 |
| Gain on sale of tangible capital assets | - | - | - |
| | <u>508,428</u> | <u>109,534</u> | <u>(1,869,177)</u> |
| Acquisition of supplies inventories | - | (1,604) | (1,604) |
| Acquisition of prepaid assets | - | (29,760) | (35,778) |
| Use of supplies inventories | - | 1,604 | 16,079 |
| Use of prepaid assets | - | 35,778 | 32,751 |
| | <u>-</u> | <u>6,018</u> | <u>11,448</u> |
| INCREASE (DECREASE) IN NET FINANCIAL ASSETS | <u>674,504</u> | <u>685,392</u> | <u>19,275</u> |
| NET FINANCIAL DEBT, BEGINNING OF YEAR AS PREVIOUSLY STATED | (1,260,175) | (1,260,175) | (1,197,591) |
| PRIOR PERIOD ADJUSTMENT (Note 19) | <u>81,859</u> | <u>81,859</u> | <u>-</u> |
| NET FINANCIAL DEBT, BEGINNING OF YEAR AS RESTATED | (1,178,316) | (1,178,316) | (1,197,591) |
| NET FINANCIAL DEBT, END OF YEAR | <u>(503,813)</u> | <u>(492,924)</u> | <u>(1,178,316)</u> |

**VILLAGE OF NAMPA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | 2018 \$ | 2017 \$ (Restated) Note 19 |
|--|--------------------------------|-------------------------------------|
| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: | | |
| OPERATING | | |
| Excess (deficiency) of revenues over expenses | 569,840 | 1,877,004 |
| Non-cash items included in excess of revenues over expenses: | | |
| Amortization of tangible capital assets | 775,244 | 760,661 |
| Recovery of contributed assets | - | - |
| Contributed assets | - | (59,460) |
| Non-cash charges to operations (net change): | | |
| Increase in taxes and grants in lieu receivable | (24,982) | 19 |
| Decrease (increase) in trade and other receivables | 294,263 | (252,945) |
| Decrease (increase) in receivable from other governments | (2,620) | 37,418 |
| Decrease (increase) in land held for resale | - | (1) |
| Decrease in inventory for consumption | - | 14,475 |
| Decrease (increase) in prepaid expenses | 6,018 | (3,027) |
| Increase in accounts payable and accrued liabilities | (215,337) | 285,303 |
| Decrease in deposit liabilities | (300) | (1,000) |
| Increase (Decrease) in deferred revenue | (32,731) | (61,623) |
| Increase in post closure liability | 80,295 | 75,578 |
| Cash provided by operating transactions | <u>1,449,690</u> | <u>2,672,402</u> |
| CAPITAL | | |
| Acquisition of tangible capital assets | (676,958) | (2,570,378) |
| Sale of tangible capital assets | 11,248 | - |
| Cash applied to capital transactions | <u>(665,710)</u> | <u>(2,570,378)</u> |
| FINANCING | | |
| Long-term debt repaid | (147,947) | (146,036) |
| Debt proceeds | - | - |
| Increase in due to related party | (165,834) | 110,865 |
| Cash provided by (applied to) financing transactions | <u>(313,781)</u> | <u>(35,171)</u> |
| CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR | 470,199 | 66,853 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>1,737,503</u> | <u>1,670,650</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u><u>2,207,702</u></u> | <u><u>1,737,503</u></u> |
| See accompanying notes to the financial statements | | |
| | 2018 \$ | 2017 \$ |
| Cash and cash equivalents is made up of: | | |
| Cash and temporary investments (Note 2) | 2,212,702 | 1,742,503 |
| Less: restricted portion of cash and temporary investments (Note 2) | (5,000) | (5,000) |
| Temporary bank indebtedness | - | - |
| | <u><u>2,207,702</u></u> | <u><u>1,737,503</u></u> |

VILLAGE OF NAMIPA
CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE 1

| | Unrestricted Surplus | Restricted Surplus | Equity in Tangible Capital Assets | 2018 \$ | 2017 \$ (Restated) Note 19 |
|--|-------------------------|-----------------------|--------------------------------------|------------|-------------------------------------|
| BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED | 258,267 | 510,988 | 21,385,480 | 22,154,735 | 20,359,590 |
| PRIOR PERIOD ADJUSTMENT (Note 19) | 81,859 | - | - | 81,859 | - |
| BALANCE, BEGINNING OF YEAR AS RESTATED | 340,126 | 510,988 | 21,385,480 | 22,236,594 | 20,359,590 |
| Excess of revenues over expenses | 569,840 | - | - | 569,840 | 1,877,004 |
| Current year funds used for tangible capital assets | (676,958) | - | 676,958 | - | - |
| Contributed assets | - | - | - | - | - |
| Disposals of TCA | 11,248 | - | (11,248) | - | - |
| Debt proceeds | - | - | - | - | - |
| Annual amortization expense | 775,244 | - | (775,244) | - | - |
| Long term debt repaid related to TCA | (147,947) | - | 147,947 | - | - |
| Change in accumulated surplus | 531,427 | - | 38,413 | 569,840 | 1,877,004 |
| BALANCE, END OF YEAR | 871,553 | 510,988 | 21,423,893 | 22,806,434 | 22,236,594 |

See accompanying notes to the financial statements

VILLAGE OF NAMPA
 SCHEDULE OF TANGIBLE CAPITAL ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018
 SCHEDULE 2

| | Land | Land Improvements | Buildings | Engineered Structures | Machinery and Equipment | Vehicles | 2018 \$ | 2017 \$ |
|---|---------|-------------------|-----------|-----------------------|-------------------------|----------|-----------|-----------|
| COST: | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | 589,854 | 135,099 | 1,021,391 | 4,703,334 | 464,576 | 146,845 | 7,061,099 | 6,737,917 |
| Acquisition of tangible capital assets | - | - | - | 300,964 | 24,771 | 102,700 | 428,435 | 323,182 |
| Construction-in-progress | - | - | - | - | - | - | - | - |
| Disposal of tangible capital assets | - | - | - | - | - | - | - | - |
| Write down of tangible capital assets | - | - | - | - | - | - | - | - |
| BALANCE, END OF YEAR | 589,854 | 135,099 | 1,021,391 | 5,004,298 | 489,347 | 249,545 | 7,489,534 | 7,061,099 |
| ACCUMULATED AMORTIZATION: | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | - | 83,473 | 238,175 | 2,525,162 | 282,913 | 130,557 | 3,260,280 | 3,025,948 |
| Annual amortization | - | 4,836 | 19,792 | 186,004 | 22,438 | 15,469 | 248,539 | 234,332 |
| Accumulated amortization on disposals | - | - | - | - | - | - | - | - |
| BALANCE, END OF YEAR | - | 88,309 | 257,967 | 2,711,166 | 305,351 | 146,026 | 3,508,819 | 3,260,280 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 589,854 | 46,790 | 763,424 | 2,293,132 | 183,996 | 103,519 | 3,980,715 | 3,800,819 |
| 2017 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 589,854 | 51,626 | 783,216 | 2,178,172 | 181,663 | 16,288 | 3,800,819 | |

See accompanying notes to the financial statements

**VILLAGE OF NAMPA
SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE 3**

| | Budget \$ | 2018 \$ | 2017 \$ |
|--------------------------------|----------------|-----------------------|----------------|
| TAXATION | | | |
| Real property taxes | 652,778 | 661,575 | 627,170 |
| Linear property taxes | 2,300 | (6,437) | 2,289 |
| Grants in lieu of taxes | - | - | - |
| Business taxes | - | - | - |
| Local Improvement taxes | 19,146 | - | - |
| Early payment tax discounts | (9,000) | (21,189) | (8,513) |
| Tax cancellations | - | - | - |
| | <u>665,224</u> | <u>633,949</u> | <u>620,946</u> |
| REQUISITIONS | | | |
| Alberta School Foundation Fund | 144,508 | 144,270 | 140,005 |
| North Peace Housing Foundation | 21,565 | 22,377 | 17,300 |
| | <u>166,073</u> | <u>166,647</u> | <u>157,305</u> |
| NET MUNICIPAL TAXES | <u>499,151</u> | <u>467,302</u> | <u>463,641</u> |

See accompanying notes to the financial statements

**VILLAGE OF NAMPA
CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE 4**

| | Budget \$ | 2018 \$ | 2017 \$ (Restated) Note 19 |
|-----------------------------------|-----------------------------|-----------------------------|-------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| TRANSFERS FOR OPERATING: | | | |
| Provincial Government | 17,113 | 34,401 | 33,212 |
| Other Local Governments | 865,000 | 865,000 | 800,000 |
| | <u>882,113</u> | <u>899,401</u> | <u>833,212</u> |
| TRANSFERS FOR CAPITAL: | | | |
| Provincial Government | 300,000 | 547,547 | 1,952,179 |
| | <u>300,000</u> | <u>547,547</u> | <u>1,952,179</u> |
| TOTAL GOVERNMENT TRANSFERS | <u>1,182,113</u> | <u>1,446,948</u> | <u>2,785,391</u> |

See accompanying notes to the financial statements

**VILLAGE OF NAMPA
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE 5**

| | Budget \$ | 2018 \$ | 2017 \$ |
|--|------------------|-------------------------|------------------|
| CONSOLIDATED EXPENSES BY OBJECT | | | |
| Salaries, wages and benefits | 690,874 | 786,125 | 649,325 |
| Contracted and general services | 814,827 | 455,805 | 486,554 |
| Materials, goods, supplies and utilities | 393,844 | 353,656 | 320,586 |
| Provision for allowances (recovery) | - | (4,119) | - |
| Provision for reclamation | 74,000 | 80,296 | 75,770 |
| Transfers to local boards and agencies | 126,000 | 81,000 | 181,000 |
| Interest on capital long-term debt | 35,308 | 44,568 | 47,842 |
| Amortization of tangible capital assets | 585,714 | 775,244 | 760,661 |
| Gain (loss) on disposal of tangible capital assets | - | - | - |
| Other expenses | 59,464 | 67,702 | 85,374 |
| | <u>2,780,031</u> | <u>2,640,277</u> | <u>2,607,112</u> |

See accompanying notes to the financial statements

VILLAGE OF NAMPA
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2018
SCHEDULE 6

| | General Government | Protective Services | Transportation Services | Peace Regional Waste Management | NEW Water Ltd. | Environmental Services | Recreation, Culture & Other | Total \$ |
|--|-----------------------|------------------------|----------------------------|---------------------------------------|-------------------|---------------------------|-----------------------------------|-------------|
| REVENUE | | | | | | | | |
| Net municipal taxes | 467,302 | - | - | - | - | - | - | 467,302 |
| Government transfers | 885,711 | - | 309,143 | - | 238,404 | - | 13,690 | 1,446,948 |
| User fees and sales of goods | 355 | - | 4,283 | 588,829 | 347,923 | 239,068 | - | 1,180,458 |
| Investment income | 30,597 | - | - | 2,845 | - | - | - | 33,442 |
| Other revenues | 65,874 | - | - | 12,722 | 3,371 | - | - | 81,967 |
| | 1,449,839 | - | 313,426 | 604,396 | 589,698 | 239,068 | 13,690 | 3,210,117 |
| EXPENSES | | | | | | | | |
| Contract & general services | 67,289 | 26,260 | 52,286 | 106,981 | 31,237 | 138,748 | 33,004 | 455,805 |
| Salaries & wages | 226,193 | - | 111,640 | 228,769 | 124,347 | 70,717 | 24,459 | 786,125 |
| Goods & supplies | 21,302 | 33,252 | 64,433 | 69,878 | 148,331 | 10,203 | 6,257 | 353,656 |
| Provision for reclamation | - | - | - | 80,296 | - | - | - | 80,296 |
| Transfers to local boards | - | - | - | - | - | - | 81,000 | 81,000 |
| Long term debt interest | 11,449 | - | 6,803 | - | - | 26,316 | - | 44,568 |
| Other expenses | 46,318 | - | 625 | - | - | - | 16,640 | 63,583 |
| | 372,551 | 59,512 | 235,787 | 485,924 | 303,915 | 245,984 | 161,360 | 1,865,033 |
| NET REVENUE BEFORE AMORTIZATION | 1,077,288 | (59,512) | 77,639 | 118,472 | 285,783 | (6,916) | (147,670) | 1,345,084 |
| Amortization expense | (21,242) | (2,179) | (179,135) | (209,021) | (317,676) | (33,088) | (12,903) | (775,244) |
| NET REVENUE | 1,056,046 | (61,691) | (101,496) | (90,549) | (31,893) | (40,004) | (160,573) | 569,840 |

**VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Nampa are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Village of Nampa are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in fund balances and change in financial position of the entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Village Council for administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are part of the municipal reporting entity.

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

These financial statements include the Village's proportionate share of Peace Regional Waste Management Company (see Note 17) and NEW Water Ltd (see note 18).

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

**VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Land Inventory Held for Resale

Land inventory held for resale is recorded at the 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 levelling 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 the respective function.

f) 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 revenue.

g) 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 are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

h) Requisition Over-levies and Under-Levies

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

VILLAGE OF NAMPA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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 excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

| | YEARS |
|-----------------------------|--------------|
| Land Improvements | 15-20 |
| Buildings | 25-50 |
| Engineered structures | |
| Roadway system | 10-20 |
| Water system | 35-75 |
| Wastewater system | 35-75 |
| Other engineered structures | 15-40 |
| Machinery and equipment | 5-25 |
| Vehicles | 5-25 |

A full year of the annual amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

2. CASH AND TEMPORARY INVESTMENTS

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Cash | 779,528 | 813,816 |
| Temporary investments with interest from 1.2% - 1.32% | 1,034,866 | 722,681 |
| Cash held by Peace Regional Waste Management Company | 166,894 | 153,669 |
| Cash held by NEW Water Ltd. | 231,414 | 52,337 |
| Less: restricted cash | (5,000) | (5,000) |
| | <u>2,207,702</u> | <u>1,737,503</u> |

Included in cash and temporary investments is \$510,988 cash internally restricted for various purposes (2017 - \$510,988). Also included are balances held for future projects and included in deferred revenue in the amount of \$112,116 (2017 - \$144,847). Excluded from the cash balances is \$5,000 held in trust for the Nampa cemetery (2017 - \$5,000).

Temporary investments are short-term deposits with the ability to be cashed in at any time.

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Current taxes and grants in lieu of taxes | 50,799 | 53,198 |
| Local improvement taxes receivable | 190,659 | 209,485 |
| Underlevy on school tax and North Peace Housing | 27,614 | - |
| Arrears taxes | 84,839 | 66,246 |
| | <u>353,911</u> | <u>328,929</u> |
| Less: allowance for doubtful accounts | - | - |
| | <u>353,911</u> | <u>328,929</u> |

4. DEFERRED REVENUE

| | 2018 | 2017 |
|--|----------------|----------------------------------|
| | \$ | \$ |
| Deferred grants | 112,116 | (Restated) Note 19 144,847 |
| Proportionate share of deferred revenue in NEW Water Ltd. | - | - |
| Proportionate share of deferred revenue in Peace Regional Waste Management Company | - | - |
| | <u>112,116</u> | <u>144,847</u> |

Municipal Sustainability Initiative

Funding in the amount of \$230,551 was allocated in the current year from the Municipal Sustainability Initiative. Of the \$230,551 allocated, \$209,840 is from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement, which are expected to be completed in 2019. The remaining \$20,711 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement, which were used in 2018.

Previously allocated amounts of \$276,412 MSI Capital were received in 2018. All amounts were applied to projects in 2018.

**VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

5. LONG-TERM DEBT

| | 2018 \$ | 2017 \$ |
|--|------------------|------------------|
| Tax supported debentures | - | - |
| Self supported debentures | 168,967 | 192,301 |
| Owing to Northern Sunrise County - tax supported | 1,675,134 | 1,799,747 |
| | <u>1,844,101</u> | <u>1,992,048</u> |

Principal and interest repayments are as follows:

| | Principal \$ | Interest \$ | Total \$ |
|------------|------------------|----------------|------------------|
| 2019 | 149,949 | 41,356 | 191,305 |
| 2020 | 133,897 | 37,280 | 171,177 |
| 2021 | 134,918 | 34,214 | 169,132 |
| 2022 | 135,970 | 31,184 | 167,154 |
| 2023 | 137,054 | 28,100 | 165,154 |
| Thereafter | 1,152,313 | 127,137 | 1,279,450 |
| | <u>1,844,101</u> | <u>299,271</u> | <u>2,143,372</u> |

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.957% to 6.5% per annum, and begins maturing in 2019. Debenture debt is issued on the credit and security of the Village at large.

Amounts owing to Northern Sunrise County have an annual interest rate that is equal to the higher of the average of the Government of Canada ten (10) year benchmark bond yield rate both in effect minus one point five percent (1.5%) per annum and two (2%) percent per annum. This debt is issued on the credit and security of the Village at large.

Interest on long-term debt amounted to \$43,044 (2017 - \$47,842).

The Village's total cash payments for interest in 2018 were \$45,359 (2017 - \$49,239).

6. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village of Nampa be disclosed as follows:

| | 2018 \$ | 2017 \$ |
|---------------------------------------|------------------|------------------|
| Total debt limit | 3,993,855 | 3,708,716 |
| Total debt | 1,844,101 | 1,992,048 |
| Amount of debt limit unused | <u>2,149,754</u> | <u>1,716,668</u> |
| Total debt servicing limit | 665,643 | 618,119 |
| Total debt servicing | 191,305 | 193,306 |
| Amount of debt servicing limit unused | <u>474,338</u> | <u>424,813</u> |

The debt limit is calculated at 1.5 times revenue of the municipality (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 that 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.

VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

7. DUE TO RELATED PARTY

Amounts due to related party are the Village's proportionate share of amounts owed by Peace Regional Waste Management Company and NEW Water Ltd. to Northern Sunrise County for payments made on their behalf and administration fees for management positions.

8. TANGIBLE CAPITAL ASSETS OF CONSOLIDATED ENTITIES

| | Cost | Accumulated Amortization | Net Book Value 2018 | Net Book Value 2017 |
|--|----------------------|-----------------------------|---------------------------|---------------------------|
| Peace Regional Waste Management Company | | | | |
| Land | \$ 9,286 | \$ - | \$ 9,286 | \$ 9,286 |
| Land Improvements | 127,978 | 45,776 | 82,203 | 78,821 |
| Buildings | 388,215 | 143,004 | 245,211 | 261,069 |
| Engineered Structures | 2,447,211 | 2,015,139 | 432,072 | 560,504 |
| Machinery and Equipment | 648,958 | 434,813 | 214,146 | 141,346 |
| Vehicles | 52,542 | 41,327 | 11,215 | 27,185 |
| | <u>\$ 3,674,190</u> | <u>\$ 2,680,059</u> | <u>\$ 994,131</u> | <u>\$ 1,078,211</u> |
| NEW Water Ltd. | | | | |
| Land | \$ 161,728 | \$ - | \$ 161,728 | \$ 161,728 |
| Land Improvements | 7,745 | 1,032 | 6,713 | 6,885 |
| Engineered Structures | 20,126,199 | 2,007,332 | 18,118,867 | 18,320,933 |
| Vehicles & Machinery | 31,371 | 25,530 | 5,841 | 8,952 |
| | <u>\$ 20,327,042</u> | <u>\$ 2,033,895</u> | <u>\$ 18,293,148</u> | <u>\$ 18,498,498</u> |

9. EQUITY IN TANGIBLE CAPITAL ASSETS

| | 2018 \$ | 2017 \$ |
|---|--------------------------|--------------------------|
| Tangible capital assets (Schedule 2) | <u>7,489,534</u> | 7,061,099 |
| Tangible capital assets of Peace Regional Waste Management Company | <u>3,674,190</u> | 3,705,218 |
| Tangible capital assets of NEW Water Ltd. | <u>20,327,042</u> | 20,214,717 |
| Accumulated amortization (Schedule 2) | <u>(3,508,819)</u> | (3,260,280) |
| Accumulated amortization of Peace Regional Waste Management Company | <u>(2,680,059)</u> | (2,627,007) |
| Accumulated amortization of NEW Water Ltd. | <u>(2,033,895)</u> | (1,716,219) |
| Long-term debt (Note 5) | <u>(1,844,101)</u> | (1,992,048) |
| | <u><u>21,423,893</u></u> | <u><u>21,385,480</u></u> |

VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

10. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

| | 2018 \$ | 2017 \$ (Restated) Note 19 |
|---|-------------------|-------------------------------------|
| Unrestricted surplus | 871,553 | 340,126 |
| Restricted surplus | | |
| General operating | 34,075 | 34,075 |
| Roads | 104,637 | 104,637 |
| General equipment replacement | 135,871 | 135,871 |
| NEW Water Ltd. | 70,667 | 70,667 |
| Peace Regional Waste Management Company | 84,738 | 84,738 |
| Water | 81,000 | 81,000 |
| Equity in tangible capital assets | <u>21,423,893</u> | <u>21,385,480</u> |
| | <u>22,806,434</u> | <u>22,236,594</u> |

11. SALARY AND BENEFITS DISCLOSURE

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

| | 2018 \$ | | | 2017 \$ |
|----------------------------|---------------------|---------------------------------------|--------|------------|
| | Salary ¹ | Benefits & allowances ² | Total | Total |
| Councillors | | | | |
| Mayor P. Skrlík | 9,450 | 487 | 9,937 | 6,514 |
| Councillor D. Gach | - | - | - | 4,115 |
| Councillor C. Butz | 7,750 | 1,712 | 9,462 | 6,628 |
| Councillor C. Novak | 10,919 | 477 | 11,396 | 7,251 |
| Councillor E. Skrlík | - | - | - | 4,262 |
| Councillor Q. Bulford | 8,775 | 308 | 9,083 | 1,725 |
| Councillor E. Matiasiewich | 8,325 | 360 | 8,685 | 1,850 |
| CAO | 78,786 | 14,581 ³ | 93,367 | 89,507 |

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

2 Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

3 Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

12. LOCAL AUTHORITIES PENSION PLAN

Employees of the Village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 260,000 people and 420 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due. The Village is required to make current service contributions to the LAPP of 10.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.84% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 9.39% of pensionable salary up to the year's maximum pensionable salary and 13.84% on pensionable salary above this amount.

Total current service contributions by the Village to the LAPP in 2018 were \$28,149 (2017 - \$25,044). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan in 2018 were \$25,670 (2017 - \$22,905).

At December 31, 2017, the LAPP disclosed a surplus of \$4.835 billion.

13. CONTINGENCIES

The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village 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.

14. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long-term debt. It is management's opinion that the Village is not exposed to significant interest or currency risks arising from these financial instruments.

The Village is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Village provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value. Accounts Receivable is carried at amortized cost.

15. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

16. SEGMENTED DISCLOSURE

The Village of Nampa provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

**VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

17. CONSOLIDATION OF PEACE REGIONAL WASTE MANAGEMENT COMPANY

Consolidated into the Village's financial statements are their proportionate share of the assets, liabilities and financial activity of Peace Regional Waste Management Company (formerly the East Peace Regional Landfill Authority). Ownership is determined by the number of shares issued to the Directors of the Company. The Village of Nampa contributes 1 of the 7 Directors to the Board and this is used to determine the Village's proportionate share. The amounts consolidated into the Village's financial statements are as follows:

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash and cash equivalents | 166,894 | 153,669 |
| Trade and other receivables | 113,699 | 85,886 |
| Total Financial Assets | <u>280,593</u> | <u>239,555</u> |
| Accounts payable and accrued liabilities | 175,610 | 264,513 |
| Deferred revenue | - | - |
| Due to Northern Sunrise County | 57,289 | 1,440 |
| Post closure liability | 778,920 | 698,625 |
| | <u>1,011,819</u> | <u>964,578</u> |
| Tangible capital assets | 994,131 | 1,078,211 |
| Prepays | 6,243 | 6,507 |
| Total Non-Financial Assets | <u>1,000,375</u> | <u>1,084,718</u> |
| Municipal tippage | 82,363 | 63,051 |
| Recycling | 12,812 | 18,955 |
| Industrial tippage | 493,654 | 435,168 |
| Other | 12,958 | 132 |
| Return on investments | 2,845 | 4,248 |
| Total Revenues | <u>604,633</u> | <u>521,554</u> |
| Salaries, wages and benefits | 228,769 | 206,141 |
| Contracted services | 106,981 | 106,719 |
| Materials, goods and utilities | 69,878 | 61,910 |
| Provision for allowances (recovery) | - | - |
| Provision for reclamation | 80,296 | 75,770 |
| Amortization of tangible capital assets | 209,021 | 225,526 |
| Total Expenditures | <u>694,944</u> | <u>676,066</u> |
| Loss on sale of tangible capital assets | <u>236</u> | <u>-</u> |

**VILLAGE OF NAMPA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

18. CONSOLIDATION OF NEW WATER LTD.

Consolidated into the Village's financial statements are their proportionate share of the assets, liabilities and financial activity of NEW Water Ltd. Ownership is determined by the number of shares issued to the Directors of the Company. The Village of Nampa contributes 2 of the 6 Directors to the Board and this is used to determine the Village's proportionate share. The amounts consolidated into the Village's financial statements as follows:

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Cash and cash equivalents | 231,414 | 52,337 |
| Trade and other receivables | 252,271 | 580,668 |
| Total Financial Assets | <u>483,686</u> | <u>633,005</u> |
| Accounts payable and accrued liabilities | 156,216 | 301,356 |
| Deferred revenue | - | - |
| Due to Northern Sunrise County | 335,049 | 556,733 |
| | <u>491,266</u> | <u>858,089</u> |
| Tangible capital assets | 18,293,148 | 18,498,498 |
| Prepaid Expenses | 1,405 | - |
| Inventory for consumption | - | - |
| Total Non-Financial Assets | <u>18,294,553</u> | <u>18,498,498</u> |
| Sales of goods to NEW Water Ltd. Partners | 303,792 | 265,503 |
| Other user fees and sale of goods | 89,166 | 88,941 |
| Other revenues | 3,371 | 2,922 |
| Total Revenues | <u>396,329</u> | <u>357,366</u> |
| Salaries, wages and benefits | 124,347 | 106,662 |
| Contracted services | 31,237 | 30,154 |
| Materials, goods and utilities | 148,331 | 118,878 |
| Amortization of tangible capital assets | 317,676 | 300,803 |
| Total Expenditures | <u>621,591</u> | <u>556,497</u> |

Elimated from sales of goods to NEW Water Ltd. Partners is \$45,035 (2017 - \$42,047) in pro-rated sales to the Village of Nampa for water purchases. These have also been eliminated from the water expenses for the Village.

VILLAGE OF NAMPA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

19 PRIOR PERIOD ADJUSTMENT

The Village has restated its financial statements to recognize additional revenue for grant monies previously set up as deferred revenue for which approved expenditures related to the grants had actually been incurred. The adjustments to correct these balances are as follows:

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| Adjustments to opening accumulated surplus: | | |
| As previously reported | 22,154,735 | 20,359,590 |
| Adjusted for revenue to be recognized | 81,859 | - |
| As restated | <u>22,236,594</u> | <u>20,359,590</u> |
| | | <u>2017</u> |
| | | \$ |
| Adjustments to deferred revenue: | | |
| As previously reported | | 226,706 |
| Adjustment for revenue to be recognized | | <u>(81,859)</u> |
| | | <u>144,847</u> |